



Norfolk County Council
at your service

Community Services Overview and Scrutiny Panel

Date: **Tuesday 7 January 2014**
Time: **10 am**
Venue: **Edwards Room, County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

Membership

Ms J Brociek-Coulton
Ms E Corlett
Mr D Crawford
Mr A Grey
Mrs S Gurney
Mr B Hannah
Mr H Humphrey
Mr J Law
Mr J Mooney

Mrs E Morgan
Mr W Northam
Mr W Richmond
Mr M Smith
Mrs M Somerville
Mrs A Thomas
Mr J Timewell
Mrs C Walker

Non Voting Cabinet Member for Adult Social Services

Ms S Whitaker

Non Voting Cabinet Member for Communities (Adult Education, Libraries, Museums, Customer Services)

Mrs M Wilkinson

Non Voting Cabinet Member for Public Protection

Mr D Roper

**For further details and general enquiries about this Agenda
please contact the Committee Officer:**

Tim Shaw on 01603 222948 or email committees@norfolk.gov.uk

For Public Questions and Local Member Questions please contact:
Committees Team on committees@norfolk.gov.uk or telephone 01603 222948.

SUPPLEMENTARY AGENDA

1 **Putting People First – Service and Budget Planning 2014/17.**

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Further to the publication of the agenda the Provisional Local Government Settlement 2014-15 has been assessed and other changes made to the report at item 9 on the main agenda. This addendum therefore updates the original report.

Group Meetings

Conservative	9:00 am	Colman Room
UKIP	9:00 am	Room 504
Labour	9:00 am	Room 513
Liberal Democrats	9:00 am	Room 530

Chris Walton
Head of Democratic Services
County Hall
Martineau Lane
Norwich NR1 2DH

Date Agenda Published: 3 January 2014



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Community Services Overview and Scrutiny Panel
Tuesday 7 January 2014

Addendum to Agenda item 9

Putting People First – Service and Budget Planning 2014/17

- 1** Further to the distribution of the agenda the Provisional Local Government Settlement 2014-15 has been assessed and other changes made to the report. This addendum therefore updates the report.
- 2** An additional **Action Required** is now included:-
Members are asked to consider and comment on the following:
 - a. The provisional finance settlement for 2014-15 and the latest planning position for Norfolk County Council
 - b. The updated information on spending pressures and savings for Community Services and the cash limited budget for 2014-15 in context with the feedback from the consultation reported elsewhere on this agenda
 - c. Where savings proposals are identified for removal, Members are asked for further suggestions or alternative ideas to equal the amounts identified.**
 - d. The proposed list of new and amended capital schemes and the proposed capital programme for Community Services
- 3** Also included in this addendum is a revised **Appendix A** and an analysis of savings proposals included at **Annex 1** to this addendum
- 4** The following text replaces section 3 of the report:-

Provisional Local Government Settlement 2014-15 and the Autumn Statement 2013

3.1 The Chancellor of the Exchequer announced his Autumn Statement on 5 December. Following the statement, our planning assumptions remained broadly the same. The Chancellor confirmed that key announcements of an additional £3bn cuts to public sector funding would not affect local government but there may be some reductions due to cuts in the Department of Education funding (£167m 2014-15 and £156m 2015-16). We await further details.

3.2 Following earlier consultation on the use of New Homes Bonus Grant to fund the Single Local Growth Fund from 2015-16, it was announced that the funding will not be transferred to the local growth fund except £70m for the London Local Enterprise Partnership. This equates to a reduction in pressures of £1.3m in 2015/16 for NCC as the assumed reduction based on the earlier proposed transfer will not now take place.

3.3 There were a number of announcements affecting Business Rates. As part of the changes to local government funding and the introduction of the Business Rates Retention Scheme in 2013/14, Council's funding is now linked to collection

and growth in business rates. The 2013/14 business rate multiplier was due to increase by 3.2% reflecting the September 2013 RPI figure, which has been confirmed by ONS. However, the RPI increase in business rates will be capped at 2% for 1 year from 1 April 2014. Fully funded business rate policy changes such as:

- Small Business Rates Relief will be extended to April 2015; it was due to end April 2013
- A 50% business rates relief for 18 months up to the state aid limits will be available for businesses that move into retail premises that have been empty for a year or more.

The provisional settlement provided details of a new Section 31 grant of £1.466m to fund these changes. At present, it is unclear as to whether this will cover the full cost and we are seeking further information as to the breakdown and the timing of this grant.

3.4 Earlier in the year, the Government consulted on plans to give local authorities some flexibility to use capital receipts for service reform. This was confirmed within the Autumn Statement and nationally, total spending of £200m will be permitted across 2015-16 and 2016-17. Local authorities will have to bid for a share of this flexibility.

3.5 Department of Communities and Local Government (DCLG) announced the detailed finance settlement for local government on 18 December 2013. This provided provisional details for 2014-15 and the indicative position for 2015-16. Detailed information is included in the Provisional Local Government Finance Settlement 2014-15 paper taken to Cabinet 06 January 14. Headline information is included below.

3.6 The Settlement Funding Assessment is the amount of funding a council will receive through the Business Rates Retention Scheme and Revenue Support Grant. For Norfolk County Council, our total Settlement Funding Assessment is:

2013-14	£338.980m
2014-15	£314.154m
2015-16	£274.730m

3.7 In relation to our plans, the settlement funding assessment is £0.295m higher than expected in 2014-15 and £0.464m less in 2015-16. This does not take into account the settlement adjustment grant to compensate for loss of business rates of £1.466m, which is additional to our planned funding forecast in 2014-15.

3.8 The Government has announced that council tax freeze funding will continue and that council tax freeze funding, equivalent to a 1% increase, for 2014-15 and 2015-16 will be built into the spending review baselines for subsequent years. In addition, the Government plans to calculate the 1% increase on the higher taxbase (i.e. the taxbase in not reduced for the element of the taxbase receiving council tax support), this increases funding above our forecast by £0.526m. The government has not yet made any announcement on Council Tax referenda limits, this is expected in January.

3.9 Norfolk County Council currently is part of a business rates pool with

Broadland District Council. Cabinet, jointly with other Norfolk councils, agreed to seek Secretary of State approval for the creation of a wider business rates pool from April 2014. This was designated for the following councils:

- Breckland District Council
- Broadland District Council
- Borough Council of Kings Lynn and West Norfolk
- North Norfolk District Council
- Norfolk County Council
- South Norfolk District Council

3.10 The settlement includes information for both individual councils and pools. Individual Councils within the pool have until 14 January 14 to notify DCLG if they no longer want to be part of the pool. If any Council requests to leave the pool prior to this date, the rest of the pool cannot continue.

Annex 1

Analysis of proposed savings

Savings Category	Adults		
	2014-15	2015-16	2016-17
	£m	£m	£m
Organisational Change - Staffing	0.460	0.250	0.000
Organisational Change - Systems	1.340	0.200	0.500
Procurement	4.150	1.446	1.500
Shared Services with External Organisations	2.004	3.150	0.000
Capital	0.000	0.000	0.000
Terms & Conditions of Employment	0.108	0.099	0.090
Income and Rates of Return	0.000	0.900	0.800
Assumptions Under Risk Review	0.000	0.000	0.000
Front Line - Reducing Standards	4.000	3.350	3.150
Front Line - Cease Service	6.640	3.000	3.000
	18.702	12.395	9.040

Savings Category	Cultural		
	2014-15	2015-16	2016-17
	£m	£m	£m
Organisational Change - Staffing	0.260	0.000	0.000
Organisational Change - Systems	0.324	0.000	0.000
Procurement	0.000	0.000	0.000
Shared Services with External Organisations	0.260	0.000	0.000
Capital	0.000	0.000	0.000
Terms & Conditions of Employment	0.000	0.000	0.000
Income and Rates of Return	0.361	0.374	0.010
Assumptions Under Risk Review	0.000	0.000	0.000
Front Line - Reducing Standards	0.931	0.000	0.000
Front Line - Cease Service	0.010	0.000	0.000
	2.146	0.374	0.010

* Ref - the Public Budget Consultation reference

Proposed Budget Changes for 2014-17 – Community Services Adult Social Care

		2014-15 £m	2015-16 £m	2016-17 £m
	Base Budget	257.454		
	ADDITIONAL COSTS			
	Economy			
	Basic Inflation - Pay (1% for 14-17)	0.470	0.475	0.479
	Basic Inflation - Prices	4.561	4.658	4.756
	Demographics			
	Demographic growth	6.934	6.035	6.134
	NCC Policy			
	Increased pension liability relating to the creation of Independence Matters	0.509		
	Additional costs for Insurance, HR and Finance relating to the creation of Independence Matters	0.100		
	Irrecoverable VAT additional charge relating to the creation of Independence Matters	0.145		
	Increased pension liability relating to Norsecare	0.883		
	Local reform & community voices (DH revenue) additional spend	0.023		
	Total Additional Costs	13.625	11.168	11.369
Ref*	BUDGET SAVINGS			
4	Re-negotiate contract for buying and leasing mini-buses	-0.090		
4	Reducing the costs of business travel	-0.108	-0.099	-0.090
4	Renegotiate the Norse bulk recharge		-0.106	
4	Renegotiate contracts with residential providers, to include a day service as part of the contract, or at least to transport to another day service		-0.100	
6	Electronic Monitoring of Home Care providers			-0.500
6	Review block home care contracts	-0.300	-0.100	
6	Review of agreement with Mental Health Trust	-0.500		
6	Review of Norse Care agreement for the provision of residential care	-2.000	-1.000	-1.500

		2014-15 £m	2015-16 £m	2016-17 £m
6	Review of respite care	-0.300		
8	Reduction in Business Support	-0.100		
8	Community Safety	-0.110		
8	Decommission offices, consolidate business support		-0.150	
9	Reducing controllable spend in Community Services	-0.640		
9	Reduce training budget	-0.500		
13	NHS: Invest to save	-1.804		
14	Further Savings from PCSS (Personal Community Support Service)	-0.250	-0.250	
14	Review Care Arranging Service		-0.140	
18	Joint senior manager posts with Health	-0.200		
18	Integrated occupational therapist posts with Health		-0.100	
18	Assistant grade posts working across both health and social care		-0.050	
20	Trading Assessment and Care Management support for people who fund their own care			-0.050
20	Economic Development securing more funding for key care services		-0.750	-0.750
30	Change the type of social care support that people receive to help them live at home	-0.200	-0.200	
31	Reduce funding for wellbeing activities for people receiving support from Adult Social Care through a personal budget	-6.000	-3.000	-3.000
32	Cut the costs of the contract with the provider delivering community health support to people with a learning disability	-0.960		
33	Changing how we provide care for people with learning disabilities or physical disabilities	-1.000	-2.000	-3.000
34	Work better with the NHS to deliver the Reablement and Swifts Services and look to share costs equitably.		-3.000	
35	Scale back housing-related services and focus on the most vulnerable people	-1.200	-1.200	
36	Reduce the number of Adult Care service users we provide transport for	-1.800	-0.150	-0.150
37	Stop ongoing (revenue) spend on the Strong and Well programme	-0.500		
66	Charge people who fund their own social care the full cost of transport	-0.140		
	Putting People First proposals sub	-18.702	-12.395	-9.040

		2014-15 £m	2015-16 £m	2016-17 £m
	total			
	Other savings sub total	0.000	0.000	0.000
	Total Savings	-18.702	-12.395	-9.040
	COST NEUTRAL ADJUSTMENTS i.e. which do not have an impact on overall Council Tax			
	*Depreciation	-0.481		
	*REFCUS	0.000		
	Debt Management Expenses	-0.001		
	To Resources: Payments and Billing Team	-0.248		
	Local Reform & Community Voices Grant: Independent Complaints Advocacy Service Expenditure	0.247		
	Local Reform & Community Voices Grant: Independent Complaints Advocacy Service Grant Income	-0.247		
	From Communications (Resources) – Transfer relating to Citizen Advice Bureau	0.364		
	From Resources: Shared Service budgets relating to the creation of Independence Matters	0.139		
	From Resources: Information management	0.018		
	To Resources: Transfer of Carrow reception staff	-0.004		
	Office Accommodation Depreciation	-0.026		
	To Resources - Social Care Centre of expertise	-2.265		
	Sub total Cost Neutral Adjustments	-2. 509		
	BASE ADJUSTMENTS			
	Local reform & community voices (DH revenue) grant	-0.023		
	Increased NHS Social Care Funding	-4.196	-15.000	
	Sub total Base Adjustments	-4.219	-15.000	
	TOTAL	245.649		

Proposed Budget Changes for 2014-17 – Community Services Cultural Services

		2014-15 £m	2015-16 £m	2016-17 £m
	Base Budget	16.980		
	ADDITIONAL COSTS			
	Inflation			
	Basic Inflation – Pay (1% for 14-17)	0.176	0.178	0.180
	Basic Inflation – Prices	0.136	0.141	0.145
	NCC Policy			
	Norfolk Sports and Cultural Foundation	0.030		-0.030
	Total additional costs	0.342	0.319	0.295
Ref	BUDGET SAVINGS			
8	Restructuring – Museums	-0.140		
8	Restructuring Record Office	-0.070		
8	Energy savings in Record Office	-0.020		
8	Administrative efficiencies in Adult Education	-0.010		
9	Administrative efficiencies	-0.104		
9	Reducing controllable spend in Community Services	-0.170		
16	Renegotiating Joint Museums funding	-0.050		
20	Museums - Gift Aid and Cultural Exemptions	-0.200	-0.354	
20	Museums - Income generation and external funding	-0.101		
20	Norfolk Record Office - Increased income generation	-0.030	-0.020	-0.010
20	Develop community and commercial links - records office	-0.030		
38	Reduce spend on library books and other materials	-0.350		
39	Reduce the number of library staff - managers	-0.050		
39	Reduce the number of library staff	-0.350		
40	Charge for some activities provided in libraries	-0.030		
41	Share library buildings with other organisations	-0.180		
42	Reduce how often mobile libraries call at some places	-0.109		

		2014-15 £m	2015-16 £m	2016-17 £m
43	Reduce funding for the arts service, including arts grants	-0.110		
44	Close Norfolk Records Office on Saturday mornings	-0.012		
45	Stop or scale back the availability of music and play sets from the library	-0.010		
46	Send overdue item reminders electronically	-0.020		
	Putting People First proposals sub total	-2.146	-0.374	-0.010
	Other savings sub total	-0.000	0.000	0.000
	Total Savings	-2.146	-0.374	-0.010
	COST NEUTRAL ADJUSTMENTS i.e. which do not have an impact on overall Council Tax			
	*Depreciation	0.003		
	*REFCUS	0.000		
	Debt Management Expenses	0.000		
	From Finance General: Termination of 3 mobile library leases	0.024		
	Office Accommodation Depreciation	0.010		
	From Resources: Information management	0.001		
	Sub total Cost Neutral Adjustments	0.038		
	BASE ADJUSTMENTS			
	Sub total Base Adjustments	0.000		
	TOTAL	15.214		