

Scrutiny Committee

Date: **Wednesday 19 October 2022**

Time: **10 am**

Venue: **Council Chamber, County Hall, Martineau Lane,
Norwich NR1 2DH**

Membership:

Cllr Steve Morpew (Chair)	
Cllr Lana Hemsall (V Chair)	
Cllr Carl Annison	Cllr Keith Kiddie
Cllr Lesley Bambridge	Cllr Ed Maxfield
Cllr Graham Carpenter	Cllr Jamie Osborn
Cllr Phillip Duigan	Cllr Richard Price
Cllr Barry Duffin	Cllr Brian Watkins
Cllr Mark Kiddle-Morris	

Parent Governor Representatives

Mr Giles Hankinson
Vacancy

Church Representatives

Ms H Bates
Mr Paul Dunning

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and members of the public may watch remotely by clicking on the following link: [Norfolk County Council YouTube](#)

However, if you wish to attend in person it would be helpful if you could indicate in advance that it is your intention to do so as public seating will be limited. This can be done by emailing committees@norfolk.gov.uk.

The Government has removed all COVID 19 restrictions and moved towards living with COVID-19, just as we live with other respiratory infections. However, to ensure that the meeting is safe we are asking everyone attending to practise good public health and safety behaviours (practising good hand and respiratory hygiene, including wearing face coverings in busy areas at times of high prevalence) and to stay at home when they need to (if they have tested positive for COVID 19; if they have symptoms of a respiratory infection; if they are a close contact of a positive COVID 19 case). This will help make the event safe for all those attending and limit the transmission of respiratory infections including COVID-19.

A g e n d a

1 To receive apologies and details of any substitute members attending

2. Minutes

(Page 5)

To confirm the minutes of the meeting held on 22 September 2022

3. Members to Declare any Interests

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a **Disclosable Pecuniary Interest** in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an **Other Interest** in a matter to be discussed if it affects, to a greater extent than others in your division

- Your wellbeing or financial position, or
- that of your family or close friends
- Any body -
 - Exercising functions of a public nature.
 - Directed to charitable purposes; or
 - One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);

Of which you are in a position of general control or management.

If that is the case then you must declare such an interest but can speak and vote on the matter.

4 Public Question Time

Fifteen minutes for questions from members of the public of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm on Thursday 13 October 2022**. For guidance on submitting a public question, please visit <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee>

5 Local Member Issues/Questions

Fifteen minutes for local member to raise issues of concern of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm on Thursday 13 October 2022**

6 The deadline for calling-in matters for consideration at this meeting of the Scrutiny Committee from the Cabinet meeting held on Monday 3 October 2022 was 4pm on Monday 10 October 2022

7 Strategic Review Update (Page 13)

Report by Executive Director of Community and Environmental Services and Head of Paid Service

8 Strategic and Financial Planning 2023-24 (Page 27)

Report by the Executive Director of Finance and Commercial Services

9 Quarterly update on Children's and Adult Social Care Performance Review Panels (Page 74)

10 Scrutiny Committee Forward Work Programme (Page 87)

Report by Director of Governance

Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 11 October 2022



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Scrutiny Committee

Minutes of the Meeting Held on 22 September 2022
at 10 am at County Hall Norwich

Present:

Cllr Steve Morpew (Chair)

Cllr Lana Hemsall (Vice Chair)

Cllr Carl Annison

Cllr M Dalby (substitute for Cllr Carpenter)

Cllr Phillip Duigan

Cllr Barry Duffin

Cllr Fabian Eagle (substitute for Cllr R Price)

Cllr Mark Kiddle-Morris

Cllr Keith Kiddie

Cllr Jamie Osborn

Cllr Steve Riley (substitute for Cllr Brain Watkins)

Parent Governor representative

Mr Giles Hankinson

Also present (who took a part in the meeting):

Cllr Andrew Proctor

Cllr Andrew Jamieson

Cllr Margaret Dewsbury

Cllr Eric Vardy

Tom McCabe

Nick Johnson

Caroline Jeffrey

Mark Johnstone

Phil Watson

Ceri Sumner

Scott Norman

Peter Randall

Tim Shaw

Leader of the Council

Cabinet Member for Finance

Cabinet Member for Communities and Partnerships

Cabinet Member for Environment and Waste

Head of Planning

Principal Planner-Minerals and Waste Policy

Head of Youth Offending Service

Director of Children's Social Care

Director of Norfolk Fire and Rescue Service

Deputy Chief Fire Officer

Democratic Support and Scrutiny Manager

Committee Officer

Chair's Opening Remarks Regarding Her Majesty Queen Elizabeth II

The Chair said that it was deeply sad that the momentous reign of Her Majesty Queen Elizabeth II had ended. Norfolk County Council had joined the nation's mourning and, even though the official period had passed, he would like to begin the meeting with a minute's silence, so that Members could pay their respects and reflect on a life lived in service to others.

1A. Apologies for Absence

- 1A.1 Apologies were received from Cllr Lesley Bambridge, Cllr Graham Carpenter, Cllr Ed Maxfield, Cllr Richard Price, Cllr Brian Watkins, Ms Helen Bates (Church Representative) and Mr Paul Dunning (Church Representative).
- 1A.2 An apology was also received from Cllr John Fisher (Cabinet Member for Children's Services) for the item about the Norfolk Youth Justice Plan for which Cllr Andrew Proctor (the Leader of the Council) attended as a substitute.
- 1B **New Member of the Committee—Ms Helen Bates**
- 1B.1 The Chair reported that Ms Helen Bates had replaced Mrs Julie O'Connor as a Church representative on the Committee.
- 2 **Minutes**
- 2.1 The minutes of the previous meetings held on 20 July 2022 were confirmed as an accurate record and signed by the Chair.
3. **Declarations of Interest**
- 3.1 There were no declarations of interest,
- 4 **Urgent Business**
- 4.1 No urgent business was discussed.
5. **Public Question Time**
- 5.1 There were no public questions.
6. **Local Member Issues/Questions**
- 6.1 There were no local member issues/questions.
- 7 **Call In**
- 7.1 The Committee noted that there were no call-in items.
- 8 **Norfolk Fire and Rescue Service – HMICFRS Improvement Plan**
- 8.1 The Chair agreed that the Committee should receive the annexed report (10) on today's agenda as the next item because Cllr Margaret Dewsbury (Cabinet Member for Communities & Partnerships) had to go to another commitment.
- 8.2 The Scrutiny Committee received a report by the Director of Norfolk Fire and Rescue Service that outlined the outcomes of the recent HM Inspection of Norfolk Fire and Rescue Service (and the associated improvement plan) where the service had been rated as 'requires improvement'. Members of the Scrutiny Committee also received a presentation about the sustained period of pressure faced by Norfolk Fire and Rescue Service during the momentous events of summer 2022.
- 8.3 During discussion of the report and of the presentation with Cllr Margaret Dewsbury (Cabinet Member for Communities & Partnerships) and Ceri Sumner (Director of

Norfolk Fire and Rescue Service), the following key points were noted:

- The monitors in the Council Chamber were used to show a presentation about the dangers that fire crews had faced in the summer of 2022 during what was the most sustained period of pressure that the Norfolk Fire and Rescue Service (NFRS) had ever faced. The presentation explained the command structures that were put in place to address the strategic and tactical requirements to tackle these significant events.
- During this period, fire crews had attended 63 wildfires.
- The technical response vehicles (4x4) were new but had proved to be a key asset for the service.
- There was liaison with regional services to co-ordinate mutual assistance.
- The NFRS had enlisted the support of Fire and Rescue Services from across the country when a major incident was called in July.
- The Director of Fire had commissioned a review of the NFRS response during the events of Summer 2022. The review would be a full investigation into the service response and examine performance against specific outcomes and standards. Outcomes would be fed into the Community Risk Management Plan for future planning.
- Productive conversations with the farming community about issues such as access to local sources of water had already started to take place.
- The Cabinet Member said that while the inspectors remained concerned about outstanding issues to address fire prevention work, they had visited Norfolk during a period of high levels of Covid which had restricted such work. The development plan on pages 137-145 of the agenda showed how the service had completed or was in the process of completing work to rectify this situation.
- The areas of work which the inspectors had found were most in need of improvement were included in the improvement plan on pages 147-171 of the agenda.
- Cllr Eagle said that he wished to place on record thanks to the NFRS and the fire crews from other areas of the country for the work that they had done to tackle wildfires in his division during the summer.
- Other members also spoke about the work that was done during this period in their divisions.
- It was pointed out that discussions were currently taking place with the farming community about the use of special adapters for fire crews to be able to tap into various sources of water on or near to farmland.
- In reply to questions the Director said that she was currently scoping an exercise to better understand the future needs of the service and inform future capital investments and revenue requirements.
- The NFRS was able to benchmark itself against other counties in the Eastern region. The inspectors published comprehensive data for all fire services in the country.
- In reply to other questions, the Committee was assured that a considered and proportionate approach would be taken to providing the level of resources required for tackling wildfires in future years.
- The initial draft community risk management plan was due to be presented to the I&D Select Committee on 26 September 2022 prior to it going to Cabinet and public consultation before it went back to Cabinet, and then Scrutiny Committee and Full Council with recommendations in March 2023.

- It was pointed out that the service had not lost an appliance because of tackling the summer fires.
- The Chair said that the inspectors had identified 15 areas for improvement that were outstanding from a previous inspection that dated back to 2018/19 and prior to Covid. The inspection plan explained the work that was being done to tackle these issues but gave no target dates. The Chair questioned whether the oversight group needed to be boosted in some way so that it could tackle issues more quickly.
- In reply, the Cabinet Member said that the appointment of the new Director of Fire provided the service with the more dynamic approach it needed to tackle outstanding issues. It was noted that steps were being taken to reform the composition and role of the Oversight Group.
- The service was due to be revised by the HM inspectors later in the Autumn.

8.4 **RESOLVED**

That the Committee note the current position in relation to the issues mentioned in the Cabinet report and request that a further progress report on the work to complete the inspection plan and the community risk management plan is brought back early in the new year, before the community risk management plan is presented to the County Council for approval.

9 **Minerals and Waste Development Scheme and Norfolk Statement of Community Involvement**

The annexed report (9) was received.

- 9.1 The Scrutiny Committee received an update report on the 2022 MWDS and the 2022 SCI, which were reported to Cabinet for agreement prior to adoption at Full Council, at which point the 2022 MWDS and the 2022 SCI would replace the existing MWDS (2019) and SCI (2018).
- 9.2 Cllr Eric Vardy (Cabinet Member for Environment & Waste) said that while the MWDS and the 2022 SCI did not form the minerals and waste local plan, and so did not refer to policies and sites, they were nevertheless important documents. The SCI set out how NCC would engage with individuals, local communities, and organisations about the wide range of cases relating to planning conditions and detailed opportunities for post decision engagement such as through liaison groups. The MWDS was in essence the timetable for taking the draft minerals and waste local plan through to adoption.
- 9.3 The Committee considered the following:
- It was suggested that on the County Council's website page relating to planning (as well as the statement of community involvement set out in the report) it should include hyperlinks that directed people looking to engage with the planning process for the first time to where they could access national and local policies about the planning process, alongside further information around expectations.

- It was pointed out that both the MWDS and the SCI were about the regulations and the planning process and not about the submission plan itself which was due to be published shortly. As such neither of the two documents required paragraphs that related specifically to environmental implications. This information would be made clearer to councillors and members of the public in the final plan.

9.4 **RESOLVED**

That having considered the proposed 2022 Minerals and Waste Development Scheme (Appendix A to this report) and the 2022 Norfolk Statement of Community Involvement (Appendix B to this report) the Committee have no substantive recommendations. The committee further instructed officers to prepare a report for the Leader and Cabinet Member in accordance with section 11b of the Norfolk County Council Constitution (Budget and Policy Framework Procedure Rules).

10 **Norfolk Youth Justice Plan**

- 10.1 The annexed report (10) was received.
- 10.2 The Scrutiny Committee received a report which provided Members with a copy of the revised Norfolk Youth Justice Plan and associated Cabinet papers. The plan formed part of the Norfolk County Council Policy Framework, which required a scrutiny process to take place in accordance with part 11B of the NCC constitution.
- 10.3 Cllr Andrew Proctor (Leader of the Council) (attending as a substitute for Cllr John Fisher the Cabinet Member for Children's Services) said that the vision set out in the Norfolk Youth Justice Plan was for a child first youth justice system. Because the Plan was a system wide strategic document the ongoing work to tackle day to day issues would be included in separate forward plans and action plans that measured the delivery of the performance measures. The constituent partners of the Norfolk Youth justice board were detailed on page 104 of the agenda. The service was doing well in places, particularly around reducing the level of first-time offenders, but that it was in reoffending that performance was not so good. The service needed to respond to the requirements of black, Asian and minority ethnic children and the changing profile of girls that were subject to youth justice. The plan put the child first, hearing the voice of the child, and fitted in with the NCC strategy of early intervention, recognising that children were influenced by what they experienced in their home. The aim was for children to enter adulthood without a criminal record. Funding for the service amounted to £3.9 m from several different sources. The Leader paid tribute to the work of those working within the youth justice system in Norfolk

The Committee discussed, received answers to questions and considered the following:

- Members spoke about how county lines were a big national issue for the Youth justice System and the importance of all the various agencies in Norfolk coming together to tackle this issue.

- Black and ethnic minority children were sentenced for the more serious offences which suggested that more work needed to be done with these groups at an earlier age.
- The youth justice system worked closely with social work colleagues and had specialist safeguarding teams that focused specifically on adolescents at risk.
- The Chair said that tackling a lack of local community cohesion lay at the centre of dealing with justice issues that impacted on young people. Young people with youth justice issues did not exist in isolation from their local community and they needed to be supported within their local community. He suggested that perhaps a large part of the answer to tackling youth crime lay in giving such children “something else that they wanted to do”. It was therefore important for the youth justice plan to link into a comprehensive local community plan that provided opportunities for community development.
- Officers said that this was an important national issue and the answer required working in partnership with the networks for vulnerable children and the serious violence duty group. There were opportunities for using monies from the youth endowment and youth improvements funds to co-ordinate solutions with communities and provide more youth facilities respectively.
- The Leader said that at page 63 of the agenda the report referred to the creation of safer communities with fewer victims. He would be happy to follow up this scrutiny point of view with the network partners and ask that going forward they should demonstrate the role that they had in achieving this important aim.
- In response to questions, officers said that all youth justice boards across the country had to submit information to the government on a national youth justice template. There was work to put in place a live tracking system in Norfolk to show trends at an earlier stage that could be fed back to partnership agencies.
- The Chair said that the re-offending rates in Norfolk were above the regional average and rising and the service therefore needed to demonstrate how it had a strong youth justice service.
- Officers pointed out that data was strong in other areas and the service were aware of and tackling re-offending rates. More lively and dynamic dashboards were being developed to improve the operational and strategic grip of the service.
- Cllrs pointed out the impact of school exclusions on young people offending.
- Officers stated that the Youth Justice Board included Members from the field of education and that some 80% of young people who were subject to the youth justice system were faced with school exclusion at some point in their lives. Personal education plans were being put in place for children known to the YJS and this was an expanding area of work.

- In reply to comments, the Chair suggested that the People and Communities Select Committee was the most appropriate Committee to monitor the way in which the Norfolk Youth Justice Plan was implemented after it was adopted. The Childrens Services Performance Review Panel would also be able to monitor the situation. The Scrutiny Committee would be able to revisit the plan should this become necessary.
- The Leader said that most of the work mentioned in the plan was part of “business as usual”.

10.4 **RESOLVED**

That having considered the proposed annual revision to the Norfolk Youth Justice Plan the Committee ask officers to produce a report to the Leader and Cabinet Member, in accordance with section 11b of the Norfolk County Council Constitution (Budget and Policy Framework Procedure Rules), that provides feedback as set out in these minutes.

11 **Scrutiny Committee Forward Work Programme**

11.1 The annexed report (11) was received.

11.2 The Committee noted that that the Norfolk Rural Strategy Market Towns report that was originally expected to come before today’s meeting was now likely to come before the Committee at its next meeting (subject to confirmation with Members by email).

11.3 The Chair confirmed that the County Council’s response to extreme weather events would be added into the forward work programme as an additional item.

10.5 **RESOLVED**

That the Committee:

Note the current forward work programme as set out in the appendix to the report subject to confirmation with members by email that the Norfolk Rural Strategy Market Towns report can be added to the agenda for the meeting in October 2022.

The meeting concluded at 11.45 am

Chair

Scrutiny Committee

Item No: 7

Report Title: Strategic Review Update

Date of Meeting: 19 October 2022

Responsible Cabinet Member: Cllr Andrew Proctor (Leader and Cabinet Member for Strategy & Governance)

Responsible Director: Tom McCabe, Executive Director of Community and Environmental Services and Head of Paid Service.

Executive Summary

This report updates the Scrutiny Committee on progress towards the organisation wide strategic review commenced by Cabinet on the 4th April 2022.

Recommendations

The committee is asked to:

1. Consider and comment on the Strategic Review Update report received by Cabinet on the 3 October 2022.
2. Consider implications for scrutiny moving forward, and whether further scrutiny work should be planned as the review progresses.

1. Background and Purpose

1.1 On 4th April 2022, Cabinet approved the following recommendations:

- To agree the Council's broader ambition to prepare the organisation for significant future transformation
- To progress a review, with an initial focus on the role and number of management layers and spans of control, to identify areas of duplication, simplification of role design and identify and deliver any resulting savings.
- To delegate to the Head of Paid Service, in consultation with the Director of Procurement and the Leader, the decision to award a contract to provide external support to this transformation activity.
- To direct the Head of Paid Service to ensure the necessary internal resources are secured in order to successfully implement the review

and to ensure that ways of working are established that enable effective knowledge transfer from, and partnership working with, the external provider.

The full paper, associated documents and minutes from the meeting of Cabinet held of the 4th April can be found [here](#).

- 1.2 Cabinet considered the attached report, Strategic Review Update, at the meeting held on the 3rd October 2022. This provided Cabinet and members with an update on progress with the review to date.
- 1.3 The paper outlined the service areas prioritised for review in Phase 1 of the process, common principles to be applied to all service areas to drive consistency across the organisation, and plans for a rolling review of all services to build a new strategic operating model for the council.
- 1.4 The minutes and associated papers for this meeting, including the summary of decisions notice can be found [here](#).
- 1.5 The Chair and Vice-Chair of the Scrutiny Committee have scheduled this item to ensure that Scrutiny is well sighted on the review process, and has the opportunity to provide critical friend challenge to proposals moving forward.

2. Recommendations

The committee is asked to:

1. Consider and comment on the Strategic Review Update report received by Cabinet on the 3 October 2022.
2. Consider implications for scrutiny moving forward, and whether further scrutiny work should be planned as the review progresses.

3. Background Papers

10.1 Appendix A – Strategic Review Update

Officer Contact

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

Officer name: Peter Randall, Democratic Support and Scrutiny Manager

Telephone no.: 01603 307570

Email: Peter.randall@norfolk.gov.uk



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Cabinet

As presented to Cabinet

Report Title: Strategic Review Update

Date of Meeting: 3 October 2022

Responsible Cabinet Member: Cllr Andrew Proctor (Leader and Cabinet Member for Strategy & Governance)

Responsible Director: Tom McCabe, Head of Paid Service

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 1 September 2022

Executive Summary

The Strategic Review has been designed as a whole organisation exercise to enable the County Council to meet the financial and organisational challenges that we are currently facing and will continue to face in the coming years.

It incorporates a number of complementary themes that will lead us to bring about a leaner organisational structure, which in turn should aid engagement and communication, internally and externally.

The work to date has seen us review the organisation through the lens of organisation design. We have deliberately taken a whole Council approach to considering new models, ways of working and any associated structural changes.

This will enable the right capacity and capability across the organisation within the current challenging financial landscape. The initial focus areas are primarily those that facilitate and support the delivery of our core services to our communities.

We are also applying a consistent set of principles around spans of control and the organisational layers across the whole Council. This will lead us to reviewing and refreshing our current structures and give us greater clarity on accountabilities, faster decision making, improved management of risk and empowerment of staff with clarity on career progression and development opportunities.

Future activity will see us adopt career families, which will support professional leadership, development and talent – which should aid staff retention. This will partly be delivered by implementing standardised job role profiles, which will help to maintain a good structure in the future and mitigate equal pay risk.

We will also design a pay and reward strategy, which will assist recruitment by ensuring we are competitive in the job market.

The Strategic Review is not a temporary piece of work. It should lead to the Council being one that can recognise, analyse and respond to change in a positive manner – for the benefit of staff, the wider organisation and the communities that we serve. This will be an ongoing challenge in an evolving public sector environment - with various financial and policy levers exercised by Government and other key players – but one in which we must succeed.

Recommendations:

It is recommended that Cabinet:

Approves the approach to developing the emerging proposals of:

- Reconfiguration of prioritised service areas for Phase 1 as set out at Paragraphs 2.4 - 2.8;
- Driving consistency in our organisation's spans and layers through application of common principles to all service areas as set out at Paragraphs 2.9 - 2.11;
- A rolling review of all service areas to build the new strategic operating model for the Council.

1. Background and Purpose

1.1 On 4th April 2022, Cabinet approved the following recommendations:

- To agree the Council's broader ambition to prepare the organisation for significant future transformation
- To progress a review, with an initial focus on the role and number of management layers and spans of control, to identify areas of duplication, simplification of role design and identify and deliver any resulting savings.
- To delegate to the Head of Paid Service, in consultation with the Director of Procurement and the Leader, the decision to award a contract to provide external support to this transformation activity.
- To direct the Head of Paid Service to ensure the necessary internal resources are secured in order to successfully implement the review and to ensure that ways of working are established that enable effective knowledge transfer from, and partnership working with, the external provider.

1.2 Work by the Strategic Review Project Team commenced in mid May subsequent to a competitive procurement process. This report captures the progress made in the first four of the 12 months planned and sets out next steps.

1.3 As was set out previously, it is important to acknowledge that it has been some 10 years since we instigated a strategic review that looks across the whole organisation. Our existing structure and approach has served us well

and we have seen many improvements in services and outcomes for our communities. But there is also an opportunity for us to reflect, review and look to the future. We strive to be a modern, cost effective organisation that remains focused on the needs of Norfolk's communities – and are keen to recognise areas for further improvements. Opportunities we have identified include:

- Areas of duplication including support services, especially where these now exist in both the 'centre' and individual directorates or where multiple directorates undertake the same or closely related tasks
- Greater clarity of accountability
- Adjust the number of management layers and improve spans of control to enable appropriate levels of autonomy and responsibility for all employees that support robust and agile decision making

1.4 The intention of the Strategic Review is to best equip the Council to deliver on the priorities and outcomes set out in our 'Better Together for Norfolk' Strategy. It is an opportunity to consider everything that might support this and take a whole-Council approach to:

- Re-confirming and aligning around 'why' change is needed in the organisation
- Describing 'what' that could mean for the future shape of the organisation and our ways of working
- Agreeing 'how' we will organise ourselves, and the prioritised areas in which we will begin to further invest in our people to deliver and sustain the changes needed (including technology, data, processes, policies, governance and skills)

1.5 The Council will continue to be a large organisation that delivers a diverse range of services. But changes to the public sector landscape and funding regimes necessitate a new approach as we evolve over the next few years. The Strategic Review will establish a lower-cost operating arrangement where the right people, processes, structures, skills, and capabilities are in place. In times of unprecedented financial challenges, we must remain fit for purpose with the right capacity and capability to succeed.

1.6 By necessity, this first phase has focused on the core capabilities and areas of the Council where we are able to realise cashable savings. In this report we set out progress to date and the required next steps to build the foundations of a sustainable organisation capable of meeting the longer term challenges that lie ahead.

1.7 As a result of the Strategic Review, and by the end of this Financial Year we will have:

- Defined the future capabilities the whole Council needs to deliver on our strategy – everything the Council needs to be good at – whether that is delivering services directly to residents or the professional roles that support that delivery

- Set out the size and shape of a lower cost organisational structure that is safe, resilient and fit for the future
- Identified, assessed, designed and begun implementation of specific changes to prioritised capabilities and how they are best deployed with clear accountabilities, removing duplication, simplifying processes, and improving the workforce offer
- Assessed and designed spans and layers that align with industry good practice for the whole organisation and are appropriate to the context for each service
- Defined a new approach to career families and development pathways for staff across the whole organisation
- Proposed areas of investment, to allow for improvements that are necessary to realise savings
- Proposed further opportunity areas to continue to evolve the organisation's ways of working and resulting structures into 2024/25 and beyond.

2. Proposal

2.1 Following on from the previous Cabinet report, the Project Team mobilised, created a project plan and began a process of analysis, design and validation of proposals. The Project Team has engaged with a wide ranging set of the Council's senior leadership over the past 3 months. To deliver on the agreed vision and priorities for communities across Norfolk, activities to date have included:

- Exploring the organisational capabilities needed to play that leading role in the wider system and improve outcomes of those living and working in Norfolk;
- Assessing the maturity gap between existing capabilities and the aspirations to bring Norfolk in line with, and ahead, of other leading Councils;
- Understanding the frustrations and challenges of working within the Council, as well as the areas of strengths that could be further invested in;
- Analysing and beginning to validate existing Council data based on an agreed methodology that explores the size and shape of the organisation, existing spans and layers and inconsistent approach to defining career families and roles;
- Agreeing design principles to guide choices on the future changes we need to make to our ways of working as well as adopting good practice in how we organise ourselves, our management, and our spans and layers;
- Identifying the prioritised changes that could realise cashable savings in 2023/24, and exploring the different benefit levers to get there;
- Comparing the type and scale of likely benefits that the Council could realise with other organisations and industry accepted good practice;
- Planning the next steps for the remaining 8 months – these include the method to move from validation to substantiation of our proposals to identify savings and changes at a departmental level, preparing for the business change activities and for staff consultation, beginning to roll out a new career family framework, and review of the pay and reward strategy.

- 2.2 Through all of this activity the Strategic Review team is ensuring that any proposals incorporate and align to transformation already underway across the Council to ensure it adds up to a coherent organisation.
- 2.3 By the end of November, phasing of the proposals will be agreed, with the impact on each department identified, and pre-consultation activity will commence. It is the intention to begin any staff consultation that is required in January 2023. This will be confirmed through pre-consultation activity. The areas to be taken forward and the sequencing of change / investment that is needed will be planned based on a combination of change readiness and the opportunity to realise benefits, including savings.

Emerging proposals

Reconfiguration

- 2.4 A portfolio of changes have been identified through engagement with cross-organisational teams to explore areas where we believe improvements could be made and benefits could be realised. The changes that have been prioritised at this stage aim to build the foundations of an organisation fit for the future within a lower cost envelope. They have been chosen as some of the larger capabilities which are utilised across the whole Council. They are on the whole not resident facing, but remain a critical part of our organisation to enable quality and effectiveness of our service delivery. They fit the agreed scope of the Strategic Review to consciously design how capabilities are best deployed to meet our evolving needs, and to fully exploit the opportunity we have to remove all areas of duplication, especially where these have grown, largely organically, to exist in both the 'centre' and individual directorates.
- 2.5 Redefining the relationship between the corporate centre and the wider community of staff fulfilling needs of the different directorates will unlock many improvements as well as the requirement for cashable savings. Understanding the skills of our finite resources, providing learning and development opportunities, matching to our needs and flexing our workforce to our evolving landscape enables greater resilience in our organisation. By taking a Council wide, strategic approach we can better place the needs of our residents at the heart of our design, shifting our resource model away from service led to become more outcome focused. This cannot be at the cost of quality or safety, and as such our ongoing substantiation activities include better understanding of resident and staff demand to build the right size, shape and skillset.
- 2.6 The nine groupings of capabilities currently being explored are:
1. Communication (internal and external) and external engagement
 2. Customer contact and assessment

3. Commissioning, procurement and contract management
4. Business administration and support
5. Transformation, change and project management
6. Analytics, performance reporting and insight
7. Technology and digital transformation
8. HR and People
9. Finance

- 2.7 Validation of posts and analysis of activity and workflows is underway. This is required to further substantiate the cashable savings as well as wider benefits. This activity will continue up to and including the staff consultation planned to commence in January 2023, ensuring all staff are treated fairly and included in the consultation where it is right to do so. HR / job data will be combined with the extent of relevant activity taking place, where it is happening, and which parts of the process, technology, governance etc will unlock the most savings and improvements in ways of working.
- 2.8 Evidence from engagement across the organisation supports the significant opportunities to redesign, standardise and simplify the processes, adopt common platforms, clarify governance and accountabilities, and prioritise efforts where there is return on that investment. Evidence from wider industry in the form of benchmarks, surveys and delivery experience corroborates the potential for savings by applying these benefit levers given our current ways of working. With savings suggested across a range of a conservative 5% and a more stretching target of 20% in some areas, the cashable savings we expect to realise for this portfolio of nine opportunities should be some £8m. We will continue to seek to minimise our redundancies through release of vacant posts, natural attrition and other mechanisms. Many of these changes will also equip us with the ability to drive greater benefits from what may be our larger spend area – non-staff spend with our partners and suppliers, rather than just our own workforce costs. This forms part of the next phase of the Strategic Review which will develop these opportunities, enabled by the changes that will take place under the current proposals. Therefore, no cashable savings have been identified for this area at this stage.

Spans and layers

- 2.9 Alongside a reconfigured way of delivering these capabilities, spans of control and management layers are being explored. We have undertaken a high level desktop review of all services across the Council. This has been followed up with further analysis of all services with lower spans of control and higher number of layers than other parts of the Council. There are no hard and fast rules that apply to every organisation, however the industry standards mean that we are prioritising those service areas that are least consistent with a principle of 6 layers and spans in the region of 8-10. The solutions will differ

dependent on the service and roles in question e.g. higher spans are usually seen in contact centres, or lower spans are seen where there are statutory requirements e.g. around supervision. There is opportunity to address potential issues that arise from compression of roles, reduced clarity and ability for career progression, and lack of visibility or confidence for staff around fair pay. In some areas there appear to be too many layers and in other areas managers who may not have the right number of direct reports.

- 2.10 Further validation of the as-is structures and the resulting new structures will be necessary before exact savings can be confirmed. We expect at this stage to realise some £8m from this targeted review of our spans and layers. By taking a strategic cross-organisational approach to challenge decisions on spans and layers, made for good reason in the past, we intend to create a well designed and simpler structure with clear lines of accountability and the ability to better manage risk. This activity is closely connected to both the career families architecture and a refreshed pay and reward strategy coming later this financial year.
- 2.11 Realising the benefits from the proposed changes in these areas, which are largely focused on improving our internal operations, will be a key part of ensuring as much of our resources as possible are directed at supporting those in our communities. We will clearly capture the savings being realised from these proposals, primarily through removal of posts and the associated budget. By choosing to make some hard choices on our organisational design, we should lessen the need to reduce those core services we provide to residents. We remain committed to a cycle of transformation and continuous improvement and will investigate further parts of the organisation when time permits, and with the expectation of savings in subsequent years.

3. Impact of the Proposal

- 3.1 The changes resulting from the reconfiguration will impact to some degree on all departments. As we have not undertaken a review that is cross-organisational and strategic in nature for over 10 years, there are inconsistencies in approaches to various of the activities or processes we follow in the Council. We have posts across departments delivering the processes in different ways, and the offer from the corporate functions not always meeting the service needs. All of this is resulting in time and effort being spent on non-core and non-value add activities and taking away time that should be spent directly helping, supporting and caring for residents, businesses and communities.
- 3.2 Whilst we recognise the process of change will be difficult in some instances, many of our staff will welcome the opportunity to be part of designing the future for the Council and being part of a consciously designed organisation that puts residents first. There will be a reduction in posts likely across all

departments, but this will be countered with improved experiences for those who remain working for the Council.

- 3.3 By the end of November, the financial impact on each department will have been agreed, ready to move into pre-consultation activities. This includes ongoing activity around change management, change impact assessments, change readiness and focused communications to staff, Unions, our partners and wider communities.

4. Evidence and Reasons for Decision

- 4.1 The Council has not undertaken an organisation wide review for over 10 years. The review will challenge how we organise the Council and the application of best practice organisational design principles help improve the efficiency and effectiveness of the Council. We want an organisation that is designed around the needs of our communities, within the available resource envelope.
- 4.2 We will design an approach around career families, which will support professional leadership, development and talent – which should aid staff retention. This will partly be delivered by implementing standardised job role profiles, which will help to maintain a good structure in the future and mitigate equal pay risk. We will review our job evaluation processes and our pay and reward strategy so that we can attract and retain the talent that we need to deliver services in what promises to be a challenging environment.
- 4.3 The Council also has to close a £60million budget gap for 2023/24 and the Strategic Review has been designed to identify some £15-£20million of this gap.

5. Alternative Options

- 5.1 We could decide to not proceed with the review, but this will not address the organisational issues identified in this paper nor the budget imperative.

6. Financial Implications

6.1 The Strategic Review is targeted with finding savings of £15-£20m to contribute towards the £60m 2023/24 savings target within the MTFS.

6.2 All savings identified by the Strategic review will be assessed for deliverability before they are recommended to members as part of the 2023/24 budget setting process.

7. Resource Implications

- 7.1 Staff:** The review is likely to require the deletion of a number of jobs. Every effort will be made to minimise the need for compulsory redundancy in this.
- 7.2 Property:** We will consider the impact of the review on our estate and office accommodation and consider subsequent alternatives to optimise our position.
- 7.3 IT:** The review will consider how we utilise technology and the options for further harnessing efficiencies in its use over coming years.

8. Other Implications

8.1 Legal Implications:

It is envisaged that through organisational redesign the Council can improve the use of resources and reorganisation would be predominantly internally focussed, thereby limiting the impact to delivering / changing services to the public. However, if upon development of proposals further consideration is needed, the Council's Legal and Finance teams will be involved to ensure that the programme remains organisationally and legally compliant, particularly in relation to budget / public consultation requirements.

8.2 Human Rights Implications:

As it is anticipated that there will be a reduction in the number of posts and when proposals are further defined, the Council will ensure that relevant employment legislation is followed, such as collective consultation regulations and will continue to involve and consult Trade Unions as the proposals develop.

There is a risk that employee engagement may impact the Council's ability to deliver key services. This will be mitigated by supporting the leadership and management teams through this period of change and by communicating in a timely and transparent manner throughout the Strategic Review.

The Council will treat the workforce openly, transparently, fairly and compassionately. This will be achieved by using existing policies, practices, expertise and building in additional support where required.

8.3 Equality Impact Assessment (EqIA):

At this stage and until specific proposals have been developed and considered, it is not possible to identify and therefore mitigate any potential equalities impact. The Council will conduct an equalities impact assessment and inform relevant stakeholders of key actions and mitigations.

8.4 Data Protection Impact Assessments (DPIA):

There are no direct DPIA implications arising from this report.

8.5 Health and Safety implications:

There are no direct sustainability implications arising from this report.

8.6 Sustainability implications:

There are no direct sustainability implications arising from this report.

8.7 Any Other Implications:

There are no other implications to note.

9. Risk Implications / Assessment

- 9.1 As this project is being delivered at pace to include savings for 2023/24, there is a risk that savings are not sustainable or delivered to give the full year effect for 2023/24. The time being taken by the Project Team to intentionally design the future organisation in a smaller financial envelope will mitigate this risk. With a lack of organisational experience in delivering a cross-Council savings programme in this way, and the implications on reduced staff numbers, there is a risk of resistance to change and limited creativity in designing the future. This will continue to be mitigated by the Executive Directors working together to support the aims of the review. Variable quality of available data increases the risk that the baseline data is found to be inaccurate and therefore the size of savings and the consultation exercise is not adequately accurate. This will be addressed through the method being adopted to move from validation activities into those that can substantiate the baseline and the proposals and provide a higher degree of certainty as to the positive impact the changes will have.

10. Recommendations

It is recommended that Cabinet:

Approves the approach to developing the emerging proposals of;

- Reconfiguration of prioritised service areas for Phase 1 as set out at Paragraphs 2.4-2.8;
- Driving consistency in our organisation's spans and layers through application of common principles to all service areas as set out at Paragraphs 2.9-2.11;
- A rolling review of all service areas to build the new strategic operating model for the Council.

Officer Contact

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

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Scrutiny Committee

Item No: 8

Report Title: Strategic and Financial Planning 2023-24

Date of Meeting: 19 October 2022

Responsible Cabinet Member: Cllr Andrew Jamieson (Cabinet Member for Finance)

Responsible Director: Simon George, Executive Director of Finance and Commercial Services

Executive Summary

This report supports the Committee's scrutiny of the Council's process for developing the 2023-24 Budget, and in particular represents an opportunity for the Committee to consider savings proposals identified to date, the approach to public consultation, and the overall timeline and activity required to deliver a balanced budget.

Recommendations

The committee is asked to:

1. Consider and comment on the Strategic and Financial Planning 2023-24 report to Cabinet on the 03 October 2022, including:
 - a. Budget proposals identified to date;
 - b. The proposed approach to public consultation;
 - c. Service and budget related pressures identified to date;
 - d. Key areas of risk and uncertainty related to development of the 2023-24 budget.
2. Consider implications for scrutiny of the overall NCC budget setting process.

1. Background and Purpose

- 1.1 At the April 2022 meeting of Cabinet, members agreed an earlier start to the annual budget setting round for 2023-24, reflecting the significant challenges for the financial year ahead in terms of delivering a balanced budget.

- 1.2 Cabinet considered the attached report, Strategic and Financial Planning 2023-24 (Appendix A), at the Cabinet meeting held on the 03 October 2022.
- 1.3 The minutes and associated papers for this meeting, including the summary of decisions notice can be found [here](#).
- 1.4 The Chair and Vice-Chair have invited the Cabinet Member for Finance, and the Executive Director of Finance and Commercial Services, to this meeting to provide the Scrutiny Committee with a briefing on the Council's current and future financial position.
- 1.5 This is an annual item that will support the Scrutiny Committee in its duty to provide oversight and challenge to the council's process for developing the 2023-24 budget.

2. Evidence and Reasons for Decision

- 2.1 The Council is legally required to set a balanced budget annually. The appended Cabinet report outlines the evidence base and assumptions used to develop savings proposals and inform the budget setting process for 2023-24.

3. Alternative Options

- 3.1 Highlighted in appended report.

4. Financial Implications

- 4.1 Financial implications are discussed throughout the appended report. The Cabinet paper sets out initial and further savings needed to be delivered by each department to contribute to closing the 2023-24 and future year budget gap, subject to formal approval by Full Council in February 2023.

5. Resource Implications

5.1 Staff:

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

5.2 Property:

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

5.3 IT:

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

6. Other Implications

6.1 Legal Implications:

Highlighted in the appended report.

6.2 Human Rights Implications:

Highlighted in the appended report.

6.3 Equality Impact Assessment (EqIA) (this must be included):

Highlighted in the appended report.

6.4 Data Protection Impact Assessments (DPIA):

Highlighted in the appended report.

6.5 Health and Safety implications (where appropriate):

Highlighted in the appended report.

6.6 Sustainability implications (where appropriate):

Highlighted in the appended report.

6.7 Any Other Implications:

None identified.

7. Risk Implications / Assessment

7.1 Highlighted in appended report.

8. Select Committee Comments

8.1 Select Committees previously considered the Council's budget setting process in May 2022. Further consultation with Select Committees is built into the budget setting timeline in the appended report, scheduled for November 2022.

9. Recommendations

The Committee is asked to:

1. Consider and comment on the Strategic and Financial Planning 2023-24 report to Cabinet on the 03 October 2022, including:
 - a. Budget proposals identified to date;
 - b. The proposed approach to public consultation;
 - c. Service and budget related pressures identified to date;
 - d. Key areas of risk and uncertainty related to development of the 2023-24 budget.
2. Consider implications for scrutiny of the overall NCC budget setting process.

3. Background Papers

10.1 Appendix A – Strategic and Financial Planning 2023-24

Officer Contact

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

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Cabinet

As presented to Cabinet

Decision making report title: Strategic and financial planning 2023-24

Date of meeting: 3 October 2022

Responsible Cabinet Member: Cllr Andrew Jamieson (Cabinet Member for Finance)

Responsible Director: Simon George (Executive Director of Finance and Commercial Services)

Is this a key decision? Yes/No

If this is a key decision, date added to the Forward Plan of Key Decisions: 31 May 2022

Introduction from Cabinet Member

The County Council faces a very significant challenge and enormous uncertainty in developing the Budget for 2023-24. The scale of the Budget gap identified within the Medium Term Financial Strategy (MTFS) agreed by Full Council in February 2022 is one of the largest that the Council has sought to bridge, and there are simultaneously very severe headwinds in both the wider economy and public finances which will inevitably serve to increase the size of the Budget gap.

It is for this reason that Cabinet acted promptly to commence the Budget setting process for 2023-24 early, initiating the Strategic Review of the organisation, allocating saving targets to Departments in April (alongside setting out a two-phase approach to identifying proposals), and considering initial budget options in July 2022. This prompt start builds on the Council's existing well-established process for annual budget setting and forms a key part of the Council's robust approach to developing savings proposals at the scale and pace required to support the preparation of a balanced 2023-24 Budget.

The Spending Review 2021 announcement on 27 October 2021 provided an outline of the funding available for local government until 2024-25 but was not accompanied by a longer term settlement for local government, and allowed for no growth in funding beyond the uplifts made for 2022-23. At the time of writing there are indications that the Government intends to hold a "fiscal event" (Emergency Budget) before the end of September, but the timetable for this, and whether it would provide significant further detail about local authority funding, remains unclear. In this context the timing of the Local Government Provisional Settlement for 2023-24, which will be crucial to provide

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detailed information on individual council allocations, remains to be announced, but is unlikely to be before mid-December 2022.

It is in this climate of continuing uncertainty that the Council has developed proposals for the 2023-24 Budget. Many elements of the Budget remain unknown at this stage but have the potential to make a material impact on the level of resources available to Norfolk County Council to deliver services in the future. The level of proposals brought forward so far remain short of the level sought in April 2022 and intensive work therefore continues to identify further savings, including those options emerging from the Strategic Review. Nonetheless the proposals set out in this paper make a significant contribution towards the overall quantum of savings sought and provide a strong foundation which will enable the Cabinet to bring forward a package of balanced, sustainable budget proposals in January 2023. Ultimately this will enable the Council to continue to deliver the key services which are relied upon every day by so many of Norfolk's residents, businesses and visitors.

This report therefore sets out details of the initial proposals for Cabinet consideration prior to public consultation. It also explains the broad approaches planned to enable further options to be brought forward in order to contribute to a balanced Budget being proposed for 2023-24.

Executive Summary

The October Cabinet meeting is an important milestone in the process of developing the 2023-24 Budget, although work is required to identify further proposals that will support the development of a balanced Budget in January 2023 as described more fully within the body of the report.

This report provides an opportunity for Cabinet to consider the current 2023-24 Budget proposals prior to public consultation being undertaken, and in particular:

- details the 2023-24 Budget proposals which have been developed so far;
- summarises the proposed approach to public consultation on, and equality impact assessments of, the 2023-24 Budget;
- describes the emerging service and other budget pressures which have been identified to date; and
- details key areas of risk and uncertainty.

The Strategic and Financial Planning report should be read in conjunction with the latest Financial Monitoring report for 2022-23 and the Strategic Review Update report, both of which are included elsewhere on the agenda. Collectively, these three reports serve to provide an overview of the Council's current and future financial position and the proposed changes to the organisation which will form a key part of ensuring that a robust and sustainable Budget can be prepared.

As set out throughout this report, significant uncertainty remains around the planning position for 2023-24, and this report therefore also summarises the remaining steps required in the process leading to budget-setting in February 2023. Recognising the

scale of the budget gap to be addressed, the Budget planning process for 2023-24 includes a further round of savings development which will enable proposals to be developed to be included in the January Cabinet meeting. The MTFS position will need to be updated in light of future government funding announcements, and as the scale of the impact of both social care reform announcements and any implications of the cost of living crisis on the Council become clearer. This will be reported to January 2023 Cabinet and considered by Scrutiny Committee as the budget setting process progresses to its conclusion at Full Council in February 2023.

Cabinet decisions based on the information in this report will ultimately help to support the development of a robust, balanced 2023-24 Budget for the Council.

Recommendations:

Cabinet is recommended:

- 1. To consider and comment on the County Council's strategy as set out in section 2 and note that the Budget process is aligned to the overall policy and financial framework;**
- 2. To note that fiscal and policy decisions made by the Government in autumn 2022, including any Emergency Budget, may have implications for the County Council's budget planning position. The outcome of these national funding announcements, alongside the Local Government Finance Settlement, will have potentially significant impacts on the 2023-24 Budget position, which will not be fully known until later in the budget setting process.**
- 3. To consider and agree for planning purposes the latest assessment of significant areas of risk and uncertainty around emerging budget pressures for the 2023-24 Budget and Medium Term Financial Strategy, which remain to be resolved and which may have a material impact on budget planning (section 9).**
- 4. To direct Executive Directors to identify proposals for further recurrent Departmental savings to achieve the original target of £60.000m agreed in April 2022, for consideration by Cabinet in January 2023 and to support final 2023-24 Budget recommendations to Full Council.**
- 5. To note that, taking into account the significant emerging budget pressures for 2023-24, the S151 Officer anticipates recommending that the Council will need to apply the maximum council tax increase available in order to set a sustainable balanced budget for 2023-24;**
- 6. To note the responsibilities of the Executive Director of Finance and Commercial Services under section 114 of the Local Government Act 1988 and section 25 of the Local Government Act 2003 to comment on the robustness of budget estimates as set out in section 10 and the further**

actions which may be required to set a balanced budget as set out in paragraph 11.3;

7. To consider and agree the proposals as set out in sections 5 and 6 (Table 5 and Table 7) to be taken forward in budget planning for 2023-24, subject to final decisions about the overall Budget in February 2023, noting the level of savings already included from the 2022-23 Budget process (Table 4);
8. To note that proposals are also being developed via the Strategic Review running in parallel with the wider 2023-24 Budget process. Once fully developed, these will be incorporated into the final 2023-24 Budget presented to Cabinet in January 2023.
9. To note that consultation is being undertaken in respect of the proposal relating to the review of the mobile library services and the outcomes of this will be reported to a future meeting of Cabinet;
10. To agree that public consultation (as set out in section 12) and equality impact assessment (as set out in section 18) in relation to all other proposals for the 2023-24 Budget be undertaken as set out in section 12, and asking residents for their views on the level of council tax;
11. To note that the Head of Paid Service has the delegation to undertake any staff consultation relating to specific proposals as required to inform and support 2023-24 Budget setting decisions in January 2023;
12. To confirm the remaining next steps in the Budget planning process for 2023-24, and the Budget planning timetable (Appendix 1); and
13. To note and thank Select Committees for their input into the Budget development process for 2023-24 in May, and to invite Select Committees to comment further on the detailed proposals set out in this report when they meet in November 2022 (section 20).

1. Background and Purpose

- 1.1. In [April 2022, Cabinet](#) agreed the approach to Budget setting for 2023-24. Taking into account the £60m forecast gap for the year, Cabinet agreed to seek to find an initial £15m of proposals for July Cabinet in order to provide a robust foundation for Budget-setting. Cabinet also agreed the allocation of saving targets as shown in the table below. These represent the new savings which needed to be found in addition to those currently planned for in the 2022-23 MTFS position and set out in the Council's [2022-23 Budget Book](#)¹. As previously reported to Cabinet and described elsewhere in this report, there

¹ <https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2022-26.pdf>

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continues to remain a possibility that the targets set out in the table below may need to be revisited later in the budget process in view of the significant uncertainties around the pressures and funding assumptions used at the time of preparing the MTFS. Further details are set out later in this report in relation to the risks to the Budget and MTFS position (section 9).

Table 1: Saving targets by Department

<u>Savings Target</u>	2023-24 Phase 1	2023-24 Phase 2	2023-24 Total	2024-25	2025-26	2026-27	2023-27 Total	Share
	£m	£m	£m	£m	£m	£m	£m	%
Adult Social Services	6.700	18.400	25.100	9.700	5.600	8.500	48.900	42%
Children's Services	3.400	10.700	14.100	5.900	2.900	4.400	27.300	24%
Community and Environmental Services	3.500	11.200	14.700	6.100	3.000	4.400	28.200	24%
Strategy and Transformation	0.200	0.550	0.750	0.350	0.100	0.200	1.400	1%
Governance	0.100	0.550	0.650	0.250	0.100	0.200	1.200	1%
Finance and Commercial Services / Finance General	1.100	3.600	4.700	1.900	0.900	1.400	8.900	8%
	15.000	45.000	60.000	24.200	12.600	19.100	115.900	100%

1.2. In [July 2022, Cabinet](#) considered and agreed “Phase 1” budget proposals totalling £13.007m for 2023-24 against the target of £15.000m as summarised in the table below. Cabinet agreed to undertake public consultation over the summer in order to support in shaping the specific saving proposal to review Norfolk’s Mobile Library Service², which would have service delivery implications. This consultation is now underway and the outcomes will be reported to a future meeting of Cabinet. Cabinet also agreed that public consultation in relation to all other proposals would be undertaken later in the year, alongside the consultation on any additional savings proposals brought forward for consideration by Cabinet at this meeting in October 2022. Full details of the Phase 1 proposals are set out in **Table 5** for reference.

² <https://norfolk.citizenspace.com/consultation/mobilelibraries/>

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Table 2: Phase 1 saving proposals summarised by Department

	2023-24 Phase 1 £m	2024-25 £m	2025-26 £m	2026-27 £m	2023-27 Total £m
Adult Social Services	-6.460	2.400	-2.500	-2.000	-8.560
Children's Services	-3.185	1.250	0.000	0.000	-1.935
Community and Environmental Services	-2.112	-0.800	0.600	0.000	-2.312
Strategy and Transformation	-0.200	0.000	0.000	0.000	-0.200
Governance	-0.050	0.000	0.000	0.000	-0.050
Finance and Commercial Services / Finance General	-1.000	0.000	0.000	0.000	-1.000
	-13.007	2.850	-1.900	-2.000	-14.057

1.3. This October report now provides Cabinet with a further update on the progress towards identifying proposals to address the remaining 2023-24 target and the proposed approaches to tackling the remaining MTFS gap.

2. Strategic Context

2.1. Over the past 12 months, Norfolk had started to make a strong post-Covid economic recovery. Now, however, the county is set to be hit by another sharp slowdown.

2.2. The Russian invasion of the Ukraine caused, and continues to represent, a major exogenous shock to an economy that has already been under strain from Covid related lockdowns, supply bottlenecks, labour shortages and rising energy prices. Inflation reached a new highpoint in July with the Bank of England expecting prices to continue to increase, driving a sharp fall in real household incomes and have a significant impact on people and families, particularly, but not limited to those experiencing financial or employment vulnerability.

2.3. This, in turn, could have a knock-on impact on demand for our services, particularly the 73,683 people in Norfolk who are known to NCC and classed as 'potentially vulnerable or vulnerable', and the estimated 95,000 households that are in fuel poverty.

2.4. To ease the strain on households, UK government introduced a £15 billion support package in May of this year followed by a cap on energy costs at £2500 per annum, announced by the Prime Minister in September 2022, expected to cost c.£150bn in public borrowing.

2.5. The cost of living is now expected to be 11.3% higher this financial year than last, with inflation peaking in the last quarter of this year at 13.1%. This crisis is expected to constrain growth in consumer spending, the main driver of

economic growth. With business investment and demand for exports subdued, there is little room for economic growth, although a fall in imports implies that net trade alongside government spending should contribute to economic growth.

- 2.6. It is in these difficult times that the County Council cannot afford any complacency and working with its partners will have to deal with its own diminishing resources to support its most vulnerable people and communities and continue to provide wider public services.
- 2.7. The Council Strategy '[Better Together, for Norfolk 2021-2025](#)' is the key high-level document that, alongside the Medium Term Financial Strategy, sets the Council's strategic policy direction.
- 2.8. The four-year strategy, developed following broad engagement, sets out the Council's vision - to make the most of all that Norfolk has to offer, help improve the quality of life for every community, support businesses to be successful and make sure Norfolk is a place where people want to live, work and visit.
- 2.9. The strategy is structured around 5 key priorities which clearly demonstrate the organisation's level of ambition and intent to deal with key challenges:
1. **A vibrant clean and sustainable economy** – as well as growing the economy this is also about skills and creating high value jobs; growth and investment; infrastructure and digital connectivity.
 2. **Better opportunities for children and young people** – prioritising better opportunities for children and young people, raising educational attainment and creating better employment opportunities.
 3. **Healthy, fulfilling and independent lives** – supported by themes of levelling up health; Living Well; and Better Local Services.
 4. **Strong, engaged and inclusive communities** – a mix of urban, rural and coastal communities that we can support and empower.
 5. **A greener, more resilient future** – recognising our priorities for our physical environment and access to quality spaces and building community resilience.
- 2.10. As has been stated before, local government does not operate in a vacuum, and the Council must anticipate and respond to policy changes from Government, many of which are anticipated in the Council's strategy.
- 2.11. The ***Levelling Up and Regeneration Bill*** was published on 11 May. It is in this context and the language of 'breathing new life' into failing places, their economies, towns, and high streets, that the County Council increasingly has to position itself to secure essential future resources for the system as a whole.

Norfolk is one of nine areas invited to negotiate a County Deal – Government’s proposed mechanism to deliver sub-national devolution in England – and work on this has been ongoing for a number of weeks. The increased local powers, freedoms and flexibilities, and investment that a Deal will afford are significant, and will enable the County Council, its partners and Norfolk residents to have better outcomes and better value for money for their public services. It will also enable the Council to better tackle some of the fundamental challenges facing our communities through more effective local engagement and empowerment for residents.

- 2.12. Regardless of the underlying realities of ‘levelling up’ and the scale and scope of deprivation that exists in some of Norfolk’s city, towns, rural and coastal communities, it will increasingly be down to fiscal freedoms and flexibilities to enable places like Norfolk to leverage its economy to both fund its future and reduce demand on highly complex and complicated public services, as well the day to day universal services everyone relies on.
- 2.13. The ***Social Care Reform Health and Care Bill*** received Royal Assent on 4 May 2022. There have been several amendments made to the Bill as it has passed through the parliamentary process, with several requirements that need to be met before the regulations can come into effect. This will mean delay to the regulations and guidance being finalised and, hence some aspects of the reforms are yet unknown. However, it is expected that, unless there are changes to the three aspects of the reform, the cost pressure to the Council could exceed £100m. These remain assumptions and we continue to work with Government to understand the full implications.
- 2.14. In May 2022, the independent ***Children’s Social Care Review*** was published, and reflects many issues that councils have been raising for some time – including the need to invest further in early help for children and families, better support for kinship carers and making sure that we have the right homes for children in care, as well as ensuring better futures for those leaving care. The recommendations within the report will require significant funding to deliver and we will continue to engage with Government to provide the investment needed to reform services swiftly.
- 2.15. The ***SEND review: right support, right place, right time*** Green Paper sets out proposals to ensure that every child and young person has their needs identified quickly and met more consistently, with support determined by their needs, not by where they live. A single national SEND and alternative provision system that sets clear standards for the provision that children and young people should expect to receive, and the processes that should be in place to access it. Although Government have announced £70m to support the system, it is expected that there will be significant implications for schools and local authorities. At the same time, the ***Schools White Paper: Opportunity for all*** published in March 2022, sets out a vision that 90% of children leaving primary school will achieve the expected standard in reading, writing and maths, while secondary pupils will increase the national GCSE average grade in both

English language and in Maths to level 5. To achieve this, the paper documents the case for a fully trust-led system, economic benefits of meeting the whitepaper's ambitions, and a methodology for obtaining English language and Maths GCSEs. The Council will continue to work with schools to support this agenda, which is closely aligned with the objectives of the SEND Green Paper.

2.16. Continuing to drive the transformation of our organisation and its culture is key to enabling delivery against the four priority objectives. Our service transformation programmes and the Strategic Review of the organisation, which runs alongside those, collectively enable us to improve services and manage demand, making the Council more effective and efficient. In short, our change agenda will help us deliver better outcomes for residents for less money. Our areas of focus for transformation include service redesign, improving our approach to prevention and early help, driving improvements in customer experience, organisational culture, and use of digital and data. Recognising our commitment to no one left behind, the Council is also going to deliver a refreshed agenda for Equality, Diversity, and Inclusion to enable the Council to become more inclusive, bringing strength through difference.

2.17. We cannot stand still. The relationship between delivering our core services and our transformation programmes is key and represents a continuous cycle of change and improvement with each informing the other.

3. Financial Context – Government Funding

3.1. Although a number of announcements have been made including the Energy Price Guarantee³, there remains significant uncertainty about what the detailed policy and funding direction to be adopted by the new Government will be. The new Prime Minister has in particular signalled an intention to allocate funding to support social care and to scrap the health and social care levy⁴. Both of these would have implications for the Council's budget, if implemented.

3.2. Notwithstanding these, at present the most recent source of information remains the Government's announcement of the outcomes of the Spending Review 2021 (SR21) which was made alongside the Autumn Budget 2021 on 27 October 2021. SR21 set out allocations of funding for Government departments for the period to 2024-25. However, the Department for Levelling Up, Housing and Communities (DLUHC) did not translate this into a longer term Local Government Finance Settlement, instead announcing only a one-year allocation for 2022-23. As such, the Council currently has no concrete information to inform estimates of government funding levels for the 2023-24 Budget planning although the working assumption is that there will be some form of rollover settlement announced for 2023-24. There are also indications

³ <https://www.gov.uk/government/publications/energy-bills-support/energy-bills-support-factsheet-8-september-2022>

⁴ <https://www.lgcplus.com/services/health-and-care/truss-pledges-to-allocate-13bn-to-social-care-05-08-2022/>

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that DLUHC may seek to provide a two-year settlement this year, covering both 2023-24 and 2024-25 but this remains to be seen.

- 3.3. It has been suggested that the Government will seek to hold a “Fiscal Event” (assumed to be an Emergency Budget) before the end of September with indications that this will take place on Friday 23 September (after the publication of this report)⁵. This may provide further details of Government planning including an insight into local government funding levels and (potentially) any changes to the council tax referendum threshold for 2023-24. Any fiscal and policy decisions announced by the Government in autumn 2022 are likely to have implications for the County Council’s budget planning position. The outcome of these national funding announcements, alongside the Local Government Finance Settlement, will therefore have potentially significant impacts on the 2023-24 Budget position, which will not be fully known until later in the budget setting process. If available in time, any key implications from an announcement in September will be reported to Cabinet via a supplementary paper or verbal update as appropriate.

4. Medium Term Financial Strategy and assumptions

- 4.1. At the time of setting the Medium Term Financial Strategy in February 2022, the Council adopted the following key assumptions, described more fully in the [April report to Cabinet](#):

- A balanced outturn position for 2021-22 and successful delivery of all existing planned savings proposed and included for 2022-23 (£45.793m over the MTFS period).
- Government funding rollover into 2023-24, including Settlement Funding (RSG, business rates), Rural Services Delivery Grant, Social Care Grant, Better Care Fund / improved Better Care Fund, Public Health Grant and [critically] the one-off 2022-23 “Services Grant”.
- Cost pressures for 2023-24 including:
 - 3% for pay inflation in 2023-24 to 2026-27.
 - Non-pay inflation in line with contractual rates or CPI forecasts where appropriate totalling £12.8m in 2023-24.
 - Demographic growth pressures for Adults, Childrens, Waste totalling £21.2m in 2023-24.
 - The High Needs Block overspend and brought forward DSG deficit position can continue to be treated in line with the accounting treatment set out by Government, and as such places no pressure on the “core” Council budget.
 - Assumed increases in council tax over the MTFS period of 1.99% for general council tax in all years and 1.00% for the Adult Social Care precept (up to 2025-26).

⁵ <https://www.bbc.co.uk/news/uk-politics-62917548>

4.2. A number of these assumptions now need to be revisited as described more fully in section 9 of this report. The gap based on these assumptions reflected:

Table 3: Updated Medium Term Financial Strategy 2023-24 to 2026-27

	2023-24	2024-25	2025-26	2026-27	Total
	£m	£m	£m	£m	£m
<u>Growth Pressures</u>					
Economic and inflationary	22.119	23.016	23.016	23.670	91.821
Legislative requirements	16.225	6.760	-0.200	0.000	22.785
Demand and demographic	21.270	17.050	11.650	11.000	60.970
Policy decisions	36.234	2.821	-1.732	0.124	37.447
Funding decreases	1.833	0.000	0.000	0.000	1.833
<u>Savings and funding increases</u>					
Identified savings	-9.159	-8.200	0.000	0.000	-17.359
Funding increases	-9.936	0.000	0.000	0.000	-9.936
Council tax changes	-18.660	-17.327	-20.104	-15.658	-71.749
Forecast Gap (Surplus)/Deficit	59.927	24.120	12.630	19.137	115.814

4.3. The MTFS includes existing savings to be delivered of £9.159m for 2023-24. These break down as shown in the table below. New proposals set out in this report are in addition to these planned and identified savings.

Table 4: Existing MTFS savings planned for 2022-23 to 2025-26 by Department

	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2022-26 £m
Adult Social Services	-10.465	-4.175	-5.700	0.000	-20.340
Children's Services	-12.088	-4.900	-2.500	0.000	-19.488
Community and Environmental Services	-3.496	-0.236	0.000	0.000	-3.732
Strategy and Transformation	-0.439	0.102	0.000	0.000	-0.337
Governance	-0.200	0.100	0.000	0.000	-0.100
Finance and Commercial Services	0.134	-0.300	0.000	0.000	-0.166
Finance General	-1.880	0.250	0.000	0.000	-1.630
Savings total	-28.434	-9.159	-8.200	0.000	-45.793

4.4. The forecast gap is kept under continuous review through the Budget process. However, it is not proposed to update the forecast budget pressures from the MTFS position at this point, reflecting the wider uncertainty about local authority finances, the lack of government funding announcements, and the need for

updated forecasts for local income streams including council tax and business rates.

- 4.5. It is nevertheless important to note that as at October 2022, further significant revenue budget pressures are beginning to emerge in relation to items such as energy prices, pay awards, and general inflation which are alongside more “normal” pressures such as the National Living Wage. Further details of these are provided in Section 9. This overall increasing gap position also reflects the fact that fundamentally local authorities continue to face a growing shortfall between funding and service pressures, which is caused in large part by a combination of demographic changes, unfunded burdens, policy decisions, and the needs of vulnerable social care users becoming increasingly complex.

5. Proposals agreed by Cabinet in July 2022

- 5.1. The table below sets out details of the savings proposals considered by Cabinet and agreed for inclusion in Budget planning in July 2022. With the exception of the proposal relating to the Review of Mobile Libraries, the proposals listed in **Table 5** will now be subject to Equality Impact Assessment and public consultation, which will collectively inform Cabinet’s recommendations on the full Budget package in January 2023, and Full Council decision-making on the Budget in February 2023.

Table 5: Detailed Budget savings proposals 2023-24 – Phase 1 (Considered by Cabinet in July 2022)

Dept	Saving Proposal	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
ASS	Connecting Communities: Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC018 and 2223ASS030	-2.360	-0.600	-2.500	-2.000	-7.460
ASS	One-off usage of ASC Reserves	-3.000	3.000	0.000	0.000	0.000
ASS	Working with partners to fully recover the costs of integrated services	-0.200	0.000	0.000	0.000	-0.200
ASS	Expansion of Self Directed Support. Recognising additional benefits from our existing savings programme. Linked to our existing saving 2223ASS034	-0.300	0.000	0.000	0.000	-0.300
ASS	Double up care reviews. Recognising additional benefits from our existing savings programme. Linked to our existing saving 2223ASS038	-0.600	0.000	0.000	0.000	-0.600
CS	Expansion of CHS007: Inclusion (Home to School Transport) – extension of existing activity focussed on providing education more locally, supporting inclusion, supporting independent travel where that is right for the child, and commissioning transport most efficiently.	-0.935	0.000	0.000	0.000	-0.935
CS	Expansion of CHS002: Alternatives to care (New Roads)	-1.000	0.000	0.000	0.000	-1.000
CS	Withdrawing from Professional Development Centre (PDC) building	-1.250	1.250	0.000	0.000	0.000
CES	Business Rates Pool – forecast income over £2m	-0.600	0.000	0.600	0.000	0.000
CES	Review charges for events on the Highway	-0.075	0.000	0.000	0.000	-0.075

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Dept	Saving Proposal	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
CES	Reducing weedkilling on highway network to a single treatment	-0.130	0.000	0.000	0.000	-0.130
CES	Flood Prevention Funding – capitalise relevant activity previously funded from revenue budgets	-0.120	0.000	0.000	0.000	-0.120
CES	Civil Parking Enforcement – future back office efficiencies	-0.100	0.000	0.000	0.000	-0.100
CES	Strategic salt storage facility at Ketteringham Depot	-0.045	0.000	0.000	0.000	-0.045
CES	Waste reduction initiatives: reduced funding	-0.050	0.000	0.000	0.000	-0.050
CES	Recycling Centres: contract efficiencies	-0.050	0.000	0.000	0.000	-0.050
CES	Closed landfill: capitalise borehole installations	-0.030	0.000	0.000	0.000	-0.030
CES	Roll out of on street parking charges ⁶	-0.200	-0.800	0.000	0.000	-1.000
CES	Winter Maintenance – operational delivery efficiencies	-0.100	0.000	0.000	0.000	-0.100
CES	Review of Norfolk's Mobile Library Service ⁷	-0.200	0.000	0.000	0.000	-0.200
CES	Norfolk Record Office – reduction in opening hours and income generation	-0.022	0.000	0.000	0.000	-0.022
CES	Reduce funding to the Norfolk Windmills trust	-0.020	0.000	0.000	0.000	-0.020
CES	Recycling Centres: harmonise summer opening hours at recycling centres	-0.070	0.000	0.000	0.000	-0.070
CES	Recycling Centres: Wednesday closures	-0.200	0.000	0.000	0.000	-0.200
CES	Business Support review	-0.100	0.000	0.000	0.000	-0.100

⁶ Consultation will be undertaken with specific areas impacted prior to any implementation

⁷ The proposal to undertake a review of Norfolk's Mobile Library Service is subject to a consultation:

<https://norfolk.citizenspace.com/consultation/mobilelibraries/>, it is therefore not proposed that it will form part of the budget consultation in October 2022.

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Dept	Saving Proposal	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
S&T	Expansion of professional leads: Centralise and control spend on communications. This would include paid staff and non-pay procurement across the organisation	-0.100	0.000	0.000	0.000	-0.100
S&T	Expansion of professional leads: Work with other departments to agree the Council's desired level of activity and overall number of analysts required	-0.100	0.000	0.000	0.000	-0.100
GOV	Increase in Registrars income	-0.050	0.000	0.000	0.000	-0.050
FCS / FG	Repton Property Developments Ltd dividend: Recognise an income budget from Repton Property Developments Ltd following successful commercial activity. Following the launch of the company and a period of development and growth, Repton is now expected to be in a position to deliver a dividend to the County Council of around £1m in 2023-24 and on an ongoing basis annually.	-1.000	0.000	0.000	0.000	-1.000
		-13.007	2.850	-1.900	-2.000	-14.057

5.2. The following key issues in relation to the proposals set out in **Table 5** (previously identified in July) remain relevant:

- Public consultation has been undertaken over the summer in order to seek the public's views about the proposed saving from a review of mobile library provision. The outcomes of this consultation will inform the redesign of the service and development and total value of any saving to be ultimately proposed to Cabinet in January 2023.
- A number of the other proposals set out in **Table 5** will also require public consultation, (for example, closure on Wednesday of Household Waste Recycling Centres (HWRCs) and reducing hours of the Norfolk Record Office). It was agreed in July that public consultation on these, and all other proposals (with the exception of mobile libraries), should be undertaken in October, alongside the consultation on the additional savings proposals brought forward for consideration by Cabinet in this report.
- The saving proposal relating to withdrawing from the Professional Development Centre (PDC) reflects the fact that Children's Services has conducted a review of its property portfolio and the analysis from that work has determined that the functions currently delivered at the Professional Development Centre could, in future, be delivered from alternate locations and, as such, the site can be released from its current use. The saving equates to the assumed capital receipt from the disposal of the site. A one-off revenue saving would only be achieved if (1) the site were declared surplus to requirements by Members following consideration and recommendation by the Corporate Property Steering group, and (2) this receipt were then to be applied to fund transformation activity of an equivalent value.

6. New proposals for Cabinet consideration October 2022

6.1. Work has been undertaken over the summer in order to develop further proposals to contribute to closing the 2023-24 Budget gap. These new proposals total £19.508m and are summarised in the table below.

Table 6: Phase 2 saving proposals summarised by Department

	2023-24 Phase 2 £m	2024-25 £m	2025-26 £m	2026-27 £m	2023-27 Total £m
Adult Social Services	-11.655	2.000	0.000	0.000	-9.655
Children's Services	-1.773	0.050	0.050	0.000	-1.673
Community and Environmental Services	-2.875	0.916	-0.030	0.000	-1.989
Strategy and Transformation	-0.050	0.050	0.000	0.000	0.000
Governance	-0.025	0.000	0.000	0.000	-0.025
Finance and Commercial Services / Finance General	-3.130	0.000	0.000	0.000	-3.130
	-19.508	3.016	0.020	0.000	-16.472

6.2. The following table provides further details of these proposals which are recommended for inclusion in the 2023-24 Budget planning, subject to the outcomes of EQIA and public consultation, which will collectively inform Cabinet's recommendations on the full Budget package in January 2023, and Full Council decision-making on the Budget in February 2023.

Table 7: Detailed Budget savings proposals 2023-24 – Phase 2 (For consideration by Cabinet in October 2022)

Dept	Saving Proposal	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
ASS	One-off usage of ASC Reserves: Additional one-off usage of ASC Reserves (reprioritisation).	-2.000	2.000	0.000	0.000	0.000
ASS	Reduction in staff travel costs: Post pandemic, staff travel has not returned to the level seen in previous years. This proposal reflects the changing pattern of spend.	-0.300	0.000	0.000	0.000	-0.300
ASS	Review of budget assumptions: Removal of cost pressures previously assumed in the Adult Social Care budget which are no longer expected to be required.	-2.000	0.000	0.000	0.000	-2.000
ASS	Review of budget assumptions: Reprioritised Better Care Fund (BCF) and Improved Better Care Fund (iBCF) investment.	-1.855	0.000	0.000	0.000	-1.855
ASS	Review of service levels and demand post pandemic: Targeted interventions relating to the Adult and Older Care Budgets – getting it right first time.	-3.000	0.000	0.000	0.000	-3.000
ASS	Transformation of Physical Disabilities Services: Delivering improved choice and independent outcomes for people with a Physical Disability.	-1.500	0.000	0.000	0.000	-1.500
ASS	Review of budget assumptions: Utilising alternative funding sources to maintain ASC Prevention Services	-1.000	0.000	0.000	0.000	-1.000
CS	Review of service levels and demand post pandemic: Not restarting activities where there is no longer demand nor economic viability.	-0.016	0.000	0.000	0.000	-0.016

Dept	Saving Proposal	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
CS	Changes in ways of working post pandemic: Reduction in the Early Years Training Budget as a result of the move towards a digital training offer.	-0.200	0.000	0.000	0.000	-0.200
CS	Contract efficiencies: Efficiency savings through reducing management roles and one-off inflationary savings	-0.156	0.050	0.050	0.000	-0.056
CS	Review of budget assumptions: Additional Supporting Families base funding offsetting the need for NCC funding for Family Support teams.	-0.476	0.000	0.000	0.000	-0.476
CS	Review of budget assumptions: Additional Supporting Families income due to ongoing successful outcomes resulting in maximum performance by results income.	-0.235	0.000	0.000	0.000	-0.235
CS	Review of budget assumptions: Review of mainstream Post 16 transport policy and subsidies.	-0.100	0.000	0.000	0.000	-0.100
CS	Review of legal costs: Ensuring the right level of external legal expertise is utilised	-0.050	0.000	0.000	0.000	-0.050
CS	Review of service levels and demand post pandemic: Right sizing of the Early Years Sustainability Fund to reflect the level of demand seen in recent years	-0.100	0.000	0.000	0.000	-0.100
CS	Revision to NPLaw Model: Alternative arrangement expected to deliver savings for Children's Services	-0.200	0.000	0.000	0.000	-0.200
CS	Withdrawing from the PDC Building: Revenue implications	-0.100	0.000	0.000	0.000	-0.100
CS	Review of all Children's Services grants: Review to determine grants which can be ceased or reduced	-0.140	0.000	0.000	0.000	-0.140

Dept	Saving Proposal	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
CES	Budget reduction: Reduction of Arts Projects Grants and reduction in the Strategic Fund	-0.010	0.000	0.000	0.000	-0.010
CES	One-off usage of CES Reserves	-1.000	1.000	0.000	0.000	0.000
CES	Restructure of the Museums Service ⁸	-0.157	-0.094	-0.030	0.000	-0.281
CES	Review of budget assumptions: Removal of growth and cost pressures previously assumed in the Community and Environmental Services budget which are no longer expected to be required.	-1.211	0.000	0.000	0.000	-1.211
CES	Review of fees and charges: Review of fees and charges across Highways and Waste budgets to ensure charging is at the right level and introduce new charges in line with other local authorities where appropriate.	-0.290	0.000	0.000	0.000	-0.290
CES	Review of Highways and Waste budgets: Reviewing service levels, budget requirements and demand, contract efficiencies, capitalisation and deletion of vacant posts.	-0.207	0.010	0.000	0.000	-0.197
S&T	One-off usage of S&T Reserves	-0.050	0.050	0.000	0.000	0.000
GOV	Increase in Registrars' Income	-0.025	0.000	0.000	0.000	-0.025
FCS/FG	Review of budget assumptions: Additional dividend income expected from ESPO.	-0.180	0.000	0.000	0.000	-0.180
FCS/FG	Review of budget assumptions: Additional Norse rebate income expected.	-0.450	0.000	0.000	0.000	-0.450

⁸ Proposal to deliver efficiencies within the service, this does not relate to changes in the level or type of services provided.

Dept	Saving Proposal	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
FCS/FG	Review of budget assumptions: Review of pension pressures previously assumed in the budget which are no longer expected to be required.	-2.000	0.000	0.000	0.000	-2.000
FCS/FG	Review of budget assumptions: Review of Treasury Management budgets to reflect higher interest rates achieved on investment and treasury management activity.	-0.500	0.000	0.000	0.000	-0.500
		-19.508	3.016	0.020	0.000	-16.472

6.3. The total new savings identified to date as part of the 2023-24 Budget process are £32.515m as shown in the table below. This reflects the combined proposals from Phase 1 (July) and Phase 2 (October) but **does not incorporate any proposals from the Strategic Review at this point.**

Table 8: Total new saving proposals summarised by Department as at October 2022

	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2023-27 Total £m
Adult Social Services	-18.115	4.400	-2.500	-2.000	-18.215
Children's Services	-4.958	1.300	0.050	0.000	-3.608
Community and Environmental Services	-4.987	0.116	0.570	0.000	-4.301
Strategy and Transformation	-0.250	0.050	0.000	0.000	-0.200
Governance	-0.075	0.000	0.000	0.000	-0.075
Finance and Commercial Services / Finance General	-4.130	0.000	0.000	0.000	-4.130
	-32.515	5.866	-1.880	-2.000	-30.529

6.4. All proposals will be subject to consultation and further validation work to ensure that they are fully robust and deliverable prior to being included in the Budget presented to Full Council for consideration in February 2023. At this stage, the following proposals have been identified as requiring specific public consultation:

- Norfolk Record Office - reduction in opening hours and income generation
- Recycling Centres: harmonise summer opening hours at recycling centres
- Recycling Centres: Wednesday closures
- Reducing weedkilling on highway network to a single treatment
- Review of budget assumptions: Review of mainstream Post 16 transport policy and subsidies.

6.5. For the avoidance of doubt, no final decisions on the implementation of proposals will be made until February 2023 when the County Council considers the Cabinet's proposed Budget for 2023-24, including the findings of public consultation and equality impact assessments.

7. Council tax and Adult Social Care precept

- 7.1. As set out above, the MTFS approved by Full Council in February 2022 assumes a council tax increase of 2.99% (1.99% general council tax and 1.00% Adult Social Care precept). At the Spending Review 2021, the Government announced that it intended to set the referendum thresholds for 2022-23 to 2024-25 for core council tax at 2%, and offer further flexibility to raise the Adult Social Care (ASC) precept by 1% in each year. However the referendum threshold is formally reviewed and set annually and the Government has not at this stage confirmed the referendum threshold for 2023-24.
- 7.2. In this context it also remains the case that Government's approach to the funding of local authorities in recent years has been predicated on an assumption that councils will increase council tax by the referendum limit, and that average levels of tax base growth will be experienced. This broad expectation for councils to absorb their own growth pressures has been reiterated in the Plan for Health and Social Care. A decision to increase council tax by less than the referendum threshold therefore results in the Council having lower levels of funding than Government would expect.
- 7.3. If the threshold were anything other than 3%, every 1% change in council tax would equate to approximately £4.7m of additional income (reduced gap) or pressure (increased gap). If Government allows a council tax increase above this level, after reviewing the currently available information, **the Section 151 Officer anticipates recommending that Members agree the maximum council tax increase available within the referendum threshold and that this would be a key element of setting a balanced 2023-24 Budget and establishing a robust MTFS position.** The level of council tax will therefore be a key part of the 2023-24 Budget setting discussions, and this report recommends that Cabinet seek to retain maximum flexibility by undertaking public consultation on the full range of options available for 2023-24, once these are known.
- 7.4. The anticipated pressures and risks within the current budget planning position are significant, and unless these are mitigated by additional savings or material new government funding, the Executive Director of Finance and Commercial Services considers that the Council will have very limited opportunity to vary these assumptions. In the event that the Government offered the discretion for larger increases in council tax, or further increases in the Adult Social Care precept, this would be the recommendation of the Section 151 Officer in order to ensure that the council's financial position remains robust and sustainable. This judgement reflects:
- the level of emerging service pressures balanced against the quantum of saving proposals identified to date, and the difficulties experienced in identifying sustainable ongoing savings within some demand-led services;
 - the monitoring position in the current year, 2022-23;

- consideration of the robustness of the Council's overall 2023-24 budget;
- the risks for the longer term financial position, and in particular the need to ensure that a resilient budget can be set in future years,
- the reliance on one-off measures to support both the current year 2022-23 Budget and in the emerging 2023-24 Budget which will need to be addressed over the MTFS.
- the considerable remaining uncertainty around risks, funding and cost pressures in 2023-24 and beyond.

7.5. The precise final level of any change in council tax remains a matter for Full Council based on the recommendation of Cabinet and as such will be confirmed in February 2023 as part of the annual Member decision making process on the Budget.

8. Impact of the Proposals

8.1. This paper sets out details of progress in the Council's Budget planning process for 2023-24 and in particular includes further saving proposals which are expected to form part of the Council's 2023-24 Budget, subject to consideration of the outcomes of public consultation and EQIA, which this report will initiate. The proposals in this report take into account the fact that significant risks and uncertainties remain. The proposals in this report are therefore intended to:

- provide a robust basis for budget planning and a significant contribution towards closing the budget gap forecast for 2023-24;
- set the context for public consultation on and equality impact assessments of the 2023-24 Budget proposals;
- provide an opportunity for Cabinet to comment on and provide guidance about the departmental saving proposals and emerging pressures;
- provide Cabinet with the latest details about the continuing significant uncertainty around local authority funding (including funding reform);
- provide an update on the risks identified to date for the 2023-24 budget process; and
- determine the next steps which will ultimately contribute to the Council setting a balanced budget for 2023-24.

9. Risks to Budget and MTFS position

9.1. Since the development of the 2022-23 Budget and MTFS in February 2022, a number of further significant risks have emerged which will impact upon both the 2022-23 budget position and increase the £60m gap identified for 2023-24. At this point, these have **not** been reflected within Departmental service targets for 2023-24 as they remain subject to significant uncertainty.

9.2. Key risks include:

- **2022-23 forecast outturn** – The monitoring position for 2022-23, reported elsewhere on this agenda, currently indicates an overall overspend of

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£4.735m as at August 2022, period 5. This includes an underlying overspend of £5m within Children's Services budgets and is prior to the impact of any 2022-23 pay award. The extent to which planned 2022-23 savings are delivered, overspend can be mitigated in a sustainable ongoing manner, and a balanced outturn overall for 2022-23 achieved, will have a material impact on the level of gap that ultimately needs to be addressed for the 2023-24 Budget.

- **Inflation (pay)** – The employers' latest pay offer for 2022-23 is a flat rate £1,925 increase for all employees. This is now assumed to be the minimum outcome and represents a pressure over and above the 3% provided for at the time of setting the 2022-23 Budget. The pressure from the 2022-23 pay offer is estimated as at least £7.600m and represents both an in-year (2022-23) issue and an additional pressure to be addressed in 2023-24 Budget setting. The extent to which the pressure over the 3% allowed can be absorbed in 2022-23 within existing service budgets will need to be considered as the year progresses and further monitoring information is available. There is in addition very significant uncertainty about the adequacy of assumptions about pay increases for 2023-24 onwards (currently 3% assumed), which appear potentially insufficient in the context of the wider inflationary pressures being experienced. Every 1% increase in pay inflation assumed equates to a further cost pressure of approximately £3.000m.
- **Inflation (non-pay)** – The adequacy of assumptions about inflation in the MTFS position need to be re-examined. Inflation in 2022-23 is significantly above the level assumed at the time of Budget setting and forecasts for 2023-24 are in some cases now as high as 18%. This will particularly impact on energy and fuel budgets, but will have wider implications across a number of budget lines, particularly where contracts are pegged to specific rates (i.e. CPI/RPI at a particular date). Detailed work over the autumn will provide greater clarity about the scale of these pressures but they will contribute to an increase in the 2023-24 gap.
- **Adult Social Care reform** – As part of the national reform of Adult Social Care, Government committed to invest funding of £5.4bn over the period of 2022-25. The majority of this funding is attached to new/amended requirements on Local Authorities, and as such, there is significant uncertainty around the sufficiency of this funding and its distribution. There are two financially material aspects of the proposed reforms. The first relates to the changing of the policy in regards to what a person may be assessed to contribute towards their care costs. This is proposed to change from October 2023 and the Government is currently consulting on the distribution methodology for the 2023-24 funding associated with this change. Initial forecasts indicate that this could result in a funding allocation in the range of £15-17m, and work is underway to assess the extent to which this will cover this change locally. The second aspect relates to the care market and a requirement to undertake a Fair Cost of Care (FCoC) exercise with the production of an interlinked Market Sustainability Plan. Government have not announced the local funding distribution to implement this change, with the funding to be distributed as part of the

wider Local Government Financial Settlement. Much like the charging policy changes, the assumptions used to build the national funding levels announced relating to FCoC have been questioned by those representing the sector. We continue to work with Government to understand the full implications and at this time, as it does for most Local Authorities, it still remains a significant uncertainty in our budget planning.

- **Dedicated Schools Grant deficit recovery** – The Council is engaged in negotiations with the DfE as part of the Government’s “Safety Valve” programme. The aim of this process is to agree a DSG deficit recovery plan to eliminate the historic DSG deficit and ultimately to bring the in-year DSG budget into balance. If successfully agreed, the DfE will make a material financial contribution to addressing the deficit, but a contribution within the Council’s revenue budget over the term of the MTFS is also likely to be required. This would potentially have implications for the 2023-24 gap and / or the availability of other mitigating options to support a balanced Budget being agreed.
- **Government funding announcements and associated assumptions** –
 - The MTFS has made assumptions about the continuation of certain elements of the 2022-23 funding settlement, including in particular that there will be a repeat of the “one-off” 2022-23 Services Grant allocation of £10.687m. If this allocation is not maintained in the 2023-24 settlement, it will further increase the 2023-24 gap position.
 - There remains significant uncertainty about the Fair Funding Review (and more generally) the 2023-24 settlement as described elsewhere in this report. A consultation on the Fair Funding Review was expected “shortly” but has been repeatedly delayed and is likely to be dependent on the new Government’s priorities. Given the restrictions of the parliamentary timetable, Spending Review timescales and the significant impacts that implementation Fair Funding could have across the local government sector, it is quite possible that reforms will not be brought forward until 2026-27. Regardless of progress on Fair Funding, it is unlikely that there will be any certainty about the 2023-24 Provisional Settlement until early December at best.
 - There is significant uncertainty around the level of funding and associated cost pressures for social care reform as set out above. It is unclear the extent to which this will cover the new burdens which will accompany the reforms to the system.

9.3. The sensitivity analysis shown in the table below provides an indication of the potential impact of some of these changes on the overall Budget position.

Table 9: Sensitivity analysis 2023-24 Budget

Change	Impact £m
Additional income from scope to raise Adult Social Care Precept by further 1%	-4.700
Potential pressure from 2022-23 savings (assuming 20% non-delivery)	5.700
Potential pressure from 2023-24 planned savings feasibility review (assuming 20% unachievable)	1.800
Potential pressure from change in tax base growth +/-1%	+/-4.700
Approximate ASC pressure from every 1p increase in National Living Wage	+0.270
Impact of varying pay award assumptions +/- 1%	+/-3.000
Energy and fuel inflation 2023-24	+£5.000

9.4. As set out elsewhere in this report, it is not proposed to amend the budget gap targets at this stage. **It remains critical that further robust, achievable, and recurring saving proposals are brought forward in order to deliver the originally identified target of £60m.** However, although an extremely high level of uncertainty remains, based on the currently available information it is anticipated that the additional pressures emerging (i.e. over and above the existing £60.000m gap) can be mitigated through a range of measures including improved business rates income, the MRP (Minimum Revenue Provision) budget requirement, options for the application of capital receipts, and other corporate finance options. These are all being explored and will be deployed to the fullest extent possible to support the Council in setting a balanced Budget for 2023-24. Additional certainty will be provided when Government publishes details of 2023-24 funding.

10. Robustness of the Budget and compliance with the Financial Management Code

10.1. 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. In addition, duties under section 25 of the Local Government Act 2003 establish a requirement to report on the robustness of the estimates made for the purposes of the calculation of the precept (and therefore in agreeing the County Council's budget).

10.2. As a result, these duties require a professional judgement to be made by the Executive Director of Finance and Commercial Services as the officer ultimately responsible for the authority's finances. The Executive Director takes

a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy and this will be fully reported to Members as part of the budget setting process in February 2023.

10.3. At this stage of the budget setting process, and with reference to the new saving proposals developed for 2023-24 and set out in this report, the initial assessment by the Executive Director of Finance and Commercial Services in relation to this duty is that it will be possible to propose a balanced budget for 2023-24, but that further recurrent savings proposals need to be developed to achieve this, and significant uncertainties remain to be addressed through the remainder of the Budget process. This reflects the following key considerations and assumptions:

- The new savings proposals developed to date for 2023-24 establish a solid foundation for the development of a robust budget, but a number of key risks remain and the ability to identify savings is becoming increasingly challenging.
- The current monitoring position for 2022-23 indicates an overspend outturn position, although work is underway to achieve a balanced position by the end of the financial year.
- Forecasts from District Councils for locally retained income from council tax (the tax base and collection fund position) and business rates have not yet been received.
- Contingent on the details of the Local Government Finance Settlement and without additional deliverable, recurrent savings, the Executive Director of Finance and Commercial Services expects to recommend that a sustainable Medium Term Financial Strategy will require an increase in line with the maximum referendum threshold for council tax and the Adult Social Care precept.
- Significant risks remain around the scale of the likely gap for 2024-25 and future years, subject to the level of one-off options required to balance the 2023-24 budget.
- The assessment of the robustness of the Budget remains highly sensitive to the detail of Government decisions about funding to be made at any fiscal events through the remainder of the year and also the Local Government Finance Settlement for 2023-24, expected in December 2022.

10.4. In addition, the judgement takes into account the fact that work is underway to quantify and validate significant emerging pressures which will need to be included in the final Budget proposals in February 2023 where they are shown to be appropriate and unavoidable. Details of some of these pressures and risks are set out in the preceding section of the report.

10.5. Taking the above into account, the Executive Director of Finance and Commercial Services' current advice is that the Council needs to continue to develop the 2023-24 Budget in a way which offers flexibility to respond to changes in the wider environment and operating context. This includes a further process to identify deliverable recurrent savings for 2023-24 to meet the

original target of £60.000m set out in April 2022. This will need to be undertaken in November / December and reported to Cabinet in January 2023. The overall Budget position will be kept under review as budget planning continues through the remainder of the year. As part of setting the 2023-24 Budget, the Executive Director of Finance and Commercial Services will also consider the adequacy of the overall General Fund balance, the need for a general contingency amount within the revenue budget, uncertainty about Government funding, other areas of risk including the wider economic climate, and the Council's wider value for money position.

- 10.6. As in previous years, the 2023-24 Budget needs to be prepared with reference to the Financial Management Code (the FM Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The FM Code provides guidance about the principles of good and sustainable financial management, and requires authorities to demonstrate that processes are in place which satisfy these principles. It identifies risks to financial sustainability and sets out details of a framework of assurance which reflects existing successful practices across the sector. In addition, the Code establishes explicit standards of financial management, and highlights that compliance with these is the collective responsibility of elected members, the chief finance officer and the wider Corporate Board. Further details of how the Council considers it achieves compliance with the FM Code will be set out in the February Cabinet Budget report.

11. Next steps and approach to addressing the remaining gap

- 11.1. The overarching timetable for 2023-24 as agreed by Cabinet in April is reproduced at Appendix 1 of this report. This has been updated to reflect the fact that the Council will be undertaking further rounds of Budget Challenge in December to enable and inform a full suite of budget proposals to be presented to Cabinet in January 2023.
- 11.2. If the proposals identified in this report, totalling £32.515m, are incorporated into the budget planning process, there remains a forecast gap of approximately £27m to be addressed. Further measures to contribute to the development of a balanced budget for 2023-24 are expected to be brought forward under the following key areas:
- Strategic Review proposals, as outlined in the separate report to this Cabinet meeting, will be incorporated into Budget planning when they are fully developed – For 2023-24, these additional budget proposals are being developed in parallel to the more usual budget-setting process as part of the Strategic Review of the organisation. Proposals arising from the Strategic Review will ultimately be incorporated into the final Budget in January 2023 for Cabinet to consider and recommend to Full Council for the February Budget meeting.
 - Services examining the impact of changes including Children's Social Care reform and Adult Social Care reform for any opportunities

- Government funding announcements including the Local Government Finance Settlement and council tax referendum thresholds for 2023-24
- Corporate finance options – including the flexible use of capital receipts
- Fourth round of Budget Challenge in December 2022, to provide an opportunity to review additional specific savings proposals brought forward by services.

11.3. In the event that the next phases of the budget process fail to yield the required level of (ongoing) savings proposals, then through the autumn and winter further work will be necessary to enable the preparation of a balanced budget. This would require a range of activities including, but not limited to, the following:

- Identification of significant capital receipts that can be used to fund transformation work and/or reduce borrowing costs.
- A material reduction in the future capital programme.
- A review of all non-essential expenditure.

11.4. The Government has not yet confirmed the council tax referendum principles for 2023-24, including whether there will be a continuation of the adult social care (ASC) precept beyond 2022-23. The Council's current planning assumes a council tax increase of 2.99% including 1% for the ASC precept. Government will confirm the council tax referendum principles alongside the Local Government Finance Settlement, taking into account cost pressures and the overall Local Government funding package later in the year. In the event that Government allows increased flexibility to raise council tax for 2023-24 it is likely that this would be the recommendation of the Section 151 officer to support the delivery of a robust and sustainable budget.

12. Proposed consultation process for 2023-24 budget

12.1. The Medium Term Financial Strategy for 2023-24 agreed in February 2022 assumed that core council tax will increase overall by 1.99%, and that the Adult Social Care precept will be increased by 1% (these referendum thresholds have not yet been confirmed for 2023-24). The report also set out that if the referendum threshold were increased in the period 2023-24 to 2025-26 to above 1.99%, or any further discretion were offered to increase the Adult Social Care precept (or similar), then it is likely that the Section 151 Officer would recommend the council take full advantage of any flexibility in view of the council's overall financial position.

12.2. The Government has not yet announced the referendum thresholds for 2023-24 onwards. These may be confirmed either within any technical consultation on local government funding, at a fiscal event (Budget or Spending Review), or as part of the Provisional Settlement. Government has historically assumed that councils will raise the maximum council tax available to them. In light of the overall financial position and pressures facing the Council, it is proposed to consult the public to understand views about a range of potential

council tax and adult social care increases including 2.99% (as per MTFS assumptions) and to cover the full range of council tax options available, in order to support Member decision making in February 2023. It should be noted that the level of council tax is a decision for Full Council each year; it is therefore prudent to consult on the full range of available options to inform Member decision-making. As in previous years we are inviting comments on the level of council tax through our consultation hub on Citizen Space.

- 12.3. We will publish our budget consultation, including details of all new saving proposals for 2023-24 on the Council's online consultation hub, Citizen Space. We will produce large print, downloadable and easy read versions as standard and make any consultation documents available in other formats on request.
- 12.4. As well as alerting key stakeholders to the consultation, we will promote opportunities for people to have their say on budget proposals and council tax through news releases, online publications and social media. We will also be sharing our consultation with members of the Norfolk Residents' Panel and inviting parish councils to a webinar where they can find out more about our proposals and invite them to provide feedback.
- 12.5. Our consultation will take place in the autumn. Consultation feedback on both budget proposals and council tax will be available for Cabinet in January 2023 and Full Council in February 2023. We will make extra effort to find out the views of people who may be affected by our proposals, including people with protected characteristics.
- 12.6. We will also report on the findings of the equality impact assessments we are undertaking. For information about this please see Section 18.

13. Evidence and Reasons for Decision

- 13.1. After more than ten years of savings identification and delivery, and in the face of both continuing significant financial pressures and Government plans for funding reform, it is essential that the Council has a robust approach to budget setting and the identification of saving proposals. Simultaneously, it is critical to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for Norfolk to enable the delivery of vital services to residents, businesses and visitors. In the context of funding reform, it will be even more imperative than it has been in previous years that Government issue guidance on the direction of travel for reform, financial planning assumptions, and indicative funding allocations for 2023-24, as soon as possible.
- 13.2. In view of the size of the gap forecast for 2023-24, there is a significant risk that the Council will be obliged to consider reductions in service levels. As such it was important for the process of developing savings proposals to have been undertaken as soon as possible to support robust engagement and public

consultation. The Council's planning within the MTFS forecast is based on the position agreed in February 2022 and it is important to note that this will be kept under review throughout the 2023-24 Budget setting process, particularly in the event that further information about funding or cost pressures becomes available. The proposals in this report do not close the entire budget gap faced by the Council for 2023-24, but they do establish a robust foundation for the Council to build on in order to develop a deliverable and balanced Budget for 2023-24.

14. Alternative Options

14.1. This report forms part of the framework for developing detailed saving proposals for 2023-24 and at this stage no proposals have been agreed, meaning that a range of alternative options remain open. Cabinet has the opportunity to comment on the proposals now, and will have further scope to consider them (informed by public consultation and EQIA) when making final Budget recommendations to Full Council in January 2023 (for the Full Council meeting in February 2023).

14.2. In addition, there are a number of areas where Cabinet could choose to consider different parameters for the budget setting process, such as:

- Adopting an alternative allocation of targets between directorates / services, or retaining a target corporately.
- Considering an alternative timetable within the time constraints required to develop proposals, undertake public consultation, and meet statutory deadlines for the setting of council tax.
- Establishing an alternative approach to identifying savings.
- Changing assumptions within the MTFS (including the level of council tax) and therefore varying the level of savings sought.

14.3. The planning context for the Council will be updated if further information becomes available. Final decisions about the overall shape of the 2023-24 Budget, savings, and council tax will not be made until Full Council in February 2023, when they will be informed by Local Government Finance Settlement figures, forecasts supplied by District Councils, and the findings of EQIA and public consultation activity.

14.4. The deliverability of all saving proposals will continue to be kept under review by the Section 151 Officer as further detailed implementation plans are developed and up until final budget setting proposals are presented to Cabinet in January 2023.

15. Financial Implications

15.1. Financial implications are discussed throughout this report, which sets out the proposed savings which have been identified by each department to contribute to closing the 2023-24 and future year budget gap, subject to formal

approval by Full Council in February 2023. It should be noted that even if all the proposals detailed in this report were to be approved, the scale of the gap is such that services will be required to identify further very significant savings to be delivered against current budget levels. However simultaneously it appears to be increasingly difficult to identify savings within statutory demand led services, and this represents a major challenge. The scope to achieve savings at the level required may also be limited by a range of factors including the impact of the cost of living and the energy crisis on cost pressures, service delivery expectations, existing saving programmes, and the legacy of COVID-19.

15.2. The Council is legally required to set a balanced Budget annually and should plan to achieve this using a prudent set of assumptions. However, as previously set out, Members could choose to vary the allocation of indicative targets between Directorates, establish an alternative approach to identifying savings, or substitute proposals brought forward. Work to deliver additional Government funding could also have an impact on the overall budget gap to be addressed. As a result, the budget setting process and savings targets will continue to be kept under review as budget planning progresses.

15.3. The scale of the budget gap and savings required are such that if the Council is required to deliver savings at this level there is a risk that this could result in the Council failing to fulfil its statutory responsibilities. As such the Government's response and decisions about Council funding in 2023-24 will be hugely significant. Any changes in Government funding could have a material impact on both the level of savings to be identified, and the Council's wider budget process. Government has hitherto failed to deliver the comprehensive adjustment needed in terms of the recognition of the importance and costs of providing social care, and to adequately fund local authorities to provide these and other vital services. Fundamentally there is a need for a larger quantum of funding to be provided to local government to deliver a sustainable level of funding for future years.

15.4. Major uncertainty remains about the prospects for funding reform. There is a risk that this could see resources shifted away from shire counties, in which event the Council's forecast 2023-24 gap could increase. At this point, Government has not confirmed details of the proposed approach or timescales for consultation on funding reform, although there are indications that this will not be taken forward in a way which delivers substantial funding changes and may not happen until 2026-27 at the earliest. The 2023-24 MTFS position also assumes that approximately £12m of funding will be rolled forward from the one-off 2022-23 Services Grant and New Homes Bonus. These assumptions remain to be confirmed and should be considered a key area of risk.

15.5. As a result of the above, the budget setting process and savings targets will be kept under review as budget planning progresses. In the event that

additional budget pressures for 2023-24 emerge through budget planning, there may be a requirement to revisit the indicative saving targets.

16. Resource Implications

- 16.1. **Staff:** There are no direct implications arising from this report although it is likely that staffing implications may be linked to specific saving proposals as they are developed. These will be identified as they arise later in the budget planning process.
- 16.2. **Property:** The report includes a proposal related to declaring surplus and ultimately disposing of the PDC site. Services currently delivered from the PDC will need to be relocated and delivered from an alternative site within the County Council's property estate. There are no other direct property implications arising from this report although existing saving plans include activities linked to property budgets and assumptions around capital receipts to be achieved.
- 16.3. **IT:** There are no direct IT implications arising from this report although existing saving plans include activities linked to IMT budgets. In addition, activities planned within Business Transformation will include further work to deliver savings through activity related to digital and IT initiatives.

17. Other Implications

- 17.1. **Legal Implications:** This report is part of a process that will enable the Council to set a balanced budget for 2023-24 in line with statutory requirements, including those relating to setting council tax, and undertaking public consultation.
- 17.2. **Human Rights implications:** No specific human rights implications have been identified.
- 17.3. **Equality Impact Assessment (EqIA) (this must be included):** See section 18 below.
- 17.4. **Data Protection Impact Assessments (DPIA):** N/a
- 17.5. **Health and Safety implications (where appropriate):** N/a
- 17.6. **Sustainability implications (where appropriate):** There are no direct sustainability implications arising from this report although existing 2022-23 budget plans include funding for activities which may have an impact on the environmental sustainability of the County Council through the delivery of the Environmental Policy. These issues were considered in more detail within the February budget report to Full Council. Further details are set out in the *Net Zero and Natural Norfolk Progress Update* previously considered by Cabinet. Sustainability issues and any associated financial implications in relation to

either new 2023-24 proposals, or activities developed during 2022-23, will need to be fully considered once such initiatives are finalised, and ultimately as part of budget setting in February 2023.

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

18. Equality Impact Assessment (EqIA)

Introduction

- 18.1. Local authorities are required by the Equality Act 2010 to give 'due regard to equality' when exercising public functions, such as setting the annual budget.⁹
- 18.2. Many local authorities summarise their efforts to give 'due regard to equality' in a document called an '**equality impact assessment**' – because this is an accessible way to analyse and evidence the different ways a proposal might impact on people with protected characteristics.
- 18.3. If the assessment identifies any detrimental impact, this enables mitigating actions to be developed.
- 18.4. It is not always possible to adopt the course of action that will best promote the interests of people with protected characteristics. However, giving 'due regard to equality' enables informed decisions to be made that take every opportunity to minimise disadvantage.

How the Council gives due regard to equality on the budget saving proposals

- 18.5. Due regard to equality has been given to the saving proposals set out in this report. This includes ensuring that:
- The development of the proposals give consideration to the Equality Act 2010
 - Information about the proposals is accessible
 - Arrangements for public consultation are inclusive and accessible

⁹ The Act states that public bodies must pay due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
- Foster good relations between people who share a relevant protected characteristic and people who do not share it.
- This is called the 'Public Sector Equality Duty'. [The full Equality Act 2021 is available on legislation.gov.uk](https://www.legislation.gov.uk).

- The proposals are informed by the Council's equality impact assessment of Digital Inclusion and remain live to issues identified during the COVID-19 pandemic, including social isolation and financial hardship.

18.6. Following confirmation (or any changes made) by the Cabinet at this October meeting that the proposals will be taken forward for budget planning for 2023-24, further analysis in the form of equality impact assessments will take place of each proposal, to consider the impact on people with protected characteristics.

18.7. Equality impact assessments cannot be completed until the public consultation is concluded. This is because the Council must ensure that it has fully understood the impact of each proposal on service users, particularly service users with protected characteristics.

18.8. The findings of equality impact assessments will be published for consideration by the Cabinet in the Strategic and Financial Planning 2023-24 report of January 2023, and in advance of the final decision by the Full Council about the overall Budget in February 2023.

19. Risk Implications/Assessment

19.1. A number of significant risks have been identified throughout this report. Risks in respect of the MTFS were also set out within the February 2022 report to Full Council. Uncertainties continue to remain which could have an impact on the overall scale of the budget gap to be addressed in 2023-24. These include:

- The significant impacts of the "cost of living" crisis, exceptional inflationary pressures and the wider impact of the invasion of Ukraine on the economy. All of these have the potential to drive additional cost pressures (either through increased demand for services, or as a result of the increased price of delivering service provision) and may also lead to reductions in overall income due to the wider economic impacts. In particular it is important to note that the MTFS approved by Full Council did not provide for the current extreme levels of inflation which are expected to persist through the remainder of the financial year. These inflationary pressures have the potential to impact on the Council's budget in a range of ways:
 - Pay pressures in excess of the 3% provided for in the Council's planning assumptions.
 - Pressures associated with increase in the National Living Wage, particularly in relation to services contracted by the Council. Within Adult Social Care, every 1p increase in the NLW equates to a pressure of approximately £0.270m. In April 2022 the NLW increased from £8.91 to £9.50, an increase of £0.59 or 6.6%. The

rates for 2023 have not been announced but are likely to be on a similar trajectory.¹⁰

- The Council's forecasts for energy inflation at the time of setting the 2022-23 Budget do not provide for the current spike in energy prices, which is likely to persist in the medium term and result in additional budget pressures.
- The higher rates of general inflation measures (CPI and RPI) will directly impact on the Council's contractual costs which are set with reference to these indicators. Government has indicated that there is limited scope within the existing spending review envelope to address these exceptional inflationary pressures. Forecasts are that inflation will return to the target 2% over the medium term but this implies a permanent increase in the Council's cost base from the current extreme rates (i.e. inflationary pressures are not being taken back out of the system by negative inflation in future).
- Ongoing uncertainty around local government (and wider public sector finances) including:
 - the need for a long term financial settlement for local government. Spending Review announcements in 2021 covered one year only, and as a result there remains high uncertainty about the levels of funding for 2023-24 and beyond. Continuation of the one-off "Services Grant" provided in 2022-23 has not been confirmed, although the Council's budget planning assumes funding will continue at a similar level.
 - It remains of major concern that Government continues to place significant reliance and expectations on locally raised income. If this trend persists, the financial pressures for 2023-24 and beyond may become unsustainable. The Government has not yet announced the council tax referendum limit for 2023-24.
 - There remains a specific risk in relation to longer term reform of local government funding and the planned funding review, in 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 these result in a redistribution between authority types or geographical areas. Changing Government policies around the nature, role, responsibilities and requirements of Local Government may also represent an area of risk, as will changing expectations of the public, taxpayers and service users. The Government has not made any formal announcement about the prospects of funding reform for 2023-24 for some time although recent indications (and the limited time for development and

¹⁰ The Low Pay Commission has commented that: "the Government has set a target for the NLW to reach two thirds of median hourly pay by 2024. While there is higher than normal uncertainty, we estimate the on-course rate for the NLW for 2023 is £10.32 (an 8.6% increase)." https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1065743/The_National_Minimum_Wage_in_2022.pdf

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consultation) suggest that this may not be going ahead in any significant way.¹¹

- linked to this are risks around delivery of reforms to local government funding including actions to deliver “Levelling Up”, the funding review, the detailed implications of Adult Social Care reform, reforms to the Business Rates system, and changes to other funding streams including the New Homes Bonus.
- In respect of Adult Social Care reform, the County Councils Network has estimated that Government’s proposed reforms lack sufficient funding for implementation, with a shortfall of nearly £10bn compared to Government estimates.¹²
- Further decisions about Local Government reorganisation and the progress of negotiations related to a County Deal.
- Risks around the Dedicated Schools Grant (DSG) deficit position, for which the statutory override expires in 2023. The County Council is participating in the ‘safety valve’ intervention programme with the DfE in the 2022-23 financial year, which aims to agree a deliverable local package of reforms to the high needs system in order to eliminate the in-year DSG deficit over the short to medium term. This agreement is a pre-requisite in order to access financial support from the DfE to eliminate the historic deficit over the period of the agreement. Agreeing the DSG management plan is therefore a high priority to reduce and mitigate the financial risk associated with the DSG deficit position, but may also have budgetary implications for the Council over the same period.
- Any further impact of COVID-19 on the budget in 2022-23, including in particular:
 - any ongoing cost pressures within service delivery and contracted services which have not currently been provided for;
 - future pressures on income particularly in relation to business rates and council tax; and
 - the implications of any measures implemented by Government to restore the national finances in the medium to longer term.

19.2. The Council’s Corporate Risk Register provides a full description of corporate risks, including corporate level financial risks, mitigating actions and the progress made in managing the level of risk. A majority of risks, if not treated, could have significant financial consequences such as failing to generate income or to realise savings. These corporate risks include:

- RM002 – Income streams
- RM006 – Service Delivery
- RM022b – EU Transition
- RM023 – Changes to demography, funding, and government policy

¹¹ <https://www.lgcplus.com/finance/we-are-providing-enough-money-to-adult-social-care-minister-says-24-05-2022/>

¹² <https://www.countycouncilsnetwork.org.uk/new-analysis-reveals-the-regional-impact-on-local-councils-of-the-governments-flagship-adult-care-reforms/>

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- RM031 – NCC Funded Children's Services Overspend
- RM035 – Adverse impact of significant and abnormal levels of inflationary pressure on revenue and capital budgets

19.3. Further details of all corporate risks, including those outlined above, can be found in Appendix C of the October 2022 Risk Management report to Cabinet. There is close oversight of the Council's expenditure with monthly financial reports to Cabinet. Any emerging risks arising will continue to be identified and treated as necessary.

The Council is in the process of embedding a new HR and Finance System (myOracle). The successful implementation of this system is a key prerequisite for the 2023-24 Budget in terms of the system supporting delivery of both the budget process itself, and providing mechanisms through which savings and efficiencies are intended to be achieved.

20. Select Committee comments

20.1. Select Committees provided commentary and input to the 2022-23 Budget process during budget development. Where relevant, any comments from that exercise have been incorporated within the budget setting approach for 2023-24.

20.2. In May 2022, Select Committees therefore again had the opportunity to provide their views about the scope for savings and the implications of 2023-24 budget setting for the service areas within their remit. Due to the timing and sequence of meetings, there was no opportunity for Select Committees to offer specific comments on the proposals set out in the July Cabinet report, however Select Committees are being invited to consider all of the detailed proposals for 2023-24 in the round when they meet in November, following Cabinet decisions about the complete package of measure to be consulted on as part of this report. Any further comments from Select Committees will therefore be reported to Cabinet later in the budget setting process in order to inform final budget recommendations to Full Council.

21. Recommendations

21.1. Cabinet is recommended:

- 1. To consider and comment on the County Council's strategy as set out in section 2 and note that the Budget process is aligned to the overall policy and financial framework;**
- 2. To note that fiscal and policy decisions made by the Government in autumn 2022, including any Emergency Budget, may have implications for the County Council's budget planning position. The outcome of these national funding announcements, alongside the Local Government Finance Settlement, will have potentially significant impacts on the 2023-**

24 Budget position, which will not be fully known until later in the budget setting process.

- 3. To consider and agree for planning purposes the latest assessment of significant areas of risk and uncertainty around emerging budget pressures for the 2023-24 Budget and Medium Term Financial Strategy, which remain to be resolved and which may have a material impact on budget planning (section 9).**
- 4. To direct Executive Directors to identify proposals for further recurrent Departmental savings to achieve the original target of £60.000m agreed in April 2022, for consideration by Cabinet in January 2023 and to support final 2023-24 Budget recommendations to Full Council.**
- 5. To note that, taking into account the significant emerging budget pressures for 2023-24, the S151 Officer anticipates recommending that the Council will need to apply the maximum council tax increase available in order to set a sustainable balanced budget for 2023-24;**
- 6. To note the responsibilities of the Executive Director of Finance and Commercial Services under section 114 of the Local Government Act 1988 and section 25 of the Local Government Act 2003 to comment on the robustness of budget estimates as set out in section 10 and the further actions which may be required to set a balanced budget as set out in paragraph 11.3;**
- 7. To consider and agree the proposals as set out in sections 5 and 6 (Table 5 and Table 7) to be taken forward in budget planning for 2023-24, subject to final decisions about the overall Budget in February 2023, noting the level of savings already included from the 2022-23 Budget process (Table 4);**
- 8. To note that proposals are also being developed via the Strategic Review running in parallel with the wider 2023-24 Budget process. Once fully developed, these will be incorporated into the final 2023-24 Budget presented to Cabinet in January 2023.**
- 9. To note that consultation is being undertaken in respect of the proposal relating to the review of the mobile library services and the outcomes of this will be reported to a future meeting of Cabinet;**
- 10. To agree that public consultation (as set out in section 12) and equality impact assessment (as set out in section 18) in relation to all other proposals for the 2023-24 Budget be undertaken as set out in section 12 and asking residents for their views on the level of council tax;**

11. To note that the Head of Paid Service has the delegation to undertake any staff consultation relating to specific proposals as required to inform and support 2023-24 Budget setting decisions in January 2023;
12. To confirm the remaining next steps in the Budget planning process for 2023-24, and the Budget planning timetable (Appendix 1); and
13. To note and thank Select Committees for their input into the Budget development process for 2023-24 in May, and to invite Select Committees to comment further on the detailed proposals set out in this report when they meet in November 2022 (section 20).

22. Background Papers

22.1. Background papers relevant to this report include:

[Norfolk County Council Revenue and Capital Budget 2022-23 to 2025-26, County Council 21/02/2022, agenda item 5](#)

[Norfolk County Council 2022-23 Budget Book](#)

[Strategic and financial planning 2023-24, Cabinet, 04/07/2022, agenda item 17](#)

[Finance Monitoring 2021-22 Report Outturn, Cabinet, 06/06/2022, agenda item 14](#)

Finance Monitoring Report 2022-23 P5: August 2022, Cabinet, 03/10/2022 (on this agenda)

Risk Management, Cabinet, 03/10/2022, (on this agenda)

Strategic Review Update, Cabinet, 03/10/2022 (on this agenda)

Strategic and Financial Planning reports considered by Select Committees in May 2022 as follows:

- [Corporate Select Committee, 23/05/2022](#)
- [Infrastructure and Development Select Committee, 25/05/2022](#)
- [People and Communities Select Committee, 27/05/2022](#)

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Appendix 1: Budget setting timetable 2023-24

2023-24 Proposed	Time frame
Cabinet review of the financial planning position for 2023-27 – including formal allocation of targets	4 April 2022
Scrutiny Committee	20 April 2022
Select Committee input to development of 2023-24 Budget – strategy	w/c 23 May 2022
Review of budget pressures and development of budget strategy and detailed savings proposals 2023-27 incorporating: <ul style="list-style-type: none"> Budget Challenge 1 (May) Budget Challenge 2 (July) Budget Challenge 3 (September) Budget Challenge 4 (December) 	April to December 2022
Cabinet agree strategic budget approach and any initial proposals for summer consultation	4 July 2022
Scrutiny Committee	20 July 2022
Summer consultation activity	22 July to 21 September 2022
Cabinet approve final proposals for public consultation	3 October 2022
Scrutiny Committee	19 October 2022
Public consultation on 2023-24 Budget proposals, council tax and adult social care precept	20 October to 15 December 2022
Select Committee input to development of 2023-24 Budget – comments on specific proposals	w/c 14 November 2022
<i>Government Autumn Budget</i>	<i>TBC September / October 2022</i>
<i>Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements (outcomes of Fair Funding Review?)</i>	<i>TBC December 2022</i>
Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees revenue budget and capital programme recommendations to County Council	30 January 2023
Confirmation of District Council tax base and Business Rate forecasts	31 January 2023
<i>Final Local Government Finance Settlement</i>	<i>TBC January / February 2023</i>
Scrutiny Committee 2023-24 Budget scrutiny	15 February 2023
County Council agrees Medium Term Financial Strategy 2023-24 to 2026-27, revenue budget, capital programme and level of council tax for 2023-24	21 February 2023

Assumed Government activity and timescales – Budget process will be informed through the year by Government announcements on the Local Government Settlement, and any progress on reforms including the Funding Review. As set out elsewhere in the report, the timing for these is currently unknown.

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Scrutiny Committee

Item No: 9

Report Title: Quarterly update on Children's and Adult Social Care Performance Review Panels.

Date of Meeting: 19 October 2022

Responsible Cabinet Member: Cllr Bill Borrett (Cabinet Member for Adult Social Care, Public Health & Prevention) & Cllr John Fisher (Cabinet Member for Children's Services).

Responsible Director: James Bullion, (Executive Director of Adult Social Services) & Sara Tough, (Executive Director of Children's Services).

Executive Summary

This report outlines progress to date with regards to the ongoing activity of the two Performance Review Panels (PRPs), one for Adult Social Care and one for Children's Services. Members will receive updates on recent work undertaken, key actions, updates on actions from scrutiny, and an overview of the forward programmes of work for the panels.

Recommendations

The committee is asked to:

1. Note progress and activity from the two performance review panels, providing feedback and recommendations where appropriate.
2. Note the panel forward work programmes, providing feedback to the panel leadership around potential items for further investigation.

1. Background and Purpose

- 1.1 At the Scrutiny Committee meeting held on the 21 July 2021 members considered the item 'Establishment of Children's and Adult Social Services Performance Review Panels'. The full report and associated minutes can be found [here](#).
- 1.2 Following discussion, the committee resolved to note the proposed Terms of Reference and the operating principles/membership of the two panels, as

well as agree to disband the previous Children's Services Scrutiny Sub-Panel.

- 1.3 It was also agreed that there should be an ongoing reporting schedule between the panels and the Scrutiny Committee, including adding regular quarterly updates and a six-month review of the panel's progress to the Scrutiny Committee forward work programme. The six-month review took place at the Scrutiny Committee on the 30 March 2022.
- 1.4 This report serves as the third standard quarterly update to the Scrutiny Committee, allowing members the opportunity to discuss progress and feed into panel development and work programming.

2. Performance Review Panels – Membership and Approach

- 2.1 The Performance Review Panels are responsible for monitoring and providing challenge to Norfolk County Council's Children's/Adult Social Services functions, reviewing performance to improve service delivery and ensure readiness for future independent inspections (CQC/Ofsted).
- 2.2 The panels meet in private, though are tasked with updating regularly and publicly with the Scrutiny Committee. They have the authority to commission reports and request data from the relevant service areas, and may make recommendations to the Cabinet Member and senior officers.
- 2.3 The panels are chaired by the relevant Deputy Cabinet Member, with wider membership nominated by group leaders according to the following political composition:
3 Conservative (inc. Chair), 1 Labour, 1 Liberal Democrat.
- 2.4 Membership of the panels is as below:

Adult Social Care PRP

- Cllr Shelagh Gurney (Chair)
- Cllr Mark Kiddle-Morris
- Cllr Michael Dalby
- Cllr Sharon Blundell
- Cllr Brenda Jones

Children's Services PRP

- Cllr Daniel Elmer (Chair)
- Cllr Jane James
- Cllr Fran Whymark
- Cllr Mike Smith-Clare
- Cllr Lucy Shires

3. Update on Actions from the Scrutiny Committee

- 3.1 At the meeting of the Scrutiny Committee held on the 30 March 2022, the Committee undertook a scheduled 6 month review of panel activity. A number of recommendations were made by the committee. Progress against these recommendations is provided below:

3.2 **Recommendation 1 - Ask the panels to consider how they might be more open and transparent without it detracting from the vital work it undertook:**

The paper has been redesigned to provide greater insight around discussions taking place at meetings. In addition, the Chairs of both panels have extended invitations to Scrutiny members to observe meetings, with all papers available upon request. Full minutes are available to members upon request.

3.3 **Recommendation 2 - Request future reports to be clearer and simpler to help identify issues raised, actions proposed and outcomes achieved.**

This iteration of the update report has been adapted to ensure clarity around the issues raised and discussed, and the evidence received. Actions and outcomes are highlighted more clearly, with greater insight into the impact the panels are making and challenge presented to officers and Cabinet Members.

4. Children's Services Performance Review Panel

- 4.1 The Deputy Cabinet Member for Children's Services and the Chair of the Performance Review Panel has agreed for the panel to work according to a four-month cycle, with two meetings scheduled per cycle. At each meeting, members will explore a single topic in depth, and every four-months the committee will further receive a broad overview of performance data, enabling ongoing oversight and informing a process of reactive work-programming.
- 4.2 An outline of discussions and actions from the July meeting can be found below.
- 4.3 As a consequence of the passing of Queen Elizabeth II the meeting planned for September was cancelled, as it fell within the national period of mourning. A subsequent meeting is in the process of scheduling, with dates

being agreed between the Deputy Cabinet Member and Officers. All items/actions for the September meeting will be carried over to ensure that no activity is lost.

Thursday 14th July 2022

- 4.4 On Thursday 14th July the panel received papers on Vital Signs Performance data, and Children on the Edge of Care.
- 4.5 Due to quoracy, members also agreed the following recommendations from the meeting held on the 15th June, relating to Education Health and Care Plans. Here, the committee:
- **Supported** and **challenged** the performance in Children's Services as it relates to children with special Educational Needs and specifically the vital sign indicator 'Percentage of Education Health and Care Plans completed within timescale'.
 - **Agreed** the format of the report and supporting information in order to refine the approach for future performance reports.
 - **Agreed** that Officers will follow up on the requests for information regarding figures for:
 - a. The longest average waiting time for an EHCP
 - b. What future numbers regarding the performance look like?
 - c. What early intervention success looked like?
 - d. Realistic goals and targets regarding completed ENCP within the timescales going forwards

Members received an update on ECHP figures as above as part of the July meeting during discussions around vital signs.

- 4.6 Members received vital signs performance data, with the following points discussed:
- Virtual schools, and work with social care teams to look at attendance rates for looked after children. It was agreed that this could form a topic for a future deep-dive topic.
 - Attainment levels for disadvantaged children.
 - Demand for Education Health and Care Plans, and capacity to deliver increased uptake.
 - Training and retention of local authority educational psychologists.
- 4.7 Members received the paper from officers around Children on the Edge of Care, with the following points discussed:
- Court delays, and the use of technology to support delivery of caseload.

- Potential re-referrals within the independent Specialist Support Services (ISSS).
- Capacity issues within the ISSS team due to recruitment delays.
- Funding from Health Education England, and the establishment of additional capacity to support children with mild to moderate mental health needs.
- Work with partners to build capacity to support children with mental health difficulties.
- The FAST service and the gap between the number of cases that resulted in a child being taken into care but who had been missed from the edge of care services.
- Recruitment and retention difficulties for social workers.
- Increases in families with infants being referred to the Crisis Support Service.
- Data assistive technology to support families on the edge of care.

4.8 Members also received a verbal update and data from staff who managed the New Roads hubs, with discussions around outreach work undertaken by the hubs and development of the service.

4.9 Full minutes from this meeting are available upon request.

4.10 Overall, the panel reviewed and commented on the report with the following outcomes:

- **Supported** and **challenged** the performance in Children's Services as it related to vital signs.
- **Supported** and **challenged** the performance in Children's Services as it related to the 'Deep Dive into Children at the Edge of Care based on the vital sign: "the number of children looked after per 10,000 population
- **Agreed** that Officers would provide written responses to the requests for the following information;
 - An update on educational psychology recruitment. What were the exact numbers coming through and how was this affecting the overall structure?
 - An update on numbers that had been declined due to capacity for the IPSS service and the Targeted Youth Support Service
 - More in-depth look at that gap between the edge of care services and those looked after children (those in care)
 - Assistive technology update. Metrics around how much deployment of assistive technology in Children's Services and how much it helps.

5. Adult Social Care Performance Review Panel

- 5.1 The Deputy Cabinet Member for Adult Social Care, Public Health and Prevention has agreed, alongside the panel, a forward programme of work and schedule of meetings for the Adult Social Care Performance Review Panel through until May 2023.
- 5.2 The panel has met once since the last update to the committee in July 2022, on Thursday 29th September.

Thursday 29th September 2022

- 5.3 On Thursday 29th September the panel received a report and presentation on the Outcome of a CQC assurance preparation exercise.
- 5.4 The exercise took the form of a peer review, jointly co-ordinated by the Association of Directors of Adult Social Services (ADASS) and the Local Government Association (LGA). The inspection team consisted of 7 members who over a period of 3 days conducted reviews and assessments that was the equivalent of 26 working days. It was an intense and comprehensive inspection.
- 5.5 The review outcomes were presented in 3 key areas: working with people, ensuring safety, and leadership. A full account of discussions can be found in the minutes, which are available upon request, but a summary of themes can be found below.
- 5.6 With regards to the 'working with people' section, discussions at the panel centred around:
 - The support to frontline staff provided by senior leaders and line management, and how well the overall strategic vision for the service was communicated to, and implemented by frontline staff.
 - The Community resilience team (CRT)
 - Work taking place within Mental Health and Learning Disabilities, particularly around supported living opportunities.
 - Feedback on the transformation programme designed to provide focus on promoting independence.
 - The carers matter initiative.
 - User satisfaction rates across the county.
 - Co-production work with partners and service users.
 - Demand pressures overall, and the variations in demand pressures across different teams, i.e. Adults and mental health/learning disabilities.
 - Accessibility of public information and guidance.

5.7 With regards to 'ensuring safety' discussions at the panel centred around:

- Governance arrangements, and engagement over processes with wider partners.
- Crisis management processes.
- The managing risk framework and policies.
- Engagement with service users within audit processes.
- Front line pressures and the impact on consistency, quality assurance and management of risk policies.
- Engagement with service users and user groups, particularly around mental health services.
- Safe housing options for user groups with learning difficulties.

5.8 With regards to 'leadership' discussions at the panel centred around:

- Political leadership and awareness of service challenges.
- Senior leadership and relationship with partners and staff.
- Recruitment and retention of workforce.
- Establishment of the ICS, and the prevalence of social care within discussions.
- An update on the connecting communities programme, and review underway through Newton Europe.
- Investment in prevention and demand management.
- Change management.
- Equality, Diversity and Inclusion policies.

5.9 The panel reviewed and commented on the report and outcomes, with the following agreed:

- **Discussed** the report and **Challenged** the service around the outcomes from the peer review, providing a deep dive review of the findings and outlining expectations for future sessions.
- **Noted** progress in preparation for formal review by the CQC, and the anticipated timeline.
- **Agreed** that the full report will be circulated to panel members ahead of publication, with feedback incorporated from the panel into formal action plans for improvement.
- **Agreed** that an update on actions as a result of the assurance exercise would be received as part of the March 2023 meeting.
- **Agreed** that the following would be programmed at future meetings, with reports and data provided by officers:
 - User voices in Adult Social Services, with a focus on mental health care and older persons groups.
 - Safe housing options for adults with learning disabilities.
 - Update on covid backlogs.

6. Work Programming

- 6.1 The Performance Review Panel terms of Reference set out a clear work programming relationship with Scrutiny. While the panels are responsible for setting their own work programmes, the Scrutiny committee may suggest additional topics for the Panels to consider.
- 6.2 As outlined previously, day to day performance monitoring takes place as standard throughout meetings of the performance review panels. The work programmes represent more in depth pieces of work on specific topics.
- 6.3 The forward work programmes for each committee are set out below, along with an overview of performance indicators for each service. As per the recommendations for this paper, members of the Scrutiny Committee are invited to discuss potential future items for discussion at the panels.

Children's Performance Review Panel

The following plan has been agreed:

Replacement for 14 th September 2022	Percentage of cases with a current exploitation risk level below the original level of risk recorded at initial screening
29 th November 2022	Performance of Children's Services vital signs / appropriate places for all children in care

Adult's Performance Review Panel

The following plan has been agreed:

29 th November 2022	Update on Recovery Actions
10 th January 2023	Housing Schemes
March 2023	Update on Assurance actions plan/Quality of Casework and Social Work
May 2023	Service User voice and the approach to level up people's experience and needs

7. Action plan

- 7.1 The below is a summary of current and outstanding actions arising as a result of the panels. It includes significant actions from the last two meetings of each panel, with an indication of both the action owner and progress to date. The tracker will be updated over time, with the Scrutiny Committee kept up to date on key recommendations and actions from the panel.

Date	Action/Recommendation	Owner	Update
Children's Services PRP (CS PRP)			
15/06/2022	Supported and challenged the performance in Children's Services as it relates to children with special Educational Needs and specifically the vital sign indicator 'Percentage of Education Health and Care Plans completed within timescale'.	CS PRP	Completed, with feedback presented to officers.
	Agreed the format of the report and supporting information in order to refine the approach for future performance reports.	CS PRP, Children's Services	Completed.
	Agreed that Officers will follow up on the requests for information regarding figures for: <ul style="list-style-type: none"> • The longest average waiting time for an EHCP • What future numbers regarding the performance look like? • What early intervention success looked like? • Realistic goals and targets regarding completed ENCP within the timescales going forwards 	Children's Services	Completed, with information provided at the CS PRP meeting held on the 14 July.
14/07/2022	Supported and challenged the performance in Children's Services as it related to vital signs.	CS PRP	Completed, with feedback provided to officers.
	Supported and challenged the performance in Children's Services as it related to the 'Deep Dive into Children at the Edge of Care based on the vital sign: "the number of children looked after per 10,000 population	CS PRP	Completed, with feedback provided to officers.
	Agreed that Officers would provide written responses to the requests for the following information; <ul style="list-style-type: none"> • An update on educational psychology recruitment. What were the exact numbers 	Children's Services	Outstanding

	<p>coming through and how was this affecting the overall structure?</p> <ul style="list-style-type: none"> • An update on numbers that had been declined due to capacity for the IPSS service and the Targeted Youth Support Service • More in-depth look at that gap between the edge of care services and those looked after children (those in care) • Assistive technology update. Metrics around how much deployment of assistive technology in Children's Services and how much it helps. 		
Adult Social Care PRP (ASC PRP)			
21/06/2022	Commented on and challenge social services on the CQC Assurance Approach – Inspection Framework and Lines of Enquiry.	ASC PRP	Completed, with feedback provided to officers.
	Officers to Circulate feedback from service user groups discussed at the meeting.	Adult Social Services	Outstanding
	<p>The following items to be added to the ASC PRP forward work programme:</p> <ul style="list-style-type: none"> • Outcomes of the dry run inspection / key risks and challenges • Quality of casework / social work • Quality strategy • Equalities and carers – approach to level up people's experiences and needs 	ASC PRP/Adult Social Services	Completed, with the final item to be added and agreed at the next formal meeting.
29/09/2022	Discussed the report and Challenged the service around the outcomes from the peer review, providing a deep dive review of the findings and outlining expectations for future sessions.	ASC PRP	Completed, with feedback provided to officers.

	Noted progress in preparation for formal review by the CQC, and the anticipated timeline.	ASC PRP	Completed.
	Agreed that the full report will be circulated to panel members ahead of publication, with feedback incorporated from the panel into formal action plans for improvement.	Adult Social Services	To completed at the appropriate time.
	Agreed that an update on actions as a result of the assurance exercise would be received as part of the March 2023 meeting.	ASC PRP/Adult Social Services	Completed, added to the panel forward work programme.
	Agreed that the following would be programmed at future meetings, with reports and data provided by officers: <ul style="list-style-type: none"> • User voices in Adult Social Services, with a focus on mental health care and older persons groups. • Safe housing options for adults with learning disabilities. • Update on covid backlogs. 	ASC PRP	Still to be programmed

8. Resource Implications

8.1 **Staff:** None identified

8.2 **Property:** None identified

8.3 **IT:** None identified

9. Other Implications

9.1 **Legal Implications:** None identified

9.2 **Human Rights Implications:** None identified

9.3 **Equality Impact Assessment (EqIA) (this must be included):** N/A

9.4 Data Protection Impact Assessments (DPIA): N/A

9.5 Health and Safety implications (where appropriate): N/A

9.6 Sustainability implications (where appropriate): N/A

9.7 Any Other Implications: None identified

10. Risk Implications / Assessment

10.1 N/A

11. Select Committee Comments

11.1 No specific comments, though the panel are able to refer matters to the Select Committee where appropriate, as set out in the PRP Terms of Reference.

12. Recommendations

To:

1. Note progress and activity from the two performance review panels, providing feedback and recommendations where appropriate.
2. Note the panel forward work programmes, providing feedback to the panel leadership around potential items for further investigation.

13. Background Papers

13.1 None

Officer Contact

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Scrutiny Committee

Item No: 10

Report Title: Scrutiny Committee Forward Work Programme

Date of Meeting: 19 October 2022

Responsible Cabinet Member: None

Responsible Director: Director of Governance

Executive Summary

This paper sets out the current forward work programme for the Scrutiny Committee, outlining committee dates and agreed items.

Recommendations

Members of the committee are asked to:

1. Note the current Scrutiny Committee forward work programme and discuss potential further items for future consideration.

1. Background and Purpose

- 1.1 Members of the Scrutiny Committee took part in a work programming session held on the 16 May 2022, discussing proposed items for the Committee to consider through until March 2023.
- 1.2 The work programme attached is amended frequently to better reflect officer pressures and changes to the Cabinet forward plan of decisions.
- 1.3 All topics are subject to change, with the committee remaining flexible to ensure the ability to adapt to emerging and urgent topics for consideration.
- 1.4 Members are further advised to keep the morning of the 16th March free for a potential additional meeting of the Scrutiny Committee.

2. Proposal

- 2.1 Members are asked to note the attached forward programme of work (**Appendix A**) and discuss potential further items for consideration.

3. Impact of the Proposal

- 3.1 Maintaining the proposed work programme will ensure that the Scrutiny Committee has a full schedule of work, and officers are well prepared to present to the committee.

4. Financial Implications

- 4.1 None

5. Resource Implications

5.1 Staff:

None

5.2 Property:

None

5.3 IT:

None

6. Other Implications

6.1 Legal Implications:

None

6.2 Human Rights Implications:

None

6.3 Equality Impact Assessment (EqIA) (this must be included):

None

6.4 Data Protection Impact Assessments (DPIA):

None

6.5 Health and Safety implications (where appropriate):

None

6.6 Sustainability implications (where appropriate):

None

6.7 Any Other Implications:

None

7. Risk Implications / Assessment

7.1 None

8. Select Committee Comments

8.1 None

9. Recommendations

Members of the Scrutiny Committee are asked to:

1. Note the Scrutiny Committee forward work programme and discuss potential further items for future consideration.

10. Background Papers

10.1 **Appendix A** – Scrutiny Committee Forward Programme of Work

Officer Contact

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Scrutiny Committee Forward Work Programme

Date	Report	Further notes/Comments	Better Together for Norfolk - Strategic Goal(s)*	Cabinet Member	Exec Director
22/09/22	Norfolk Youth Justice Plan	Policy Framework Item	<ul style="list-style-type: none"> - Better Opportunities for Children and Young People - Strong, Engaged and Inclusive Communities 	Cllr John Fisher, Cabinet Member for Children's Services	Tom McCabe, Executive Director of Community and Environmental Services
	Minerals and Waste Development Scheme and Norfolk Statement of Community Involvement	Policy framework item	<ul style="list-style-type: none"> - A Greener, More Resilient Future 	Cllr Eric Vardy, Cabinet Member for Environment and Waste	Tom McCabe, Executive Director of Community and Environmental Services
	Norfolk Fire and Rescue Service – HMICFRS Improvement Plan	Requested by the Chair following publication of the inspection report in July 2022	<ul style="list-style-type: none"> - Strong, Engaged and Inclusive Communities 	Cllr Margaret Dewsbury, Cabinet Member for Communities and Partnerships	Tom McCabe, Executive Director of Community and Environmental Services
19/10/22	Strategic and Financial Planning 2023-24	Agreed by the Scrutiny Committee	<ul style="list-style-type: none"> - A Vibrant and Sustainable Economy 	Cllr Andrew Jamieson, Cabinet Member for Finance	Simon George, Executive Director of

		at the meeting held on the 20 April 2022			Finance and Commercial Services
	Performance Review Panels – Quarterly Update	Agreed by the Scrutiny Committee at the meeting held on 21 July 2021	<ul style="list-style-type: none"> - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives 	Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health and Prevention & Cllr John Fisher, Cabinet Member for Children’s Services	James Bullion, Executive Director of Adult Social Care & Sarah Tough, Executive Director of Children’s Services
23/11/22	Review of Norfolk Flood Prevention Activity	Agreed by the Scrutiny Committee at the work programming meeting held on Monday 16 May 2022	- A Greener, More Resilient Future	Cllr Martin Wilby, Cabinet Member for Highways, Infrastructure and Transport	Tom McCabe, Executive Director of Community and Environmental Services
	Nutrient Neutrality	Agreed by the Scrutiny Committee at the work programming meeting held on Monday 16 May 2022	- A Greener, More Resilient Future	Cllr Eric Vardy, Cabinet Member for Environment and Waste	Tom McCabe, Executive Director of Community and Environmental Services
	Norfolk Rural Strategy – Impact on Market Towns	Agreed by the Scrutiny Committee at the work	- A Vibrant and Sustainable Economy	Cllr Graham Plant, Cabinet Member for	Tom McCabe, Executive Director of Community and

		programming meeting held on Monday 16 May 2022		Growing the Economy	Environmental Services
14/12/22	National Grid – Impact on Norfolk Communities of New Route of Pylons Running from Norwich to Tilbury	Agreed by the Scrutiny Committee at the work programming meeting held on Monday 16 May 2022	<ul style="list-style-type: none"> - A Greener, More Resilient Future - Strong, Engaged and Inclusive Communities 	Cllr Martin Wilby, Cabinet Member for Highways, Infrastructure and Transport	Tom McCabe, Executive Director of Community and Environmental Services
	Update from the Chair of the Norfolk Countywide Community Safety Partnership	Standing item	<ul style="list-style-type: none"> - Strong, Engaged and Inclusive Communities 	None	Tom McCabe, Executive Director of Community and Environmental Services
26/01/22	Performance Review Panels – Quarterly Update	Agreed by the Scrutiny Committee at the meeting held on 21 July 2021	<ul style="list-style-type: none"> - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives 	Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health and Prevention & Cllr John Fisher, Cabinet Member for Children's Services	James Bullion, Executive Director of Adult Social Care & Sarah Tough, Executive Director of Children's Services
	Education Health and Care Plans	Agreed by the Scrutiny Committee at the work	<ul style="list-style-type: none"> - Better Opportunities for Children and Young People 	Cllr John Fisher, Cabinet Member for Children's Services	Sarah Tough, Executive Director of Children's Services

		programming meeting held on Monday 16 May 2022			
15/02/22	Scrutiny Committee 2023-24 Budget scrutiny	Standard budget setting process	<ul style="list-style-type: none"> - A Vibrant and Sustainable Economy - Better Opportunities for Children and Young People - Healthy, Fulfilling and Independent Lives - Strong, Engaged and Inclusive Communities - A Greener, More Resilient Future 	Cllr Andrew Jamieson, Cabinet Member for Finance	Simon George, Executive Director of Finance and Commercial Services
22/03/22	Quality of Care – Overview of the Care Market in Norfolk	Agreed by the Scrutiny Committee at the work programming meeting held on Monday 16 May 2022	<ul style="list-style-type: none"> - Healthy, Fulfilling and Independent Lives 	Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health and Prevention	James Bullion, Executive Director of Adult Social Care
20/04/22	Performance Review Panels – Quarterly Update	Agreed by the Scrutiny Committee at the meeting held on 21 July 2021	<ul style="list-style-type: none"> - Better Opportunities for Children and Young People 	Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health and Prevention	James Bullion, Executive Director of Adult Social Care &

			- Healthy, Fulfilling and Independent Lives	& Cllr John Fisher, Cabinet Member for Children's Services	Sarah Tough, Executive Director of Children's Services
	Provision of Extracurricular Activity for Norfolk Children	Agreed by the Scrutiny Committee at the work programming meeting held on Monday 16 May 2022	- Better Opportunities for Children and Young People	Cllr John Fisher, Cabinet Member for Children's Services	Sarah Tough, Executive Director of Children's Services

**The 'Better Together for Norfolk – County Council Strategy 2021-25' outlines five strategic priorities. These are:*

- *A Vibrant and Sustainable Economy*
- *Better Opportunities for Children and Young People*
- *Healthy, Fulfilling and Independent Lives*
- *Strong, Engaged and Inclusive Communities*
- *A Greener, More Resilient Future*

When scheduling items for the work programme the committee should consider, where applicable, the item contributes to the above strategic goals and overall delivery of the County Council's strategy for 2021-25.

Issues to be considered for addition to work programme:

- Norfolk Rural Strategy – Impact on Market Towns
- Implementation of New Technology in Adult Social Care
- People with Disabilities – Engagement and Charging Policy
- Children's Services – Utilisation of Built Assets

- Fuel Poverty
- Norfolk County Council – Development of a County Deal
- Transport East Strategy
- Social Prescribing in Adult Social Care
- Biodiversity Net Gain
- Rewilding activity and Carbon Offsetting