

Corporate Select Committee

Date: **8 July 2024**

Time: **14:00**

Venue: **Council Chamber, County Hall, Martineau Lane, Norwich**

Membership:

Cllr E Vardy (Chair)
Cllr S Clancy (Vice-Chair)
Cllr A Birmingham
Cllr D Bills
Cllr G Carpenter
Cllr A White
Cllr B Watkins

Cllr D Sayers
Cllr T Jermy
Cllr B Price
Cllr V Thomson
Cllr W Nunn
Cllr C Smith

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

Current practice for respiratory infections requests that 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 apologies and details of any substitute members attending

2. Minutes

To receive the minutes of the previous meeting held on **11 March 2024**. **Page 4**

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. To receive any items of business which the Chairman decides should be considered as a matter of urgency

5. 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 2 July 2024**.

For guidance on submitting a public question, view the Constitution at:

[Ask a question to a committee - Norfolk County Council](#)

6. **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 2 July 2024**.
7. **Customer Experience Programme Update** **Page 10**
Report by the Executive Director of Strategy & Transformation
8. **Artificial Intelligence Update** **Page 17**
Report by the Executive Director of Strategy & Transformation
9. **Strategic and Financial Planning 2025-26** **Page 26**
Report by the Director of Strategic Finance
10. **Norfolk County Council Productivity Plan** **Page 56**
Report by the Executive Director of Strategy & Transformation
11. **Forward Work Plan 2024/25** **Page 92**
Note by the Executive Director for Strategy & Transformation

Tom McCabe
Chief Executive Officer
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 28 June 2024



If you need this document in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or (textphone) 18001 0344 800 8020 and we will do our best to help.



Corporate Select Committee

Minutes of the Meeting Held on 11 March 2024 at
10:00 am in Council Chamber, County Hall, Martineau Lane Norwich NR1 2DL

Present:

Cllr D Bills
Cllr G Carpenter
Cllr B Price
Cllr D Sayers
Cllr A White
Cllr V Thomson
Cllr W Nunn
Cllr D Roper
Cllr A Birmingham

Substitute Members Present:

Cllr Fisher
Cllr Jones

Also Present:

Sam Pittam-Smith	Director of Strategy, Design & Delivery
Maisie Coldman	Trainee Committee Officer
Gail Harvey	Digital Inclusion Strategy Programme Manager
Geoff Connell	Director of Digital Services
Cllr Jane James	Cabinet Member for Innovation, Transformation & Performance
David Thom	Continuous Improvement Lead
Paul Cracknell	Executive Director for Strategy and Transformation
Titus Adam	Assistant Director of Finance (Deputy S151 Officer)

1. Apologies for Absence

- 1.1 Apologies were received from Cllr Smith (substituted by Cllr Fisher), Cllr Jermy (substituted by Cllr Jones) and Cllr Oliver.

In the absence of the Chair, the Vice-Chair, Cllr Nunn, took the Chair.

2. Minutes

- 2.1 The minutes of the meeting held on 15 January 2024 were agreed as an accurate record and signed by the Chair subject to the following correction:

- Cllr White has been recorded on the minutes twice, this would be corrected.

3. Declarations of Interest

3.1 There were no declarations of interest.

4. Items of Urgent Business

4.1 There were no items of urgent business.

5. Public Question Time

5.1 There were no public questions.

6. Local Member Issues/Questions

6.1 There were no member issues/questions.

7. Norfolk's Digital Inclusion Strategy and "Tech Skills for Life" Pilot in West Norfolk next steps

7.1 The Select Committee received and was introduced to Norfolk's Digital Inclusion Strategy and "Tech Skills for Life" Pilot in West Norfolk by Cllr Jane James, Cabinet Member for Innovation, Transformation & Performance. She highlighted that the "Tech Skills for Life" pilot was a placed based approach that worked alongside partners and residents to aid the access and use of technology. The report noted the pilot specifically, the ambition to extend this work following a successful bid for funding and the overall Digital Inclusion Strategy. The committee was encouraged to read pages 20 to 22 which included examples of individual impact of the work occurring in West Norfolk.

7.2 Gail Harvey, Digital Inclusion Strategy Programme Manager, presented the appended presentation (Appendix A, pages 29 – 41 of the agenda) to the committee which provided an overview of Norfolk County Council's (NCC) Digital Inclusion Stagey and additional details of the Tech Skills for Life pilot carried out in West Norfolk. In addition, members received a project update video of the pilot in West Norfolk (the link to this was included on page 39 of the agenda).

Cllr Bills arrived at 10:10

7.3 Members of the Corporate Select Committee were asked to review and comment on the progress of delivering the overall Digital Inclusion Strategy. Providing views on any additional work which needed to be included within the wider programme's scope and views from the findings from the proof-of-concept pilot Tech Skills for Life in West Norfolk. Members were also asked to advise on the proposed next steps for Tech Skills for Life following the successful bid for funding from the Department of Health and Social Care (DHSC).

7.4 The following points were noted during discussion and in response to questions from the committee:

- Members of the committee expressed their wishes for the pilot to be introduced within their divisions given the success and impact that it was having in West

Norfolk. Geoff Connell highlighted that the implementation of the project in other areas of the county was dependent on funding and capacity. The data that was being collected from the pilot provided a direction of travel and which areas of the county were most in need of digital inclusion support. There was hope, however, that the project would become a continuous service. The devolution funding had the potential to help facilitate this ambition. The committee was reminded of the county-wide provisions that were currently offered by libraries to help with technology support.

- The bid to extend Tech Skills for Life to select areas of the county had been successful. The data collected from these projects would provide a deeper understanding of the impact of this work and thus, help to strengthen a business case. The committee heard that external income would always be sought after to try and maximize the number of localities and people that could be supported.
- Following a member's question, it was confirmed that Myoracle was currently performing effectively as a service.
- A member raised concerns regarding Landline Telephone Digital Switchover as well as 3G switch off and the risk to vulnerable and less digitally literate residents. In response, the committee heard that whilst mobile providers have decided to switch off 3G, it was anticipated that 4G would be available in its place. Provider schemes were in place to replace handsets that don't use 4G or 5G. It was a similar position for the changes to the landline, providers would be offering alternative provisions. NCC had been working with providers and Ofcom; this had been a largely positive experience. Members were also offered assurance that the data on everyone who was using assisted technology or was regarded as vulnerable was being shared with providers. Migration would not occur until the safety needs of these people had been met. Additional information was available on Norfolk.gov.uk/digital.
- NCC recycled all of its own devices. Some criteria need to be met, for example, devices were to be no older than four years old. Plans were being developed to increase the stock of recycled devices, this could include looking at the way that the private sector and NCC staff could support this work. The positive environmental impacts of using second devices were highlighted to the committee. In addition, part of the Digital Inclusion work was to support people in recycling their old devices, transferring data between devices, and remaining cyber secure.
- Although there had been a focus on supporting older age range groups, there was still work being carried out to support younger people to be confident with technology and to take advantage of emerging technologies. A member felt that this was an important area to ensure that the next generation had the necessary technology skills.
- Following a member's question about the cost of providing technology, it was confirmed that the cost of providing equipment was minimised and was often the end-of-life equipment from NCC. Additionally, collaboration with partners to provide mobile phones and data reduced the cost further. Equipment was

provided on a case-by-case basis and there was no expectation that the provision of technology would be indefinite.

- A member shared anecdotal evidence to illustrate the difficulties of finding a smart phone device that incorporated the safety device element. They asked if during conversations with providers, this could be highlighted. In response, Geoff Conell noted that work was occurring with telephony providers and that it would be worth exploring what packages they are offering. The NCC website would be updated to include information about which provider packages would be suitable for specific needs.
- It was shared with the committee that when a device is given, information on scams and online exploitation was shared. Loaned equipment and devices have the appropriate safety settings implanted already. In addition, short courses, and seminars about keeping yourself, and your family safe, were also available.
- Where there are multiple providers in an area, residents may struggle to understand which provider was the most suitable for their needs. This was a new challenge and additional information on providers and what packages they offer would be provided.

7.5 Following the discussion, the following action point was raised:

- The NCC website would be updated to give information about providers and the packages available, this would include information on the most suitable option based on specific needs.

7.6 Having considered and commented on Norfolk's Digital Inclusion Strategy and "Tech Skills for Life" Pilot in West Norfolk next steps, the Select Committee **resolved** to **NOTE** the information.

8. Continuous Improvement Update

8.1 The committee received and was introduced to, the Continuous Improvement Update report by Cllr Jane James, Cabinet Member for Innovation, Transformation & Performance. The report provided an update to committee on 3 deliverables: the implementation of our Continuous Improvement Function, a review of our Hybrid Working Policy, and "Offices for Good" Programme.

8.2 The Corporate Select Committee was asked to note the change from Smarter Working to Continuous Improvement, in line with recommendations from the 2023 consultation process, and provide steer on important areas of focus over the next 6 months.

8.3 The following points were noted during discussion and in response to questions from the committee:

- Some members of the committee expressed their preference for the style of committee meetings that were facilitated during the COVID-19 Pandemic. It was felt that hybrid meetings provided Cllr's with more flexibility and had financial

savings too concerning reduction in travel expenses. Members were keen that the government continued to be lobbied to amend the legislation around this.

- The opportunities that AI could provide for the efficiency of work at NCC were raised by a member, they were keen to hear what was being done to make the most of this technology. The member highlighted that the use of AI should not be at the expense of staff. In response to this, the committee heard that NCC was a leading authority in AI and that it was already being trialed within the authority. It was generally understood by officers that the use of AI would be implemented to allow staff to carry out the tasks that they are good at and that require human involvement. The committee would be receiving an item on the customer experience at a future meeting, which incorporates the use of AI technology.
- About the physical space, a member suggested exploring the rentable rooms at District Councils.
- Following a member's question on the cost difference between hybrid working and in-person working, the committee heard that data on the cost difference was not available. The nature of the workforce and the varying needs between departments allow for different evaluations of what value for money looked like. Services worked at the best and most cost-effective model for them to ensure that their deliverables were achieved. Data was drawn on from other areas, for example, it was shared that following the lockdowns, on average organisations got around half of the commuting time back. Additionally, feedback from staff was important to this conversation and was largely positive about hybrid working.
- A member felt that the move to flexible and hybrid working needed to be accepted as the new standard of working and that NCC should continue to facilitate this mode of working to ensure that it was not at a disadvantage to other industries.
- Following a question about the metrics that underpin the value and cost benefits of this way of working, Paul Cracknell, Executive Director for Strategy and Transformation, provided the committee with the following examples of cost-saving metrics and understandings around productivity. Pre-COVID-19, there was no capacity at County Hall, or in the car park, for all staff to work in the building, thus, flexible working has reduced these issues and would be regarded as a benefit of hybrid working. Additionally, there had been sustainable benefits with the reduction in travel, and estate rationalisation was able to take place that generated capital receipts. There was also county-wide evidence that hybrid working has benefits concerning recruitment and retention, which included cost savings. Concerning productivity, it was consistent across the county that people working hybrid, worked longer hours with higher intensity. Members were reminded that hybrid working was one part of productivity. Cabinet received reports noting Key Performance Indicators that provide context of the current performance, and trends and identify performance risks.

8.4 Having reviewed and commented on Continuous Improvement Update report, the Select Committee **resolved** to **NOTE** the information.

9. Forward Work Plan 2024

9.1 The committee resolved to **agree** the forward work programme.

Meeting concluded at 11:12

Cllr Nunn, Vice Chair

Corporate Select Committee



If you need these minutes in large print, audio, Braille, alternative format or in a different language please contact Customer Services on 0344 800 8020 or Text Relay on 18001 0344 800 8020 (textphone) and we will do our best to help.

Corporate Select Committee

Item No: 7

Report Title: Customer Experience Programme Update

Date of Meeting: 8 July 2024

Responsible Cabinet Member: Cllr Jane James (Cabinet Member for Innovation, Transformation & Performance)

Responsible Director: Paul Cracknell, Executive Director of Strategy & Transformation

Executive Summary

Norfolk County Council's Customer Experience Strategy 2021- 26 was approved by Cabinet in April 2021 and set out how the council will deliver consistently good service for residents at the same time as reducing costs by:

- using technology to operate more cost effectively and responsively and grow its digital service offer.
- evolving the way services are delivered to keep pace with customer needs and expectations.

In August 2022 Cabinet approved the Customer Experience Programme to replace legacy customer facing digital technologies with a new platform which could enable better digital customer experiences (online and through the contact centre) for less.

The Customer Experience Programme has been delivering the change ever since, focussing primarily on the technology replacement in the first phase.

Opportunities exist to extend the programme into a subsequent phase which would more fully exploit the new digital Customer Experience platform, increasing self-service take-up and optimising processes.

This paper summarises progress to date, plans for the coming year and the potential for further service transformation and efficiency benefits enabled by the new platform.

Recommendations:

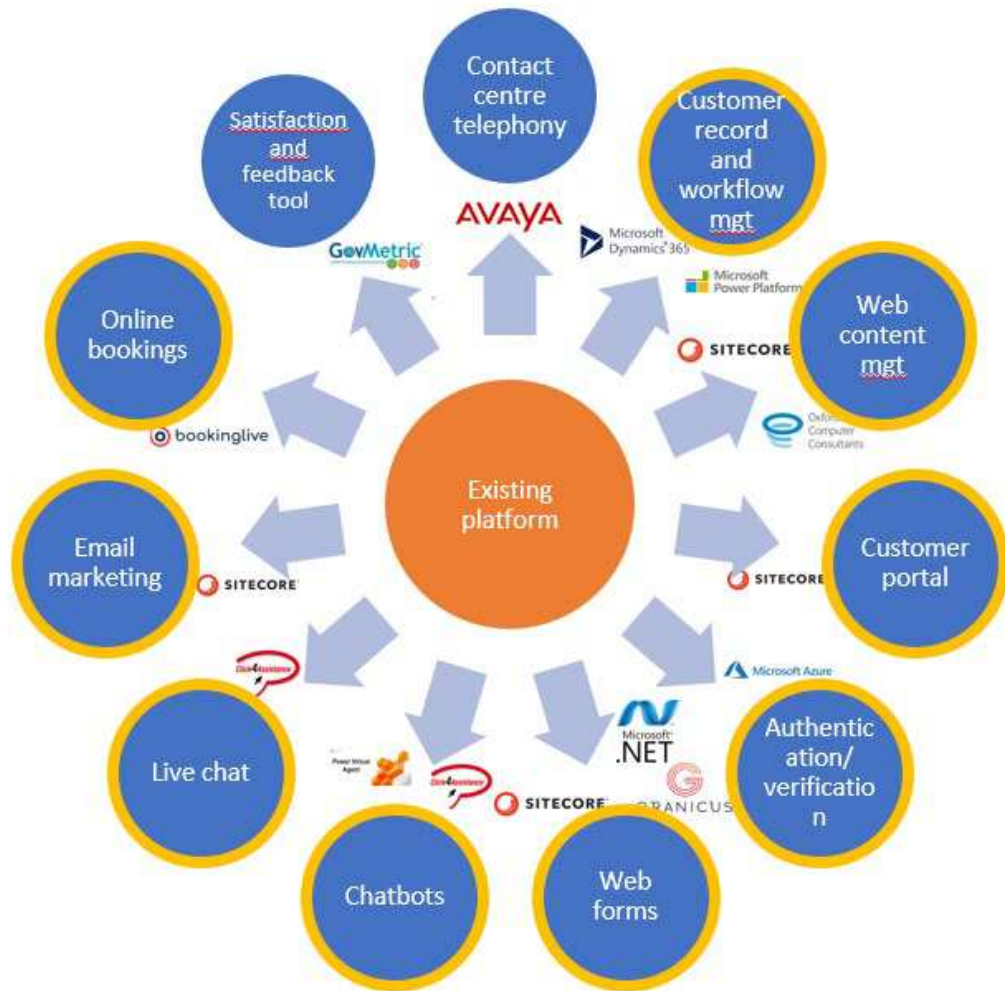
The Select Committee is asked to:

1. Consider and provide feedback on the plans to complete this current programme's objectives and the opportunities presented for further benefits enabled by the platform.
2. Support and advise on plans for development of a 2nd phase of the Customer Experience Programme which would fully exploit the new digital platform and all available service improvement and automation techniques using a data informed, systematic approach.
3. Agree a timescale for a further report to Select Committee on progress of the Customer Experience Programme.

1. Background and Purpose

- 1.1 Norfolk County Council's Customer Experience Strategy 2021- 26 was approved by Cabinet in April 2021.
- 1.2 In August 2022 Cabinet approved the Customer Experience Programme to replace the legacy customer facing digital technologies which had been in use for around seven years and create a platform which could enable better digital customer experience (online and through the contact centre) at a lower cost.
- 1.3 The scope of the technologies to be replaced are shown below and it should be noted that the intention to reduce the complexity of the technology lies at the heart of the opportunity to reduce the operating costs and increase the speed of future changes.

Fig 1.0 – Current customer experience platform
(Opportunity to unify ringed components)



- 1.4 Since the procurement process was completed for the new GOSS Digital Platform, the old Sitecore based websites have all now been replaced (work completed in May), the first 30 online forms, copy certificates and 4 highways processes have been developed (skips, scaffolds, dropped kerbs and EV charging) and the new “MyNorfolk” account has gone live.
- 1.5 Work to date has been focussed on technology refresh to reduce the cost and complexity associated with the outgoing systems. There has been some opportunity to make improvements along the way but we have prioritised speed of migration over content and user journey improvements.

2. Proposal / Next Steps

- 2.1 The next milestone in July will see the completion of the work to refresh the technology in the Contact Centre (the telephony platform was replaced in March and this change has been well received). We will deliver a new application for managing customer enquiries which will be used not just by

the Customer Service Centre to log an enquiry but, for those cases which are 'handed off' to a back office service team for resolution, by everyone involved in handling the enquiry end to end. This significantly changes the way we manage customer interactions and will deliver customer experience, efficiency and other benefits.

- 2.2 In October the remaining highways transactions will be migrated to the new platform. Then information compliance functions followed by client hardship and finally all remaining e-forms.
- 2.3 Various further deliverables are scheduled between now and next May when the final element of the technology is due to be replaced and decommissioned. This will deliver the remaining forecast revenue savings.

Each stage involves the website, case management, light touch review of content, processes and user experience. The system will be rolled out to more and more staff, and every delivery of new functionality will be supported with live, targeted system and process training. . In addition to this, the programme has developed a new, generic customer service training programme called 'Customer First', which will soon form part of the council's core skills programme and all staff interacting with customers will be encouraged to participate.

- 2.4 Once all the deliverables planned through to May are in place we will benefit from end-to-end visibility of resident-initiated interactions (performance and quality) and a digital platform which can facilitate much greater agility when changing or adding new functions.
- 2.5 A new transformational programme is proposed to be initiated in the summer of 2025. This has been provisionally named "Customer Experience Next (CEN)" which will focus on the areas which the data shows will give us the greatest return on investment.
- 2.6 CEN would be data lead but would optimise the end-to-end process from the initial customer contact, through to fulfilments and would incorporate process redesign as well as "Hyper Automation" which means all the automation capabilities at our disposal including artificial intelligence.
- 2.7 Visibility of council wide processes would also provide the opportunity to standardise, simplify and share transactions which are currently carried out by different teams in a variety of ways (refunds are an example which has come to light).
- 2.8 Plans are currently in development to trial the CEN approach in Digital Services to refine the approach and firm up the business case for subsequent council wide rollout.

3. Impact of the Proposal

- 3.1 Completing the current phase of the Customer Experience Programme will generate additional revenue savings, while establishing a more modern and agile digital platform, with some customer experience improvements enabled in parallel.
- 3.2 “Customer Experience Next” has the potential to enable targeted service and process improvement work which could transform the customer experience (initial contact, self-service, progress updates, fulfilment and confirmation). At the same time we would achieve further efficiency savings, shorten delivery times and reduce administrative overheads.

4. Evidence and Reasons for Decision

- 4.1 Progress to date shows the Customer Experience Programme has delivered to time, budget and quality. The next phase of deliverables, based upon the original business case are expected to do likewise.
- 4.2 Continued use of the new platform and skilled team, exploiting the available performance data and using several improvement approaches, has the potential to realise significant Customer Experience and cost saving benefits. Testing the approach on a discrete internal service area will help to validate the approach.

5. Alternative Options

- 5.1 The authority could choose to go slower, or to pause the Customer Experience transformation work, however this would delay or miss the opportunity to make service improvements and reduce costs. Work to date has provided many examples of areas where end-to-end processes could be simplified and improved which would result in cost savings and better Customer Experience / outcomes.

6. Financial Implications

- 6.1 No new implications at present as the programme has capital funding allocated in 2024 and 2025. Customer Experience Next could also be delivered through the Digital Services Transformation Capital allocation (including the automation and AI developments).

7. Resource Implications

- 7.1 Staff: It is anticipated that process redesign capacity and some other aspects of transformation support would come from Strategy, Design &

Delivery and that services would provide support when reviewing services that are their responsibility.

7.2 Property: N/A.

7.3 IT: Digital Services will provide the necessary skills and platforms to facilitate the change.

8. Other Implications

8.1 Legal Implications: None identified.

8.2 Human Rights Implications: DPIAs and other appropriate activities are undertaken as and when required by the programme.

8.3 Equality Impact Assessment (EqIA) (this must be included): An EQIA has already been completed and this would be reviewed as required for any new activities.

8.4 Data Protection Impact Assessments (DPIA): The CE Programme board will ensure DPIAs are completed at each relevant stage of the programme.

8.5 Health and Safety implications (where appropriate): n/a

8.6 Sustainability implications (where appropriate): Increase of self-service, reducing travel and process improvements are expected to greatly outweigh any increased energy use by automation or AI technologies.

8.7 Any Other Implications: n/a

9. Risk Implications / Assessment

9.1 Organisation wide buy-in and subject matter expertise will be required to support successful delivery of this programme. Through the first this will be limited to the Customer Services and other teams using the current platform. Delivering a single view of the customer and further exploitation of the new platform, including through development of the customer journey and interaction framework, will increase the dependency on business and transformation support resources. It will be important to consider and schedule this as part of the council's broader transformation activity to effectively manage the resource and change impacts.

10. Recommendations

The Select Committee is asked to:

1. Consider and provide feedback on the plans to complete this current programme's objectives and the opportunities presented for further benefits enabled by the platform.
2. Support and advise on plans for development of a 2nd phase of the Customer Experience Programme which would fully exploit the new digital platform and all available service improvement and automation techniques using a data informed, systematic approach.
3. Agree a timescale for a further report to Select Committee on progress of the Customer Experience Programme.

11. Background Papers

[Customer Experience Strategy](#)

Officer Contact

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

Officer name: Geoff Connell, Director of Digital Services

Telephone no.: 01603 307779

Email: Geoff.Connell@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.

Corporate Select Committee

Item No: 8

Report Title: Artificial Intelligence Update

Date of Meeting: 8 July 2024

Responsible Cabinet Member: Cllr Jane James (Cabinet Member for Innovation, Transformation & Performance)

Responsible Director: Paul Cracknell, Executive Director of Strategy & Transformation

Executive Summary

Artificial Intelligence, often referred to as AI is the ability of computers to perform tasks that normally require human intelligence, such as understanding language, recognising images, creating content, making decisions, or solving problems.

Digital services presented “The Artificial Intelligence Opportunity” to Corporate Select Committee members on 13th November 2023.

Since the last report was published, we have been proactively exploring and evaluating AI opportunities to see where they can assist NCC employees with their day-to-day duties and thereby improve organisational efficiency and effectiveness.

Digital Services, along with colleagues from Strategy, Design and Delivery have been extensively testing the “Generative” AI technology Microsoft Co-Pilot which has now been rolled out to approximately 300 users. Microsoft Co-Pilot is a licenced product that is integrated into the Microsoft Office suite (Outlook, Word, PowerPoint, Teams). This work is enabling the development of a business case which will show where there is sufficient return on investment to justify ongoing usage.

This report and the accompanying presentation will focus on the functions and processes that are showing the most encouraging results along with plans for the year ahead.

The Artificial Intelligence Governance Board (AIGB) chaired by the Head of IT, with representation from Information Governance, Human Resources, Strategy & Transformation, Finance and Departments (including Caldecott guardians) meets

monthly to guide decision-making, set policies, issue staff guidance, consider risks and provide oversight on all AI-related initiatives, projects and programmes.

In addition to the use of Generative AI NCC is also exploiting another form of AI, machine learning along with NLP (Natural Language Processing) to provide insights into adult social care cases where proactive intervention can improve the quality of Norfolk residents' lives while also providing financial and capacity savings across the health and care system. This work started with falls prevention and is now extending to tackling social isolation and loneliness.

Norfolk CC is seen as one of the leaders in public sectors adoption of AI and as a result we have been invited to join and lead several key forums, working groups and consultations to inform the wider sector.

We propose to continue to proactively evaluate available AI opportunities to improve the efficiency and effectiveness of our staff and services, building on the intelligent automation processes which are already well established across the Council.

It is anticipated that the business case for ongoing investment into generative AI will be completed in late summer / autumn this year.

Recommendations:

The Select Committee is asked to:

1. Review and comment on the approach, progress and steps NCC is taking to exploit Artificial Intelligence opportunities.
2. Schedule a further update later in the year to review the business case for ongoing investment into AI technologies.

1. Background and Purpose

- 1.1 Digital services presented “The Artificial Intelligence Opportunity” to corporate select committee members on 13th November 2023.
- 1.2 Since November 2023 we have taken several steps to understand the technology and its ability to support our staff and services in new and innovative ways. This has included actions to ensure NCC employees’ awareness of AI and associated skills to use it are developed through communications and informal training. This work will continue throughout 2024.
- 1.3 We have been proactively evaluating available AI opportunities where they could help staff with their day-to-day duties to improve quality and efficiency, we have been exploring AI proof of concepts to enhance support service delivery and where we could potentially introduce it to help the general public access services more effectively, such as a smarter search for previously published FoI responses.
- 1.4 On the 7th March we deployed Microsoft Co-Pilot Free to all staff. Co-Pilot Free is the free-to-use generative AI product from Microsoft that enables our staff to safely experiment with AI to Generate plans, documents, schedules and much more in seconds.
- 1.5 Digital Services, along with colleagues from Strategy, Design and Delivery have been extensively testing the “Generative” AI technology Microsoft Co-Pilot 365 which has now been rolled out to around 300 users. Microsoft Co-Pilot 365 is a licenced product that is integrated into the Microsoft Office suite (Outlook, Word, PowerPoint, Teams). This work is enabling the development of a business case which will show where there is sufficient return on investment to justify ongoing usage.
- 1.6 In May we launched an initiative for staff to offer suggestions for using the full Microsoft Co-pilot 365 AI tool and the best ideas were provided a licence to trial them.
- 1.7 We have delivered several Artificial Intelligence drop-in sessions to share with staff our plans, activities and approach including the opportunity for people to ask questions about AI. The sessions have had over 100 participants each time which has provided the opportunity for staff to learn how to use the technology, and ensure people understand the risk and how to use the technology safely in and out of work.
- 1.8 On the 26th April 2024 we held a drop in session about “Co-Pilot Free” and 277 members of staff attended to understand the product.

- 1.9 We still see the use of Artificial Intelligence (AI) as a complimentary technology to assist our staff with administrative activities and decision making, not as an automated replacement for human intervention.
- 1.10 We have also been testing the associated AI chatbot tool Microsoft Co-Pilot Studio which allows the creation of form of chatbot that will allow the user to ask questions using natural language providing answers from collections of documents. This has huge potential for answering staff enquiries regarding HR or IT questions, thereby reducing HR service desk calls. It could also help staff handling Freedom of Information (FOI) requests quicker and possibly answer public FOI requests as a self-service facility. In addition. Last, but not least it could be used to assist call centre staff on calls to get better answers, quicker and shorten call wrap up times.
- 1.11 Adults have deployed AI in the form of machine learning to help improve prediction of people at risk of falling, enabling proactive intervention by NCC & NHS staff to improve people's lives and save public money. The results of this trial have proven positive, and the approach is in the process of being extended into other similar areas in Adults starting with social isolation and loneliness.
- 1.12 The Artificial Intelligence Governance Board (AIGB) chaired by the Head of IT, with representation from Information Governance, Human Resources, Strategy & Transformation and Departments (including Caldecott guardians) has met monthly as oversight and advisory body to guide decision-making, set policies, issue staff guidance, and provide oversight to AI-related initiatives, projects and programmes. We have added a finance lead to the board to help develop AI business cases.
- 1.13 Norfolk is seen as one of the leaders in public sector adoption of AI and therefore we have been invited to join and lead several key consultations to inform the wider sector. We are sharing use cases with many other authorities and collaborating to build Copilot AI into systems like Liquid Logic to help Social Workers save time and improve quality.
- 1.14 We propose to continue to proactively evaluate available AI opportunities to improve the quality and efficiency of our staff and services, building on the intelligent automation processes which are already well established across the Council.
- 1.15 AI can potentially benefit Norfolk County Council in the following ways and many more.
- 1.16 Assisting Staff
 - Creating documents saving time and effort
 - Summarising email trails & large documents

- Taking minutes and actions of online meetings
- Reducing the workload of staff by combining AI with automation

Example feedback we have received to date includes:

Area	Feedback	Benefit
Social work Practitioner	<p>Summarise the free text case notes within our social care systems.</p> <p>As an Assistant Practitioner I go on lots of home visits where I will gather information on people's care and support needs. I have always used OneNote to type up my notes, which end up being very rushed/disjointed. I would estimate I spend approximately 10 hours per week writing up my assessments. This involves browsing through all of my notes and trying to make sense of them. CoPilot provides Significant scope of timesaving amongst frontline social care workers.</p>	Significant Time Saving
Meeting Transcription	Using AI to transcribe recorded meetings, summarise and document actions	Up to 90 minute saving per person per day
Creating tables of data	Create a table of Dereham care homes in Dereham and their CQC ratings	AI had no problem including contact numbers and the ability to edit in excel
Drafting documents	Drafting a requirement for an interim member of staff	Use AI to create a First draft which I could quickly modify
	Rough draft of press release	Used AI to read a report and draft a rough press release
	Used AI to review a new process document and write an easy read version.	Time saving, Easy Read to support neurodiversity needs
HR Job Descriptions	Cross check three job descriptions to determine common activities and differences into two separate lists	Saved time reviewing
Roads	Using AI in Word I asked it to extract all street closures and associated reason into a table for invoicing. It pulled the original data from a 7-page 3000+ word Temporary Traffic Regulation Order and converts it to	Significant time saving for support officer

	a table of 49 closed streets, the reason and dates - making it easier to lift out the information for invoicing.	
Various	Use cases will be shown in the associated presentation	Benefits will be shown in the associated presentation

2. Proposal / Next Steps

- 2.1 We will continue to proactively evaluate available AI opportunities to improve the quality and efficiency of our services, building on the intelligent automation processes which are already well established across the Council.
- 2.2 We will risk assess any new uses of AI to ensure risks to data security or decision-making accuracy are fully understood.
- 2.3 We will share our progress and learning at regular intervals with NCC officers and elected members to ensure members are well informed and consulted.
- 2.4 We will develop business cases for further and ongoing investment into use of AI technologies on an invest to save basis.

3. Impact of the Proposal

- 3.1 AI is here now and cannot be ignored as it is being used by consumers and businesses alike. If promoted and deployed in a conscious controlled way it has the potential benefit the authority, our services, our staff and interactions with the public across many of our day-to-day activities.
- 3.2 The proposal approach will ensure we are aware of AI activities across the council and that we analyse potential risks and challenges related to AI adoption and work with stakeholders to develop risk management strategies.
- 3.3 It will also ensure we are considering the ethical implications of AI systems, the principles of transparency, accountability, and fairness in developing and deploying AI solutions.

4. Evidence and Reasons for Decision

- 4.1 Publicly available AI is increasingly in use by NCC staff to help improve their productivity in various ad-hoc ways. Our proposals are designed to harness

this appetite to innovate and ensure more consistent, systematic use, while also minimising associated risks. Our AI trials are already showing significant promise and any opportunities to improve staff productivity and effectiveness should be pursued to help us cope with increasing demand and reducing budgets. Other forms of intelligent automation have been proven effective in recent years and therefore it is reasonable to assume that AI can also be beneficial. The approach proposed enables pursuit of benefits at pace while balancing the use with appropriate controls to minimise risks.

5. Alternative Options

- 5.1 The authority could choose to go slower, to wait to see how others are embracing the technology, however that would mean NCC would not benefit from the opportunities until later, potentially missing early productivity and savings opportunities.

6. Financial Implications

- 6.1 None at present as a direct result of this proposal as trials are being funded from within the existing Digital Services budgets. However, it is expected that the results of the trials will result in the production of business cases and that proposals for investment will be put forward to be considered as more opportunities present themselves.
- 6.2 Finance representation has been added to the AI governance board to help develop any invest to save proposals.

7. Resource Implications

- 7.1 **Staff:** The use of AI is intended to compliment staff capacity. It is not intended to directly reduce headcount, but to help the existing staff cope better with increasing workloads and reducing capacity. Staff will need digital skills training in due course to use the technology effectively.
- 7.2 **Property:** N/A.
- 7.3 **IT:** Digital Services will continue to chair the Artificial Intelligence Governance board and provide capacity to support and guide new AI projects. Digital Services will continue to horizon scan to seek new AI opportunities for the authority to consider so we can enhance productivity and service quality.

8. Other Implications

- 8.1 **Legal Implications:** NPLAW are included as stakeholders as part of the AI Governance board and consulted where appropriate.

- 8.2 Human Rights Implications:** There will be Human Rights implications and considerations which will be considered by the AI Governance Board on case-by-case basis.
- 8.3 Equality Impact Assessment (EqIA) (this must be included):** The AI Governance board will ensure an EQIA will be completed by each relevant AI project or programme.
- 8.4 Data Protection Impact Assessments (DPIA):** The AI Governance board will ensure a DPIA will be completed by each relevant AI project or programme.
- 8.5 Health and Safety implications (where appropriate):** n/a
- 8.6 Sustainability implications (where appropriate):** Use of Artificial Intelligence and other digital technologies can help to reduce our carbon footprint. For example, use of AI technology combined with automation can optimise travel routes or even replace travel by providing alternative ways to access services.
- 8.7 Any Other Implications:** n/a

9. Risk Implications / Assessment

- 9.1 The use of AI poses some risks, such as ethical, social, and legal issues, as well as potential impacts on privacy, and security. Therefore, it is important to design and use AI responsibly, with respect for the principles of transparency, accountability, and fairness in developing and deploying AI solutions. AI can also present be a cyber risk when used by criminals and this is factored into our cyber security plans.

10. Recommendations

The Select Committee is asked to:

1. Review and comment on the approach, progress and steps NCC is taking to exploit Artificial Intelligence opportunities.
2. Schedule a further update later in the year to review the business case for ongoing investment into AI technologies.

11. Background Papers

- 11.1 Society Innovation, Technology and Modernisation (Socitm) Advisory local Government AI guidance

<https://socitmadvisory.co.uk/news/local-gov-ai/>

11.2 National Cyber Security Centre (NCSC) Guidance

[Guidelines-secure-ai-system-development](#)

11.3 Department for Science, Innovation and Technology AI Insurance Toolkit

[Introduction to AI assurance - GOV.UK \(www.gov.uk\)](#)

Officer Contact

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

Officer name: Geoff Connell, Director of Digital Services

Telephone no.: 01603 307779

Email: Geoff.Connell@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.

Corporate Select Committee

Item No: 9

Report Title: Strategic and Financial Planning 2025-26

Date of Meeting: 8 July 2024

Responsible Cabinet Member: Cllr Andrew Jamieson (Deputy Leader and Cabinet Member for Finance)

Responsible Director: Harvey Bullen, Director of Strategic Finance

Executive Summary

The appended report, which was considered by Cabinet in May 2024, marks the beginning of the Council's budget setting process for 2025-26. As in previous years, Cabinet is inviting Select Committee input into the 2025-26 budget process, in respect of the approach to the development of saving proposals. This Select Committee report appends the Cabinet report in order to provide the latest information about the context for 2025-26 Budget setting which is intended to support Select Committee discussion and to enable them to provide input to future meetings of Cabinet to inform budget decisions.

This report therefore forms an important part of the process of developing the 2025-26 Budget, representing a key opportunity for the Select Committee to provide its views on priorities and the approach to preparing budget proposals for the services within its remit.

Recommendations / Action Required

The Select Committee is asked to:

1. Consider the Budget and Medium Term Financial Strategy position as reported to Cabinet in May 2024 (Appendix 1), noting in particular the following elements as set out in the appended report, which form the context for 2025-26 budget setting:
 - a. the budget gap for 2025-26 and the Medium Term Financial Strategy (MTFS) period.
 - b. The Departmental saving targets.
 - c. The overall timetable and approach to developing the 2025-26 Budget.

2. Agree that the Committee will provide input to the 2025-26 Budget process in July (this meeting) and in November, with the latter (November) report providing an opportunity to comment on the detailed savings proposals being taken to public consultation.
3. Consider the key issues for 2025-26 budget setting as they pertain to the services within the Select Committee's remit (as set out in this paper, the appended Cabinet report, and the 2024-25 Budget Book), and in particular to endorse:
 - a. The overall service strategies as set out within the 2024-25 Budget Book.
 - b. The budget setting principles set out in Section 3 of the appended Cabinet report, which will provide the broad framework for savings development for services within the Select Committee's remit.
4. Consider whether there are any specific areas of activity that the Select Committee would recommend exploring for savings development, in order to provide input to the 2025-26 budget process and inform the saving proposals put forward to Cabinet later in the year.

1. Background and Purpose

- 1.1. At the Cabinet meeting held on the 8 May 2024, members received the appended paper: Strategic and Financial Planning 2025-26 (Appendix 1). The minutes and associated papers for this meeting, including the summary of decisions notice can be found [here](#).
- 1.2. As part of setting the 2024-25 Budget, the Council's three Select Committees received reports on the approach to developing budget proposals during the year. Cabinet has agreed to continue this approach in relation to developing the 2025-26 Budget and this report therefore represents the first opportunity for Select Committees to provide input to 2025-26 budget setting at a formative stage. A further report is intended to be brought to the November Select Committee cycle to enable comments on substantive proposals once they have been developed and published for public consultation.

2. Proposal

- 2.1. The report to May 2024 Cabinet reproduced as Appendix 1 provides an overview of the financial planning context for the County Council, including:
 - The Medium Term Financial Strategy (MTFS) 2024-29, including details of assumptions about pressures and challenges within the financial model.
 - The financial context for budget setting including uncertainty in the medium term financial envelope within which local authorities will operate, particularly in the context of the General Election in 2024.

- The wider financial and organisational context underpinning the process of developing the 2025-26 budget.
- An overview of the proposed budget setting process and the proposed savings targets, broken down by department.

2.2. The Select Committee's views are sought in relation to the services within its remit on key issues for 2025-26 budget setting and the broad areas proposed for savings development, in order to help shape budget and saving proposal development for 2025-26, assist in the identification of key pressures and priorities for the 2025-26 Budget, and (ultimately) to inform the budget proposals to be considered by Cabinet later in the year.

2.3. The financial approach and key strategies for Directorates delivering services which fall broadly within the remit of this Committee have been set out within the County Council's [2024-25 Budget Book](#).

3. Impact of the Proposal

3.1. Select Committee input will support in shaping budget proposals and thereby contribute to the 2025-26 budget setting process. Individual recommendations from Select Committees will help to inform budget proposals and will therefore ultimately impact on Departmental budgets and service delivery for 2025-26. Details of specific impacts will be identified and reported in later stages of the budget process. Further impacts are also set out in the appended Cabinet paper.

4. Evidence and Reasons for Decision

4.1. As set out in the appended report.

4.2. The Council is legally required to set a balanced budget annually. The appended Cabinet report outlines the wider financial and organisational context underpinning the 2025-26 budget setting process.

4.3. Select Committees have a specific role in policy development and therefore are invited to comment and advise Cabinet on budget options within their remit as in previous years.

5. Alternative Options

5.1. As set out in the appended report, a range of options remain open at this stage. The purpose of this report is to provide Select Committees with an opportunity to engage with the budget process and inform the development of specific options for the 2025-26 Budget.

6. Financial Implications

6.1. Immediate financial implications are highlighted in the appended report. Any implications arising from the Select Committee's comments will be reported to a future meeting of Cabinet as part of 2025-26 budget setting as appropriate.

7. Resource Implications

7.1. **Staff:** There are no direct implications arising from this report although existing saving plans will include activities linked to staffing budgets. In addition there is a potential that further staffing implications may arise linked to specific saving proposals developed. These implications will be identified and reported as they arise later in the budget planning process.

7.2. **Property:** There are no direct property implications arising from this report although existing saving plans will include activities linked to property budgets and assumptions around capital receipts to be achieved. In addition there is a potential that further property implications may arise linked to specific saving proposals developed and these implications will be identified and reported as they arise later in the budget planning process.

7.3. **IT:** There are no direct IT implications arising from this report although existing saving plans include activities linked to IMT budgets. In addition there is a potential that further IT implications may arise linked to specific saving proposals developed and these implications will be identified and reported as they arise later in the budget planning process.

8. Other Implications

8.1. **Legal Implications:** As set out in the appended Cabinet paper.

8.2. **Human Rights Implications:** As set out in the appended Cabinet paper.

8.3. **Equality Impact Assessment (EqIA) (this must be included):** As set out in the appended Cabinet paper.

8.4. **Data Protection Impact Assessments (DPIA):** As set out in the appended Cabinet paper.

8.5. **Health and Safety implications (where appropriate):** As set out in the appended Cabinet paper.

8.6. **Sustainability implications (where appropriate):** As set out in the appended Cabinet paper.

8.7. **Any Other Implications:** As set out in the appended Cabinet paper.

9. Risk Implications / Assessment

9.1. As set out in the appended Cabinet paper.

10. Recommendations

The Select Committee is asked to:

1. Consider the Budget and Medium Term Financial Strategy position as reported to Cabinet in May 2024 (Appendix 1), noting in particular the following elements as set out in the appended report, which form the context for 2025-26 budget setting:
 - a. the budget gap for 2025-26 and the Medium Term Financial Strategy (MTFS) period.
 - b. The Departmental saving targets.
 - c. The overall timetable and approach to developing the 2025-26 Budget.
2. Agree that the Committee will provide input to the 2025-26 Budget process in July (this meeting) and in November, with the latter (November) report providing an opportunity to comment on the detailed savings proposals being taken to public consultation.
3. Consider the key issues for 2025-26 budget setting as they pertain to the services within the Select Committee's remit (as set out in this paper, the appended Cabinet report, and the 2024-25 Budget Book), and in particular to endorse:
 - a. The overall service strategies as set out within the 2024-25 Budget Book.
 - b. The budget setting principles set out in Section 3 of the appended Cabinet report, which will provide the broad framework for savings development for services within the Select Committee's remit.
4. Consider whether there are any specific areas of activity that the Select Committee would recommend exploring for savings development, in order to provide input to the 2025-26 budget process and inform the saving proposals put forward to Cabinet later in the year.

11. Background Papers

11.1. As set out in the appended Cabinet paper, plus:

[Norfolk County Council Constitution](#), Part 7 – Overview and scrutiny bodies, Section 3, paragraph 3.9 – Membership and Areas of Responsibility of Select Committees (pages 120-122).

[Norfolk County Council Budget Book 2024-28](#)

Officer Contact

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

Officer name: Titus Adam

Telephone no.: 01603 222806

Email: titus.adam@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.

Cabinet

Item No: **TBC**

Decision making report title: Strategic and Financial Planning 2025-26

Date of meeting: 8 May 2024

Responsible Cabinet Member: Cllr Andrew Jamieson (Deputy Leader and Cabinet Member for Finance)

Responsible Director: Harvey Bullen, Director of Strategic Finance

Is this a key decision? Yes

If this is a key decision, date added to the Forward Plan of Key Decisions: 5 March 2024

Introduction from Cabinet Member

This report marks the formal start of the Council's annual budget setting process for 2025-26. The 2024-25 Budget and Medium Term Financial Strategy agreed by the Council in February 2024 provides a sound foundation upon which to develop the 2025-26 Budget, but it is nevertheless essential for the Council to have a robust plan in place to enable the preparation of a balanced and sustainable budget. It is the Budget, through the allocation and prioritisation of resources, which provides the framework that enables the achievement of the organisation's key ambitions alongside the delivery of vital services. It is the intention of Cabinet to work with Departments to ensure that savings and pressures linked to demand and demography, are sufficiently robust, so as to ensure that any rise in Council tax is kept to a minimum.

With an upcoming general election, there is very significant uncertainty about funding levels for 2025-26 onwards. One such area of uncertainty is the second homes premium, which may provide some welcome additional funding to support the County Council budget. Alongside this, the Council will seek to earmark an element of the additional funding for use in the area where it has been generated. Further details will be developed when there is greater certainty about the likely income from this source, later in the budget process. In relation to wider funding expectations, the Government's Policy Statement published shortly before the 2024-25 Finance Settlement provided no detail of future year allocations. In this context, and in particular recognising the wider pressures both on demand and within the economy, we must continue to safeguard the delivery of the essential local services which are used and relied on by so many of the County's residents, businesses and visitors.

This report therefore sets out the framework for how the Council will approach budget setting for 2025-26. The proposed approach to budget setting will be informed by the key objectives set out in the Better Together, for Norfolk strategy and as such the

Budget represents one of the key building blocks contributing to the delivery of the Council's strategy and direction over the next few years.

Executive Summary

The Council has a robust and well-established process for annual budget setting, including the development of savings proposals, and the scrutiny and challenge of all elements of the budget. This report sets out proposals for how this can be further refined with a greater emphasis on balancing the financial position over the Medium-Term Financial Strategy (MTFS) period, whilst maintaining the focus on delivering a prudent and transparent approach to budgeting for 2025-26. The proposed approach incorporates the usual required key elements such as public consultation, Scrutiny, and engagement with Select Committees. This report proposes the Budget planning cycle for 2025-26 to start immediately.

As part of 2025-26 Budget setting, a thorough review of identified future cost pressures will also be required. It is particularly important to recognise that recent Budgets have included exceptional levels of inflationary growth pressure, which will not be sustainable in future years, but which reflected the wider operating and economic environment. There may be opportunities to draw back on some of these 2024-25 pressures and this will need to be kept under review as budget monitoring for the year progresses. In addition, the 2024-25 position was supported by one-off measures including use of reserves, which represent a challenge to be addressed in future years. As has been previously identified, the ongoing reliance on reserves does not represent a sustainable long-term approach.

As in previous years, the wider budget position remains the subject of high levels of uncertainty, and despite the publication of the [DLUHC Policy Statement](#) there is no indication of 2025-26 funding levels. In this context, this report sets out details of a proposed budget planning process for 2025-26 but recognises that as always there may be a need for some flexibility. The report accordingly provides a summary of key areas of wider risk and uncertainty for Cabinet to consider.

Recommendations:

Cabinet is recommended:

- 1. To consider the overall budget gap of £135.908m included in the Medium Term Financial Strategy (MTFS) set by Full Council in February 2024, and agree:**
 - a. the gap of £44.722m to be closed for 2025-26; and**
 - b. the extension of the MTFS by a further year (to 2028-29), adding a further £52.744m to the gap and resulting in additional pressure assumptions to be addressed and leading to an overall gap for planning purposes of £188.652m over the next four years. (Section 2).**

- 2. To review the key budget risks and uncertainties as set out in this report. (Section 10).**
- 3. To consider the principles of the proposed approach to budget setting for 2025-26, noting that there may be a need for flexibility within both the process itself and the assumptions applied, and agree:**
 - a. the process and indicative timetable set out in Section 3, including the proposed consultation process for 2025-26.**
 - b. that there should be a detailed review of cost pressures and growth already provided within the Budget against actual costs experienced to identify any opportunities for budget reduction.**
 - c. the minimum savings targets allocated to each Department to be found (Table 8), and that these will be kept under review throughout the budget process.**
- 4. To approve the initial budget virements for 2024-25 as set out in Appendix 1, reflecting budget transfers for whole services between departments as a result of the Employment Committee of 18 March 2024, while noting the virements do not change the overall Council Budget.**

1. Background and Purpose

- 1.1.** In recent years the significant and sustained reductions experienced in Central Government funding to Local Government have lessened, with more generous funding settlements being provided since 2021-22. However, much of the new funding was initially for adult social care reforms and was accompanied by an increasing expectation that local authorities will raise resources locally (through council tax). Alongside this, there continues to be a significant gap between funding and service pressures driven by a complex mix of factors including demographic changes, unfunded burdens such as the National Living Wage, the needs of the people who draw upon social care services becoming increasingly complex, and by the wider economy including (more recently) the abnormally high levels of inflation.
- 1.2.** Children's services, in both social care and education remain under very significant stress, and the 2024-25 Local Government Finance Settlement encouraged councils to invest in areas that help place children's social care services on a sustainable financial footing. Other Council services also remain subject to significant financial stress from sustained inflation pressures which have a widespread impact across service delivery and commissioned services. These in their turn have a knock on effect by increasing the pressure placed on discretionary and preventative services both in relation to the need for these to stem and reduce demand, and because these are often the areas called upon to make budgetary savings.
- 1.3.** The Council's February 2024 MTFS identified that the Council, in common with other upper tier local authorities, needs to address a material budget shortfall

in 2025-26. Simultaneously, as set out in this report, there remains particularly acute uncertainty about the level of funding for 2025-26 and the potential for additional pressures to emerge during the budget setting process. Although the Council's track record of delivering a balanced budget, coupled with a robust budget planning approach, provides a solid basis for development, it is prudent to begin comprehensive planning for 2025-26 now.

- 1.4. As has been the case in recent years, it is anticipated that the Council will not receive any further detailed information about funding allocations for 2025-26 until autumn 2024 at the earliest (and probably December 2024). This is even more the case this year, as almost all of the Government's planned reform of local government funding has been delayed until at least 2026-27. With the expected General Election in 2024 it is extremely unlikely that the 2025-26 Settlement will provide any sort of multi-year allocation which would support the Council to develop its financial strategy with greater planning certainty. As a result, the overall level of uncertainty means that budget setting for 2025-26, and the wider financial environment for local government, is set to remain highly challenging.
- 1.5. The Chancellor of the Exchequer announced the Government's [2024 Spring Budget](#) on 6 March 2024, but this did not include further significant policy announcements in terms of local government funding, which would impact on the budget position.
- 1.6. Therefore, as in previous years, this report represents the start of the Council's process for setting the 2025-26 Budget and developing the associated Medium Term Financial Strategy (MTFS). The report sets out the context and a proposed approach to budget setting including:
 - A summary of the Budget and MTFS approved by Full Council in February 2024, including the savings already planned for future years.
 - An overview of the significant remaining uncertainties facing local government finances.
 - The MTFS position for 2025-26 onwards as agreed in February 2024, extended for a further year to support 2025-26 Budget setting.
 - A proposed timetable for 2025-26 Budget setting including the recommended approach to public consultation.
 - Proposed savings targets by Department, representing the minimum target to be sought in order to enable Member choice about the ultimate budget decisions to be made in February 2025.
- 1.7. Ultimately this report is intended to support the Council in preparing the 2025-26 Budget and identifying savings which will assist in delivering a balanced budget for the year.

2. Budget context and Medium Term Financial Strategy

- 2.1. On 20 February 2024, the County Council approved the 2024-25 Budget and Medium Term Financial Strategy (MTFS) to 2027-28. Based on currently

available information, the **MTFS set out a budget gap of £135.908m over the period 2025-26 to 2027-28** based on an assumption that the funding allocations set out in the 2024-25 final Local Government Finance Settlement¹ would be broadly “rolled over” for 2025-26 and beyond.

- 2.2. The Final Local Government Finance Settlement 2024-25 itself only set out funding allocations for one year. The continued failure to publish full medium term funding forecasts remains disappointing and impacts on the Council’s ability to plan over the longer term. The further significant delay to long awaited funding reforms (until at least 2026-27), 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 financial planning and associated forecasts.
- 2.3. Announcements in the Final Settlement provided additional funding of £9.539m compared to the previously announced provisional allocations for 2024-25. As a result the 2024-25 Settlement enabled the Council to prepare a balanced 2024-25 Budget, but was not sufficient to support 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 is not however a sustainable position in the longer term. 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 2024-25 budget, including those savings which are due for implementation during 2025-26.
- 2.4. The table below sets out the high level MTFS position as agreed in February 2024, which has been updated to reflect the addition of a further financial year (for 2028-29) to the planning period in order to maintain the Council’s usual four year MTFS horizon.
- 2.5. As previously stated, the Medium Term Financial Strategy (MTFS) agreed in February 2024 set out a gap of £135.908m for the period including **a gap of £44.722m for the first year, 2025-26**. Extending the MTFS for an additional year, 2028-29, based on the same broad assumptions, adds a further £52.744m to the gap to be addressed, resulting in **a total revised gap of £188.652m for the MTFS**. The forecast gap for 2025-26 remains unchanged.

¹ <https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2024-to-2025>

Table 1: Extended MTFS 2024-25 to 2028-29

	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m
Growth Pressures					
Economic and inflationary	34.670	24.044	24.360	24.902	25.502
Legislative requirements	38.017	7.850	6.500	6.500	6.500
Demand and demographic	39.732	37.608	37.110	38.230	38.161
Policy decisions	9.614	-5.000	3.825	0.005	0.005
Subtotal pressures	122.033	64.502	71.795	69.637	70.168
Identified savings	-41.532	-12.059	-8.989	-7.923	0.000
Funding changes	-46.460	10.066	0.000	0.000	0.000
Council tax changes	-34.041	-17.787	-16.420	-16.915	-17.423
Forecast Gap (Surplus)/Deficit	0.000	44.722	46.386	44.800	52.744

2.6. The gap in 2025-26 is substantially being driven by the elements set out in the table below. Further details of MTFS assumptions are also provided below.

Table 2: Commentary on 2025-26 MTFS pressure assumptions

	2025-26 £m	Detail
Economic and inflationary pressures	24.044	Pay assumed at 3% for 2025-26 equates to £10m, price inflation includes £8.3m Adult Social Care, £3.7m Children's Services, £3.6m CES.
Legislative requirements	7.850	£5.0m relates to Adult Social Care and £3.0m Children's Services pay and price market pressures (including National Living Wage).
Demand and demographic pressures	37.608	£6.1m relates to Adults demographic growth. £3.5m Children's Services demographic growth. £2.0m relates to waste tonnages. £25.5m held centrally as provision for anticipated service growth.
Council policy decisions	-5.000	Reversals of one-off growth provided in 2024-25.
Net total pressures	64.502	
Funding changes	10.066	Significant uncertainty exists around Government funding within the Settlement. Assumption that additional funding provided from the Final Settlement for 2024-25 is one-off.
Savings	-12.059	Existing savings built in for 2025-26.
Total	62.510	Pressures, saving and funding changes

2.7. A summary of budget growth and other changes currently incorporated in 2024-25 planning are shown in the table below by Department. (Revised net budgets following the departmental changes from the 18 March Employment Committee can be seen in [Appendix 1](#)).

Table 3: 2025-26 MTFs net budget by Department

	Adult Social Services £m	Children's Services £m	Community and Environmental Services £m	Strategy and Transformation £m	Chief Executive's Directorate £m	Finance £m	Total £m
Base Budget 2024-25	281.967	238.592	203.268	30.184	4.384	-230.646	527.748
Growth							
Economic / Inflationary	10.694	6.923	4.365	1.143	0.127	0.792	24.044
Legislative Requirements	5.000	3.000	0.050	-0.200	0.000	0.000	7.850
Demand / Demographic	6.100	3.500	2.508	0.000	0.000	25.500	37.608
NCC Policy	-2.000	-3.110	-0.600	-1.219	0.118	1.811	-5.000
Total Growth	19.794	10.313	6.323	-0.276	0.245	28.103	64.502
Savings	-7.400	-6.113	0.543	2.201	0.290	-1.580	-12.059
Funding changes	0.000	8.706	0.000	0.200	0.000	1.161	10.066
Base Budget 2025-26	294.360	251.497	210.134	32.310	4.919	-202.962	590.258

Funded by: Council Tax	-545.535
Collection Fund Surplus	0.000
Total	-545.535
Budget Gap	44.722

2.8. The key assumptions underpinning the forecast gap in the current MTFS position include:

- Planned savings of £70.503m being delivered over the MTFS period:

Table 4: Savings in MTFS by Department

	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2024-28 £m
Adult Social Services	-14.252	-7.400	-4.900	-2.600	-29.152
Children's Services	-9.775	-6.113	-7.449	-5.703	-29.040
Community and Environmental Services	-9.665	0.543	-0.240	0.400	-8.962
Strategy and Transformation	0.460	2.201	0.040	-0.020	2.681
Chief Executive's Directorate	-0.330	0.290	0.000	0.000	-0.040
Finance	-7.970	-1.580	3.560	0.000	-5.990
Savings total	-41.532	-12.059	-8.989	-7.923	-70.503

- Government funding will be broadly flat in 2025-26 (i.e. essentially a rollover of 2024-25 funding levels) with the additional funding provided at the Final Settlement currently assumed to be one-off. This assumption includes Settlement Funding (RSG, business rates), Rural Services Delivery Grant, Social Care Grant(s), Better Care Fund / improved Better Care Fund, Public Health Grant, and Services Grant.
- Cost pressures for 2025-26 including:
 - 3% for pay inflation in 2025-26 and each year thereafter.
 - Price inflation in line with contractual rates or CPI forecasts where appropriate totalling £15.7m in 2025-26. It should be noted that **the MTFS assumes a material reduction in inflationary pressures compared to the level provided for in the 2023-24 and 2024-25 Budgets.**
 - Demographic growth pressures for Adults, Childrens, Waste totalling £12.1m in 2025-26, plus a contingency **assumption of £25.5m for further pressures.** If identified pressures exceed this level, there will be a need to find equivalent additional savings to achieve a balanced Budget position for 2025-26. Equally however, if any of this provision is not required, it will enable the level of savings sought to be reduced.
- Increases in council tax over the MTFS period, including **an assumed 2.99% increase in 2025-26 for planning purposes** as agreed by Full Council in February 2024 and shown in the following table. It should be noted that **every 1% change in council tax assumptions increases or decreases the budget gap by approximately £5.3m in 2025-26.**

Table 5: MTFS council tax assumptions

2.9. The council tax assumptions shown are those agreed by Full Council in February 2024.

	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m
Council tax increase	-10.541	-10.965	-11.295	-11.635
Council tax collection fund	3.295	0.000	0.000	0.000
Council tax base	-5.245	-5.455	-5.620	-5.789
Council tax ASC precept	-5.297	0.000	0.000	0.000
Total	-17.788	-16.420	-16.914	-17.423

	2025-26	2026-27	2027-28	2028-29
Band D %	1.99%	1.99%	1.99%	1.99%
ASC Precept % ²	1.00%	0.00%	0.00%	0.00%
Tax base % change assumption	1.00%	1.00%	1.00%	1.00%

Second Homes Premium

2.10. The Levelling Up and Regeneration Act 2023 allows billing authorities to charge an additional premium of 100 per cent on a property which is substantially furnished and where there is no resident (i.e., second homes, referred to in the Act as 'dwellings occupied periodically').

2.11. The billing authority will exercise their own judgment as to whether to apply a premium and at what level (up to 100 per cent). Most of the District councils in Norfolk have already decided to apply the second homes premium from 2025-26. The premium will provide councils with the flexibility to access additional revenue. Under council tax regulations, income generated from the premium would be shared between those bodies which charge council tax, in line with the proportional split of total council tax. The opportunity to charge a second homes council tax premium therefore has the potential to generate significant additional income for all organisations in Norfolk which charge council tax.

2.12. Additional council tax raised from the second homes premium in 2025-26 could make a material difference to the Council's financial position for 2025-26 onwards. However, until District decisions about implementation and exemptions, and (most importantly) the impact on Districts forecast tax base for the year are known, there is a high degree of uncertainty about the actual level of additional income that the premium would generate. The premium is ultimately intended to deliver behaviour change, and it is unclear to what extent this will be achieved, and over what timeframe.

² Decisions about the Precept offer are made annually by Government and there is currently no indication on levels for 2025-26 onwards.

2.13. It is also unclear at this stage what assumptions Government may make within the 2025-26 settlement in terms of the additional income they expect councils to generate. It is possible that Government may incorporate these estimates within the settlement model and therefore it would be prudent for County to be cautious about the ability to rely on this income at this stage. Accordingly, the County Council has currently made no assumptions about additional income from second homes in the 2025-26 Budget planning / MTFS.

2.14. Taking these assumptions into account, the forecast net budget (before new savings) within the approved MTFS is shown below.

Table 6: MTFS Net Budget by Department

	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m
Adult Social Services	281.967	294.360	311.305	331.350	353.638
Children's Services	238.592	251.497	255.582	261.536	273.373
Community and Environmental Services	203.268	210.134	216.546	223.622	230.417
Strategy and Transformation	30.184	32.310	33.087	34.232	35.431
Chief Executive's Directorate	4.384	4.919	5.177	5.320	5.468
Finance	-230.646	-202.962	-168.634	-141.283	-113.382
Total Net Budget	527.748	590.258	653.064	714.778	784.945
Council Tax	-527.748	-545.535	-561.955	-578.870	-596.293
Budget Gap (cumulative)	0.000	44.722	91.108	135.908	188.651

3. Proposals

3.1. The following principles for 2025-26 budget setting are proposed:

- **Two rounds of Budget Challenge** (initial proposals in late June / early July and detailed proposals in September).
- **Allocation of the £44.722m saving target** on analysis of a “controllable spend” approach (see section 3.5) consistent with previous years.
- **Budget planning to cover the period 2025-26 to 2028-29** (extending the current Medium Term Financial Strategy (MTFS) by one year).
- To closely scrutinise any requests for additions to the Capital Programme for 2025-26 requiring additional borrowing to consider the value for money of proposals and assess their impact on the affordability of the revenue budget and MTFS, ensuring that borrowing levels are maintained within appropriate prudent limits and the revenue budget remains robust.

- Select Committees to have a role as part of the budget-setting process, considering areas for savings in July 2024 and commenting on detailed proposals in November 2024.
- Final decisions about the 2025-26 Budget to be taken in February 2025 in line with the budget setting timetable as set out below.

3.2. It is proposed that the approach to budget development should include:

- A review of all current pressures with a view to reducing the level required, which will include a process to challenge, understand, and approve all growth within 2025-26 Budget planning;
- A requirement that a business case is submitted for requests to access the £25.5m growth provision held corporately and that this will be subject to a prioritisation process as part of Budget Challenge;
- A review of all earmarked revenue reserves with a view to releasing funding where possible (noting that this would provide a one-off gain which would impact on the future year gap);
- A review of the Council's commercial opportunities, including scope to achieve increased income;
- A review to consider the scope to extend existing saving proposals;
- Identification of new savings against the minimum target of £45m to enable Member choice;
- Consideration of opportunities for greater integration between performance reporting, business planning, and budget development; and
- Consideration of the impact and budget requirements in relation to progress towards the [County Deal](#).

3.3. It should be noted that the changes during the budget setting process may result in the saving targets currently allocated to Services being revised (and potentially materially increased) in the event that further pressures or income changes arise. Options to address any shortfall in savings to close the 2025-26 Budget gap will ultimately include:

- Government providing additional funding;
- Corporate / centrally identified savings opportunities;
- The removal or mitigation of currently identified budget pressures; and
- Service departments identifying further savings.

3.4. The Budget agreed in February 2024 included a high level timetable for the 2025-26 budget process. The detailed timescales for internal budget planning activity will be confirmed following approval of the proposed approach by May Cabinet. The Budget process will also be informed through the year by any Government Budget announcements, Spending Reviews or other fiscal events, and Local Government Settlement, as well as any progress on reforms such as the Funding Review. The specific timing for these is currently unknown.

Table 7: Proposed Budget setting timetable 2025-26

2025-26 Proposed	Time frame
Cabinet review of the financial planning position for 2025-26 – including formal allocation of targets	8 May 2024
Scrutiny Committee	TBC May 2024
Select Committee input to development of 2025-26 Budget – strategy	TBC 2024
Review of budget pressures and development of budget strategy and detailed savings proposals 2025-29 incorporating: <ul style="list-style-type: none"> Budget Challenge 1 (TBC June / July) – context / strategy / approach / outline proposals Budget Challenge 2 (September) – detail and final proposals 	June to September 2024
Cabinet approve final proposals for public consultation	7 October 2024
Scrutiny Committee	TBC October 2024
Public consultation on 2025-26 Budget proposals, council tax and adult social care precept	Late October to mid December 2024
Select Committee input to development of 2025-26 Budget – comments on specific proposals	TBC November 2024
<i>Government Autumn Statement</i>	<i>TBC October / November 2024</i>
<i>Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements</i>	<i>TBC December 2024</i>
Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees revenue budget and capital programme recommendations to County Council	27 January 2025
Confirmation of District Council tax base and Business Rate forecasts	31 January 2025
<i>Final Local Government Finance Settlement</i>	<i>TBC January / February 2025</i>
Scrutiny Committee 2025-26 Budget scrutiny	TBC February 2025
County Council agrees Medium Term Financial Strategy 2025-26 to 2028-29, revenue budget, capital programme and level of council tax for 2025-26	TBC February 2025

3.5. In respect of the allocation of 2025-26 savings, it is proposed to:

1. **Seek to deliver efficiency savings via a target of 3% applied to support services.** This approach recognises that work has been undertaken to design a corporate centre function with the right capability and capacity to support the wider organisation. It would be inconsistent with the overall rationale if this newly established function were to be diminished through the application of an arbitrary budget target. However it is also recognised that it is appropriate to continue to expect these

services to seek to deliver continuous improvement and value for money. The application of a 3% target recognises the challenge for the corporate centre to be more efficient in this context.

2. **Allocation of the remaining savings requirement across the front line departments**, based on applying the approach adopted in previous years. This is based on exclusion of “non controllable” spend, and ringfenced budgets, such as Schools, and capital financing items and then allocating a target based on the overall proportion of the controllable budget.
3. Existing departmental budget savings from previous budget rounds have been deducted from the savings requirement to produce the **new savings target** for each department. This seeks to address forecast future year budget gaps, with the aspiration to achieve a balanced position over the whole MTFS while ensuring any savings a department proposes for future years are recognised in that future year’s target setting rather than being “lost”; any additional pressures which arise are applied in the same ratio; and any one-off savings come back in the future year targets for that department.

3.6. This renders the following saving targets, representing the minimum savings level required to enable Member choice within the budget setting process for 2025-26:

Table 8: Allocation of Saving Target by Department

	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	Total MTFS saving target £m
Adult Social Care	19.500	22.750	21.750	24.250	88.250
Children's Services	8.500	7.250	7.250	13.000	36.000
Communities and Environment	2.750	2.000	1.750	1.750	8.250
Infrastructure	9.250	9.500	9.000	8.500	36.250
Fire and Rescue	1.500	1.500	1.500	1.500	6.000
Strategy and Transformation	1.500	1.500	1.500	1.500	6.000
Chief Executive's Directorate	0.250	0.250	0.250	0.250	1.000
Finance	1.500	1.750	1.750	2.000	7.000
Total	44.750	46.500	44.750	52.750	188.750

3.7. The allocation of savings targets has used the new departmental structure from the Employment Committee of 18 March 2024. Future reporting of savings delivery and departmental budget breakdowns will be based on the new structure.

3.8. The saving targets in Table 8 reflect the savings currently forecast to be required to deliver a balanced budget over the whole MTF period. It should be noted that to the extent budget gaps remain for future years following the conclusion of the 2025-26 budget process, these will be reallocated as new targets for services in future year budget rounds and individual departmental targets could therefore be adjusted at that point.

3.9. As previously highlighted, the Council is not in a position to be able to remove or reverse any of the saving proposals agreed as part of the 2024-25 budget, including those savings which are due for implementation during 2025-26. The total savings requirement including both the existing savings and new savings target will need to be delivered to close the 2025-26 budget gap. If a department is not in a position to deliver existing savings, replacement savings of the same amount will need to be included by that department in the 2025-26 budget.

Table 9: Existing Savings, New Savings Target and Total Savings Requirement by Department

	2025-26 existing savings³ £m	2025-26 new savings target £m	2025-26 total savings requirement £m
Adult Social Care	8.000	19.500	27.500
Children's Services	6.113	8.500	14.613
Communities and Environment	-0.687	2.750	2.063
Infrastructure	0.087	9.250	9.337
Fire and Rescue	0.200	1.500	1.700
Strategy and Transformation	-2.201	1.500	-0.701
Chief Executive's Directorate	-0.290	0.250	-0.040
Finance	0.837	1.500	2.337
Total	12.059	44.750	56.809

³ Negative values represent the reversal of one-off saving proposals, including use of reserves, from prior years.

Table 10: Total Savings Requirement to be delivered over MTFS (including new targets and previously identified proposals)

	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	Total MTFS savings requirement £m
Adult Social Care	27.500	27.650	24.350	24.250	103.750
Children's Services	14.613	14.699	12.953	13.000	55.264
Communities and Environment	2.063	2.020	1.750	1.750	7.584
Infrastructure	9.337	9.720	8.600	8.500	36.158
Fire and Rescue	1.700	1.500	1.500	1.500	6.200
Strategy and Transformation	-0.701	1.460	1.520	1.500	3.779
Chief Executive's Directorate	-0.040	0.250	0.250	0.250	0.710
Finance	2.337	1.990	1.750	2.000	8.077
Total	56.809	59.289	52.673	52.750	221.522

4. Impact of the Proposal

4.1. This paper sets out an outline timetable and approach to the Council's budget planning process for 2025-26, while recognising that significant risks and uncertainties remain. The proposals in this report are intended to:

- set the context for service financial planning for the year to come;
- provide a robust approach to tackling the budget gap forecast for the whole MTFS period;
- assist the Council in managing the continuing significant uncertainty around local authority funding including funding reform while providing sufficient flexibility to respond to any changes required; and
- contribute to the Council setting a balanced budget for 2025-26.

5. Evidence and Reasons for Decision

5.1. In the context of continuing significant financial pressures and delays to Government plans for funding reform, it remains critical that the Council has a robust approach to budget setting and the identification of saving proposals. After more than a decade of savings delivery, the ability to continue to identify achievable savings at the scale required is becoming increasingly challenged. The preparation of a balanced budget for 2025-26 is key to ensuring that the necessary resources are available to continue to progress with the implementation of the Council's key strategic ambitions, as well as the delivery of crucial day to day services.

- 5.2. It therefore remains essential to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for Norfolk to enable the delivery of vital services to residents, businesses and visitors. Although funding reform plans have been delayed, it is still important that Government focuses on this issue and provides guidance on the direction of travel for reforms, financial planning assumptions, and indicative funding allocations for the medium term, as soon as possible.
- 5.3. The size of the budget gap forecast for 2025-26 is such that there is a risk that the Council will be obliged to consider reductions in service levels. As a result it is important that the process of identifying, and consulting on, savings proposals is undertaken as soon as possible and in particular that a full suite of proposals is brought forward for Cabinet to consider in October. This will provide adequate time for consultation and engagement work around saving proposals, which should, in turn, support effective mobilisation, implementation and delivery of any proposals that are ultimately agreed to provide a full year saving for 2025-26.
- 5.4. The Council's planning within the MTFs forecast is based on the position agreed in February 2024 and it is important to note that this will be kept under review throughout the 2025-26 Budget setting process, particularly in the event that further information about funding becomes available. It nevertheless remains prudent to establish a process to begin planning for savings at the level required to close the underlying gap identified in February 2024.
- 5.5. The proposals in the report are intended to reflect a proportionate response to the challenges and uncertainties present in the 2025-26 planning process and will ultimately support the Council to develop a robust budget for the year.

6. Alternative Options

- 6.1. This report sets out a framework for developing detailed saving proposals for 2025-26 and at this stage no proposals have been agreed, meaning that a range of alternative options remain open.
- 6.2. In addition, there are a number of areas where Cabinet could choose to consider different parameters for the budget setting process, such as:
- Adopting an alternative allocation of targets between services, or retaining a target corporately.
 - Considering an alternative timetable within the time constraints required to develop proposals, undertake public consultation, and meet statutory deadlines for the setting of council tax.
 - Changing assumptions within the MTFs (including the level of council tax assumed for planning purposes) and therefore varying the level of savings sought. **Every 1% change in the level of council tax (or ASC precept)**

would equate to approximately +/- £5.3m of savings to be identified as part of the 2025-26 Budget.

6.3. The planning context for the Council will be updated if further information becomes available. Final decisions about the overall shape of the 2025-26 Budget, savings, and council tax will not be made until February 2025.

7. Financial Implications

7.1. Financial implications are discussed in detail throughout this report, which sets out the proposed indicative savings targets which will need to be found by each department to contribute to closing the 2025-26 and future year budget gap, subject to formal approval by Full Council in February 2025. The proposals in the report will require services to identify further significant savings to be delivered against current budget levels. The experience of budget setting in recent years has demonstrated that the scope to achieve savings at the level required is becoming increasingly challenging in the context of service delivery expectations, and existing saving programmes. It should also be noted that there is an increased level of risk following actions required (including use of reserves) to deliver a balanced budget in 2023-24, as there is reduced flexibility within the overall finances as a result. Therefore close monitoring and tight financial control will be required in 2024-25 to mitigate any risk of increasing the budget gap, which would have a knock on impact for the 2025-26 budget. As previously highlighted, there remains a risk that the Council will be obliged to consider reductions in service levels, and it is therefore crucial that proposals to deliver the full £44.750m savings target are identified in full for consideration by Cabinet in October.

7.2. The Council is legally required to set a balanced Budget annually and should plan to achieve this using a prudent set of assumptions. However, Cabinet could choose to vary the allocation of indicative targets between directorates, or to establish an alternative approach to identifying savings. Taking into account the savings already planned for 2024-25 and future years, the scale of the budget gap and savings required are such that if the Council is required to continue to identify and deliver savings at this level there remains a risk that this could threaten the Council's ability to continue to fully deliver its statutory responsibilities. As such the Government's response and decisions about Council funding in 2025-26 will be hugely significant. 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. Government has hitherto failed to deliver the level of funding needed in recognition of the importance and costs of providing social care, and to adequately fund local authorities to provide these and other vital services. In spite of improvements in recent settlements, fundamentally there remains an urgent need for a larger quantum of funding to be provided to local government to deliver a sustainable operating environment for future years.

7.3. Work to deliver additional Government funding could therefore have an impact on the overall budget gap to be addressed. Equally, in the event that future funding allocations or reform sees resources shifted away from shire counties, the Council's forecast gap for 2025-26 or future years could increase. At this point, Government has not confirmed details of the proposed approach or timescales for consultation on funding reform, but they are not anticipated until 2026-27 at the earliest. Many key assumptions about 2025-26 funding remain to be confirmed and should be considered a key area of risk.

7.4. As a result of the above, the budget setting process and savings targets will be kept under review as budget planning progresses. In the event that additional budget pressures for 2025-26 emerge through budget planning, there may be a requirement to revisit the indicative saving targets.

8. Resource Implications

8.1. **Staff:** There are no direct implications arising from this report although there is a potential that staffing implications may be linked to specific saving proposals developed. These will be identified as they arise later in the budget planning process.

8.2. **Property:** There are no direct property implications arising from this report although existing saving plans include activities linked to property budgets and assumptions around capital receipts to be achieved.

8.3. **IT:** There are no direct IT implications arising from this report although existing saving plans include activities linked to IMT budgets. In addition, activities planned within Business Transformation will include further work to deliver savings through activity related to digital and IT initiatives.

9. Other Implications

9.1. **Legal Implications:** This report sets out a process that will enable the Council to set a balanced budget for 2025-26 in line with statutory requirements, including those relating to setting council tax, and undertaking public consultation.

9.2. **Human Rights implications:** No specific human rights implications have been identified.

9.3. **Equality Impact Assessment (EqIA) (this must be included):** Any saving proposals with an impact on service delivery will require public consultation, and an Equality Impact Assessment of all proposals will need to be completed as part of budget-setting in due course. The results of public consultation and the findings of all EqIAs will be presented to Cabinet in January 2025 in order to inform budget recommendations to County Council.

9.4. No specific EqIA has been undertaken in respect of this report, although the EqIA in relation to the 2024-25 Budget can be found as part of the [budget papers considered in February 2024](#).

9.5. **Data Protection Impact Assessments (DPIA):** None identified.

9.6. **Health and Safety implications (where appropriate):** None identified.

9.7. **Sustainability implications (where appropriate):** There are no direct sustainability implications arising from this report although existing 2024-25 budget plans include funding for activities which may have an impact on the environmental sustainability of the County Council through the delivery of the Environmental Policy. These issues were considered in more detail within the February budget report to Full Council. Further details are set out in the [Climate Strategy](#). Ultimately sustainability issues and any associated financial implications in relation to either new 2025-26 proposals, or activities developed during 2024-25, will need to be fully considered once such initiatives are finalised, and incorporated as part of budget setting in February 2025.

9.8. **Any other implications:** Significant issues, risks, assumptions and implications have been set out throughout the report.

10. Risk Implications/Assessment

10.1. Significant risks have been identified throughout this report. Risks in respect of the MTFS were also set out within the February 2024 report to Full Council.

10.2. A number of significant uncertainties remain which could have an impact on the overall scale of the budget gap to be addressed in 2025-26, linked to ongoing uncertainty around local government (and wider public sector finances) including:

- further “cost of living” pressures and the wider economic impacts, including impact on demand for services;
- implications of higher interest rates for borrowing costs across both the revenue and capital budgets;
- implications of increases in the National Living Wage;
- the progress of funding reforms (previously the Fair Funding Review) now likely to be developed for implementation in 2026-27 at the earliest;
- Government decisions about the council tax referendum limit or further ASC precept flexibilities in 2025-26 and beyond;
- the need for a long-term financial settlement for local government;
- delivery of other reforms to local government funding including further details of the approach to Adult Social Care reforms to implement the cap on care costs, and changes to other funding streams;
- progress on delivery of the Safety Valve programme and implementation of Local First Inclusion within Children’s Services;

- progress of various elements of Government policy including levelling up, delivery of the County Deal.

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:

- RM001 – Infrastructure funding requirements
- RM006 – Service delivery – The potential risk of failure to deliver our services within the resources available for the period 2023-24 to the end of 2024-25.
- RM022b – Replacement EU Funding for Economic Growth
- RM031 – NCC Funded Children's Services Overspend due to demand pressure
- RM035 – Adverse impact of significant and abnormal levels of inflationary pressure on revenue and capital budgets
- RM039 – Financial, Staffing & Market Stability impacts due to implementation of Social Care Reform (now October 2025)
- RM042 – Increasing Challenges to Maintaining Financial Resilience
- RM043 - High Needs Block Deficit cannot be resolved

Further details of all corporate risks, including those outlined above, can be found in Appendix C of the [April 2024 Risk Management report to Cabinet](#) (item 15). 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.

11. Select Committee comments

11.1. Select Committees provided commentary and input to the 2024-25 Budget process during budget development, and this was reported to Cabinet at various stages of the process. No specific input has been sought from Select Committees in respect of this report, however Select Committees are expected to again have the opportunity to comment when they consider the implications of 2025-26 budget setting for the service areas within their remit when they meet during the year as set out in the proposed timetable.

12. Recommendations

12.1. Cabinet is recommended:

1. To consider the overall budget gap of £135.908m included in the Medium-Term Financial Strategy (MTFS) set by Full Council in February 2024, and agree:

- a. the gap of £44.722m to be closed for 2025-26; and
 - b. the extension of the MTFS by a further year (to 2028-29), adding a further £52.744m to the gap and resulting in additional pressure assumptions to be addressed and leading to an overall gap for planning purposes of £188.652m over the next four years. (Section 2).
2. To review the key budget risks and uncertainties as set out in this report. (Section 10).
3. To consider the principles of the proposed approach to budget setting for 2025-26, noting that there may be a need for flexibility within both the process itself and the assumptions applied, and agree:
 - a. the process and indicative timetable set out in Section 3, including the proposed consultation process for 2025-26.
 - b. that there should be a detailed review of cost pressures and growth already provided within the Budget (including 2024-25 inflation provisions) against actual costs experienced to identify any opportunities for budget reduction.
 - c. the minimum savings targets allocated to each Department to be found (Table 8), and that these will be kept under review throughout the budget process.
4. To approve the initial budget virements for 2024-25 as set out in Appendix 1, reflecting budget transfers for whole services between departments as a result of the Employment Committee of 18 March 2024, while noting the virements do not change the overall Council Budget.

13. Background Papers

- 13.1. Background papers relevant to this report include:

[Norfolk County Council Revenue and Capital Budget 2024-25 to 2027-28, County Council 20/02/2024, agenda item 5](#)

[Better Together, for Norfolk](#)

[Corporate Delivery Plan and Corporate Delivery Plan – Annual Report 2022-2023, Cabinet 10/05/2023, agenda item 11](#)

[Risk Management, Cabinet 08/04/2024, agenda item 15](#)

[Norfolk County Council Climate Strategy](#)

Officer Contact

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

Officer name: Alex Cook

Tel no.: 01603 224310

Email address: alex.cook2@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.

Appendix 1 – 2024-25 Budget reconciliation

The following tables provide a summary of the adjustments between the Net Budget position presented to County Council in February 2024, and the Net Budget position arising from the Employment Committee of 18 March 2024 which will form the basis for 2024-25 monitoring in future reporting to Cabinet. These adjustments **do not change the overall County Council Budget for 2024-25**.

	Adult Social Services £m	Children's Services £m	CES £m	Communities and Environment £m	Infrastructure £m	Fire and Rescue £m	Strategy and Transformation £m	Chief Executive's Directorate £m	Finance £m	Total £m
Net Budget 2024-25 as per Full Council February 2024	281.967	238.592	203.268	-	-	-	30.184	4.384	-230.646	527.748
Adjustments										
Communities and Environment			-20.896	20.896						0.000
Infrastructure			-145.047		145.047					0.000
Fire			-36.017			36.017				0.000
Procurement			-1.308						1.308	0.000
Total 2024-25 c/f below	281.967	238.592	-	20.896	145.047	36.017	30.184	4.384	-229.339	527.748

Net Budget	Adult Social Services £m	Children's Services £m	Communities and Environment £m	Infrastructure £m	Fire and Rescue £m	Strategy and Transformation £m	Chief Executive's Directorate £m	Finance £m	Total £m
2024-25 (adjusted)	281.967	238.592	20.896	145.047	36.017	30.184	4.384	-229.339	527.748
2025-26	294.360	251.497	22.207	149.839	36.590	32.310	4.919	-201.464	590.258
2026-27	311.305	255.582	23.170	154.245	37.583	33.087	5.177	-167.086	653.064
2027-28	331.350	261.536	24.043	159.375	38.605	34.232	5.320	-139.684	714.778

The above table represents the “do nothing” scenario in relation to the MTFS position approved by County Council in February 2024. In other words, it shows the impact of forecast cost pressures for the period to 2027-28, reconciled to the new departmental structure approved by Employment Committee. In practice, additional savings will need to be developed through the 2025-26 Budget process and incorporated into the above MTFS to deliver a balanced budget position.

Corporate Select Committee

Item No: 10

Report Title: Norfolk County Council Productivity Plan

Date of Meeting: 8 July 2024

Responsible Cabinet Member: Cabinet Member for Corporate Services and Innovation (Cllr Jane James)

Responsible Director: Paul Cracknell, Executive Director for Strategy & Transformation

Executive Summary

This is a draft report to the Corporate Select Committee, of which Members are asked to consider the detail of the paper and the Appendix A Plan, suggest items for amend/consideration, and approve for consideration as a Cabinet decision, ahead of publication on the 19th of July.

Recent years have brought with them consistent challenge, with Covid-19, global instability and the shift in the economy providing unforeseen impact on our residents, communities, businesses, and our Council. Not least in terms of the ongoing challenge to provide high quality, value for money services, which meet the needs of our people and within a balanced budget.

Despite such challenges, the County Council has remained ambitious in its approach and has a reputation for being forward thinking and innovative with a track record of ambitious transformation. We have demonstrated an ability to absorb significant increases in demand for our services.

We have continued to make progress with digital connectivity across the county extending the rollout of Broadband. Our innovative and quite unique Digital Inclusion strategy has also helped deliver better outcomes for many of our residents. The plan below also describes our use of technology has increased our broader productivity.

In Adult Social Care, we launched innovative solutions to identify how we might help people earlier, and so reduce and delay the need for further services. For example, using assistive technology, we have also helped many more people remain independent in their own homes. We have rolled out what is now a national exemplar programme adopting AI to help us prevent falls.

Our Children's Services have gone from strength to strength. Since our last Ofsted inspection, we continued to deliver outcomes for children and families and to move towards achieving our shared ambition – for Norfolk to be a place where every child and young person can flourish. We received a Good Ofsted outcome in late 2022, with areas of our practice being highlighted as outstanding and exceptional was a big step in our journey, reinforcing our confidence that we have dramatically improved our practice and are now consistently delivering outcomes for children. In recognition of our transformational work and continued focus on early help and whole family working, we have now achieved Earned Autonomy status. This means that Norfolk will be able to receive all relevant funding upfront, rather than a proportion of the funding as payment by results for family outcomes. NCC is now one of only two authorities in the Eastern region to achieve this.

Our Adult Learning service was inspected by Ofsted and rated as “good” in their report published in December 2023. The service was also named as the winner of the Further or Higher Education Provider of the Year award at this year's Norfolk Education Awards, for providing community-based and online learning for around 6,000 adults a year.

We have acted on climate change, and following its publication in March 2023, our Climate Strategy has received national acclaim. With a clear direction set for what we want to achieve, and we have made significant strides against our net zero targets whether that is saving energy by converting street-lighting to LED, delivering electric buses, or creating more charge points across Norfolk.

Despite the achievements of the Council in recent years, and our approach to financial controls & transformation, the fact is that we continue to operate in an environment that remains challenged by increasing demand across all of our services, exacerbated by our ability to approach investment and long term planning opportunities restricted by financial settlements only being on an annual basis. We continue to look at how we deliver services, finding new and innovative ways to deal with increasing demand and reducing budgets, but this only goes so far. Financial pressures facing local authorities, particularly county areas with responsibilities for care, has reached a critical point, and whilst we have positioned ourselves well and made continuous efforts to influence areas, we cannot control ourselves, more needs to be done at a national level to enable Local Authorities to approach productivity with long term stability in mind.

Recommendations / Action Required [delete as appropriate]

The Select Committee is asked to:

1. Acknowledge the work that Norfolk County Council has done to address the opportunities and challenges it faces through transformation, innovation, and improved productivity.

2. Offer thoughts and feedback on activity to date and proposed next steps, as summarised in this report.
3. Make recommendations to Cabinet as appropriate.

1. Background and Purpose

- 1.1 A £600m funding package for local government, announced on 30 January 2024 by the Secretary of State for Levelling up, Housing and Communities Rt Honourable Mr Gove, came with the requirement for local authorities to produce 'productivity plans' for submission to central government.
- 1.2 In his statement, SoS Gove stressed the need for further work to be done to *"improve productivity in local government, as part of our efforts to return the sector to sustainability in the future"* and announced that these productivity plans should be *"setting out how they will improve service performance and reduce wasteful expenditure to ensure every area is making the best use of taxpayers' money."*
- 1.3 In April 2024, the guidelines for productivity plans, were revealed. In a letter to all council chief executives sent on 16 April, the Minister for Local Government, Simon Hoare, outlined what the plans should include. He wrote: "Local Government has already done a huge amount in recent years to improve productivity and efficiency.... However, lockdown and post-lockdown has proved challenging, and you are looking for new ways to go further."
- 1.4 According to the letter, there is no formal template or detailed list of criteria that councils must meet as part of their plans. Plans are expected to be three to four pages in length and to set out what the council has done in recent years, alongside current plans, to transform the organisation and services, the letter said.
- 1.5 Councils are required to consider the following four questions when drafting their plans:
 - How the council has transformed the way it designs and delivers services to make better use of resources.
 - How the council plans to take advantage of technology and make better use of data to improve decision-making, service design and use of resources.
 - The council's plans to reduce wasteful spend within its organisation and systems.
 - The barriers preventing progress that the Government can help to reduce or remove.
- 1.6 Councils must hand in their productivity plans by 19 July 2024. Councillors must oversee and endorse the plan before it is submitted to the Department, and the plans must be uploaded to the council's website for residents to see.

- 1.7 The Department said it is creating a panel to consider the themes and evidence that come from the plans.
- 1.8 The panel, which will be chaired by Simon Hoare, will also consider the implications for future policy design, the role of Government in supporting further change "and the role of the sector in going further".

2. Proposal

- 2.1 Over the past few weeks, Norfolk County Council has been developing its Productivity Plan, the current draft for which can be found in Appendix A.
- 2.2 The Plan is a collaborative effort of Norfolk County Councils' departments, and its development has been co-ordinated by the Organisational Performance Lead in Strategy, Design and Delivery.
- 2.3 In reviewing the draft Productivity Plan, it is important to be clear that, along with virtually all upper tier authorities, Norfolk County Council continues to face an extremely challenging financial outlook, and a number of difficult choices and decisions which we do not take lightly. The Autumn Statement and the subsequent Provisional and Final Settlements set out a worse funding position for local authorities than had previously been anticipated, including an unexpected and sharp reduction in Services Grant. Despite the late injection of funding in January 2024, this had continued the trend of late, single year settlements, creating high levels of uncertainty about the Council's planning assumptions.
- 2.4 This context makes everything the Council has and continues to achieve all the more significant, as it highlights in the strongest terms the commitment every officer and elected member has to our ambition for Norfolk's future and to our strategic priorities. At every level, our plans and activities are aimed at:
 - Protecting our vital public services including Adults and Children's social care to the maximum possible extent within our available resources, and with a continued focus on prevention and early help to manage demand, continuing to share the care market to meet the needs of residents, making the best use of technology to maintain and support independence.
 - Targeting efficiency savings and transformation of the way we deliver our services as a priority of our cost control initiatives, to minimise the impact on services we deliver which are valued by so many across the County.
 - Investing in our local economy, while ensuring we are well placed to capitalise on the benefits of Norfolk's devolution deal and unlock future investment.
 - Position the Council to continue to invest in key infrastructure priorities through a sound and appropriate capital programme.
 - Ensure that the financial stability of the Council is safeguarded in the face of ongoing challenges, to establish a robust platform on which to develop a sustainable Council for future years.

- Enabling resilient communities that are better able to respond to, withstand, and recover from challenges, as well as seize opportunities. This reduces demand for public services, improve the quality of life for residents and creates a more sustainable future for the county.
- 2.5 The Productivity Plan is a single event, in which the Council must respond to Government's request, however the scope of the guidelines puts limitations around the degree of detail and information that can be shared at this point. The Committee is asked to consider the draft Plan more broadly in the work that the Council has done to address both the opportunities and challenges we face.

3. Norfolk's context

- 3.1 As a large county with a blend of rural, coastal, and urban communities and enormous growth potential, Norfolk offers a unique paradigm for levelling up. With 563ha of employment land, there is plenty of space for businesses to start up and grow. We have quality, cost-effective, commercial property compared to London and the Southeast, and lower-than-average operating, property and living costs.
- 3.2 We want and can deliver a rural and coastal powerhouse exemplar for government, and evidence how counties can deliver growth and productivity equal to large metropolitan areas and city-regions with devolution deals.
- 3.3 There are, however, a number of challenges facing areas of the County. Norfolk, like other rural and coastal areas, faces historical imbalances of underfunding, which means there is an urgent need to invest in infrastructure (transport, roads, energy, digital connectivity) to unlock strategic sites and enable growth opportunity. Over 135,000 people live in areas classed as the 20% most deprived areas in the country, so in addition to our economic ambitions, we also want to improve the life-chances of our people, creating better futures for all, no matter where they live or the circumstances in which they were born.
- 3.4 So, for Norfolk, growth and productivity are not just economic – they are also about removing barriers and creating conditions for people to lead healthy, prosperous, and fulfilling lives. It is about protecting those most vulnerable of our residents, while focusing on prevention and early help, addressing those wider determinants of health which contribute to poor outcomes and poor health, and enabling stronger partnerships with communities thus improving people's quality of life.
- 3.5 Our funding challenges remain significant, with demand-led pressures in adults and children's social care, high-needs schools' budgets, growing levels of poor mental health, and homelessness, easily outstripping the

increases in funding. And notional real-terms growth is not keeping pace with budget pressures.

4. Transformation, Innovation and Service improvements

4.1 Adult Social Care

4.1.1 The pressures in adult social care are significant and well known nationally. In Norfolk:

- We continue to work hard **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.
- We have seen both high levels of vacancies related to Social Workers and indeed a high level of turnover. We are doing a lot of work **to both attract workers to Norfolk, retain our existing staff and “grow our own” new practitioners**, however it remains an incredibly challenging staff position.
- Our **demography** represents a higher proportion of adults over the age of 65 than both the East of England and National averages.
- We know we have issues with the **quality of the care market** and many providers who operate within these markets are independent businesses, it is therefore vital that we shape these markets, so they are sustainable and prosperous.

4.1.2 Our Promoting Independence strategy and transformation programme has been focused on delivering against a number of key areas. As a result, we have:

- A clear strategy and targeted interventions **on prevention and early help using analytics technology** that will enable us to identify people more easily at risk of developing need.
- **Improved health and wellbeing for unpaid carers**, using a social impact bond investment to identify carers more easily, and offering them support to continue to fulfil their caring role.
- **Community equipment, adaptations and technology** that provide a higher level of independence, such as with our award-winning project using Alcove Care Phones
- **internal reablement services** under Norfolk First Response Service (NFRS) which provide reablement services for 5000-6000 people each year.
- **A step change in housing choices** for older people, people with learning disabilities and disabled people through our unique building programme
- Working with care providers and users of services aimed at **developing a stable, modern care market.**
- More **effective and innovative use of our Better Care Fund** collaborating with the Integrate Care Board to maximise impact.

4.2 Children’s Services

4.2.1 Children's Services in Norfolk have established a clear vision and delivered a considerable and successful programme of transformational change over the last five years. Since our last Ofsted inspection during 2022, we have not relented in our transformation journey, with several big achievements coming to fruition, including launching 15 new School and Community Teams who offer high quality 'call-in' support for education settings and families focused on prevention, early help, and inclusion; achieving earned autonomy for our stronger families programme; being selected to be a part of a number DfE programmes including the SEMH short breaks programme, Family Hubs programme and the regional Fostering Recruitment and Retention pathfinder for which Norfolk acts as the lead authority; as well as being selected to be a Sector Led Improvement Partner to support other local authorities in their improvement journeys.

The FLOURISH framework articulates our collective ambitions for children and young people and since the establishment of our programme in 2018 we have travelled a considerable distance as a department in making a reality of this for children in Norfolk.

- Preparing for wider children's social care reform by **piloting Family Help in Norfolk** to further embedded multi-disciplinary approaches to helping families.
- Becoming the leading LA for Eastern Region, successfully becoming a **regional fostering pathfinder (SHBOL)**
- Becoming a pathfinder for the **Wraparound Childcare Scheme (DfE)**. The ambition of this scheme is that all primary aged children can access 8am to 6pm childcare provision term time only.
- Having delivered and now **fully embedded New Roads model** as part of national Strengthening families, protecting children (SFPC) programme (DfE)
- Continuing to provide a high level of support for most **vulnerable separated migrant children** through our nationally recognised support model.
- Achieving '**Earned Autonomy**' status for our Supporting Families programme, in recognition of the maturity of Norfolk's prevention & early help activity.

4.2.2 At the same time, we continue to face a number of significant challenges such as demand and system pressures and shortfalls in workforce. To mitigate these, we are working to:

- **Improve placement sufficiency** by increasing the number of foster carers, delivering further innovative interventions at the edge of care to help young people remain with their families, reshaping our in-house provision and creating more specialist provision for children with

learning disabilities, autism, and physical disabilities, helping to deliver better quality, local and more affordable provision.

- **Build on the establishment of our system wide Local First Inclusion approach** in 2023, to help intervene early and more holistically to prevent escalation of need, focusing on how we incentivise and increase mainstream inclusion practice.
- Continue to collaborate with partners in the education system to deliver the initial plans of the **Learning Ambition for Norfolk** as part of the programme of work over the coming 3-5 years to support significant improvement in learning outcomes for children and young people.
- Improve the experience of families seeking help, including **embedding the 'Family Help' model** that will allow professionals, including social workers, to operate more flexibly to meet the needs of children and families.
- Deliver a **system collaborative with Health Partners** focused on strengthening our approach to supporting mental health and wellbeing and building a collaborative approach to supporting neurodiversity.

4.3 Infrastructure and Communities

4.3.1 Our Highways and Infrastructure, and Communities and Environment teams deliver a wide a variety of front-line, locally focused services aimed at:

- **Keeping people safe** –Fire and Rescue, Trading Standards, planning, winter gritting, flood, and water management
- **Helping people stay connected to services, businesses and to each other** –roads, transport, walking, cycling, and wheeling, community hubs.
- **Providing opportunities for people to reach their full potential in their career and life** – adult education, community learning, libraries, arts.
- **Supporting healthy and resilient communities** – Active Norfolk, emergency planning, public rights of way, waste, and water management, VSCE support
- **Protecting and celebrating our landscape, heritage, and history** – for example museums, Norfolk Record Office, environment, climate strategy, tourism

4.3.2 Despite challenges, we have continued to invest in and deliver crucial infrastructure, both physical and social, to support local communities and businesses and enable them to be sustainable, such as:

- Significant **highway infrastructure**, including Great Yarmouth 3rd River Crossing, Norwich Western Link, Long Stratton Bypass & West Winch Housing Access Road
- **Arts and heritage programmes**, including a nationally significant project to restore Norwich Castle Keep into its medieval former glory.

- Two new **learning and library hubs** in Great Yarmouth and King's Lynn, providing better facilities for local communities whilst also helping to bring the high street back to life.
- **Award-winning adult learning services**, supporting local people to grow their knowledge and skills, and improve their life chances.
- Investing in new electric vehicles, working with transport providers to secure electric buses, and **developing transport infrastructure that supports green ways to travel** to reduce our impact on the environment and deliver our Climate Strategy

5. Fair and sustainable funding for Norfolk

- 5.1 Norfolk County Council welcomed a number of government's announcements on the local government settlement including increasing Revenue Support Grant in line with CPI, maintaining the Rural Services Delivery Grant, and extending the flexibility to use capital receipts to fund revenue costs on projects that reduce costs and improve efficiency to March 2030. We also welcome the further injection of funds announced by the Secretary of State at the end of January 2024, and the recent extension of the Household Support Grant for a further 6 months.
- 5.2 At the same time, we are disappointed at very substantial reduction in Services Grant that was not communicated to authorities in advance, and which has put significant strain on our delivery plans for 2024/25 and will undoubtedly lead to essential services for vulnerable residents being impacted adversely.
- 5.3 We have also been disappointed at the continued delays to key reforms including Fair Funding and the lack of a true multi-year settlement, exacerbated by the approach which has seen some elements of funding receive inflationary increases while others such as Rural Services Delivery Grant have not.

6. What Government can do to help remove barriers

- 6.1 Norfolk County Council, in partnership with all key sectors, continues to look for the best way to achieve efficiencies and improve our productivity and our impact. There are a number of barriers, however, that sit outside of local control and where only Government can intervene to bring about improvements. We ask Government to:
 - Provide the resources to deliver a **multi-year local government finance settlement**, which increases the quantum of funding available for local authorities.
 - Recognise that **ongoing reliance on council tax and Adult Social Care precept increases to meet growing demand are unsustainable**.
 - Provide **sustainable and fair funding**, including updating the relative needs formula, addressing historic funding gaps, and recognising the additional costs of providing services in a rural area.
 - Provide **adequate funding for unfunded pressures**, such as the National Living Wage, recognising the impact that central government decisions can have on local authority budgets.

- Address issues in children’s social care, including increasing cost and demand of services, and tackling the issue of excessive "super profits" at national level.
- Provide additional **funding for the High Needs Block of the Dedicated Schools Grant**, particularly in light of the higher-than-average number of children with Special Education Needs and Disabilities (SEND) who require high needs support.
- Recognise the importance of **funding all local government services to contribute to tackling regional inequalities** and promote sustainable economic growth.
- Continue to invest in vital infrastructure.

7. Impact of the Proposal

- 7.1 This plan intends to demonstrate the activities that have taken place or are planned, to enable the Council to remain efficient and effective in its approach to maintaining financial controls of the budget, ensuring we are enabling and supporting our workforce to provide the best possible services for our residents of Norfolk and ensuring that our Transformation plans are contributing to the achievement of outcomes and our strategy, Better Together, for Norfolk.

8. Evidence and Reasons for Decision

8.1

9. Alternative Options

- 9.1 No alternative proposals are being considered at this point. Activities and controls identified are those that form part of our Corporate Delivery Plan and our Financial Controls as set out in our agreed budget for 2024/25.

10. Financial Implications

- 10.1 All Transformation activities outlined within the plan have been costed and budgeted for as part of our annual budget setting activity. Detailed financial implications are outlined throughout the plan, with links to wider documents that set out our budget plans for 2024/25.

11. Resource Implications

7.1 Staff: There are no additional impacts on staff.

7.2 Property: There are no additional impacts on property.

7.3 IT: There are no additional impacts on IT.

12. Other Implications

8.1 Legal Implications: There are no legal implications.

8.2 Human Rights Implications: There are no human rights implications.

8.3 Equality Impact Assessment (EqIA) (this must be included): There are no perceived implications on Equality, Diversity & Inclusion through this plan.

8.4 Data Protection Impact Assessments (DPIA): There are no considered implications in relation to DPIA.

8.5 Health and Safety implications (where appropriate): There are no considered implications in relation to health and safety.

8.6 Sustainability implications (where appropriate): There are no considered implications on climate/sustainability.

8.7 Any Other Implications:
None identified.

13. Risk Implications / Assessment

9.1 None identified.

14. Recommendations

The Select Committee is asked to:

1. Acknowledge the work that Norfolk County Council has done to address the opportunities and challenges it faces through transformation, innovation, and improved productivity.
2. Offer thoughts and feedback on activity to date and proposed next steps, as summarised in this report.
3. Make recommendations to Cabinet as appropriate.

15. Background Papers

11.1 To be read in conjunction with Appendix A Norfolk County Council Productivity Plan 2024/25.

Officer Contact

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

Officer name: Stacey Palmer

Telephone no: 01603 365794

Email: stacey.palmer@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 – Productivity Plan 2024-25

As a council, improving productivity has been a central part of our planning and delivery over many years. We now consider ourselves as capable of managing large scale change and improvement with a track record of delivery. For example, in the last few years we have turned our children’s services around from being failing to rated as Good with outstanding features. We have absorbed significant increases in demand despite a challenging funding environment, for example, maintaining our performance against the timeliness completion of Education Health and Care Plans, whilst also achieving record demands for referrals, as well as our Transformation Programmes across Adults and Children’s Services where we have sought to reduce forecasted despite increasing demand felt across the Social Care system. We have invested significantly in technology and are now national exemplars for how we use AI and technology across our services. Over the last 18 months we have engaged with both the Institute of Productivity and the Bennet institute to challenge our thinking on productivity both in terms of costs, efficiency but also how in collaboration with others we can improve outcomes for our residents.

1. The Council’s planning context

1.1. In 2021 we launched our strategic plan, Better Together, for Norfolk, which was a statement of intent, following the impact of Covid-19, focusing on recovery, and on achieving the renewal and resilience our county needed to be successful.

Our vision remains for Norfolk to be the place where everyone can start life well, live well and age well, and where no one is left behind.

We want our economy to be vibrant, entrepreneurial, and sustainable, supported by the right jobs, skills, training, and infrastructure.

We want our communities to feel safe, healthy, empowered and connected, their individual distinctiveness respected and preserved.

1.2. The Council’s strategic priorities are core commitments to our local community, which go beyond our statutory responsibilities and avoid retreating to minimum levels of service.

- 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

1.3. Better Together, For Norfolk 2021-2025, can be found [here](#). It represents the long-term vision and ambitions for the Council and the County as a whole. Our year-on-year priorities, which deliver our strategic priorities, are represented in the annual Council Delivery Plan and progress against those is reported in our Annual Review.

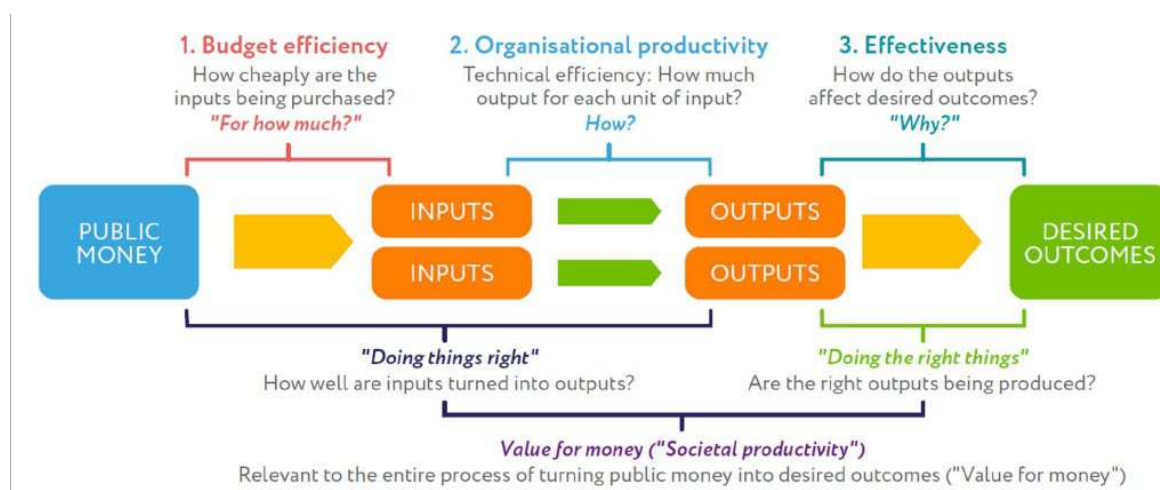
1.4. Norfolk County Council is operating in a period of significant and fundamental change in both the scope and scale of public services and associated sustained pressure on the levels of funding to local government. This pressure on resources has come at a time of increasing levels of demand and cost for many of the services we provide. Alongside this, Norfolk’s rurality remains a challenge for maximising efficiencies for services in our communities that are significantly geographically spread.

1.5. The Council is focussed on meeting these challenges of increasing demand, rising costs, and restricted resources, whilst minimising the impact on the front-line delivery of services. Further details about the Council’s budget planning approach to achieve this are set out elsewhere in this document.

2. Productivity at Norfolk County Council

2.1. This Productivity Plan for Norfolk County Council responds to the Government’s request to provide details of how the Council is improving service performance and reducing areas of high expenditure, detailing key milestones, and drawing on work already undertaken.

2.2. During 2023/2024 we have been working with The Bennet Institute to develop our understanding of productivity and what this term means for us at NCC. This has included discussion at our Executive Leadership Team Meetings and a workshop for a cross section of the workforce. Following the workshop we have agreed to adopt the Productivity Institute’s methodology for helping us to assess the productivity of our services and delivery chain, which is set out below.



This methodology will act as a support mechanism to enable us to seek out more effectively, opportunities for transformation or changes in our service delivery by focusing on how we deliver key service outcomes as efficiently and effectively as possible.

2.3. We define productivity as ensuring we are achieving the right outcomes in the most efficient and effective way for us as an organisation, our staff and our residents, ensuring staff are freed up from tasks that could be dealt with through other means, so that they have the time to do the frontline work that really counts. Our approach to improving it includes adopting new technology such as Artificial Intelligence; regularly reviewing our workforce design through structured approaches and controls; utilising commercial processes including our own trading companies to reduce the costs of inputs and to work creatively with partners to improve services to our residents, for example, our adult social care services have worked collaboratively, using Artificial Intelligence to help identify and support people at risk of falling. We have piloted easy to use technology to link people to services and family,

improved service provision and reduced social isolation and loneliness. This is being rolled out more widely.

Collaboration is one of the ways of delivering more efficient services. We work closely with major partners such as the NHS to deliver care services to residents. Other examples include our Multi Agency Safeguarding Hub, which continues to work in partnership with Your Norfolk Advice Network to provide advice and information to people. We have Partnerships with district councils, providers, and landlords to deliver the statutory services to support victims of domestic abuse including increasing safe accommodation and support.

2.4. Recent years have brought with them consistent challenge, with Covid-19, global instability and the shift in the economy providing unforeseen impact on our residents, communities, businesses, and our Council. Not least in terms of the ongoing challenge to provide high quality, value for money services, which meet the needs of our people and within a balanced budget.

2.5. Despite such challenges, the County Council has remained ambitious in its approach to remaining efficient and effective and has a reputation for being forward thinking and innovative with a track record of ambitious transformation, where productivity is at the heart of everything we do.

2.6. Across 2022-23, the Council undertook a Strategic Review, which was commissioned to identify opportunities to maximise resource and redesign how we are organised to support and deliver the services that residents of Norfolk rely upon in the most efficient and effective ways. Through this review, the Council invested in a new, single model of Transformation management, which has strengthened our cross-Council mechanisms to plan, allocate and co-ordinate how change and our enabling resources are deployed across the whole of the Council. With improved visibility and collective decision making around prioritisation, the design principles of this model have enabled and unblocked barriers to benefits realisation and achievement of outcomes, and through the priority portfolio, has enabled the Council to seize opportunities around change that will bring about the largest benefits to services and our residents. Examples of key programmes of Transformation can be found throughout this document.

2.7. Following Strategic Review, we have embraced the use of technology across the organisation to enable a shift that has seen less reliance on HR services for people management processes to a more manager self-serve led approach. In enabling this, we have freed up our HR Team to be able to carry out their commitments as set out in our Workforce Strategy, focusing on attracting, developing, and retaining colleagues more effectively, ensuring our workforce is equitable, inclusive, and diverse, and enabling leaders to improve performance and wellbeing. We have implemented the Council's first Wellbeing Strategy to enable everyone to take ownership of their own wellbeing to support sustained organisational health, focusing on the 4 pillars of wellbeing. We have received national recognition for our employee wellbeing work. Our strategy is designed to create the conditions for sustained organisational health, productivity, and success.

2.8. We are sector leaders in our approach to digital transformation and in our use of data, having invested in new Digital and Insights & Analytics models across 2022-2023. The Council has won various prestigious national awards for our work in recent years, including Digital Council of the Year, and is pioneering the Local Government use of the CAF (Cyber Framework) Assessment working with DLUHC. We have also been an early adopter of emerging technologies such as RPA (Robotic Process Automation) and Generative AI, being

one of the first six authorities selected by Microsoft to roll out Copilot. Our transformation activities are leading the way in terms of how Councils are using performance data, insights, and analytics and in how we utilise and employ digital and technology. Adults Social Care is recognised by ADASS as a leading organisation in the use of AI for predictive analytics enabling early intervention and supporting our prevention agenda.

Specifically, we are using AI to support prevention work in Social Care, such as the falls pilot, which identifies people at risk of falling and looks to offer early support to avoid falls. This will enable us to make both financial savings and improve the quality of life for our residents. Our Virtual Care Agency pilot has now moved into a full-service model, which provides video-based wellbeing calls to people, saving time and travel and enables the council to focus the in person visits for people with more complex needs. We have taken steps to future proof Tech-enabled Care, analysing current ways of working, benefit delivery alongside the strategy and models from other councils to identify opportunities that can be maximised locally. Findings have led to a transformation project for Assistive Technology to deliver a step change in benefits realisation and cost avoidance. Alongside this we are integrating the use of Microsoft Copilot into daily tasks and gathering feedback on its performance and usability, supporting testing, training, and evaluating its outcomes. Through this work we are developing specific prompts and solutions to enable use for different tasks, for example AI supported email triage or automated categorisation / scoring of free text fields for assessments.

2.9. Already being a data and technology driven Council, we measure 'productivity' through a variety of means, including service outputs and outcomes. We have adopted the Productivity Institute Model to support our journey around productivity, and our measurement forms part of our performance management framework, via our Corporately Significant Vital Signs, with data available to us on our performance, through the use of insights and analytics drawn from Power BI dashboards, to enable service staff to make corrective actions swiftly. Evidence is already emerging, through engagement with other local authorities that our Insights & Analytics Team is fast proving to be an exemplar capability that is being asked to brief on the innovation taking place in information, insights, and intelligence services at NCC.

2.10. Our Children's Services have gone from strength to strength. Since our last Ofsted inspection, we continue to have taken huge strides in our journey to deliver outcomes for children and families and to move towards achieving our shared ambition – for Norfolk to be a place where every child and young person can flourish. We received a Good Ofsted outcome in late 2022, with areas of our practice being highlighted as outstanding and exceptional. In recognition of our transformational work and continued focus on early help and whole family working, we have now achieved Earned Autonomy status. This means that Norfolk will be able to receive all relevant funding upfront, rather than a proportion of the funding as payment by results for family outcomes. NCC is now one of only two authorities in the Eastern region to achieve this.

Since our inspection, we have not relented in our transformation journey, with several big achievements coming to fruition, including launching 15 new School and Community Teams who offer high quality 'call-in' support for education settings and families focused on prevention, early help, and inclusion; achieving earned autonomy for our stronger families programme; being selected to be a part of a number of DfE programmes including the SEMH short breaks programme, Family Hubs programme and the regional Fostering Recruitment and Retention pathfinder for which Norfolk acts as the lead authority; as well as being selected to be a Sector Led Improvement Partner to support other local authorities in their improvement journeys.

2.11. We have a rigorous and comprehensive Council wide system in place to manage our performance, risk, budget, capital expenditure and use of reserves; these are outlined in some detail throughout the document and respond to recommendations made in our last Peer Review, held in 2019.

3. How are we delivering Productivity at NCC?

- Council Wide Strategic Review
- Digital, Technology & Use of Data
- Transformation
- Budget and Medium-Term Financial Strategy
- Performance & Risk Management
- Continuous Improvement
- Workforce Strategy
- Reducing Spend

3.1. Council Wide Strategic Review

Across 2022-23, the Council undertook a Strategic Review, which was commissioned to identify opportunities to maximise resource and redesign how we are organised to support and deliver the services that residents of Norfolk rely upon in the most efficient and effective ways. The programme's focus was 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. In summary objectives for the programme were:

- Removal of duplication areas or clarify accountabilities and ways of working, for how our 'enabling' services work with departments delivering to residents and communities.
- Refocus and consolidate capability within our enabling services, to maximise our resources and improve the ability to direct them to the agreed priorities and collaborate to support departments or major projects.
- Refresh our organisational design principles to provide consistency for restructures under the programme and to enable efficiencies in any future organisational design programmes. This included agreeing 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 and to create an organisational design governance framework fit for the future.
- Reduce operating costs by safely removing roles in areas where work can be redistributed, stopped, or redesigned to be undertaken with less capacity.

The changes identified across our cross cutting enabling services were implemented during 2023, and to date have realised efficiency savings of £15.5m in 2023-24 against a planned £17m. The themes and service changes will carry forward benefits and further opportunities into future years. New budget savings relating to transformation of £10m have been identified as part of the 2024-25 budget, which include:

- Additional Adult Social Services and Children's Services transformation programme savings including Connecting Communities.
- Use of digital technology to streamline services and make productivity and efficiency savings.

- Efficiency savings from restructure and removal of posts from the establishment.
- Property rationalisation.

3.2. Digital, Technology and Use of Data

3.2.1. Norfolk's Digital Strategy & Roadmaps for the 2020s (www.norfolk.gov.uk/digital) was formally adopted and has been delivered against since 2021. The preceding Digital Strategy benefitted from the establishment of a dedicated Digital Innovation and Efficiency committee which helped to drive an organisational culture which embraced digital, and technology enabled innovation. As a result of sustained focus on and investment in DDAT as an enabler of efficiency and productivity, the Council is now recognised as a digital leader amongst peers and sector organisations such as Socitm, Solace and the LGA.

Good technology alone does not enable better productivity, it must be accompanied by investment in Digital Skills, business analysis, business process redesign capacity and a leadership culture which embraces digital innovation. NCC has historically and consistently developed this approach, which can be seen by the Council having the highest national take-up of Microsoft's Change Agent Network Digital Transformation training (which we helped then to develop). The Digital Services, Intelligence and Automation and Strategy, Design and Delivery functions all combine to maximise the effectiveness of our Digital, Data and Technology investments.

As a result of the Digital Strategy & Roadmaps, the Council operates very little legacy infrastructure. The exceptions are where there is insufficient competition in the marketplace and so a few lines of business systems are sub-optimal. Overall, the Council has invested well in modern, cloud based digital infrastructure, digital systems, and skilled professionals. The Council meets all cyber security assurance standards and is pioneering the Local Government use of the CAF (Cyber Framework) Assessment working with DLUHC.

3.2.2. NCC has been an early adopter of emerging technologies such as RPA (Robotic Process Automation) which was recognised with the EMEA All-Star Best Newcomer Award in 2021 and has now saved twenty-five thousand hours (over £700k savings) through dozens of projects all around the council. Generative AI is the latest opportunity area where NCC is leading the way, being one of the first six authorities chosen by Microsoft to roll out Copilot) 300 staff are now finding efficiency benefits from this technology which will later this year inform a business case for further investment. The Council takes an invest to save approach to the adoption of technological solutions, ensuring there is always a clear business owner and user need for any new solutions deployed. An agile approach to development and deployment has been in place for many years now and Norfolk was one of the earliest signatories to the Digital Declaration.

3.2.3 Adults Social Care is recognised by ADASS as a leading organisation in the use of AI for predictive analytics enabling early intervention in areas such as the case of falls, social isolation, and loneliness. The financial and quality of life benefits of this project are extremely significant, and this project is expected to be recognised by a national award in 2024.

Another example of an NCC department effectively exploiting tech and digital opportunities is Highways which won a National ADEPT Award in 2022 for use of technology. This build upon the smart digital places LoRaWAN IoT infrastructure that has been deployed county wide (a national first). Use of sensors to reduce street lighting costs, winter gritting costs and various other initiatives would not have been possible without a culture of digital innovation.

3.2.4 Systems and data integration with our partners has been continuously and incrementally deployed to improve joint working. Examples of these range from Counter Fraud detection with Districts to maximise Council Tax and Business Rates collection levels, through to the Shared Care Record system which allows local authorities and all local NHS organisations to systematically share real time information regarding residents/patients across the County. Norfolk's use of the shared care record system is amongst the highest in the UK and saves significant staff time as well as enabling better outcomes for residents/patient.

3.2.6. Norfolk's technology strategy is not constrained exclusively to use by Council operations but also focusses on digital infrastructure and skills for residents and businesses. See www.norfolk.gov.uk/digital for more on the Superfast, Ultrafast, LoRaWAN, LEO Satellite and mobile network as well as achievements in digital skills improvement projects. The Council has won various prestigious national awards for this work in recent years, including Digital Council of the Year in 2020, IoT Winner in 2021 and Access Innovation in 2023.

3.2.7. The availability of good quality approved and synthesised data, alongside the associated insights derived, remains a cornerstone of NCC ambitions to meet strategic objectives and operational aims. Evidence based decisions at all levels of local government rely on the ready provision of data, information, insights, and intelligence, making appropriate data readily available to residents is also a powerful enabler for people of Norfolk to make well-informed decisions that directly affect their lives and those of their families.

3.2.8. Making the best use of data begins with deliberate collection strategies. With the availability of data growing exponentially in general, and from a huge variety of sources in addition to that collected by practitioners, the challenge becomes being able to clearly identify the data and insights gaps, and to direct collection where those gaps persist. A deliberate and directed collection strategy therefore starts with an improved understanding of requirements and effect, to determine genuine gaps in data and insights. With that in mind we have developed a more focused collection, driven by outcome and decision requirements then results, and that enables coherent and consistent insights to be made readily available to decision makers at all levels, including to members of the public. This can be seen through the development of our Adult Social Care Insights Portal, which has improved our capacity to understand key trends around demand, service user journey and performance across the spectrum of our services being delivered to residents, and therefore enable more effective planning across day-to-day delivery and our key Transformation programmes.

3.2.9. In late 2023, the insights and analytics capabilities from across NCC were consolidated into one capability as part of the Strategic Review. This brought together all those positions that undertook information (including information governance), insights and intelligence support into a new professionalised I&A capability for NCC. It is this construct that provides the essential coherence needed to requirements management and to making sense of data - and that underpins evidence-based decisions to all NCC business areas. This consolidation into a single professionalised service, with all the flexibility and concentration of expertise that this provides, is already leading to better outcomes.

3.2.10. Working hand in glove with Digital Services, and alongside other enabling teams in Strategy & Transformation, the operating model for the analytical elements of I&A will be to become as embedded as is feasible within each of the relevant business areas, in business partnership with and to provide close support to each area. This includes improved advice and guidance through enhanced understanding of business aims and objectives. These

analytical elements are underpinned by a much-enhanced Data Science capability, using the very latest innovative tools and technology, and with automation and use of AI and predictive analysis (such as forecast modelling of demand) a central mission for all. Our Information Governance Team are embedded as a core part of the I&A offer and spectrum of capability and ensures that data and information governance aspects are continuously monitored, and potential barriers managed professionally and efficiently.

3.2.11. Partnerships and sharing agreements with regional and national public bodies not only enhances the provision of services to NCC, but it also allows I&A to demonstrate unique capabilities being developed in Norfolk. Evidence is already emerging, through engagement with other local authorities that I&A is fast emerging as an exemplar capability that is being asked to brief on the innovation taking place in info, insights, and intelligence services in NCC. The Norfolk Office for Data & Analytics (NODA) continues to grow in confidence and capability as it moves towards 'phase 2' of its development. It has already proven significant added value during its first years of existence, by partnering together County level Social Care, Health and Police and District data and analytics capabilities and collaborating together on joint projects and commissions. In early 2024 agreement has been reached on achieving a NODA key ambition of creating a shared joint data set between all stakeholders, and that will be a game changer in the Norfolk data and analytics collaboration space.

3.3. Transformation

3.3.1 Following our Strategic Review the Council invested in a new, single model of Transformation management, which has strengthened our cross-Council mechanisms to plan, allocate and co-ordinate how change and our enabling resources are deployed across the whole of the Council. With improved visibility and collective decision making around prioritisation, the design principles of this model have enabled and unblocked barriers to benefits realisation and achievement of outcomes, and through the priority portfolio, has enabled the Council to seize opportunities around change that will bring about the largest benefits to services and our residents.

As a result of this change, the Council formed a new team, Strategy, Design and Delivery (SDD), whose focus is to enable better outcomes. The team brings additional strength and expertise across a range of disciplines, from change, innovation, strategy development, performance improvement and governance. Alongside this they conduct targeted research on a range of subjects to inform policy and service design, and identify, shape opportunities, and deliver change to improve Norfolk County Council and its services. We have developed a framework for organisational design that focuses on articulating a clear outcome focused operating model underpinned by effective structural designs. Organisational design principles have been developed to support the framework, alongside the application of spans and layers, and a governance model has been set up to hold ourselves to account against these principles.

Output: Strategic design principles

The design principles set out parameters that connect ‘up’ to the design outcomes that support NCC’s strategy and then can be used to challenge, test and refine future organisation design changes

Design outcome	Design principle ‘the design must...’
<i>Enabling independence & building on strengths</i>	Enable services to build on strengths of individuals and their networks
	Support the Council to build trusted relationships with residents & communities
	Help people to get the right response at the right time
<i>Providing value for money services people need</i>	Standardise and simplify where possible, bespoke where required to meet need
	Scale NCC’s ability to exploit technology
	Clarify accountabilities & decision making
	Enable professional development and progression for all roles
<i>Shaping the whole Norfolk system to improve outcomes</i>	Make it easier for NCC to adapt to external changes in needs, duties and priorities
	Enable NCC and its partners to align around shared data and insight
	Making taking joined-up action to improve outcomes

3.3.2. Portfolio management has been introduced to support collective prioritisation of the key delivery programmes across the Council. A framework has been developed to determine which programmes are corporately significant and these are monitored through a monthly Executive Leadership Team meeting. Any issues with delivery are discussed and action agreed to support the programme delivery and attainment of outcomes.

Our ongoing service transformation programmes, managed collectively as a priority portfolio, 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. 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.

3.3.3. A number of our key programmes are delivering service transformation in line with our key service strategies and outcome frameworks. For example, the Adults Social Services Strategy, *Promoting Independence* has three key priorities that are guiding transformation of services: [Adult Social Services 5 year Strategy - Norfolk County Council](#)

Similarly, Children’s Services co-produced a strategy with children, young people, and families in Norfolk. Flourish underpins the approach to transformation in Children’s Service and the services we deliver with and through our partners. The strategy and supporting documents can be found here [Flourishing in Norfolk: A Children and Young People Partnership Strategy - Norfolk County Council](#)

3.3.4. There is a separate productivity plan that has been developed for the Norfolk Fire and Rescue Service, and collaboration has been an enabler in improving public safety through prevention, protection, response, and resilience and helps to maintain excellent county emergency services which are effective, efficient and value for money.

From how we work together at incidents, to our community safety work and how we use our buildings, NFRS continually collaborate both formally and informally with a wide range of organisations, emergency services partners, local authorities, and the voluntary sector in Norfolk.

3.3.5. Examples of collaborative working between police and the fire and rescue service has included: shared use of buildings including the joint control room at the Operations and Communications Centre (OCC) in Wymondham; operational and training collaboration; joint provision of appropriate specialist capabilities including drones and water rescue; sharing of key data and intelligence to support risk identification and effective targeting of resources; and alignment and co-ordination of community safety activity.

Our collaborations have been underpinned by our good practice on the implementation and application of Joint Emergency Services Interoperability Principles (JESIP).

Collaboration has also extended beyond our county borders with Norfolk Fire and Rescue Service's interoperability with Eastern Region Fire and Rescue Services and Norfolk and Suffolk Constabularies successful collaboration as well as close joint working with the East of England NHS Ambulance Trust.

Other successful collaborations which Norfolk County Council has led on include nationally significant work with Defra and the private sector delivering nature recovery projects such as Wendling Beck, working with Arts Council England on a major project mapping project around health and wellbeing, and visitor economy infrastructure projects and programmes working with Visit East of England and Visit England/DCMS.

3.3.1. We continue to review and transform the way in which we use the property in our portfolio and have identified a number of opportunities to make the best use of our buildings, including releasing land where appropriate. Work is ongoing and will continue in line with the Council approved Strategic Asset Management Framework 21-26.

3.4 Budget and Medium-Term Financial Strategy

3.4.1. The Council has an established and sound approach to medium-term service, and financial planning, which includes a rolling Medium-Term Financial Strategy (MTFS), with an annually agreed budget. Whilst we have set a balanced budget for 2024-25, we face significant financial pressures caused by rising costs driven in part by inflation, growth in demand, increasing complexity of needs, and the continuing upward trajectory of the National Living Wage.

3.4.2. Whilst we consider the Council to be in a sound financial position, and that collectively we have risen to the challenge of tackling the 2024-25 Budget gap while providing considerable levels of growth for key services, our budget for 2024-25 will undoubtedly be challenging to deliver. The balanced Budget for 2024-25 is based on the achievement of £41.532m net savings (including gross £9.616m of new savings relating to transformation), and these include a number of plans which have required us to make some difficult

decisions about significant savings across all services. To support the overall Budget, the County Council has agreed a 4.99% council tax increase for 2024-25.

3.4.3. The Final Settlement for 2024-25 provided additional funding of £9.539m, which enabled the Council to prepare a balanced 2024-25 Budget but was not sufficient to support 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 is not however a sustainable position in the longer term and is 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. The 2024-25 Budget and Medium-Term Financial Strategy, which has been developed in line with organisational ambitions and priorities, will impact on the nature and type of services provided by the Council. In particular, the Budget:

- provides 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.
- contributes to the Council setting a balanced budget for 2024-25.
- informs future development of the 2025-26 budget and the MTFS beyond 2027-28; and
- continues to put ongoing and sustained transformation of the way we deliver our services at the heart of our cost control initiatives.

3.4.4. Operating within the approved budget for the year and the delivery of identified savings will be critically important and is therefore closely monitored throughout the year and reported to the Council's Cabinet as part of regular financial reporting. There is extremely limited flexibility within the Council's overall financial position and therefore remaining within the available 2024-25 Budget during the year will be of paramount importance.

3.4.5. The Medium-Term Financial Strategy (MTFS) agreed in February 2024 set out a gap of £135.908m for the period including **a gap of £44.722m for the first year, 2025-26**. Extending the MTFS for an additional year, 2028-29, based on the same broad assumptions, adds a further £52.744m to the gap to be addressed, resulting in **a total revised gap of £188.652m for the MTFS period**. The Council's budget process for 2025-26 has begun and it is currently working to identify options to close this budget gap and to refine estimates of future year budget pressures. The approach to budget development includes:

- A review of all current pressures with a view to reducing the level required, which will include a process to challenge, understand, and approve all growth within 2025-26 Budget planning.
- A requirement that a business case be submitted for requests for budget growth, and that this will be subject to a prioritisation process.
- A review of all earmarked revenue reserves with a view to releasing funding where possible (noting that this would provide a one-off gain which would impact on the future year gap).
- A review of the Council's commercial opportunities, including scope to achieve increased income.
- A review to consider the scope to extend existing saving plans.
- Identification of new savings against the minimum target of £45m to enable Member choice.
- Consideration of opportunities for greater integration between performance reporting, business planning, and budget development; and
- Consideration of the impact and budget requirements in relation to progress towards the County Deal.

3.4.6 The table below summarises the budget planning position for 2024-25 to 2028-29.

	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2028-29 £m	Total £m
Growth Pressures						
Economic and inflationary	34.670	24.044	24.360	24.902	25.502	133.478
Legislative requirements	38.017	7.850	6.500	6.500	6.500	65.367
Demand and demographic	39.732	37.608	37.110	38.230	38.161	190.841
Policy decisions	9.614	-5.000	3.825	0.005	0.005	8.449
Subtotal pressures	122.033	64.502	71.795	69.637	70.168	398.135
Identified savings	-41.532	-12.059	-8.989	-7.923	0.000	-70.503
Funding changes	-46.460	10.066	0.000	0.000	0.000	-36.394
Council tax changes	-34.041	-17.787	-16.420	-16.915	-17.423	-102.586
Forecast Gap (Surplus)/Deficit	0.000	44.722	46.386	44.800	52.744	188.652

3.4.7. Summary of Proposed Budget Savings per Department as included in the MTFS approved February 2024

	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2024-28 £m
Adult Social Services	-14.252	-7.400	-4.900	-2.600	-29.152
Children's Services	-9.775	-6.113	-7.449	-5.703	-29.040
Community and Environmental Services	-9.665	0.543	-0.240	0.400	-8.962
Strategy and Transformation	0.460	2.201	0.040	-0.020	2.681
Chief Executive's Directorate	-0.330	0.290	0.000	0.000	-0.040
Finance	-7.970	-1.580	3.560	0.000	-5.990
Savings total	-41.532	-12.059	-8.989	-7.923	-70.503

3.4.8. Capital Strategy

3.4.9. The Council's Capital Strategy is an integral part of the Council's Budget and MTFS and provides a framework for the allocation of resources to support the Council's objectives. The key aims of the strategy are to identify and prioritise capital projects and programmes, and to maximise funding for capital expenditure whilst minimising the impact on future revenue budgets. The Council's current Capital Strategy and Programme was adopted in February 2024, and can be found on the Council's website at the following link: [Council papers for February 2024](#).

3.4.10. The current capital programme below shows the position agreed as part of 2024-25 budget-setting. This position will vary through the year as schemes are reprofiled, with all movements reported to Cabinet.

3.4.11. Existing programme, excluding proposed new schemes by service 2024-25+

Service	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	Total £m
Adult Social Care	17.267	16.547	24.728	17.296	3.268	79.106
Children's Services	36.955	86.990	48.743	31.657	53.334	257.679
CES Highways	159.082	165.804	156.511	142.192	124.867	748.457
CES Other	37.081	61.272	35.311	15.153	8.354	157.171
Finance	3.401	23.603	6.313	10.750	0.000	44.067
Strategy and Transformation	29.200	24.987	11.347	11.378	0.000	76.912
IFRS 16 Right of Use Assets	0.000	18.915	1.892	1.892	1.892	24.590
Total	282.986	398.118	284.846	230.317	191.714	1,387.982
2023-24 SLIPPAGE forecast	-49.375	49.375	0.000	0.000	0.000	0.000
SLIPPAGE PLANNED	0.000	-135.000	-65.000	-30.000	-23.000	-253.000
CAPITAL PROGRAMME with Slippage	233.611	312.493	219.846	200.317	168.714	1,134.982

3.4.12. Reserves Strategy

3.4.13. Norfolk County Council's provisions and reserves are reported to Cabinet on a monthly basis and are subject to continuous review and controls. 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 shown [here](#). The Council undertakes an annual assessment of the Robustness of the Budget and compliance with the Financial Management Code which is included within the Council's [2024-25 Budget papers](#).

3.4.14. In setting the annual budget, a detailed 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. Full details of this assessment, and plans for the future use of reserves, are set out within the Council's [2024-25 Budget papers](#).

3.4.15. The table below summarises the expected changes in the level of the Council's reserves over the term of the MTFs. The Council's overarching objective is to maintain its general balances at a minimum level of 5% of the overall net budget.

Balances	31/03/2023 £m	31/03/2028 £m	Reduction %
General Balances	25.410	30.410	
Earmarked Reserves	149.822	80.470	
Total	175.232	110.880	36.72%

3.5. Performance & Risk Management

3.5.1. Our Performance Framework, which was approved by Cabinet in January 2023, sets out the principles by which we manage performance at NCC. The Framework is constructed to assist with the evaluation of the success of our interventions. To do this we have a series of indicators, Corporately Significant Vital Signs, which are arranged via Portfolios into broad outcomes which form the basis for evidencing the achievement of our Strategy, Better Together for Norfolk.

3.5.2. The Performance Management Framework and Cycle links to that of our Corporate Delivery Planning process, providing a 'Golden Thread' that entwines these processes to ensure that decision making around our plans and proposed delivery of our strategy is considered with finance, risk, and performance management in mind. The Council's corporate delivery planning process sets out a direction for the Council, devises objectives and identifies a range of strategies to help us achieve our objectives, within the resources available.

3.5.3. It was agreed at Cabinet on the 6th of April 2020 that financial performance, strategic risks, and performance will be reported together to Cabinet on a quarterly basis. Consequently, the Corporate Risk Register is reviewed, and scoring challenged and amended with performance of the Corporately Significant Vital Signs in mind on a Quarterly basis. Alongside this a Risk and Performance Forum has been established, to assist the Organisational Performance Lead and Organisational Risk Management Lead in having a strategic overview of corporate risks, to enable more effective reporting to the Executive Leadership Team, as part of their monthly performance meetings.

3.5.4. Discussion of performance against our Service and Departmental Plans forms part of 1-2-1, Team/Service Meetings and Departmental Management and Leadership Meetings, where learning and best practice is shared to enable the positive promotion of our performance culture. Alongside this we operate two Member led Performance Review Panels for Adults Social Services and Childrens Services, which act as a form of Member Scrutiny for Performance and Assurance.

3.5.5. Over the coming financial year, we are working towards maturing our use of data to enable greater statistical analysis of performance trends, providing a more holistic view of key 'health check' related metrics that span key areas, such as workforce, finance, transformation, and performance. Alongside this we are developing our approach to measure productivity.

3.5.6. Our Performance Management Framework and Performance Development Cycle gives employees the support they need to understand how their work contributes to the wider Organisational goals, and a sense of purpose with their work. This creates a culture of continuous improvement where employees take ownership of their work and always strive to grow and do better within the organisation. This culture of continuous improvement contributes to our productivity journey, through encouraging our staff to be professionally curious, to make decisions with data in mind and to challenge the status quo when faced with challenges or the need to think differently about of our service delivery and outcomes for residents.

3.6. Continuous Improvement

3.6.1. We have continued to develop our approach to Smarter Working, so that hybrid working facilities are meeting the needs across the organisation and our staff, offering them a level of flexibility and autonomy in how they manage their work and from where. This is promoting a culture of trust across the Council and through being flexible, offers employees the opportunity to balance their work and life and remain focused in work. A range of activity has sought to optimise employee and service effectiveness, including assessing employee experience of hybrid working, updated training and support and updating of key policies. We now have a Continuous Improvement function that is operating across the Organisation, taking forward solutions to key cross cutting issues.

3.6.2. During November 2023, NCC undertook its first self-assessment and peer review as part of the Commercial Continuous Improvement Assessment Framework (CCIAF). The CCIAF supports the Government Functional Standard for Commercial which sets expectations around improvement and drives consistency in the planning and management of buying goods, works and services, ensuring contracts and relationships with suppliers realise value for money and result in the delivery of high-quality public services.

Our maturity rating for the assessment in December 2023 was classed as 'Good', and we have a plan in place to realise the next level of maturity for October 2024. As part of this work, NCC has introduced an approach to contract segmentation to enhance our effectiveness in managing our contracts, and is implementing a Contract Lifecycle Management System, to transform the way we use technology and data to manage our contracting activity. Our staff are engaged in the Commercial College Training offer for Contract Management, and as such we expect to see enhanced capability around our contract management practice for our contracts with the highest value, spend and risk.

3.6.3. Alongside this, we have also evaluated ourselves against the updated Best Value Characteristics, to aid our continuous improvement journey and to assist in our preparation for our next Peer Review. We have continued to ensure recommendations made to us in our last review have been actioned and sustained as the Council has moved forward in recent years.

3.6.4. As part of our Digital and Data Transformation the Council have embarked on a self-assessment of Data Maturity, using the LGA produced tool. This assessment will enable us to inform a new Data Strategy, strengthen our approach to delivery of AI and will support our learning and development offer, through new data and digital literacy offers.

3.7. Workforce Strategy

3.7.1. Our three-year workforce strategy 'Working together for Norfolk' was implemented post the COVID-19 pandemic. It intended to focus strategic direction towards a 'new normal' and build a thriving workforce that can deliver the council's ambitions for the people of Norfolk. The strategy is due to be refreshed with a future 5-year strategy developed for 2025 – 2030. This will build on the success of the current strategy and continue to develop a workforce that is recognised as delivering the best value services for the people of Norfolk.

3.7.2. Our current strategy sets out our ambitions as:

- We will create conditions for sustained organisational health and success.

- We will continue to provide systems leadership across Norfolk.
 - We will negotiate a County Deal for Norfolk.
 - We will help to develop the Integrated Care System across Norfolk.
 - We will ensure a sustainable funding model.
 - We will promote organisational unity and Identity.
- We will enable our leaders to improve performance and Wellbeing.
- We will ensure our organisation is equitable, inclusive, and diverse.
- Our Culture will be open, innovative, and healthy.
- We will attract, develop, and retain colleagues more effectively.

3.7.3. As has already been covered in prior sections of this document, we have activity and plans in place supporting organisational financial wellbeing and we have a well-established Integrated Care Board that actively addresses cross sector workforce development and systems leadership. The oversight of this activity is via the Norfolk and Waveney system People Board of which NCC are active members; the board's activities are focussed on the following key priorities:

1. The principle that clinical education/training opportunities are expanded collaboratively across the system where a new need is identified e.g. delegated health interventions, to enhance joined-up care across the system.

An example of which would be the NHS East of England Academy offer of joint NHS and Council senior leadership and managers training and shared apprenticeship programmes. We have been awarded Best Apprenticeship Programme from the Chartered Institute of Personnel and Development for our Social Work apprenticeship programme.

2. Use ongoing development of delegated Healthcare training and implementation of Oliver McGowan mandatory training to build principles of joint training and share knowledge to improve our understanding of effective partnership delivery.

This focus has seen Care Support Worker development programmes aimed at sector workforce retention and talent attraction, including early careers initiatives for 12–13-year-olds.

Through enhancing our training offer and boosting opportunities for collaboration and connection we are promoting more opportunities for staff to learn from peers, building a sense of belongingness and improving morale. In return, training hones their skills, makes them more confident and empowers them to complete complex tasks efficiently, improving our productivity.

3.7.4. We have implemented the Council's first Wellbeing Strategy to enable everyone to take ownership of their own wellbeing to support sustained organisational health, focusing on the 4 pillars of wellbeing. This work is supporting our employees to remain in work and well, and as such we continue to see stable absence volumes in relation to mental health, wellbeing, and stress. As part of this we have reviewed and refreshed the support available to employees to keep them well and in work. We have received national recognition for our employee wellbeing offer and we continue to track the return on investment our

musculoskeletal rehabilitation scheme brings. Our future activities will see us rolling out the HSE's stress indicator survey to our workforce and participation in both sector and national benchmarking.



3.7.5. We conduct regular employee engagement surveys and follow up with robust action plans to address the issues raised and continue to build on areas of success, our survey results are published through a dedicated intranet page to enable transparency across our workforce, and we remain in the upper quartile of local authorities for our employee engagement scores. We are recognised for our work in engagement and have been a leading council working with the Local Government Authority to establish a set of new national employee engagement benchmark questions that will enable greater local authority benchmarking and support the drive to address key sector workforce development requirements .

3.7.6. We have established employee network groups to improve equality, diversity, and inclusion and our recently published NCC Equality, Diversity, and Inclusion (EDI) People plan 2024-2026 sets out how we will deliver our EDI transformation plans alongside departmental plans such as the Workforce Race Equality Standard (WRES), and the Norfolk Fire and Rescue Service EDI Plan. The focus of the plan and activity is developed from employee engagement and feedback as well as our data and insights.

3.7.7. We have recently launched a refreshed set of organisational values which will underpin our cultural shift to one of continuous improvement and this is being supported by a rolling 3-year communications plan to embed these into our workforce and organisational culture.



3.7.8. Our workforce strategy performance is tracked through specific workforce 'vital signs' which shows we remain within target for new employee retention, turnover and absence. Our work to attract and retain social workers, a nationally hard to recruit role, is also making a difference with position fill rates increasing month on month.

3.7.9. Our refreshed Workforce strategy will focus on continuous improvement across our services and how we can support our council and wider workforce to continue to work collaboratively to achieve best value for Norfolk. We want the Council to be seen as an employer of choice, and a leader amongst its peers, to attract and retain talent and encourage the skills across Norfolk to grow, contributing to our ambitions for a skilled workforce across the County. This will require a strategic approach to Apprenticeships and Early Careers in the county, establishing the Council's employee value proposition and career pathway options in the public sector that appeals to the five generations of people we have in the working population.

3.7.10. During 2023 the council made a number of changes to the senior management structure to focus accountability and decision making. Changes were made to its Executive Director, Finance and Commercial Services 'and Director of Governance senior management structures. The most notable were the removal of the Executive Director, Finance and Commercial Services and Director of Governance. The Monitoring Officer responsibilities transferred to the Director Legal Services and the Section 151 Officer responsibilities to the Director of Strategic Finance. In addition, the Council made the decision to reintroduce the Chief Executive role to provide:

- Single point of whole authority accountability and clarity of priorities for elected members and staff
- Clear management line between Executive Directors and the Chief Executive which simplifies accountability.
- Support to the cultural direction of the organisation and respond to the issues faced by the council that are likely to increasingly require more than single Directorate solutions.

Tom McCabe was appointed as Chief Executive in June 2023. Subsequently, this year the council has made further savings by removing the Communities and Environmental Services Executive Director post.

3.8. Reducing Spend

3.8.1. Our approach to Equality Diversity and Inclusion (EDI) is to embed practice into our overall people management and organisational performance approach. Our plans focus on ensuring we meet our legal obligations and prevent discrimination and harassment of colleagues protected under equalities legislation. Our employee networks provide valuable insight into our performance, as well as giving employees a structured way to access peer support.

3.8.2. HR regularly audits and reviews the types of contracts in place for the workforce to ensure the most efficient and effective workforce are employed.

3.8.3 We operate a single agency vendor-neutral supplier contract to enable centralised management of workforce agency use, giving us strong governance and reporting on rates

and margins, so that we can monitor our spend. We utilise a variety of contract types to ensure we can keep agency workers to a minimum including variable hours and short-term temporary contracts for directly employed people where appropriate for the nature of the work. Agency and consultant budgets represent 0.82% of our employee expenditure budget. Plans for reducing agency spend are tied to the workforce plans for services in terms of their focus to recruit and retain permanent staff.

3.9. Monitoring and Governance

3.9.1. The Council's framework of financial accountability is established through the Constitution and consists of the [Financial Regulations](#), Financial Procedures, Scheme of Authorisation, and Budget Sign-Off and Budget Monitoring. Financial Regulations and Budget reports collectively set out the Council's approach to prudent, sustainable financial planning and the Director of Strategic Finance's role in advising the Council on the robustness of estimates, and duties under section 114 of the Local Government Finance Act 1988. The Director of Strategic Finance has input into corporate plans and strategies through membership of the Executive Leadership Team. Finance input into Service Department planning is primarily provided via Finance Business Partners who are part of the Departmental Management Teams.

3.9.2. The Council's Financial Regulations establish how the role and responsibilities of the Director of Strategic Finance 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. The role of the leadership team is defined in Financial Regulations. Budget holder responsibilities are established in the Scheme of Authorisation. Executive Directors keep their services under continuous review and seek to achieve value for money, using sources of benchmarking as appropriate.

3.9.3. The Council has a robust understanding of the risks to its financial sustainability and reports regularly to Cabinet and other relevant committees. The authority routinely monitors and reports the material elements of the balance sheet that may give indications of a departure from financial plans. Progress in achieving savings is reported in monthly financial monitoring. Quarterly performance monitoring to Members is undertaken. Live information is made available to budget holders and forecasts are prepared on a monthly basis with support from finance. The risk register supports monitoring and management of risks and identifies responsibilities.

3.9.4. Aspects of financial management are regularly assessed by Internal and External Audit. Regular reporting to Audit Committee includes a summary of High Priority Audit Findings. 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, which accompanies the Statement of Accounts, Executive Directors complete an Annual Positive Assurance Statement and supporting departmental assurance table. Action plans are put in place where any strengthening may be required.

3.9.5. 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. The authority also receives an External Audit Value for Money assessment as part of the annual audit of the Statement of Accounts.

3.9.6. 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).

3.9.7. The Council has a range of mechanisms in place to support understanding of risks, including Financial Assessments undertaken as part of procurement activity. As a result, the Council is aware of the key financial risks that it faces, reporting on them regularly to members as part of both financial monitoring and within the 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:

- 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.
- 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 to set a robust, balanced budgets, and regular monitoring of the position including capital and treasury management.
- Annually undertaking a risk-based assessment of the level of general balances required and agreeing the Reserves policy.

3.10. Invest to save / Partnership working.

3.10.1. The Council:

- Regularly communicates financial pressures and risks to key stakeholders including to government as part of consultation responses and other lobbying activity.
- Fully engages with Government including reporting requirements to identify financial pressures and maximise financial resources available to support Norfolk as a whole
- Submits responses to consultations including the provisional Settlement, to seek to maximise the funding available for rural shire counties.
- Works with District Councils to reach a consensus position to pool business rates in 2024-25 in order to maximise business rates for Norfolk local authorities.
- Undertakes engagement with relevant sector bodies and representatives (CIPFA, LGA, CCN, SCT).
- Undertakes engagement with local partners (Districts, Police, NHS, LEP) through ongoing dialogue at all levels and through other local arrangements.
- Seeks and considers the views of the public and other stakeholders via annual budget consultation activity.
- Seeks input by consulting and communicating directly with those affected by proposed changes.
- Gathers the views of representatives of business ratepayers at an annual business consultation event.
- Engages with all stakeholders (service users, members of the public, business) through a range of activities throughout the year.
- Engages with our workforce through a range of internal processes including consultations and corporate communication activity.

3.10.2. The Council underwent a Local Government Association Corporate Peer Review / Challenge in October 2019 , which included consideration of financial planning and viability. Findings included that the “council has successfully addressed the financial challenge to date in balancing its budget. In meeting this challenge, the authority has demonstrated both a prudent approach and a willingness to take difficult decisions.”

3.10.3. In terms of our workforce, our employee value proposition includes salary sacrifice schemes, which bring in employer contribution savings with regards to National Insurance as well as aligning to our Climate Strategy. We have competitive benefits offer and wellbeing support package, with a view to improving our turnover rates as well as lower the instances of sickness absence. These are both performance indicators that are reported and monitored quarterly as part of our vital signs’. Alongside this we also trade elements of our employee offer with Schools and District Councils to save overall public spend.

4. Next Steps

4.1.1. Devolution:

On 12 December 2023, County councillors voted to endorse a devolution deal for Norfolk with the Government, to transfer significant funding and powers to 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. But with this also comes a greater opportunity for us to transform services, to ensure that they are designed in a way that enables greater capacity for those residents that need it most.

4.1.2. Demand Management:

Through focused analytics and insights, demand management forecasting is to be strengthened at NCC, with specific focus on high demand and high spend areas of our service delivery. These analytics will feature across all of our strategic plans and budget challenge propositions to support effective decision making.

4.1.3. Whole Council re-focus on Strategic Planning:

As our current Strategy Better Together for Norfolk draws near to its end of cycle, we shall embark on producing a new Strategy that recognises the challenges the County and Council faces from 2025 onwards. This strategy shall be seen as an opportunity to strengthen our priorities, have a clear outcomes framework, which is underpinned by our key performance indicators (Vital Signs) and will act as a basis for prioritisation of allocation of resources, transformation plans and the opportunity to optimise delivery chains, moving forward.

4.1.4. Improving Data & Digital Literacy:

Following our Data Maturity Assessment, we shall embark on a journey to develop the literacy of our staff in terms of use of data and technology as part of a new data strategy, supported by a learning & development offer. This will support our staff, managers, and leaders to enhance their decision making further and lead to strengthen service delivery plans, with performance, productivity, finance, and risk in mind.

4.1.5 Back-office administration and processes:

Building on the work carried out as part of the Strategic Review, we continue a programme of review and transformation to ensure back-office resources are organised efficiently and that detailed processes are streamline, efficient and make the best use of technology.

4.1.6. Strengthening the Performance Framework; The Council has been on a maturity journey in implementing its Performance Framework. The next steps for this are to strengthen the use of recognised benchmarking tools to enhance our understanding of wider performance against peers, and to develop our approach in seeking out best practice from others. This will enhance our ability to ensure that we are making the best use of our resources, at the right value and against recognised regional and national priorities.

4.1.7 Adult social services are developing a self-serve and self-assessment functionality for those that would prefer to access our services on-line. As well as continued development of our independent living and supported living housing programmes to reshape services and help more people live in their own home. In partnership with health, we are delivering improvements to hospital discharge including supporting people home.

5. Ways in which Government can reduce/remove barriers preventing progress and productivity

5.1.1. Despite the achievements of the Council in recent years, and our Council wide approaches to digital, use of data, financial controls & transformation, the fact remains that we continue to operate in an environment that remains challenged by increasing demand across all of our services, which is exacerbated by our lack of ability to approach our investment and long term planning opportunities effectively. The Government's short-termist approach to settling funding agreements beyond a one-year settlement continues to hinder our ability to plan strategically in a way that makes service delivery sustainable and to maximise on opportunities. We continue to look at how we deliver services, finding new and innovative ways to deal with increasing demand and reducing budgets, but this only goes so far. Financial pressures facing local authorities, particularly County areas with responsibilities for care, has reached a critical point, and whilst we have positioned ourselves well and made continuous efforts to influence areas, we cannot control ourselves, more needs to be done at a National level to enable Local Authorities to approach productivity with long term stability in mind.

In this context we have identified the following areas as critical barriers which are currently preventing positive change. These barriers are not new to Local Authorities, and reflect the ongoing conversations, consultations, and lobbying messages that we have previously made to Government. We believe Government can and should be taking firm action on resolving these barriers in order to enable Local Authorities to manage their route to productivity more effectively. Collaboration between central and local government is key.

5.2.1 Funding:

- The Government's decisions about Council funding for 2025-26 and beyond will once again 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 economy. 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.

Clarification of Adults Social Care Reforms, including charging and ensuring adequate sustainable funding is provided is key to enable greater security to meet growing demand. Alongside this updating the relative needs formula, addressing historic funding gaps, and recognising the additional costs of providing services in a rural area should also be considered, which will enable us to **level up on health and social care disparities** faced in our localities.

- Budgets for universal local services are increasingly being crowded out by essential statutory services for a relatively small proportion of the community. There is a clear mismatch between what local government is expected to deliver and the funding that is available, and this is getting worse, with cost and demand pressures rising faster than funding. **Multi-Year Settlements**, to include council tax referendum limits, to enable local authorities to plan for the longer term are required in order to allow councils to deliver the services that residents need and expect. Without action from Government here, local authorities will have no choice but to consider reducing our service offer as demands and costs continue to inflate. Adequate long-term funding settlements will give local authorities the opportunity to undertake sustainable long-term budget planning with confidence, meaning that budgets and services can be managed in a more considered manner across multiple years, avoiding the risk of short-term decision making which might otherwise be required to balance the budget from one year to the next.
- Recognise that the **ongoing reliance on council tax and Adult Social Care precept increases to meet growing demand are unsustainable**. Action by Government in this area would address the inequalities in council tax and the disparities between urban and rural areas. It should also support genuine local discretion and decision making about what should be a local tax.
- Provide **adequate funding for unfunded pressures**, such as the National Living Wage, recognising the impact that central government decisions can have on local authority budgets. This would support local authorities to target genuine new funding towards local priorities, rather than having to rely on sources such as council tax to meet the costs of initiatives over which they have little control.
- Stop the ‘begging bowl’ **culture of bidding for funding**, and instead more effectively devolve decision making locally, which will minimise the costs of bidding, but also allow for more placed based decision making, and the right service outputs and outcomes for local residents. Timely government decisions on the various stages of major infrastructure funding would also be helpful and save both local authorities and the wider sector significant costs and uncertainty.

5.2.2. Wider System, Place & Partners:

- We would encourage the new government to continue with our devolution deal enabling us to invest in Norfolk and make more decisions locally.
- Compel DWP to **share their data** to enable more automated processing in areas such as concessionary passes, benefit claimants etc.
- Allowing greater **freedom to spend ringfenced grants** to allow more local, place based, decision making, with true devolved powers.

- A comprehensive approach to social care **prevention and system wide support** is essential to delivering the right outcomes and to avoid spending later. Without a more effective approach, local authorities cannot effectively reduce demand sustainably.
- Recognise the importance of funding all local government services to contribute to **tackling regional inequalities and promote sustainable economic growth**.
- Continue to **invest in vital infrastructure**.

5.2.3. Policy & Demand:

- **Reform home-to-school transport entitlement** to make it more proportionate and affordable.
- Disparity in **terms and conditions across health & social care** should be considered in terms of how the impact can be minimised and creating opportunities for harmonisation across the sector.
- Address issues in children's social care, including increasing cost and demand of services, and tackling the issue of **excessive "super profits"** at a national level.
- Provide **additional funding for the High Needs Block of the Dedicated Schools Grant**, particularly in light of the higher-than-average number of children with Special Education Needs and Disabilities (SEND) who require high needs support.
- **Address SEND** issues – increase funding to meet **eligibility criteria** or reduce eligibility criteria to match available funding.

5.2.4. Assurance & Inspection Regimes:

- There are too many inspectors and regulators of local government services, largely working in an uncoordinated way and **increasing burdens on councils**. Organisational barriers across different government departments get in the way of working effectively with local government, resulting in a **lack of coordination, duplication of work and missed opportunities for collaboration**. **Policy decision making** across the wider system (NHS, Justice Sector) continues to impact residents and **has unintended consequences** that lead to additional cost and burden on the LA.

6. Summary

6.1. This Plan was approved by Norfolk County Council at its Cabinet meeting 1 July 2024 and has been signed by the CEO and the Leader of the Council.

Tom McCabe

Kay Mason Billig

CORPORATE SELECT COMMITTEE – FORWARD WORKPLAN 2024/25

Corporate Select Committee	8 July 2024	9 September 2024	11 November 2024
	<ul style="list-style-type: none"> • Customer Experience programme • Artificial Intelligence update • Strategic & Financial Planning • Productivity Plans 	<ul style="list-style-type: none"> • Smarter Working update • Communication Strategy • Strategic & Financial Planning • FCE annual update • Revision of Contract Standing Orders 	<ul style="list-style-type: none"> • Budget proposals
	13 January 2025	10 March 2025	To be scheduled
	<ul style="list-style-type: none"> • EDI 	<ul style="list-style-type: none"> • Smarter Working update 	<ul style="list-style-type: none"> • Wellbeing Strategy (<i>review tbc</i>) • Digital Strategy update (<i>tbc</i>) • Constitution review (<i>tbc</i>)