

# Environment, Transport and Development Committee

<b>Report title:</b>	<b>Strategic and Financial Planning 2019-20 to 2021-22</b>
<b>Date of meeting:</b>	<b>12 October 2018</b>
<b>Responsible Chief Officer:</b>	<b>Tom McCabe – Executive Director, Community and Environmental Services</b>
<b>Strategic impact</b>	
<p>This report provides an update on the Service Committee's detailed planning to feed into the Council's budget process for 2019-20. The Council's budget setting activity is informed by a range of documents including the Medium Term Financial Strategy, and the Council's Vision and Strategy. Together, these help to set the context for medium term service and financial planning, which support the development of a robust, balanced budget for 2019-20.</p> <p>In particular, the report sets out EDT Committee's specific proposals for savings in the context of the approach to developing options that was agreed at the Committee's meeting in September. Savings are now presented for consideration and recommendation to Policy and Resources Committee, which will agree the savings to go into the consultation process for 2019-20 budget setting later in October.</p> <p>The report also provides the latest information about the Council's overall budget planning position, including the forecast budget gap for 2019-20 to 2021-22.</p>	

## Executive summary

This report forms part of the strategic and financial planning framework for Service Committees. It provides an update on the Council's budget setting process, and sets out details of the actions required by Service Committees to enable the Council to set a balanced budget for 2019-20. The report details the link between the Council Strategy, the Norfolk Futures transformation programme, and the development of transformation and savings plans relevant to this Committee.

### Recommendations

EDT Committee is recommended to:

- 1) Consider the content of this report and the continuing progress of change and transformation of EDT services;**
- 2) Note the Council's latest budget assumptions and pressures, and the resulting revised forecast budget gap of £45.322m, which has been updated by Policy and Resources Committee to reflect the latest available information and following Service Committee input in September (paragraph 4.3 and table 1);**
- 3) Note the revised council tax planning assumptions set out in table 2;**
- 4) Approve the proposed savings for the 2019-20 budget round for recommendation to Policy and Resources Committee in October (table 5), in particular confirming those savings that are recommended to require consultation as set out in paragraph 6.4.**
- 5) Consider and identify any further key areas of risk in relation to 2019-22 budget planning for the Committee's budgets, including any additional pressures and the robustness of existing planned savings as set out in table 4, noting that any**

**changes may impact on the overall budget gap and will require additional offsetting savings to be found;**

**6) Note the budget planning timetable (section 7).**

## **1. Introduction**

- 1.1. The County Council agreed the 2018-19 Budget and Medium Term Financial Strategy (MTFS) to 2022 at its meeting 12 February 2018, at the same time as it agreed a new Strategy for the County Council, Norfolk Futures. The Council has a robust and well-established framework for strategic and financial planning which updates the MTFS position through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation.
- 1.2. In July 2018, Policy and Resources Committee considered how the 2019-20 budget planning process would be aligned with the Council's Strategy, Norfolk Futures. The Committee agreed: budget assumptions and key areas of risk in relation to 2019-22 budget planning, the budget planning principles and guidance for 2019-20, and commissioned Service Committees to begin developing savings proposals.
- 1.3. In September, EDT Committee:
  - Agreed the proposed approach and key themes to focus on in developing savings proposals for 2019-20 to 2021-22, including how the principles of the Council's Strategy, Norfolk Futures, would inform and shape budget planning activity, having regard to the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round; and
  - Commissioned officers to develop detailed savings proposals to be presented to the Committee for consideration at this meeting in order to help close the forecast 2019-20 to 2021-22 budget gap.
- 1.4. This report builds on the position reported to Service Committees in September and represents the next stage of the Council's budget planning process. In particular, the paper sets out details of the saving proposals identified for 2019-20 and subsequent years, for the Committee's consideration.

## **2. County Council Strategy and Norfolk Futures**

- 2.1. The report to Policy and Resources Committee sets out how the Council's Vision and Strategy will inform the development of the 2019-20 Budget.
- 2.2. Caring for our County, the vision for Norfolk, approved by Members in February 2018, outlines the Council's commitment to playing a leading role in:
  - Building communities we can be proud of;
  - Installing infrastructure first;
  - Building new homes to help young people get on the housing ladder;
  - Developing the skills of our people through training and apprenticeships;
  - Nurturing our growing digital economy; and
  - Making the most of our heritage, culture and environment.

- 2.3. The Council's Strategy for 2018-2021 – Norfolk Futures – will provide the mechanism to enable these ambitions for the County across all of its activities.
- 2.4. Norfolk Futures will deliver these transformational commitments in a context where demand for our services is driven both by demographic and social trends, and where increasingly complex and more expensive forms of provision are becoming prevalent.
- 2.5. Norfolk Futures is guided by four core principles that will frame the transformation we will lead across all our work:
- Offering our help early to **prevent and reduce** demand for specialist services;
  - **Joining up** work so that similar activities and services are easily accessible, **done once and done well**;
  - Being **business-like** and making best use of **digital technology** to ensure value for money; and
  - Using evidence and data to **target our work** where it can make the most difference.
- 2.6. Under the banner of Norfolk Futures we will deliver sustainable and affordable services for the people who need them most. The whole Council needs to change to keep up with increasing demands and ever better ways of working.
- 2.7. These principles frame the transformation that we must lead across all our services and activities. This is all underpinned by evidence and political support, to change how the Council works and how we work with the people of Norfolk.
- 2.8. By 2021 the strategy and underpinning Service Plans will have moved the Council towards a more sustainable future with affordable, effective services. This means that we will have radically changed the ways we do some things. We will know our citizens and manage their needs effectively using the best evidence to enable the most appropriate outcomes. We will be working jointly across the Council on our biggest challenges by default, and changing the way we work to reflect new technology and ways of working. This will enable us to work smarter, better and plan long term to be the Council the County needs.
- 2.9. These principles frame the transformation across all our services and activities and we currently have 7 priorities to help us to deliver the strategy:
- Safer Children and Resilient Families;
  - Promoting independence for Vulnerable Adults;
  - Smarter Information and Advice;
  - Towards a Housing Strategy;
  - Digital Norfolk;
  - Local Service Strategy; and
  - Commercialisation.
- 2.10. Further information about the Norfolk Futures priorities relevant to this Committee, and how they will inform and support 2019-20 budget planning, are set out below.

### **3. Service Transformation**

- 3.1. The overall vision for EDT Committee services was set out in strategic financial planning report discussed by the Committee in September. CES has responsibility for the delivery of a wide range of services; there is no hierarchy as

each area has a vital role to play in achieving better outcomes for Norfolk. Whilst our audience is “universal”, many of our services are now focused on supporting the principles and priorities laid out in Norfolk Futures, and in particular, the social care demand management agenda. We can proactively provide information and advice to help people to make better choices that enable them to live fulfilling independent lives.

We continue to provide vital services to ensure that our residents are safe, both in their own homes and when out and about in our County. Broadly, CES services are focussed around the following outcomes:-

- Safety and harm reduction
- Proactive prevention
- Providing choices
- Raising aspirations
- Improving outcomes and economic growth

In terms of transformation, as discussed at the September meeting, the broad approach across CES is focussed around:-

- Cost reduction
- Collaboration
- Development

## **4. 2019-20 Budget Planning**

4.1. The Medium Term Financial Strategy (MTFS) was agreed in February 2018 including £78.529m of savings and with a remaining gap of £94.696m. The MTFS provided the starting point for the Council’s 2019-20 Budget planning activity. Full details of cost pressures assumed in the Council’s MTFS are set out in the 2018-19 Budget Book.<sup>1</sup> The September report to this committee set out:

- Budget planning principles 2019-20
- Budget assumptions 2019-20
- Council tax assumptions
- Budget risks identified
- Indicative savings requirements

### **2018-19 budget position**

4.2. The latest information about the 2018-19 budget position is set out in the budget monitoring report elsewhere on the agenda. Budget planning for 2019-20 is based on the assumption that the 2018-19 Budget is fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends). Further pressures in the forecast 2019-20 Budget have been provided for as detailed later in this report.

### **Latest forecast budget gap 2019-20 to 2021-22**

4.3. In September, following feedback from Service Committees, Policy and Resources Committee then considered the latest planning information and an updated budget position. The current position, taking into account the changes agreed by Policy and Resources Committee, and assuming that new savings can

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<sup>1</sup> <https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en>

be identified at the required level of £22.089m for 2019-20, is shown in the table below. Changes in the Council's funding assumptions have mitigated some of the identified pressures.

- 4.4. Assuming that collectively Service Committees are successful in identifying savings at the indicative level required for 2019-20 (as identified in the July Policy and Resources report), the latest gap position indicates **a reduced forecast gap of £45.322m for the period 2019-20 to 2021-22, with a small £0.609m gap remaining to be closed in 2019-20.**
- 4.5. Policy and Resources Committee will receive a further update on the overall gap position for the County Council in October. The budget position and the associated assumptions are kept under continuous review, and will be updated to reflect any changes arising from the Government's Autumn Budget, or further information about the Council's funding position as it becomes available up until budget-setting by County Council in February.

**Table 1: Latest forecast budget gap 2019-20 to 2021-22<sup>2</sup>**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Forecast gap as reported to September Service Committees (agreed at 16 July 2018 Policy and Resources)</b>	<b>22.089</b>	<b>48.454</b>	<b>24.153</b>	<b>94.696</b>
<b>Pressures</b>				
Children's Services budget pressures including LAC	5.000	2.000	2.000	<b>9.000</b>
Children's Preventing Radicalisation pressure	0.120	0.000	0.000	<b>0.120</b>
Children's Centres saving delay	1.700	-1.700	0.000	<b>0.000</b>
Adult market pressures	2.000	0.000	0.000	<b>2.000</b>
Leap year pressure in Adult Social Care	0.550	-0.550	0.000	<b>0.000</b>
Property savings (including income targets) at risk	1.500	1.000	0.500	<b>3.000</b>
Pressure from 2019-20 national pay award and associated salary scale changes	0.345	0.000	0.000	<b>0.345</b>
<b>Total new pressures</b>	<b>11.215</b>	<b>0.750</b>	<b>2.500</b>	<b>14.465</b>
<b>Proposed mitigations</b>				
Collection Fund	-4.688	0.000	0.000	<b>-4.688</b>
Council tax tax base (additional 1.5%)	-5.918	-6.305	-6.341	<b>-18.564</b>
MRP pressure reprofiled	0.000	-5.000	5.000	<b>0.000</b>
Additional capital receipts	0.000	-10.000	0.000	<b>-10.000</b>
2% Council Tax increase 2021-22	0.000	0.000	-8.498	<b>-8.498</b>
<b>Total mitigations</b>	<b>-10.606</b>	<b>-21.305</b>	<b>-9.839</b>	<b>-41.750</b>
Delivery of 2019-20 savings target (as identified at 16 July 2018 Policy and Resources)	-22.089	0.000	0.000	<b>-22.089</b>
<b>Latest forecast gap for planning purposes (24 September 2018 Policy and Resources)</b>	<b>0.609</b>	<b>27.899</b>	<b>16.814</b>	<b>45.322</b>

<sup>2</sup> As presented to Policy and Resources Committee September 2018 (please note this does not reflect any amendments arising from Policy and Resources Committee decisions in September).

- 4.6. In view of the budget gap and the difficulty in identifying future year savings, Policy and Resources Committee has been recommended to consider incorporating a planning assumption that council tax in 2021-22 be increased by 1.99% as shown in the table above. The level of council tax is ultimately subject to agreement by Full Council each year, and there will be an opportunity to consider the required level of council tax in light of any future Government announcements relating to the Fair Funding Review and Comprehensive Spending Review. The MTFs planning position set out in this paper is therefore based on the following council tax increase assumptions (and also assumes there is no scope to increase the Adult Social Care precept in 2019-20 under the current terms set out by Government):

**Table 2: Council Tax assumptions (as per Policy and Resources Committee 24 September 2018)**

	2019-20	2020-21	2021-22
Assumed increase in general council tax	2.99%	1.99%	1.99%
Assumed increase in Adult Social Care precept	0.00%	0.00%	0.00%
<b>Total assumed council tax increase</b>	<b>2.99%</b>	<b>1.99%</b>	<b>1.99%</b>

- 4.7. The planned 2.99% increase in council tax is based on the current understanding of updated assumptions and flexibility offered by the Government in the 2018-19 local government finance settlement. Any reduction in this increase will require additional savings to be found. The assumed council tax increases are subject to Full Council's decisions on the levels of council tax, which will be made before the start of each financial year.
- 4.8. Assumptions around increases in the council tax base have been increased to 2.0% (from the original assumption of 0.5% annual growth), based on recent trends.

### **Key budget risks 2019-20**

- 4.9. Uncertainties remain about a number of items **which have not currently been reflected in the budget planning assumptions**, but which could potentially result in an increase in the overall gap. As a result, additional pressures, which have not currently been provided for, may arise in 2019-20 relating to:
- Further pressures arising within Service Committee budgets including:
    - SEN High Needs pressures (Children's)
    - Pressures relating to the Health system (Adults)
  - Increasing the level of the General Fund reserve; and
  - Changes in the forecast 2018-19 level of savings delivery to allow for any mitigation of undeliverable savings.
- 4.10. The risks and assumptions relating to the 2019-20 Budget will continue to be monitored and updated as budget planning activity proceeds.

## **5. Savings allocation**

- 5.1. The following table sets out indicative savings required to close the identified gap by Committee which were agreed by Policy and Resources Committee and reported to Service Committees in September. As set out above, there may be an

opportunity for the level of savings required in 2020-21 and 2021-22 to be reduced in future years based on the latest budget planning position.

**Table 3: Indicative savings by Committee**

	2019-20 £m	2020-21 £m	2021-22 £m	Total £m	Proposed share of new savings %
Adult Social Care	-9.626	-19.527	-9.745	<b>-38.898</b>	41%
Children's Services	-5.726	-12.064	-6.037	<b>-23.827</b>	25%
Environment, Development and Transport	-2.820	-5.988	-2.962	<b>-11.770</b>	12%
Communities	-1.647	-6.262	-3.115	<b>-11.025</b>	12%
Digital Innovation and Efficiency	-0.369	-0.736	-0.373	<b>-1.477</b>	2%
Business and Property	-0.154	-0.180	-0.045	<b>-0.379</b>	0%
Policy and Resources <sup>3</sup>	-1.747	-3.697	-1.875	<b>-7.319</b>	8%
<b>Total</b>	<b>-22.089</b>	<b>-48.454</b>	<b>-24.153</b>	<b>-94.696</b>	

5.2. Existing savings in the Council's MTFs are shown by Committee in the table below. These are the savings agreed as part of the 2018-19 (and earlier) budget process, and will need to be delivered **in addition** to any new savings proposed to close the remaining budget gap.

**Table 4: Planned net recurring savings 2018-19 to 2021-22**

Committee	2018-19 Saving £m	2019-20 Saving £m	2020-21 Saving £m	2021-22 Saving £m	Total Saving £m
Adult Social Care	-27.290	-9.351	-13.700	-3.900	-54.241
Children's Services	-2.641	-4.342	-2.000	-2.000	-10.983
Environment, Development and Transport	-1.440	-0.310	-0.350	-1.850	-3.950
Communities	-1.803	-0.435	-2.786	-1.500	-6.524
Business and Property	-1.051	-2.075	-2.050	-1.150	-6.326
Digital Innovation and Efficiency	-0.726	-1.000	-0.700	0.000	-2.426
Policy and Resources <sup>4</sup>	4.952	1.356	-0.387	0.000	5.921
<b>Grand Total</b>	<b>-29.999</b>	<b>-16.157</b>	<b>-21.973</b>	<b>-10.400</b>	<b>-78.529</b>

<sup>3</sup> Including Finance General

<sup>4</sup> The net savings position for Policy and Resources Committee reflects the reversal of a number of significant one-off savings from 2017-18, such as the use of the Insurance Fund and the use of Capital Receipts totalling £11.299m. The gross savings to be delivered by Policy and Resources Committee budgets in 2018-19 are £6.347m.

## 6. Committee response

6.1. Service Committees considered service-specific budgeting issues in September. These include:

- Weather/environment - a number of services have risks directly related to the weather/environment. For example, the amount of spend on winter maintenance depends on how hard the winter season is and for how long, waste volumes increase during long periods of good weather (green waste like grass cuttings) and flooding events impact local communities. In addition, there is clear evidence that severe or prolonged weather conditions impact directly on the condition of the highway, including the number, severity and speed of deterioration of potholes.
- Waste – there are a number of pressures and risks relating to the waste service. Whilst recycling and waste minimisation activities continue, housing and population growth means that the overall trend of waste volumes continues to increase. There is also continued uncertainty in the recycling commodities market, in part due to the impacts of restrictions from China accepting recycled materials. Central Government are also considering future waste legislation which is expected to be published later this year, and which could bring new financial implications e.g. ‘incineration tax’.
- Concessionary fares - there continues to be a shortfall in the funding from Government. Another 3 year deal has been successfully negotiated with bus operators to mitigate this. The current agreement expires at the end of March 2020, and a new arrangement will need to be negotiated.

### 2019-20 Budget proposals

6.2. The new savings proposals are summarised in the table below, and further information on each is provided in Appendix A.

**Table 5: New 2019-20 Saving Proposals**

<b>Proposal</b> Note: savings are shown as a negative figure	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2019-22 Total</b>	<b>Risk Assessment</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>RAG</b>
Capitalisation of activities to release a revenue saving	-1.559	0	0	<b>-1.559</b>	Green
Further roll-out of street lighting LEDs	-0.050	0	0	<b>-0.050</b>	Green
Changing back office processes and efficiency	-0.103	0	0	<b>-0.103</b>	Green
Vacancy management	-0.294	-0.025	0	<b>-0.319</b>	Green
Household Waste Recycling Centres – reuse shops	-0.054	-0.050	0	<b>-0.104</b>	Green
Review and management of contracts in Highways and Waste	-0.158	-0.079	0	<b>-0.237</b>	Amber
Highways Commercialisation	-0.080	-0.161	0	<b>-0.241</b>	Red
Re-model back office support structure	-0.180	0	0	<b>-0.180</b>	Red
Highways Services	0	-0.100	0	<b>-0.100</b>	Amber
Income Generation	-0.225	0	0	<b>-0.225</b>	Green
<b>Total</b>	<b>-2.703</b>	<b>-0.415</b>		<b>-3.118</b>	



- 6.3. The Committee's discussions about proposed new savings will be reported to Policy and Resources Committee in October 2018 and used to inform development of the Council's 2019-20 Budget to enable an overall assessment of the budget position to be made.

### **2019-20 Budget proposals requiring consultation**

- 6.4. Of the new budget proposals set out in Table 5 above (and detailed in Appendix A), officers do not consider that any of the proposals require public consultation.

For some of the other proposals, although public consultation is not required, officers will discuss the proposals with relevant stakeholders during the consultation period.

- 6.5. For those proposals with staffing implications, the associated staff consultations will be carried out prior to the January Committee meeting, where possible.

## **7. Budget Timetable**

- 7.1. The Council's overarching budget setting-timetable for 2019-20 was agreed by County Council in February as part of the 2018-19 Budget. The timetable is updated as further information becomes available (for example about the timing of Government announcements). The latest version of the timetable is set out in the table below.

**Table 6: Budget setting timetable 2019-20 to 2021-22**

<b>Activity/Milestone</b>	<b>Time frame</b>
County Council agree recommendations for 2018-22 including that further plans to meet the shortfall for 2019-20 to 2021-22 are brought back to Members during 2018-19	12 February 2018
Spring Statement 2018 announced	13 March 2018
Consider implications of service and financial guidance and context, and review / develop service planning options for 2019-22	February – June 2018
Member review of the latest financial position on the financial planning for 2019-22	July 2018
Development of savings proposals 2019-22	June – September 2018
Member review of service and budget planning position including savings proposals	Committees in October 2018
Consultation on new planning proposals and council tax 2019-22	Late October to December 2018 / January 2019
Chancellor's Autumn Budget 2018	October 2018
Provisional Local Government Finance Settlement	December 2018
Service reporting to Members of service and financial planning and consultation feedback	January 2019
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Mid-January 2019
Confirmation of District Council tax base and Business Rate forecasts	31 January 2019
Final Local Government Finance Settlement	TBC February 2019
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	28 January 2019
County Council agree Medium Term Financial Strategy 2019-20 to 2021-22, revenue budget, capital programme and level of council tax for 2019-20	11 February 2019

## **8. Financial implications**

- 8.1. Potentially significant financial implications for the Committee's Budget are discussed throughout this report. Any implications of the Autumn Budget and the three changes expected to be implemented in 2020-21 will be reflected as far as possible in the Council's 2019-20 budget planning, and these impacts will need to be refined as further information is made available by Government.
- 8.2. Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the potential risk of failure to deliver our services within the resources available over the next 3 years commencing 2018/19 to the end of 2020/21.
- 8.3. Risks relating to budget setting are also detailed in the Council's budget papers. There is a risk in relation to the Comprehensive Spending Review and the Fair Funding Review that a failure by the Government to provide adequate resources

to fund local authorities could lead to a requirement for further service reductions, particularly where the Fair Funding Review results in a redistribution between authority types or geographical areas.

## **9. Issues, risks and innovation**

9.1. Significant risks, assumptions, or implications have been set out throughout the report. Some general risks relating to development of budget proposals are as follows:-

- Income generation - as we continue to maximise and increase reliance on generation of income from various sources and become more reliant on market factors, we increase our risk. This includes work as part of the Commercialisation priority under Norfolk Futures.
- External funding – there are a number of projects and services being fully or partly funded by external funding, for example grants from other organisations and successful funding bids. Many of these include an element of match funding or similar expectations about the County Council’s input. Reductions in revenue funding could impact on our ability to do this and we could risk losing funding or our ability to successfully bid for funding in the future.
- Staffing - It is unlikely to be possible to deliver the level of savings required without some changes and reductions in staffing levels. The CES Department has already made a number of changes/reductions to staff in recent years, including reducing the number of managers in the department, but further reductions will be needed. Although we will take steps to minimise the impact of any changes as far as possible, including by introducing new ways of working, there is a risk that a reduced workforce will directly impact on the level of service we are able to deliver.

9.2. Equality issues were considered in the Equality Impact Assessment of 2018-19 budget proposals. Decisions about significant savings proposals with an impact on levels of service delivery will require public consultation. As in previous years, new 2019-22 saving proposals, and the Council’s Budget as a whole, will be subject to equality and rural impact assessments later in the budget-setting process.

## **10. Background Papers**

Norfolk County Council Vision and Strategy

<https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/corporate/council-vision-and-strategy>

Norfolk County Council Revenue and Capital Budget 2018-22 (Item 4, County Council 12 February 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/592/Committee/2/SelectedTab/Documents/Default.aspx>

Norfolk County Council Budget Book 2018-22

<https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2018-22.pdf?la=en>

Strategic and Financial Planning 2019-20 to 2021-22 (Item 10, Policy and Resources Committee, 16 July 2018)

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1419/Committee/21/SelectedTab/Documents/Default.aspx>

Strategic and Financial Planning reports to Committees in September 2018  
<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings.aspx>

Strategic and Financial Planning 2019-20 to 2021-22 (Item 9, Policy and Resources Committee, 24 September 2018)  
<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1420/Committee/21/SelectedTab/Documents/Default.aspx>

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## EDT Committee Budget Proposals

Ref	Proposal Note: Savings are shown as a negative figure	Further Information about the proposal	Saving 2019-20 £m	Saving 2020-21 £m	Saving 2021-22 £m	Total Saving £m	Risk Assessment
EDT19201	Capitalisation of activities to release a revenue saving	Capitalisation of some activity that is currently revenue funded, within the financial rules. Switching to this type of funding means that the revenue budget is available for saving, without the need to make any changes to the level and type of activity. This proposal relates to various elements of capitalisation in the highways service.	-1.559	0	0	<b>-1.559</b>	Green
EDT19202	Further roll-out of street lighting LEDs	Roll-out of more LED street lights, which enables an energy saving. This proposal is to implement on residential streets, and is in addition to the significant investment we have already made in LED technology on street lights. As with previous LED roll-outs, there is a need for investment to enable this to progress, on an invest to save basis, and this has been agreed with the Executive Director of Finance and Commercial Services. Discussions with our contractor, Amey, are well progressed and no issues identified.	-0.050	0	0	<b>-0.050</b>	Green
EDT19203	Changing back office processes and efficiency	We are reviewing our back office spend across the whole of CES and looking to harvest all of the savings available. This proposal includes savings in staff travel, subsistence and training budgets.	-0.103	0	0	<b>-0.103</b>	Green
EDT19204	Vacancy management	This relates to posts in the Support and Development, Environment, Highways and Waste services. As part of the overall recruitment approach in the department, we actively review vacancies and, where they arise, take opportunities to test out new ways of working,	-0.294	-0.025	0	<b>-0.319</b>	Green

<b>Ref</b>	<b>Proposal</b> Note: Savings are shown as a negative figure	<b>Further Information about the proposal</b>	<b>Saving 2019-20 £m</b>	<b>Saving 2020-21 £m</b>	<b>Saving 2021-22 £m</b>	<b>Total Saving £m</b>	<b>Risk Assessment</b>
		including alternative ways to structure work allocation within teams.					
EDT19205	Household Waste Recycling Centres – reuse shops	The proposal is to put reuse shops in place at further three recycling centres (Wells, Bergh Apton and Snetterton), in addition to the nine already in place. This will enable additional income generation and will reduce waste volumes for disposal, which will deliver a saving, and we will look to make further contract efficiencies.	-0.054	-0.050	0	<b>-0.104</b>	Green
EDT19206	Review and management of contracts in Highways and Waste	The saving will be delivered by working with contractors to review and renegotiate existing contract arrangements to enable savings. This will include reducing overhead costs and reviewing application of inflation to rates. This relates to contracts in the highways and waste services. There will be no changes to front-line service standards or service delivery.	-0.158	-0.079	0	<b>-0.237</b>	Amber
EDT19207	Highways Commercialisation	Savings delivered through the Commercialisation of the highways services. Members discussed highways commercialisation at the September Committee meeting and agreed the proposal in principle, and further work is being carried.	-0.080	-0.161	0	<b>-0.241</b>	Red
EDT19208	Re-model back office support structure	This relates to a re-structure of some teams in the Support and Development Group. The majority of this saving amount is on the basis that the proposal for highways commercialisation proceeds, which would provide the opportunity to re-work processes and ways of working, and reduces the back-office support requirement from the service. The detailed work to deliver the saving has not yet been carried	-0.180	0	0	<b>-0.180</b>	Red

<b>Ref</b>	<b>Proposal</b> Note: Savings are shown as a negative figure	<b>Further Information about the proposal</b>	<b>Saving 2019-20 £m</b>	<b>Saving 2020-21 £m</b>	<b>Saving 2021-22 £m</b>	<b>Total Saving £m</b>	<b>Risk Assessment</b>
		out. Should the highways commercialisation project not proceed, for whatever reason, we will seek to deliver the saving through alternative means e.g. further vacancy management. The service has a relatively high turnover of staff, as it is often an entry point into the organisation.					
EDT19209	Highways Services	More streamlined arrangements with Norwich City Council for the management of the Highways Agency Agreement in Norwich, which sees the City Council carry out highways services in the City on behalf of the County Council. Work is underway, with the City Council, to review existing arrangements and to identify areas for potential saving. At this stage, this work is not complete.	0	-0.100	0	<b>-0.100</b>	Amber
EDT192010	Income Generation	There are two elements of income generation. £220k relates to income through the introduction of the DIY waste policy previously agreed by Members. Now that the new arrangements have been in place for some months, we are clearer about the level of income the service generates and are confident that a further £220k can be delivered, in addition to the saving already agreed by Members. The remaining £5k relates to additional income generation by the developer services team through their continued work to provide advice and guidance to developers.	-0.225	0	0	<b>-0.225</b>	Green
	<b>Total</b>		<b>-2.703</b>	<b>-0.415</b>		<b>-3.118</b>	