

# Policy and Resources Committee

Date: **Monday, 1 June 2015**

Time: **10 am**

Venue: **Edwards Room, County Hall, Norwich**

## **SUPPLEMENTARY A g e n d a**

7. **Re-imagining Norfolk – a medium term strategy and financial plan** **Page A2**  
Report by Managing Director

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# Policy and Resources Committee

Item No 7

<b>Report title:</b>	<b>Re-Imagining Norfolk – a medium term strategy and financial plan</b>
<b>Date of meeting:</b>	<b>1<sup>st</sup> June 2015</b>
<b>Responsible Chief Officer:</b>	<b>Dr Wendy Thomson, Managing Director</b>
<b>Strategic impact</b> To provide a strategic framework for the County Council to re-focus its role and pursue its priorities within a radically reduced level of resources.	

## Executive summary

In February this year, Full Council agreed the budget for 2015/16 and in so doing recognised that the next planning cycle would need a significantly different approach given the likely financial prospects ahead.

Re-Imagining Norfolk sets out a strategic direction for the Council which will radically change the role of the County Council and the way it delivers its services. It commits the authority to delivering the Council's vision and priorities for Norfolk, making clear that the future lies in working effectively across the whole public service on a local basis.

It sets out the financial prospects for local government which is one of continued austerity. Even after a sustained period of unprecedented efficiencies, savings and cuts, projections show a need to find over the three years 2016/17, 2017/18 and 2018/19 just under £149m. The Council has already identified and agreed savings over the same period of £33m, leaving a net shortfall to find of just under £111m. However, whilst this amounts to a 15% reduction, Policy and Resources is being asked to draw up plans to make savings of £169m. This represents a 25% reduction in addressable spend in order to give 'headroom' to make choices between different priorities.

Whilst this gap represents a 15% cut over the next three years, the committees are being asked to plan for a 25% reduction. Without pre-empting the outcome of planning, it is almost inevitable that some departments will not be able to reduce their spend by 15% in the three-year timeframe. The request for 25% reduction, is made in order to give Members an element of choice and to accommodate any anticipated shortfall in some areas.

This paper signals the start of what will be an extensive and wide-ranging planning cycle which will engage all committees and Members in shaping the future, in partnership with stakeholders, customers and residents.

## **RECOMMENDATIONS:**

**Policy and Resources Committee is asked to:**

- 1. Agree to develop a multi-year strategy for Norfolk County Council, underpinned by robust medium term financial and performance plans.**
- 2. Note and comment on Re-Imagining Norfolk, and agree to this as a framework for the Council's multi-year strategy.**
- 3. Request that Service Committees in July, model their services based on having 75% of their current overall spend as set out in Section 9.**
- 4. Agree the approach to wider engagement as set out in Section 10 and ask officers to take forward the work outlined in Section 9.**

## **1. Background**

- 1.1 Over the last five years, local government has borne an unduly high proportion of the actions taken by Government to reduce the public sector borrowing requirement and pursue its policies of austerity. While some sectors have been largely protected from cuts, such as the NHS, councils have experienced 40% reduction in grants while having to deliver additional responsibilities to an increasing population. With the election of the Conservative Government the financial prospects for local government remain challenging.
- 1.2 Since 2011/12, Norfolk County Council has seen cuts to its grant of £124m, and has identified more than £245m in savings. Those savings have come through a combination of efficiency and cost cutting, changing how we deliver services so they are cheaper, and some straight cuts to services. At the same time services have had to keep pace with increased demand and expectation, particularly in social care where the demographic profile of the population in Norfolk brings particular challenges. The increase in looked after children has also seen a significant increase over this period.
- 1.3 The Council is smaller – in March 2010 there were 7940 full time equivalents (excluding schools); by 30 September 2014 this had reduced to 4800. About half of that reduction has been through staff transferring to other organisations – reflecting changes in how we deliver services. So 1555 full time equivalents have transferred (under TUPE) to NorseCare, Independence Matters, Children's Centres and Short Stay Schools. A further 1583 full time equivalents have either been made redundant or have left the organisation and not been replaced. This reflects service closures, and changes in staffing structures.
- 1.4 In February this year, Full Council agreed the budget for 2015/16, and in so doing, recognised that the next planning cycle would need a significantly different approach, given the likely financial prospects ahead.

- 1.5 There is no question that the ability to deliver savings is getting much tougher. Elsewhere on this agenda, Members will know that we whilst we are reporting an overall underspend of £1.7m for 2014/15, this masks significant variations within different departments, in particular overspends in adult social care, the looked after children budget and waste disposal.
- 1.6 Prospects for delivering savings for 2015/16 are also showing risks even this early in the financial year, and elsewhere in the local economy are issues that have the potential to cause financial pressure, for example, NHS deficits.
- 1.7 The subsequent election outcome has not altered that position, if anything it has confirmed that local government is at a cross-roads in terms of its future, and that there is a small window in which to make significant changes.

### **Making the case for local government**

- 1.8 The Local Government Association is taking actions to make the case for local government and influence the Queen's Speech and the Government's spending plans. The LGA's publication 'Investing in our Nation's Future: the First Hundred Days of the Next Government', demonstrated the importance of local government to the nation's prosperity and well-being, and argued for investment in homes, school places, skills and jobs, infrastructure and health promotion.
- 1.9 The case for local government is not only being advocated by its association. Prior to the election, the National Audit Office's report on the 'Impact of Funding Reductions on Local Government' (November 2014) concluded that many authorities are showing signs of financial stress, that the DCLG had insufficient understanding of the impacts of the cuts and that 52% of authorities were not able to produce a sound medium term financial strategy. Many commentators have signalled their concern about the future viability of social care unless it receives additional funding, and recognise that the National Health Service's future depends on the availability of community-based social care.
- 1.10 Norfolk has experienced the impact of local government spending reductions, and been particularly disadvantaged by its aging demographic profile, rural geography and the one-off costs of the incinerator project. We must be able to make our case to government and other stakeholders, to demonstrate the impact of the cuts made to our revenue. At the same time as we do our utmost to advocate for the County, we must also plan intelligently for a much smaller and less resourced local government.
- 1.11 Since the Council approved the budget for 2015/16, with the Leader, I have led a series of workshops with Policy and Resources Committee and Committee Chairs to shape and develop a new multi-year strategy for the County Council.

- 1.12 Entitled **Re-Imagining Norfolk**, the proposals outlined in this paper set a strategic direction which will radically change the role of the County Council and the way it delivers its services. It commits the authority to delivering the Council's vision and priorities for Norfolk, making clear that the future lies in working effectively across the whole public service on a local basis.
- 1.13 This paper signals the start of what I anticipate will be an extensive and wide-ranging planning cycle which will engage all committees and Members in shaping the future, in partnership with stakeholders, customers and residents.

## 2. Re-Imagining Norfolk – a Strategy for Change

- 2.1 Re-Imagining Norfolk sets out a strategy for change which covers every aspect of the Council's role and functions. It essentially aims to re-design the Council and its services, since nothing less will ensure it can continue to deliver quality services that make a difference to people's lives.
- 2.2 Despite the reduction in expenditure going forward, the Council will still be a billion pound organisation, and it needs to ensure that every penny of that money is invested where it can have the most impact for the people of Norfolk. It will become a multi-year strategy with a clear outcomes framework, underpinned by annual financial plans with spending targets.
- 2.3 Our strategy for Re-Imagining Norfolk has three elements:
- a) **Norfolk's Ambition and Priorities** – our priorities place the people of Norfolk at the forefront of our plans and investments and we must ensure that everything the Council does improves people's opportunities and well-being. Obvious perhaps, but with dramatic spending reductions, the risk is to become pre-occupied with our own internal organisation.
  - b) **A 'Norfolk public service'** – The people of Norfolk require a seamless continuum of services, targeted to those who need them most, and regardless of the multiple and separate institutions responsible for delivering them. By re-imagining services, the county can work with communities and other public services to redesign services around people's lives, achieving better outcomes at less cost.
  - c) **Improving the Council's internal organisation** - addressing the need for the Council to continue its journey of improving efficiency and modernisation, radically re-shaping its capacity while taking out costs.

The section below sets out further detail around each of these three themes.

## 3. Norfolk's Ambition and Priorities

- 3.1 The County Council is ambitious for Norfolk, and as the only democratically elected body which represents the whole county, it is in a unique leadership position to harness others around a vision which sees the county and its people thrive.

3.2 The population is growing and changing, and the county is poised for 65,000 new homes over the next ten years, and with them, an expectation of 45,000 new jobs. At a time of intense austerity, it would be too easy for the Council to become pre-occupied with its own affairs and lose focus and momentum on achieving real impact and change for Norfolk people.

3.3 At Full Council in February 2015, Members agreed the Council's Ambition and Priorities:

Our **ambition** is for everyone in Norfolk to succeed and fulfil their potential. By **putting people** first we can achieve a better, safer future, based on education, economic success and listening to local communities. Our **priorities** are:

- **Excellence in education** – We will champion our children and young people's right to an excellent education, training and preparation for employment because we believe they have the talent and ability to compete with the best. We firmly believe that every single child matters.
- **Real jobs** – We will promote employment that offers security, opportunities and a good level of pay. We want real, sustainable jobs available throughout Norfolk.
- **Good infrastructure** – We will make Norfolk a place where businesses can succeed and grow. We will promote improvements to our transport and technology infrastructure to make Norfolk a great place to do business.
- **Supporting vulnerable people** – we will work to improve and support quality of life, particularly for Norfolk's most vulnerable people

3.4 Given the seismic change needed in local government, the Council has to find ways of working which support communities and individuals to become more self-sufficient. These priorities do just that.

3.5 Helping more people into real jobs, obtaining good qualifications, within a county which is accessible and connected to the rest of the country represent critical outcomes in order for Norfolk to thrive and people living here are to be able to lead independent and fulfilling lives. Just as important is for our most vulnerable residents to have access to a continuum of community services.

3.6 **Re-Imagining Norfolk** aims to get a sharper, sustained focus on achieving these priorities. Over the course of the next two to three months, we will be working with others to draw up what success will look like and how people can hold us to account for progress. We plan to hold cross-party Member workshops as part of this.

- 3.7 Having greater clarity of purpose on our priorities will also provide Members with a framework against which they can make what will be some very difficult political decisions ahead. Where there are choices to be made, Members can expect officers to provide evidence of the impact of spending on those priorities, to help decide where to invest and where cuts will need to be made.
- 3.8 **The devolution of powers** and budgets to local areas is likely to be a dominant issue on the agenda for local government. The Chancellor announced that Manchester's new powers over housing, transport, skills and policing services will be included in the Queen's Speech. Secretary of State for Communities and Local Government has announced his intention to shortly publish a new 'City Devolution Bill' to extend similar arrangements across England. The Chief Executives of Norfolk's eight councils have commissioned external consultants to conduct preliminary research and propose options for Norfolk Leaders to consider later this summer. Greater autonomy over such strategic issues as transport, economic development, strategic planning supports the ambitions for Norfolk, and discussions about possible devolution will shape Re-Imagining Norfolk going forward.

#### **4. One 'Virtual' Public Service for Norfolk**

- 4.1 Many of our services were designed in a very different era and policy framework. During times when government transferred far more grant to fund local services; in the recent past, linking revenue support grant to standard spending assessments (SSA) and in the more distant past, met the spending levels determined by local authorities through grant related expenditure assessments (GREA). Now funding no longer reflects demographic or socio-economic changes, as local government is expected to become self-sufficient, depending on Council tax and a share of business rates to fund services.
- 4.2 At the same time as funding has been reduced, our population continues to grow and the pattern of family life has changed. Medical advances are huge – people live longer and have access to many more medical specialists than in the past. People move around more for jobs than in previous generations, so families cannot always be near to older relatives to help and care. Families are under increasing pressure, and society's concern for children's and adult's safety has placed additional responsibilities on local authorities for ensuring their protection.
- 4.3 The impact for our social care services – like many other areas – has been to see an increase in our spending on the more intensive type of services. As well as being costly, it is - more importantly - increasingly at odds with what people want.
- 4.4 Services of the future need to promote independence and provide support which helps people to stay in control of their own lives and in the majority of cases living in their own homes. This requires a shift from finding needs and meeting them, to building on people's strengths, making them experts in charge of their own lives. It also requires a model of working with partners and communities which sees multi-disciplinary teams, ideally co-located,

looking at the same data on families or individuals and giving them the most appropriate support, regardless of which agency takes the lead.

- 4.5 With fewer resources, the goal is for people to experience a coherent 'public service' across Norfolk guided by achieving the best results for them, regardless of jurisdictions or constraints about who does what.

## 5. Re-designing with 75% of our current spend

- 5.1 The financial challenge (set out in section 8. below) facing the Council is equivalent to delivery with 75% of our addressable spend. Despite this, the Council will still have just under £1billion, and that spending power needs to be targeted towards achieving the best possible outcomes for Norfolk.
- 5.2 As a precursor to discussions within Committees and the wider community about how best to target spending and resources for the future, the Council has adopted a framework for a systematic review of our spending on services which has a series of strategic approaches:
- a) **Cutting costs through efficiencies** – Norfolk spends more overall than equivalent authorities, according to benchmarking data. We need to target these areas and cut our costs early in our financial plans. Every pound we cut in the first year, saves us three in the third. This will be achieved by increasing productivity and in some cases, no longer delivering services that are not essential to achieving our priorities for Norfolk people.
  - b) **Better value for money through procurement and commissioning** - more than half of our spending is on contracted services, therefore procuring the right services at the best cost is critical. It may be necessary to re-negotiate to get the best from contracts; revise the specification; and considering new models - outsourced, social enterprise; developing the market so others can deliver at a more competitive cost; seeking opportunities for joint commissioning to maximise purchasing power and achieve better results across the whole service system.
  - c) **Enabling communities and working locally** – the Council has a duty to promote the health and well-being of the population. It can only do so by working closely with the community, looking at how we can reduce reliance on high cost services. There is more scope for building on assets and strengths that are already evident; shifting our focus to a locality approach which allows a more integrated service model. Reducing costs by taking a 'whole system' approach that includes the customer and community in the value chain – this is particularly relevant where many local services are working with the same families or individuals.



- d) **Service Redesign: Early help and prevention** which promotes independence, supports people into employment, supports them to get good qualifications; moves the first point of contact 'upstream'; understands and uses the 'triggers' or early indicators of service demand to act sooner with a less costly intervention. It is for these reasons that we have invested in early help, which may feel counter-intuitive at a time of austerity. However, the alternative - to re-trench to a position of delivering the minimum statutory requirement has been shown to lead to greater demand moving into more high-end and costly services.
  
- e) **Customer Services: Channel shift** - there is much more that the Council can do to introduce technology into the design of our services. We must organise our services around customers, reflecting the more mainstream expectations that people have in accessing services in today's world. Far more of our services should be accessible on line, on mobile devices, with customer's able to obtain more of what they need directly. Behind the scenes, using technology the Council can reduce paper-based transactions and streamline its processes and costs. The cost savings are considerable – with on-line transactions at as low as 4 pence per contact, telephone £4 per contact, while specialist face to face case management is £10, £20 and more.
  
- f) **Raising Revenue: a business strategy** – we need to accelerate the development of our financial systems and commercial acumen to successfully sell products and services to external customers. We recognise that the Council has a limited ability to raise revenue, as our 'addressable' revenue only represents about £58m. However, where it is possible, where there is a market for what we provide and we can successfully trade in it at a competitive cost or quality , this may include setting up and 'floating off' free-standing enterprises. The Executive Director Community and Environment is leading on the development of a Business Strategy. Six areas of Council activity have initially been identified to work with the commercial expertise from Hethel to develop their business capacity and test their commercial viability.

5.3 We also need to use our **property assets** to maximise revenue generation; this includes the active management and disposal of surplus assets as well as exploring the scope for realising the benefits of development. The Executive Director of Finance has established a client property team to provide leadership for this activity, working with Norse as appropriate.

5.4 Though the revenue from central government grant will reduce, there may be opportunities for obtaining funding from dedicated funding programmes. We need to be well-positioned to compete successfully for such opportunities. A **Corporate Bid Team** has been established to pro-actively identify opportunities, develop proposals and build capacity to pursue external funding opportunities that meet the Council's priorities.

- 5.5 The Chief Officer Group and County Management Team are applying these strategic approaches to match those most appropriate for delivering priorities across the Council's services. The timing and sequencing of these approaches needs to be well-planned to ensure that resources are not wasted redesigning services that are not affordable in the medium term. The outcome of this work will feed into Committee discussions and ultimately the Council-wide strategy and financial plan.

## 6. External Collaboration and Challenge

- 6.1 The Council needs to challenge its thinking with input and scrutiny from external sources, including:
- a) **Testing and developing priorities and new ways of working with partners** in other public services, through round tables, partnership meetings and negotiations.
  - b) **Customer research** – which re-designs services through co-production with existing and prospective customers and users of our services.
  - c) **Benchmarking information** – using comparable information on cost and quality to identify areas where our costs are too high and can be reduced or eliminated.
  - d) **Best in class** - to learn from more innovative and high performing authorities through fact-finding visits and external advice from recognised experts.

## 7. Re-designing the Organisation

- 7.1 The County Council will need to be a very different organisation to make the changes required for Re-Imagining Norfolk. It will be smaller, with fewer staff, different skills and attitudes, able to change at pace while taking out costs.
- 7.2 Critical to this is an efficient business infrastructure which aligns all our organisational levers in support of the strategy. Specifically:
- a) **Human Resources** – re-setting expectations and accountabilities for all managers to strengthen leadership, financial management, data analysis, and accountability for delivering outcomes. This year, the appraisal scheme for the top four tiers of managers has been updated to reflect these expectations, ensuring that managers are held to account for delivering on this year's challenging savings programme, whilst engaging in strategic planning for the future.

- b) Good Governance** – the recent review of the Committee System includes measures to strengthen governance. The future will require some difficult choices for Members, and there will be a continued need for constructive dialogue about options. Officers will need to be held to account for performance and ensure that accurate, good quality evidence and information is provided to members to inform good governance and decision making.
- c) Finance** – in company with many authorities, the Council has a traditional approach to budgeting which is rooted in more benign financial environments. This starts with the process of taking last year's budget and adjusting for factors such as inflation, assumptions of demand, and new legislative requirements. Whilst this has served the Council well in the past, it does not lend itself to an outcome based more business-like approach. Work is already underway to improve financial information for managers and for Members which will help link spending with strategic goals. This will be critical to support stronger financial control, and forecasting on which to base a multi-year strategy.
- d) ICT** – many of the changes the Council needs to make rely on sound ICT infrastructure and the effective management of systems and data. The DNA partnership with HP was adopted to roll out modern equipment, mitigate the risks associated with out dated software and data centres, and see a shift from routine ICT into delivering better information management. The Council suffers from an under-investment in its ICT capacity and now must deliver transformation at pace and aligned with the priorities in Re-Imagining Norfolk.
- e) Intelligence and information** – with less resource, managers need to access and use information and intelligence which helps target services more effectively on population groups where there can be most impact. This will require new skills for staff to work in an increasingly digitised environment, and a range of systems and tools to combine data from different sources to give new insights and a better evidence base.
- f) Property and assets** – the Council has already rationalised some of its property, particularly its office accommodation, but more remains to be done. It costs the Council in the region of £55m per year to run its properties. A more innovative and commercial approach is needed to deliver radical change in a short time period. This will see the Council with fewer buildings, and those that remain being more flexible, matched to the requirements of services, and often shared with other agencies.

- g) Shared Services:** our shared services model was introduced over 5 years ago and has now outlasted its purpose. To make the best use of our resources in pursuit of the Council's priorities requires a strategic capacity to inform plans and secure accountability for performance. We need to be clear about the essential core functions to support the Council's legal and democratic duties, and ensure that the Council's direct services have the support services they require at a competitive cost.

## **8. Financial Context**

- 8.1 To date, there are no detailed local government projections beyond 2015-16, however, there is every indication that the prospects for councils will be extremely tough.
- 8.2 The Queen's Speech on May 27<sup>th</sup> (an update will be available at the meeting), and the Chancellor's announcement of a second budget on July 8<sup>th</sup> are likely to provide more context and direction. There is also some potential for the second budget to require in-year savings as happened in 2010, when specific grants to local government were cut.
- 8.3 In announcing the second budget, Chancellor George Osborne reiterated the plans to raise money through a clampdown on tax evasion and aggressive avoidance, increase funding for the National Health Service, reform welfare and cut Government spending. There was no reference to social care spending or the impact on local government of the continued welfare reform.
- 8.4 The expectation is for an Autumn Spending Review which will cover one year settlement, with the following two years covered in March 2016 budget. The Council can expect its provisional settlement as usual in December, but this will be the first time that figures for 2016/7 are confirmed.
- 8.5 Consequently, our projections are based on the general direction of departmental spend indicated by the previous coalition Government, calculated by the Office for Budget Responsibility with advice from the Local Government Association and Society of County Treasurers.
- 8.6 The shape of our 2016-19 projections is in accord with that of the previous Government, which saw larger savings in the first two years 2016-18 than in the third, 2018-19. The table below sets out the base position.

	2016-17	2017-18	2018-19	3 Year Gap
	£m	£m	£m	£m
Funding Reductions	48.180	26.900	7.800	82.880
Inflation	10.225	10.246	10.300	30.771
Legislative Requirements	5.564	4.230	0.000	9.794
Demand / Demographic	7.655	8.215	8.314	24.184
NCC Policy	-0.230	1.450	0.000	1.220
	71.394	51.041	26.414	148.849
Less Savings Already Identified	-28.040	-5.835	0.000	-33.875
Less Forecast Taxbase Increase	-1.326	-1.555	-1.500	-4.381
	<b>42.028</b>	<b>43.651</b>	<b>24.914</b>	<b>110.593</b>

- 8.7 These figures show a projected 'gap' over the three years of £148.849m.
- 8.8 The Council has already identified and agreed £33m savings over the same period, and together with increased expected income from the council tax base, it gives a net 'gap' of £110.593m.
- 8.9 However, for planning purposes, Policy and Resources is asked to agree that further 'headroom' is built into the planning process to allow choices and options to be developed and to provide contingency for a possible worsening of the Government's funding and the Council's financial position.
- 8.10 The recommendation is that Executive Directors should be asked to exemplify three year plans on the basis of a reduction of £169m. This is the equivalent of a 25% reduction in 'addressable' spend over the three years.
- 8.11 Without pre-empting the outcome of planning, it is almost inevitable that some departments will not be able to reduce their spend by 15% in the three-year timeframe. The request for 25% reduction, is made in order to give Members an element of choice and to accommodate any anticipated shortfall in some areas.
- 8.12 Addressable spend represents the expenditure within the budget which can be influenced or controlled by services. It is lower than the gross budget for the Council and excludes items such as depreciation, pension amounts and long-term contractual commitments such as PFI.
- 8.13 Appendix 1 illustrates these figures by department over the three year planning period.

## 9. Process for Developing Re-Imagining Norfolk

- 9.1 Between now and Autumn, it is the intention to lead an open and transparent process which further develops the different elements of Re-Imagining Norfolk, and develops a medium term strategy and financial plan. A suggested process is set out here for consideration:

- a) **July Service Committees** - Committees in July are provided with financial information based on the current assumptions and projections set out in this report, and are asked to model what their services would look like in three years' time with 75% of current expenditure. This is a different approach from looking at where spending reductions can be made from individual budget lines. There would be two steps involved:
1. Each Committee would be asked to set out the outcomes – or results – that the Committee plans to achieve in its areas of responsibility in pursuit of the Council's priorities.
  2. Against these outcomes, consider what can be achieved with 75% of the Committee's overall budget. It may redirect resources across its activities to reflect priorities, and identify areas where costs can be cut in the short run to make fewer savings necessary in future years.
- b) **July 20<sup>th</sup> Policy and Resources** – initial feedback from each Committee Chair (likely to be verbal, given the timeline) begins to frame a collective picture from Committee discussions.
- c) **September 1<sup>st</sup> and 28<sup>th</sup> Policy and Resources Committee** – the Committee considers the full collective set of findings and scenarios from the Service Committees. It considers the relative priorities across all the Council's services, and taking a whole-council view apportions spending targets for the three years to allow more detailed proposals to be worked up for consideration in October and November.
- d) **October and November Committees** - firm up specific proposals for year one to meet a reduction of 15%, and as much detail about years two and three as feasible. Any specific statutory consultation takes place once proposals are clear.
- e) **January 2016 Service Committees** – continued consideration and finalisation of Committee's outcomes framework and spending targets. Policy and Resources (date to be agreed) recommends a three-year strategy and budget proposals for Full Council.
- f) **February 2016** – County Council considers and agrees the new multi-year strategy, and annual budget.

## 10. Wider Engagement

- 10.1 In the past, the Council has been criticised for engaging too late in the planning process and at a stage when proposals have been developed without sufficient input or shaping from others. The scale of change is such that the Council can only meet the challenges articulated in Re-Imagining Norfolk by shaping and designing a new future in partnership with others.

- 10.2 In parallel to the work of Committees, it is proposed to organise a series of opportunities where very different ideas can be discussed, and debated openly and constructively.
- 10.3 It is our intention to involve partners in designing what will be a three-year programme of engagement and dialogue. However, initial proposals include:
- Cross-party workshops for Members on the four priorities
  - Round table discussions with public and third sector partners to look at closer collaboration in localities – towards one virtual public service
  - Customer research – talking with current and future users about how best to re-design services for them
  - Engagement with key partnerships groups

## 11. Recommendations

- 11.1 Policy and Resources Committee is asked to:
- a) Agree to develop a multi-year strategy for Norfolk County Council, underpinned by robust medium term financial and performance plans.
  - b) Note and comment on Re-Imagining Norfolk, and agree to this as a framework for the Council's multi-year strategy.
  - c) Request that Service Committees in July, model their services based on having 75% of their current overall spend as set out in Section 9 above.
  - d) Agree the approach to wider engagement as set out in Section 10, and ask officers to take forward the work outlined in Section 9.

## Officer Contact

If you have any questions about matters contained within this paper please contact:

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## APPENDIX 1

### Indicative budgets with reduction of 25% of addressable spend, based on a continuing Council Tax freeze

Row Labels	Sum of Gross Expenditure 15-16	Sum of Gross Expenditure 16-17	Sum of Gross Expenditure 17-18	Sum of Gross Expenditure 18-19
Adult	358,963,457	332,534,831	315,685,759	308,170,036
Children's - Non DSG	208,604,530	190,303,834	183,790,466	180,738,175
CES - Cultural	29,715,992	27,720,265	25,699,732	24,392,447
CES - Customer Services	5,630,612	5,117,240	4,654,831	4,350,164
CES - ETD	179,152,590	172,647,415	167,441,834	164,873,496
CES - Fire	33,156,017	30,990,861	29,089,809	27,869,558
Resources	92,855,973	83,679,174	76,077,453	71,703,169
Finance & Property	22,162,872	18,841,169	14,277,568	13,226,407
Finance General	76,497,083	80,728,945	84,922,433	84,623,097
<b>Grand Total</b>	<b>1,006,739,126</b>	<b>942,563,734</b>	<b>901,639,886</b>	<b>879,946,549</b>

### Indicative budgets with reduction of 25% of addressable spend based on a 2% Council Tax increase annually

Row Labels	Sum of Gross Expenditure 15-16	Sum of Gross Expenditure 16-17 w ctax increase	Sum of Gross Expenditure 17-18 w ctax increase	Sum of Gross Expenditure 18-19 w ctax increase
Adult	358,963,457	335,309,845	321,319,193	316,745,739
Children's - Non DSG	208,604,530	191,485,813	186,189,949	184,390,877
CES - Cultural	29,715,992	27,955,961	26,178,208	25,120,826
CES - Customer Services	5,630,612	5,169,616	4,761,157	4,512,023
CES - ETD	179,152,590	173,492,225	169,156,847	167,484,237
CES - Fire	33,156,017	31,215,988	29,546,830	28,565,274
Resources	92,855,973	84,380,538	77,501,261	73,870,613
Finance & Property	22,162,872	19,017,975	14,636,494	13,772,794
Finance General	76,497,083	80,790,773	85,047,946	84,814,164
<b>Grand Total</b>	<b>1,006,739,126</b>	<b>948,818,734</b>	<b>914,337,886</b>	<b>899,276,549</b>

**Addressable Spend** represents the expenditure within the Budget which can be influenced or controlled by services. It is lower than the gross budget for the whole Council and excludes items such as depreciation, pension amounts and long-term contractual commitments such as PFI.

A total of **£673m** has been identified as addressable spend in 2015-16 (excluding Schools), within the gross expenditure figures above. A 25% reduction in addressable spend amounts to £168m.