

Adult Social Care Committee

Item No.....

Report title:	Strategic and Financial Planning 2019-20 to 2021-22
Date of meeting:	3 September 2018
Responsible Chief Officer:	James Bullion, Executive Director of Adult Social Services

Strategic impact

This report provides Adult Social Care Committee with an update on the Council's overall budget planning position, including the forecast budget gap for 2019-20 to 2021-22, and sets out details of the strategic and financial planning framework for Service Committees, which has been agreed by Policy and Resources. It summarises the organisational response to financial pressures, and, in particular, explains how the Council's Strategy, Norfolk Futures, serves as the key mechanism to drive the Council's ambitions for Norfolk.

The report sets out how actions are being taken by Adult Social Care Committee to support the whole Council to set a balanced budget for 2019-20 and provides Members with an overview of the approach to developing savings for 2019-20 ahead of the detailed proposals being presented in October.

Executive summary

This report provides Adult Social Care Committee with the latest information about service budget planning for 2019-20 to 2021-22. The report details the link between the Council Strategy, Norfolk Futures, and the development of transformation and savings plans relevant to this Committee.

Policy and Resources Committee has agreed guidance to Service Committees on the actions required to support preparation of a balanced budget for 2019-20, and agreed the indicative level of savings to be found by each Committee. Details are set out in the report, and Members' views are sought on the Committee's approach to identifying savings for 2019-20.

Adult Social Care Committee is recommended to:

- 1) Note the Council's budget assumptions and the budget planning principles for 2019-20 which have been approved by Policy and Resources Committee (paragraph 3.3 and 3.4)**
- 2) Note the forecast budget gap of £94.696m (table 3), which reflects the changes from the 2018-22 Medium Term Financial Strategy, and the resulting indicative savings targets for the Committee over the period 2019-20 to 2020-21 (table 4)**
- 3) 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 section 5, noting that any changes may impact on the overall budget gap and will require additional offsetting savings to be found**
- 4) Agree 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, will inform and shape budget planning activity set out in**

section 5, having regard to the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round (table 1)

- 5) Commission officers to develop detailed savings proposals to be presented to the Committee for consideration at the October meeting in order to help close the forecast 2019-20 to 2021-22 budget gap**
- 6) Note the budget planning timetable (section 6)**

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. At that point, the MTFS identified a budget gap of £94.696m for the period 2019-20 to 2021-22, and the Council's budget strategy included the aspiration to bring forward savings required for 2021-22 into the first two years 2019-20 and 2020-21. 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 On 16 July 2018, Policy and Resources Committee received a report setting out how the 2019-20 budget planning process would be aligned with the Council's Strategy, Norfolk Futures. Policy and Resources Committee agreed:
 - a) That the principles of the Council's Strategy, Norfolk Futures, will inform and shape 2019-22 budget planning activity
 - b) Updated budget assumptions and key areas of risk in relation to 2019-22 budget planning
 - c) The forecast budget gap of £94.696m reflecting changes from the 2018-22 Medium Term Financial Strategy
 - d) The budget planning principles and guidance for 2019-20, commissioning Service Committees to begin developing their savings proposals with initial reporting in September
 - e) The indicative savings targets 2019-20 to 2020-21, noting the existing savings for 2019-20 and beyond which were agreed as part of the 2018-19 budget round
 - f) The budget planning timetable
 - 1.3 This report provides the Committee with details of the implications of these decisions made by Policy and Resources Committee and marks the beginning of the Committee's detailed budget planning activity for 2019-20 to 2021-22.
 - 1.4 **2018-19 budget position**

The latest details of the 2018-19 budget position are set out in the budget monitoring report elsewhere on the agenda. The budget planning assumptions for 2019-20 set out later in this report include an assumption that the 2018-19 Budget is fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends).
- ## **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:
 - a) Building communities we can be proud of

- b) Installing infrastructure first
- c) Building new homes to help young people get on the housing ladder
- d) Developing the skills of our people through training and apprenticeships
- e) Nurturing our growing digital economy
- f) 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 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:
- a) Offering our help early to **prevent and reduce** demand for specialist services
 - b) **Joining up** work so that similar activities and services are easily accessible, **done once and done well**
 - c) Being **business-like** and making best use of **digital technology** to ensure value for money
 - d) 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 The strategy for Adult Social Care has embedded the core principles set out within Norfolk Futures and firmly works towards the agreed vision for Norfolk.
- 2.9 We have a clear vision – to support people to be independent, resilient and well. To achieve our vision, we have a strategy – Promoting Independence – which is shaped by the Care Act with its call to action across public services to prevent, reduce and delay the demand for social care. It is also a positive response towards managing what is a difficult financial climate for public services. It does not see a retreat to a statutory minimum but ensures that we manage demand and have a sustainable model for the future, at the core of which is quality social work which builds on the strengths of individuals.
- 2.10 Promoting Independence has these main elements:
- 2.10.1 **Prevention and early help** – empowering and enabling people to live independently for as long as possible through giving people good quality information and advice which supports their wellbeing and stops people becoming isolated and lonely. We will help people stay connected with others in their communities, tapping into help and support already around them – from friends, families, local voluntary and community groups. For our younger adults with disabilities, we want them to have access to work, housing and social activities which contribute to a good quality of life and wellbeing.
 - 2.10.2 **Staying independent for longer** – for people who are most likely to develop particular needs, we will try and intervene earlier. Certain events, such as bereavement or the early stages of an illness like dementia can be a trigger for a rapid decline in someone's

wellbeing, but with some early support we can stop things getting worse and avoid people losing their independence and becoming reliant on formal services.

2.10.3 **Living with complex needs** – for some people, there will be a need for longer term support. This might mean the security of knowing help is on tap for people with conditions like dementia, and that carers can have support. We will look at how we can minimise the effect of disability so people can retain independence and control after say a stroke or period of mental illness. For some people, moving into residential care or to housing where there are staff close by will be the right choice at the right time, but such decisions should be made with good information and not in a crisis.

2.11 The key focus areas will be:

- a) **Building capacity and living well**, the living well - 3 conversations approach and the recruitment and project activity that will provide the capacity to delivery this model and remove the backlogs
- b) **Learning disabilities** the range of projects focused on promoting independence and delivering savings for individuals with learning disabilities
- c) **Integrated short-term support**, the establishment of schemes to deliver against the Better Care Fund and High Impact Change Model alongside other projects that are targeting reductions in Delayed Transfers of Care and improvements to the interface between Health and Social Care
- d) **Technology enabled services**, the development of the Technology Enabled Care Strategy including the future role of assistive technology will ensure that decisions to commit future savings targets to these areas are based on robust evidence
- e) **Housing** – working with district councils, social landlords, developers and providers to deliver extra care housing that will support people to live as independently as possible in their local communities with the wellbeing benefits that this brings. An initial phase of work which began in May 2018 on the Norfolk Futures housing workstream, incorporating Extra Care Housing, is coming to an end. The aim of the work was to clearly understand and articulate the demand and need for older peoples housing and to produce a housing strategy and an ambitious invest to save business case for a development programme to meet this need. A position statement has been produced and circulated to developers and providers. Experience and processes from the initial phase on older people housing will then be used to drive the housing development programme for working age adults

2.12 The four core principles of Norfolk Futures are embedded in Promoting Independence:

- a) Offering our help early to **prevent and reduce** demand for specialist services – we have sustained our early help and prevention so that we engage with people sooner and because we see this as an invest to save for the future. Through social prescribing, community development workers, support for loneliness, better advice and information we are supporting people to keep their well-being and stay independent. Our reablement service is core to helping to prevent and reduce demand; we know that 80% of people who benefit from reablement need no further services from us, so investment in this service gives savings for the future
- b) **Joining up** work so that similar activities and services are easily accessible, **done once and done well** – our integration and collaboration with the NHS is designed to join up skills and care for people who use our services. We have a network of schemes across Norfolk for avoiding admission to hospitals through joint working with teams of professionals from the NHS, social care and the voluntary sector
- c) Being **business-like** and making best use of **digital technology** to ensure value for money. We already have an assistive technology service which supports people to stay independent, and we see an expansion of this service – and new innovations – as critical for helping to transform care for people in the future

- d) Using evidence and data to **target our work** where it can make the most difference – working with health partners to join up evidence and exploit benefits to wider health and social care system. For example, using public health data to target early help and prevention work within the community and primary care to reduce crisis events and admissions to hospital

2.13 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.

2.14 These principles frame the transformation across all our services and activities and we currently have seven priorities to help us to deliver the strategy:

- a) Safe Children and Resilient Families
- b) Promoting independence for Vulnerable Adults
- c) Smarter Information and Advice
- d) Towards a Housing Strategy
- e) Digital Norfolk
- f) Local Service Strategy
- g) Commercialisation

2.15 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 in section 5 of this report. Summary details of all the priorities are set out in the report to Policy and Resources Committee.

3. 2019-20 Budget Planning

3.1 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 provides 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](#).¹

3.2 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.

¹ <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>

Table 1: 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 ²	4.952	1.356	-0.387	0.000	5.921
Grand Total	-29.999	-16.157	-21.973	-10.400	-78.529

3.3 **Budget planning principles 2019-20**

Policy and Resources Committee have agreed the following key principles for budget planning in 2019-20:

- a) Budget planning will cover the three year period 2019-20 to 2021-22
- b) Budget proposals will target "shifting left" as a priority in terms of service provision (i.e. preventing and reducing demand for more intensive and higher cost services)
- c) Savings targets will be profiled as they arise over the three years of the Medium Term Financial Strategy (not brought forward)
- d) The 2019-20 Budget will seek opportunities to increase the level of the General Fund balance to ensure the medium term financial position is robust and the Council is better protected against future changes in funding
- e) The four Norfolk Futures principles as set out in paragraph 2.5 will underpin the development of budget proposals

3.4 **Budget assumptions 2019-20**

The Council's current forecast budget gap is based on a number of key assumptions, including:

- a) That Revenue Support Grant will entirely disappear in 2020-21. This equates to a pressure of around £39m, but significant uncertainty is attached to this and the level of savings required in year two could be materially lower should this loss of funding not take place
- b) Further substantial cost pressures including:
 - i. inflation, including the 2% pay increase for staff
 - ii. demographic changes and increased demand for our services
 - iii. legislative changes where national policies have added to our costs
- c) Planned savings of £49m to be delivered over the period 2019-20 to 2021-22
- d) That the 2018-19 budget can be successfully delivered (no overall overspend occurring and no savings emerging as undeliverable). The Council's forecast 2018-19 outturn position is discussed in the monitoring report elsewhere on the agenda
- e) Ongoing annual pressures will exist in waste budgets from 2019-20
- f) Pressures in Minimum Revenue Provision (MRP) budgets will be felt from 2020-21
- g) Budget planning is based on the following council tax increase assumptions (and also assumes there is no scope to increase the ASC precept in 2019-20 based on the current terms set out by Government)

² 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.

Table 2: Council Tax assumptions (as per 2018-22 MTFS)

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

- 3.5 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.
- 3.6 Assumptions around increases in the council tax base are prudent (0.5% annual growth), and as set out in the above table, no increase in council tax has been planned for 2021-22.
- 3.7 **Latest forecast budget gap 2019-20 to 2021-22**
The latest budget planning position, taking into account the changes agreed by Policy and Resources Committee, is shown in the table below. The latest budget assumptions would mean an unchanged overall gap of £94.696m, with **£22.089m required to close the gap in 2019-20**.

Table 3: Latest forecast budget gap 2019-20 to 2021-22

	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m
Original gap at MTFS 2018-19 to 2021-22	34.165	60.530	0.000	94.696
Reprofile savings requirement to 2021-22	-12.077	-12.077	24.153	0.000
Forecast gap as at 16 July 2018 P&R report	22.089	48.454	24.153	94.696

- 3.8 **Key budget risks 2019-20**
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:
- Ongoing pressures arising within the Children's Services budget in 2018-19 may need to be recognised in 2019-20 relating mainly to the number and cost of Looked After Children, High Needs Block pressures, and also in respect of any delay or non-delivery of planned savings
 - Market and system pressures affecting Adult Social Services (cost of care)
 - Continued financial pressures within the health system creating increased social care demand
 - Increasing the level of the General Fund reserve
 - Adjustments to salary scales (circa £0.350m) required in 2019-20 in response to the two-year pay award
 - Changes in the forecast 2018-19 level of savings delivery to allow for any mitigation of undeliverable savings
- 3.9 The risks and assumptions relating to the 2019-20 Budget will continue to be monitored and updated as budget planning activity proceeds.

3.10 **Medium term forecast – 2020-21 and beyond**

The Council's has a reasonable degree of certainty about resources available for the period to 2019-20 as a result of the four year allocations of funding announced by the Government in 2016-17. There is however a much greater level of uncertainty in respect of planning for 2020-21 and beyond. This is in large part due to the absence of firm information about the Government's plans for Revenue Support Grant following the implementation of the proposed 75% retention of business rates. It is Government policy³ for Revenue Support Grant to be devolved as part of the implementation of a reformed business rates retention system and there is limited information about the implications of this for overall funding levels in subsequent years.

- 3.11 Taking account of this uncertainty, the County Council's planning is based on an assumption that Revenue Support Grant disappears entirely in 2020-21 as detailed in paragraph 3.4 above and equating to a pressure of £39m. In addition, the loss of New Homes Bonus and Rural Services Delivery Grant is also assumed (£2.742m and £3.195m respectively).
- 3.12 Alongside the more regular annual budget pressures (such as inflation and demographic growth) the assumptions about reductions in funding result in **a significant forecast gap of £48.454m arising in 2020-21**. In the event that these pressures do not materialise, or if they are subject to a different timescale, the level of savings required in 2020-21 could be materially different.
- 3.13 It is not yet clear when there will be certainty about funding levels for 2020-21. Some additional information is likely to emerge early in the 2019-20 financial year as part of the Comprehensive Spending Review and further development of the Fair Funding Review, but it is highly likely that local authorities will not receive any clarity about individual funding levels until the publication of the provisional Local Government Finance Settlement, which is likely to be in December 2019.
- 3.14 In relation to adult social services, the Government is publishing a new green paper on the future of adult social care. This has been delayed until Autumn 2018 and will now be published alongside a new plan for the NHS. This is expected to set out longer term plans for social care, which may influence the Spending Review in 2019.
- 3.15 The Executive Director of Finance and Commercial Services is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure. The Executive Director therefore takes a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy.
- 3.16 In view of this duty, and the considerable uncertainty about funding levels after the end of the current settlement, **the Council will need to make substantial, sustainable savings**

³ The Secretary of State (then Greg Clark) stated in the announcement of the Local Government Finance Settlement 2016/17 that: "Ultimately, Revenue Support Grant will disappear altogether, as we move to 100% business rates retention." (<https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2016-to-2017>). Most recently, the *Invitation to pilot 75% Business Rates Retention in 2019/20* confirmed that: "As part of the move towards a reformed business rates retention system in 2020/21, the government intends to devolve Revenue Support Grant (RSG) To ensure that piloting in 2019/20 closely reflects the government's proposals to date for a reformed business rates retention system, authorities selected as pilots in 2019/20 will be expected to forego Revenue Support Grant (RSG) and Rural Services Delivery Grant (RSDG)." (<https://www.gov.uk/government/publications/75-business-rates-retention-pilots-2019-to-2020-prospectus>).

in 2019-20 in order to establish a solid platform for the development of a robust budget in 2020-21.

4. Savings allocation

4.1 The following table sets out indicative savings required to close the identified gap by Committee which have been agreed by Policy and Resources Committee. The share of savings has been calculated based on current planned 2019-20 net budgets excluding schools, Public Health (in 2019-20 only), capital recharging, and government grants on the basis that these areas are not controllable and therefore should be outside the scope of savings. These savings are required in addition to existing current savings plans.

Table 4: 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	-38.898	41%
Children's Services	-5.726	-12.064	-6.037	-23.827	25%
Environment, Development and Transport	-2.820	-5.988	-2.962	-11.770	12%
Communities	-1.647	-6.262	-3.115	-11.025	12%
Digital Innovation and Efficiency	-0.369	-0.736	-0.373	-1.477	2%
Business and Property	-0.154	-0.180	-0.045	-0.379	0%
Policy and Resources ⁴	-1.747	-3.697	-1.875	-7.319	8%
Total	-22.089	-48.454	-24.153	-94.696	

4.2 Policy and Resources Committee have agreed a timetable for Service Committees to report detailed 2019-20 Budget proposals back to Policy and Resources in October.

5. Committee response

5.1 This report proposes an approach for the Committee to adopt in developing saving proposals for 2019-20, and explains how this will be aligned to the Norfolk Futures principles. It also details the key pressures and risks that the Committee will need to consider in developing budget proposals for 2019-20.

5.2 The 2018-21 budget plans incorporated known financial risks for 2019-20. Including inflation, the forecast impact of the national living wage on the price of care, demographic growth and pressure from loss of health funding towards social care. Should further risks materialise this will increase the budget shortfall and require additional budget savings.

5.3 In considering budget plans for 2019-22 the key areas for further financial risk include:

- a) In-year financial pressures, which require delivery of £27m of savings to deliver a balanced budget position. The forecast outturn position for the service at the end of July 2018 is a £1.990m overspend. This risk is mitigated on a one-off basis by the business risk reserve, but recurrent cost pressures will need to be managed within the forward plans for the service
- b) Risk of non-delivery of 2018-19 savings on a recurrent basis. At Period 4 the service is forecasting delivery of £22m of the £27m savings target. Savings that cannot be achieved in full or recurrently will place additional pressure on the

⁴ Including Finance General

budget in 2019-20 and budget plans will need to be adjusted to reflect revised forecasts

- c) Cost of care provision. The costs facing the market continue to be monitored and reviewed and will form part of the decision for the annual uplift of prices. Currently only inflationary and national living wage rises are incorporated within the budget planning projections. Current issues related to quality and market capacity can also drive future prices and would increase cost pressures for the service
- d) Financial pressures across the local health system could have a negative impact on the adult social care budget. At present there is no financial pressure built into the social care plans for the impact of health savings targets, which include reducing the costs currently incurred by health organisations, including funded nursing care (FNC) and continuing health care (CHC). Reviews that identify that the health needs of an individual are no longer at the level where FNC or CHC is required, places more of the cost for ongoing care needs either on the individual (if a self funder) or social care. This is frequently the case where care is being provided in a nursing or residential setting as the service provision often needs to continue. Further information is being sought to understand the impact and the shift in costs within the system

5.4 In considering opportunity for further savings and efficiencies towards the savings targets set out at 4.1, the service has continued to evaluate and challenge its service approach aligned to the priorities set out within Norfolk Futures. Sections 2.9 to 2.11 of this report set out the priority actions for Adult Social Care, which are framed within the service's strategy for promoting independence. The cost and demand model approach has enabled testing of the different scenarios for managing demand and support, and challenge from external organisations has tested where there is scope within current policies and plans. As well as identifying opportunities, it has also helped evidence where there is a high delivery risk for further savings. For example, following a review from Society of information technology managers (SOCITM), it is not proposed to extend savings from use of digital technology beyond the £7.5m already planned within the existing programme of work. Within the confines of the current planning timeframe it is considered that there are limited further opportunities for social work led demand management savings, beyond the £37m planned.

5.5 Therefore, the service is exploring further proposals across the following themes:

- a) **Promoting Independence.** The service is recognising the improved outcomes from reablement work, which helps **prevent and reduce demand** for specialist services. Proposals focusing on opportunities to extend both home based and accommodation based reablement will be considered
- b) **Smarter information and advice.** working alongside public health, primary care and partners to look at future opportunities though connecting people to community resources sooner through social prescribing
- c) **Housing.** opportunities enabling more people to gain access to housing that will better support people with care needs – helping to keep people independent for longer
- d) **Targeting our work through use of evidence and data.** Proposals will look at wider system opportunities for invest to save including actions to support the health system through investment in services. As well as continued review of income from services from improving welfare rights support for individuals so people can claim benefits and reviewing our charging policy in line with other councils
- e) The service continues to challenge all areas of spend and review of all budget areas and the approach will ensure savings proposals maximise on new opportunities for reducing budgets

- f) Whilst the focus continues to be on delivery of ongoing savings, the service will include one-off opportunities to reduce spend in the next financial year, exploring cashflow and reserves

6. Budget Timetable

- 6.1 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 5: Budget setting timetable 2019-20 to 2021-22

Activity/Milestone	Time frame
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	TBC November / December 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

7. Financial implications

- 7.1 Potentially significant financial implications 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.
- 7.2 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 risk of failure to effectively plan how the Council will deliver services (RM006).

7.3 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.

7.4 Additional financial risks for the service are detailed in section 5.3.

8. Issues, risks and innovation

8.1 Significant risks, assumptions, or implications have been set out throughout the report.

8.2 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, will be subject to equality and rural impact assessments later in the budget-setting process.

9. Background Papers

9.1 [Norfolk County Council Vision and Strategy](#)

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

[Norfolk County Council Budget Book 2018-22](#)

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

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