Norfolk County Council

Cabinet

Date:	**Monday 31 January 2022**
Time:	**10 am**
Venue:	**Council Chamber, County Hall, Martineau Lane, Norwich NR1 2DH**

Membership

Cabinet Member:	**Responsibility:**
Cllr Andrew Proctor	Chair. Leader and Cabinet Member for Strategy & Governance.
Cllr Graham Plant	Vice-Chair. Deputy Leader and Cabinet Member for Growing the Economy.
Cllr Bill Borrett	Cabinet Member for Adult Social Care, Public Health & Prevention
Cllr Margaret Dewsbury	Cabinet Member for Communities & Partnerships
Cllr John Fisher	Cabinet Member for Children's Services
Cllr Tom FitzPatrick	Cabinet Member for Innovation, Transformation & Performance
Cllr Andy Grant	Cabinet Member for Environment & Waste
Cllr Andrew Jamieson	Cabinet Member for Finance
Cllr Greg Peck	Cabinet Member for Commercial Services & Asset Management
Cllr Martin Wilby	Cabinet Member for Highways, Infrastructure & Transport

Advice for members of the public:

This meeting will be held in public and in person.

It will be live streamed on YouTube and, in view of Covid-19 guidelines, we would encourage members of the public to watch remotely by clicking on the following link: https://www.youtube.com/channel/UCdyUrFjYNPfPq5psa-LFIJA/videos?view=2&live_view=502

However, if you wish to attend in person it would be most helpful if, on this occasion, you could indicate in advance that it is your intention to do so. This can be done by emailing committees@norfolk.gov.uk where we will ask you to provide your name, address and details of how we can contact you (in the event of a Covid-19 outbreak). Please note that public seating will be limited.

Councillors and Officers attending the meeting will be taking a lateral flow test in advance. They will also be required to wear face masks when they are moving around the room but may remove them once seated. We would like to request that anyone attending the meeting does the same to help make the event safe for all those attending. Information about symptom-free testing is available here.

A g e n d a

1 To receive any apologies.

2 Minutes Page 5

To confirm the minutes from the Cabinet Meeting held on Wednesday 12 January 2021

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 Matters referred to Cabinet by the Scrutiny Committee, Select Committees or by full Council.

5 **To receive any items of business which the Chair decides should be considered as a matter of urgency**

6 **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 **Wednesday 26 January 2022**. For guidance on submitting a public question, view the Constitution at 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.

Any public questions received by the deadline and the responses will be published on the website from 9.30am on the day of the meeting and can be viewed by clicking this link once uploaded: Click here to view public questions and responses

7 **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 **Tuesday 25 January 2022**.

Please note the change in deadline for Local Member Questions.

8 **Fee Levels for Adult Social Care Providers 2022/23** Page 25
Report by the Executive Director of Adult Social Services

9 **Integrated Care System Places** Page 45
Report by the Executive Director of Adult Social Services

10 **2022 Schools Local Growth and Investment Plan** Page 56
Report by the Executive Director of Children's Services

11 **Dedicated Schools Grant (DSG) Funding** Page 90
Report by the Executive Director of Children's Services

(Please note "general exception to 28 days notice" published on website: https://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/cabinet)

12 **Better Together, for Norfolk 2021-2025 – delivering our strategy** Page 144
Report by the Executive Director of Transformation and Strategy

13 **Capital Strategy and Programme 2022-23** Page 191
Report by the Executive Director of Finance & Commercial Services

14 **Annual Investment and Treasury Strategy 2022-23** Page 239
Report by the Executive Director of Finance & Commercial Services

15 **Finance Monitoring Report 2021-22 P8: November 2021** Page 284
Report by the Executive Director of Finance & Commercial Services

16 **2022-23 Revenue Budget and Medium Term Financial Strategy 2022-26** Page 322
Report by the Executive Director of Finance & Commercial Services

17 **Disposal, Acquisition & Exploitation of Property** Page 731
Report by the Executive Director of Finance & Commercial Services

18 **Reports of the Cabinet Member and Officer Delegated Decisions made since the last Cabinet meeting:**
To note the delegated decisions made since the last Cabinet meeting.

Decision by the Executive Director for Community and Environmental Services:

- Sharps Waste Collection Service

Decision by the Cabinet Member for Highways, Infrastructure and Transport:

- Acle – new waiting restrictions in village centre

Tom McCabe
Head of Paid Service
Norfolk County Council
County Hall
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NR1 2DH

Date Agenda Published: 21 January 2022

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Cabinet
Minutes of the Meeting held on Wednesday 12 January 2022 in the Council Chamber, County Hall, at 10am

Present:

Cllr Andrew Proctor	Chairman. Leader & Cabinet Member for Strategy & Governance.
Cllr Graham Plant	Vice-Chairman and Cabinet Member for Growing the Economy.
Cllr Bill Borrett	Cabinet Member for Adult Social Care, Public Health and Prevention
Cllr Margaret Dewsbury	Cabinet Member for Communities & Partnerships.
Cllr John Fisher	Cabinet Member for Children's Services
Cllr Andy Grant	Cabinet Member for Environment and Waste
Cllr Tom FitzPatrick	Cabinet Member for Innovation, Transformation & Performance.
Cllr Andrew Jamieson	Cabinet Member for Finance.
Cllr Greg Peck	Cabinet Member for Commercial Services & Asset Management.
Cllr Martin Wilby	Cabinet Member for Highways, Infrastructure & Transport.

Executive Directors Present:

James Bullion	Executive Director of Adult Social Services
Helen Edwards	Monitoring Officer and Director of Governance
Simon George	Executive Director of Finance & Commercial Services
Tom McCabe	Executive Director of Community & Environmental Services and Head of Paid Service.

Cabinet Members and Executive Directors formally introduced themselves.

1 Apologies for Absence

1.1 Apologies were received from Paul Cracknell, Executive Director for Transformation and Strategy, and Sara Tough, Executive Director for Children's Services.

2 Minutes from the meeting held on Monday 6 December 2021.

2.1 Cabinet agreed the minutes of the meeting held on Monday 6 December 2021 as an accurate record of the meeting.

3 Declaration of Interests

3.1 No interests were declared

4 Matters referred to Cabinet by the Scrutiny Committee, Select Committees or by full Council.

4.1 No matters were referred to Cabinet.

5 Items of Urgent Business

5.1 The Cabinet Member for Adult Social Care, Public Health and Prevention spoke about the impact of Covid-19 on Adult Social Services:

- Pressures on the NHS and the amazing work of staff in the NHS and social care were well documented. The vaccination programme had been a great success and had helped these sectors.
- There had been less focus on the hidden pressures in adult social services and the wider care sector. Social work teams were in the centre of efforts to bring people home from hospitals or into a care setting to complete their recovery and connecting people with care so that they could regain their independence. Workers were handling 120 cases per week which was 80% higher than pre-Covid.
- Support was increasingly harder to provide because of home care agencies and care settings experiencing high staff sickness and staff self-isolating meaning they were unable to take as many new referrals as the Council would like, and Covid-19 outbreaks in care settings increasing; outbreaks had increased from 70 last week to 100 in the week of this meeting.
- Norfolk First Support were stepping in to fill gaps in home care where possible, but this gave them less capacity to fill their reablement duties.
- Norfolk County Council had commissioned extra beds and 1500 extra hours of home care per week and put staff back into hospitals and additional staff in hubs to help with hospital discharge; the council was also aware that families were stepping up to provide more support to family members.
- The Council had passed on one off Government funding so providers could a 6% pay rise until March 2022. Subject to Cabinet agreement at their meeting on 31 January 2022, an uplift was proposed to allow providers to continue to pay this moving forwards.
- This situation was unprecedented but temporary and the Cabinet Member for Adult Social Care, Public Health and Prevention recognised and acknowledged the extraordinary efforts of staff and care providers.
- People could still contact adult social services who would respond to urgent need.
- A backlog of work would build up as the service prioritised the most urgent cases; there were 800 people on the interim care list and 2500 people on the holding list. After the current peak of Covid-19 had passed, the service would need to restore and rebuild, and the Executive Director of Adult Social Services was developing a recovery plan.

5.2 The Chairman thanked everyone involved in these difficult circumstances and recognised the significant pressures in the care market at this time.

6 Public Question Time

6.1 The list of public questions and the responses is attached to these minutes at Appendix A.

7 Local Member Questions/Issues

7.1.1 The list of Local Member questions and the responses is attached to these minutes at Appendix B.

7.1.2 Two written supplementary questions were received and were responded to in writing after the meeting. These supplementary questions and responses are attached to the minutes at appendix C.

7.2.1 Cllr Alexandra Kemp asked a supplementary question:
- Cllr Kemp believed that the answer to her question was not accurate. She stated that the response said that the Chairman couldn't comment as this would be fettering the planning application issue.
- Cllr Kemp noted that the Borough Council had put in a planning objection and stated that the Council were ignoring planning advice from the Head of Planning, stating that Cambridgeshire, Fenland and King's Lynn had all made statements objecting to the proposal. She felt that Norfolk County Council could also do the same.
- She asked if the Chairman had read the All-Parliamentary Group on Air Pollution's report calling for a moratorium on new incinerators she had sent to him, noting the risks to children's health and the food chain. She asked if Cabinet was more concerned with making deals with MVV to make profits for Norse environmental above children's health in Norfolk.

7.2.2 The Chairman recognised Cllr Kemp's concerns however stated that some of her comments were out of order. He stood by what he said in response to Cllr Kemp's substantive question, that the Council did not want to be fettered in putting in a full response when a planning application was put forward.

7.3.1 Cllr Watkins asked a supplementary question:
- Cllr Watkins asked The Cabinet Member for Children's Services if he would like to support the Liberal Democrats' call for parents to receive a £30 voucher for every day children missed school, to help pay for catch up tutoring.

7.3.2 The Cabinet Member for Children's Services responded that this was the first he had heard of this and would not support any such proposal without further investigation as to where the money would come from

8. ASSD Service Review – Transformation and Prevention in Adult Social Care

8.1.1 Cabinet received the report setting out proposals for the next phase of Promoting Independence, the Adult Social Care transformation programme.

8.1.2 The Cabinet Member for Adult Social Care, Public Health and Prevention introduced the report to Cabinet:
- The increasing pressures across the Country and Norfolk for adult social care were well known. The Government had made an announcement for extra funding, and it was important to ensure that social care received a corresponding slice of the extra money which would be raised.
- To make the services offered to people sustainable for the future, adult social services had been working under a promoting independence model,

supported by service users and residents of Norfolk. The aim of this was to keep people in their homes for as long as possible, which was what people said they wanted.
- It was important to continue to review the model to ensure it met the needs of the population of Norfolk and was using all opportunities that became available over time.
- If the steps outlined in the paper were not taken, there was a risk that the service would not be able to meet demand.
- This was an invest-to-save project. To produce a project with a large fee it was important to justify the benefits to service users and the Council and the benefits of this project outweighed the costs.

8.1.3 The Executive Director for Adult Social Services gave an introduction to the report:
- Service users had fed back to the Council on a regular basis that there was a need for a preventative approach; often the service was meeting people too late and intervening in the last curve of life. It would be possible to work with people in the 10 years prior to this when they were in touch with health and other services, where steps could be taken to promote independence.
- Challenges included how to integrate with the NHS locally. The Council's front door was currently separate from the NHS front door; there was an intention for this to be integrated and to join up with the NHS both digitally and in practice.
- The reform agenda of social care meant that there would be increasing expectations on councils to deliver change and a new means test. Councils would have a wider role for working with more people with a care need.
- Switching to a joined up digital approach across health, housing and social care would mean joining up many systems and a change partner would be needed to facilitate this.
- It had been found that of 49% of people who present at the front door showed the potential to have their need prevented, reduced or delayed, and of these, 39% could have been more independent through the use of community resources. Work with the voluntary sector was therefore vital as part of this project.
- Benefits for the project included: digital changes to help people manage their own care; a named person for each service user; new relationships with doctors; a more transparent service; the ability to localise services; and a co-production model developed with service users
- The cost was a reasonable one to bring about the proposed changes; the savings brought through the proposals would provide headroom to bring about further investments

8.1.4 The Cabinet Member for Adult Social Care, Public Health and Prevention summed up the introduction:
- The proposals in the report would provide residents with a better service, a simpler experience of dealing with the NHS, adult social care and social care and would allow them to be well and independent for longer
- The Independent Care System would go live in July 2022, so the timing was right to move forward with these proposals.
- The Cabinet Member for Adult Social Care, Public Health and Prevention moved the recommendations as set out in the report

8.2 The Vice-Chairman agreed that this was an important project. Promoting independence was focussed on improving demand and this had achieved £61m savings over the past five years. The Vice-Chairman pointed out that phase two of the promoting independence project was about Living Well and Changing Lives with eight core ambitions for Adult Social Care as set out on page 77-78, paragraph 1.6 of the report. The Vice-Chairman discussed the policy change signalled through the White Paper, as set out on page 49 of the report. Diagnostic work carried out with Newton Europe was detailed on page 50 of the report and the results of analysis carried out with Newton Europe and Adult Social Services which was shown in paragraph 3.1 on page 51 on the report.

8.3 The Cabinet Member for Children's Services noted that residents had stated that they want independence; Children's Services had found, through its work with families, that the earlier interventions were made the better the offer that could be provided for families and service users. Newton Europe had a proven record of working with Local Authorities and it was important to refresh services on a regular basis. With the new Integrated Care Service coming in later in 2022, he felt this was an ideal time to bring move forward with the proposals in the report.

8.4 The Cabinet Member for Innovation, Transformation and Performance felt that the proposals in the report would give a better outcome for the people of Norfolk and allow lessons to be learned that could also be used across the County more widely. He felt comments in the press were saddening, noting that this was about using a partner to provide a better outcome and transform services. Page 55 of the report, paragraphs 5.7-5.9, stated what was being done to promote people's independence and working with children's services. A cultural shift was being seen, with people using technology more, such as through online self-service technology.

8.5 The Cabinet Member for Finance noted the importance of working with partners to provide a better service to residents. There was a contingent fee of up to £6.3m with minimum savings of £9.3m recurrent savings per year. It would be important to monitor the benefits over the next 5 years of reduced cost and wider benefits to the rate of growth to the demographic profile

8.6 The Cabinet Member for Commercial Services and Asset Management felt that working with a strategic partner with a record of delivery would help improve the efficiency of service while saving money and fully supported the proposal.

8.7 The Chairman noted that this piece of work would be a major transformation with a strategic partner, and the contingent fee would give a significant advantage to the council. The intention of the proposals was to improve service quality, independence and provide a different operating model, especially in the digital way of working. Joint working with the NHS was vital, and a single point of contact was a recognised want of service users. Closer working with the voluntary sector was important and would build on work carried out over the past years. The proposals would bring about a cultural change by providing a better service through a co-production model, with key targets of promoting independence, prevention and early help. It would be key moving forward to ensure strong governance and project oversight were in place.

8.8 Cabinet **RESOLVED** to:

a) Agree the aims and objectives of the next phase of Promoting Independence – Adult Social Services Transformation programme, as set out at section 1.8 of the report.
b) Agree to the engagement of Newton Europe as a strategic change partner to implement a new target operating model for Adult Social Services as set out in section 2.0, section 6.5 and section 8.1 of the report.
c) Agree that ASSD will work in partnership with the corporate Strategy and Transformation Team to ensure the benefits of transformation are fully realised for Norfolk, as set out in section 5.0 of the report.

8.9 **Evidence and Reasons for Decision**

See section 4 of the report.

8.10 **Alternative Options**

See section 5 of the report.

9 Admission Arrangements for the School Year 2023/24

9.1.1 Cabinet received the report setting out the admissions co-ordination scheme for all schools and to the admissions policy for all Community and Voluntary Controlled schools for determination.

9.1.2 The Cabinet Member for Children's Services introduced the report to Cabinet:

- Each year the Council is required to determine the admissions scheme and admissions policy for schools in Norfolk.
- The proposed schemes and timetable set out in the report met requirements of the School Admissions Code and associated legislation
- If changes to these schemes were required, the Council would be required to consult. There were no changes proposed this year, 2023-24 so there was no need to consult.
- Details of admission arrangements, timetable and revised policies were set out in appendices A-D of the report.
- The Cabinet Member for Children's Services moved the recommendation as set out in the report

9.2 Cabinet **RESOLVED** to determine the Admissions arrangements for the school year 2023/24.

9.3 **Evidence and reasons for decision**

The co-ordination scheme follows the model scheme set out in the School Admissions Code and admission policies for Community and Voluntary Controlled Schools have been developed to fully comply with the School Admissions Code.

Norfolk County Council is under a statutory duty to determine admission arrangements by 28 February each year. If these cannot be determined, the Secretary of State has the power to impose a co-ordination scheme.

Parents who are refused admission are entitled to appeal to independent admission appeals panels. Since 2010 appeal panels have been required to consider the legality of admission arrangements as part of this process. Our arrangements have not been referred by the Independent Appeal Panels to the Office of the Schools Adjudicator (OSA) as part of this regular review.

Additionally, parents can refer our determined arrangements to the OSA. This has not occurred since 2014 when our arrangements were confirmed as compliant. Parents dissatisfied with the outcome of their appeal can refer concerns to the Local Government Ombudsman but again no concerns have been expressed regarding the co-ordination scheme or admissions policies.

The majority of parents gain a place at a preferred school for their children.

9.4 **Alternative Options**

None

10 Reports of the Cabinet Member and Officer Delegated Decisions made since the last Cabinet meeting:

10.1 Cabinet **RESOLVED** to **note** the Delegated Decisions made since the last Cabinet meeting.

The meeting ended at 10:57

The Chairman

Appendix A

Cabinet
12 January 2022
Public & Local Member Questions

Agenda item 6	Public Question Time
6.1	**Question from Paul Andell** Gas Hill is a unique topographical feature of Norwich, the average gradient is 10.7% and it is popular with walkers, cyclists and joggers. Due to it's steep gradient it is avoided by many vehicles but those that do use it need to negotiate an awkward narrow junction with St Leonard's Road at the summit. Would Cabinet consider the closure of Gas Hill from the junction with William Kett Close to all but essential service and emergency vehicles. This would allow for the development of a "green corridor" linking Riverside and potentially Kett's Heights where proposals are being considered to re-open a pathway via the escarpment to William Kett Close. **Response from the Cabinet Member for Highways, Infrastructure and Transport** It is agreed that the gradient and road width from William Kett Close to St Leonard's Road is such that some drivers may choose to avoid using Gas Hill. The suggestion to close this section has some merit, although as drivers are already choosing to avoid Gas Hill, an enhanced environment already exists for active travel. As such closing the upper section of Gas Hill by means of a Traffic Regulation Order would have limited impact. In terms of the injury accident history at St Leonard's Road junction, there has been one slight injury accident in the last five years. On this basis alone it would not be a priority to investigate further. **Supplementary question from Paul Andell** Norfolk's Local Cycling and Walking Infrastructure Plan encourages active travel (walking and cycling) to promote healthier lifestyles and improve the environment. An objective of the plan is to identify and prioritise improvements to facilitate active travel. Does Cabinet agree, that by restricting motorised traffic to Gas Hill active travel would be encouraged and improved to part of the Broads Circular Leisure cycle route. **Response from the Cabinet Member for Highways, Infrastructure and Transport** The Broads Circular Leisure cycle route is part of our promoted leisure routes on the Norwich Cycle Map using existing quiet routes. Any closure of the route for motorised vehicles would need to be assessed for its network impact and it is currently not on our priority Active Travel interventions for Norwich.
6.2	**Question from Kate King** As the decision makers of Norfolk County Council are taking forward their Environmental Strategy please can cabinet tell me whether they have enlisted the support of other ambitious local government leaders by signing up to the UK100 Clean Energy Pledge? They will of course be aware that, while up to 40% of the UK's carbon emissions are from domestic heating, other forward thinking councils are looking at the extremely complex challenge of retrofitting existing housing stock to alleviate this problem and are beginning to implement some far reaching schemes.

	Response from the Cabinet Member for Environment and Waste Norfolk County Council's current priority is to collaborate with other Local Authorities in Norfolk as a member of the Norfolk Climate Change Partnership. Joint working and information exchange is already progressing extremely well through this officer group, but it is acknowledged that membership of UK100 could add a very useful national dimension to our efforts to tackle climate change. For this reason, this matter will be presented to the next Environmental Policy cross-party Member Oversight Group, Chaired by Councillor Andy Grant and due to be held in February, for those Elected Members to consider. **Supplementary question from Kate King** Given the complexity of retrofitting compared with installation at the build stage, can the council assure me that all new planning applications take this into account by making renewable energy heating systems mandatory in all new-build schemes, wherever it is within their range of scope to do? **Response from the Cabinet Member for Environment and Waste** Responsibility for planning applications relating to housing sits within the remit of District authorities.

Appendix B

Cabinet
12 January 2022
Local Member Questions

Agenda item 7	Local Member Issues/Questions
7.1	**Question from Cllr Alexandra Kemp** To the Leader. I sent you the All-Parliamentary Group on Air Pollution's report calling for a moratorium on new incinerators, because of risks to public health and the food chain. Recent research shows matter from incinerators found in children's toenails, associated with childhood leukaemia. Dioxins from incinerators have been found in eggs 10 km away. The Secretary of State has just refused a new incinerator in Kent. The Welsh Govt has a moratorium on incinerators in Wales. Will NCC join all other host authorities, King's Lynn, Fenland and Cambridgeshire, and say it is against MVV's proposed incinerator on the West Norfolk border? **Response from the Leader and Cabinet Member for Governance and Strategy** Thank you for your Question. As Cllr Kemp will understand we do not set Council policy in responses to questions to Cabinet. This will be done at the right time, in the right place with the right information. Although the proposed site is in Cambridgeshire you are correct in that Norfolk County Council is one of the four 'host' local authorities that will make comments on the DCO as a planning authority. There is a large amount of very detailed information, that the applicant will have to put forward at that . This includes environmental impact assessment; biodiversity; landscape; flood & water management; human health through a full Health Impact Assessment; traffic and transport to name but some. Norfolk County Council haven't had that information yet as the planning application process is not yet under way and so it would be premature and possibly fetter NCC's role in the planning process to do as you ask at this stage. Ultimately it will be for the relevant Minister to take the decision on whether or not it should go ahead, assuming an application is actually made, not the local authorities. When we have all this information and detail then the County Council will be in a position to make its views known. Whilst we wait for the appropriate time for NCC to take part in the planning process it should be noted that in December 2021 7 London Borough Council's awarded contracts to construct an energy from waste facility in the North of London, so we should not take former positions of Government (Kent) as an indication of future intentions.

7.2	**Question from Cllr Brian Watkins** Can you tell us how many school classes have had to be cancelled due to staff absences this week due to Covid? **Response from the Cabinet Member for Children's Services** We are not aware of any classes cancelled. However, here is no requirement for schools to notify the local authority as they have plans in place through the contingency framework to move seamlessly to remote learning if necessary
7.3	**Question from Cllr Tim Adams** What level of staff absences due to Covid are there in Norfolk's social care system at the moment? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** Thank you for your question. As you are aware most social care staff are not employed by Norfolk County Council. In Norfolk's social care system the data shows that 7.8% of nurses are absent with 0.6% due to COVID and 9.2% of social care workers are absent with 1.7% due to COVID. The accuracy of this data is dependent upon the quality and timeliness of completion of the tracker by individual care organisations. **Supplementary Question from Cllr Tim Adams** Can you please detail the current availability (with a comparison to other authorities in the East of England) of the level of respite care that is available for carers set against the demand from carers for that care? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** Norfolk County Council commissions both planned respite which can be booked in advance, and unplanned respite which is arranged in an emergency situation when informal care breaks down. It is worth remembering that respite takes a number of forms and is not always in a care home or other care setting, but can instead be a break for a carer, such as a sitting service so they can have time to themselves for social or other activities. In terms of bed-based respite for older people, there are 12 dedicated respite beds at the following places across Norfolk. ▪ Lydia Eva Court, Great Yarmouth (2 Enhanced Respite beds) ▪ Ellacombe, Norwich (3 Enhanced Respite beds) ▪ Bishop Herbert House, Norwich (2 Physical Disabilities Respite beds) ▪ Barley Court, Norwich Housing with Care scheme (1 Standard Respite bed) ▪ Weavers Court, Diss Housing with Care scheme (1 Standard Respite bed) ▪ St Edmunds, Attleborough (1 Standard Respite bed) ▪ Munhaven, North Norfolk (1 Enhanced Respite bed) ▪ High Haven, West Norfolk (1 Enhanced planned bed for West locality use only) It is important to note that as well as these facilities many people chose to organise

	their respite through a direct payment, making their own independent arrangements. For people with learning disabilities, we currently have 28 places available through 9 providers. In December there were 775 nights available and 316 nights were booked (an occupancy of 41%). This is an increase in occupancy based on previous months. Respite, like the rest of the health and social care system, has been affected by COVID. Planned respite for older people was paused originally from April 20 in response to Covid. It was reinstated in Oct 20 for a few weeks and then paused again, until we reinstated all available planned respite provision from July 21. The availability of planned respite beds continues to be impacted, where certain homes are closed due to a COVID outbreak. Some planned breaks for people with learning disabilities were cancelled in December 21 – this was either because people using respite and / or staff have tested positive for COVID and because of 'emergency' respite demands over the Christmas period.
7.4	**Question from Cllr Rob Colwell** Following national government cuts to the Environment Agency meaning they are drastically scaling back river quality testing for Norfolk Rivers like the precious chalk river Gaywood, will NCC commit to financially supporting individual river catchment plans and habitat restoration with other key stakeholders? **Response from the Cabinet Member for Environment and Waste** As per NCC's Environmental Policy we fully support any measures which improve the quality of water systems in Norfolk. We have demonstrated this support by supporting local projects via the Norfolk Coast Partnership such as the 9 Chalk Rivers Project which provided over £1million of habitat restoration to important chalk rivers in Norfolk, and more recently the project 'Norfolk's Two Chalk Rivers – Restored, Revitalised, Resilient' which has recently been approved for funding. Water, rivers and their catchments and the associated habitats are recognised as vital natural assets for the county and, as such, are included in our work on the Local Nature Recovery Strategy for Norfolk which is being developed over the next 2 years. Through this approach, we are committed to working with stakeholders on improving these essential natural assets as part of the County's overall natural environment. **Second question from Cllr Rob Colwell** Can you tell us how many people there are on the unmet care needs list and for what reasons they are on the list? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** Thank you for your question. I assume you mean the "Interim Care List". There are around 860 people on the Interim Care list, the list is dynamic and changes each day. People are on this list for a variety of specific reasons which include: • Individuals who are either being supported by families, carers or our in-

	house Norfolk First Support, while we work to arrange longer term homecare • People in residential care who want to return home • People who are waiting for a different pattern of call times, or who want to change their provider. • People who are temporarily in hospital but with an open care package (but it does not include people who are in hospital and ready for discharge). The Council has set up a dedicated central team to take action to get the right care for people on the transfer of care list. Since the outbreak of COVID the number of people in this situation is much higher than pre-pandemic, when we would typically have seen around 150 people in this situation. This is despite the commissioning of thousands of extra hours of home care, and many additional places in home care. The system is experiencing the impact of the current surge in demand, the staffing and sickness issues in the health and social care sector due to COVID.
7.5	**Question from Cllr Chrissie Rumsby** Does the Leader agree Norfolk residents have a right to food no matter what their circumstances? **Response from the Leader and Cabinet Member for Governance and Strategy** The UK has a welfare state to make sure that people are supported. To complement that I am glad to say that in Norfolk we have run an outstanding Norfolk Assistance Scheme (NAS) as part of the Household Support Fund to support residents throughout the pandemic with food packages and supporting school children with meal vouchers outside of term time. The NAS already provides hardship support to Norfolk residents who are struggling with their living costs. The type of support that NAS provides is tailored to the individual needs of each household. It can include food vouchers, help with buying school uniforms and gas or electricity meter pre-payments. We have also invested in additional advice capacity that NAS can refer to. This means that as well as one-off financial support, people struggling with their finances will find it easier to access debt and welfare advice and support to find longer term solutions. Using the important relationships we have built up to deliver Covid support, Norfolk County Council has worked with district councils and the VCSE sector to put together a strong support offer using this one-off funding from the Department for Work and Pensions Household Support Fund. • £2.4m for free school meals - those eligible received £55 in vouchers for the Christmas period (a top-up on the usual £15 per week) and will receive £15 for the February half-term break. • £1.2m for Norfolk Assistance Scheme (NAS) – an extension of the county council's existing scheme to provide emergency financial help, essential household goods and advice and support. • £1.4m to district councils for community support

	• £1m of support targeted to voluntary and community groups, via Norfolk Community Foundation. Norfolk's voluntary, community and social enterprise (VCSE) organisations as well as town and parish councils and faith groups, will be able to apply for £50 vouchers for groceries / household essentials to distribute to those in need. • £500,000 –for local support with food.
7.6	**Question from Cllr Emma Corlett** The Norwich Western Link is losing support, increasingly recognised as too damaging and too expensive. If, as I hope, it doesn't go ahead people need to get around without damaging the environment and those communities blighted by rat running still need relief. Can the Leader confirm what plan B is? **Response from the Leader and Cabinet Member for Governance and Strategy** The Norwich Western Link continues to have wide support and there is no evidence that it is losing support. We are in agreement that there are significant traffic congestion issues in communities to the west of Norwich and, with population and job growth in Greater Norwich, they will continue to worsen unless we take action. Early in the project, we sought input from representatives of those affected communities to identify objectives which any solution to address these traffic issues should address. We then went through a very thorough options assessment process in 2018 and this process is documented in a report published on our website. This found that non-road-based solutions, such as additional bus services, would be less likely to be successful at achieving these objectives than a road-based link. So we have taken, and will continue to take, an evidence-based approach to this project to deliver the best all-round solution for the Norwich Western Link, including its environmental mitigation proposals. It's important to mention that I and my cabinet colleagues fully appreciate the positive difference the Norwich Western Link will make to so many people in Norfolk. Removing traffic congestion from small unsuitable roads and reducing journey times are the direct benefits but there are many more benefits too. These include helping ambulances and other blue light services reach people more quickly in emergency situations, helping to improve road safety and air quality close to people's homes by taking traffic out of residential areas, supporting our businesses by making journeys more efficient, reducing transport costs and making it easier for customers to reach them, and enabling people living in areas currently blighted by traffic to walk and cycle and generally have a better quality of life. I would add that the new link road gives us opportunities to maximise the benefits it will create through other sustainable transport measures, both close to the route in rural communities as well as in suburban and urban areas of Norwich. This is something that we are planning to deliver as part of the Norwich Western Link project but also through the development of measures under the recently agreed Transport for Norwich Strategy.

7.7	**Question from Cllr Brenda Jones** The People and Communities Select Committee and the Adult Services review panel exist to help develop new policy. Yet today's agenda includes a report on the future of Adult Social Care that has not been to either, nor have the public or partners had the chance to comment. Why not? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** Thank you for your question. As you are aware Adult Social Services has had a very clear vision and direction for a number of years, which is widely known and supported. The report to Cabinet today is not a new policy but an operational project which affirms that strategy and highlights areas of focus which are not new and have been considered and influenced in many ways – including through People Select Committee, through feedback from people who use services, through research and engagement, and underpinned by data and evidence.
7.8	**Question from Cllr Maxine Webb** At November's Infrastructure and Development Select Committee meeting the Director of Active Norfolk committed to remove and replace the inaccurate statement about children aged 5-16 with a disability and long-term health condition "activity levels of those young people are the same as those without one" which appears on page 9 of the Active Norfolk strategy. To date this has not happened; could the Cabinet Member for Communities & Partnerships please confirm when this will be rectified? **Response from the Cabinet Member for Communities and Partnerships** Whilst the statement is not materially inaccurate, we accept that it could be misleading. This has now been removed from the Active Norfolk strategy, pending a review of its presentation.
7.9	**Question from Cllr Jamie Osborn** Norwich City council has withdrawn its support for the NWL after it requested evidence of five criteria being met but that evidence was not provided. The criteria included air quality, decongestion, investment in public transport, cycling and walking, and mitigation of wildlife and landscape impacts. Does the Cabinet Member acknowledge that the county council has been unable to provide the required evidence regarding these impacts of the road? **Response from the Cabinet Member for Highways, Infrastructure and Transport** The City Council's position was set out in the June 2021 reporting to the County Council's Cabinet. All of the criteria that have been set out by the City Council will be either included in the planning application for the NWL or in the action plan that will be developed for the recently approved Transport for Norwich Strategy (TfNS) - see Cabinet report for December 2021. Ahead of the planning application being submitted we will be completing a consultation on our proposals, and I would therefore encourage the City Council to review its position when the details for these are available. The Action Plan for the TfNS will be finalised later in the year and we will continue to work closely with the City Council on its development, as we have already for the adopted TfNS. **Supplementary question from Cllr Jamie Osborn**

	Millions of people around the country will have seen BBC Countryfile's exposé of the failure of wildlife "mitigation" measures installed around the NDR. The council's response that more surveys are needed was contradicted by the evidence of expert ecologists. Does the Cabinet Member now acknowledge that the council's road-building kills bats and that the "mitigation" measures installed are a vast waste of money? **Response from the Cabinet Member for Highways, Infrastructure and Transport** All of the measures installed along the NDR (Broadland Northway) were agreed with the statutory environmental bodies and the project was the subject of a very thorough and independent examination in public prior to the necessary orders being approved. The Development Consent Order for the NDR includes provisions for up to 15 years of monitoring of some of the environmental mitigation features for the project. The early monitoring completed to date since opening the NDR is published on the County Councils website and it can be seen within those reports that further monitoring is required to assess the success or otherwise of the features introduced. You will see in the reporting that the mitigation measures are being used by wildlife, so it is incorrect to suggest that they are a waste of money or that the road is responsible for killing bats.
7.10	**Question from Cllr Terry Jermy** It has been suggested to me that Cllr Peck is not counting the numbers of cars parked on the new county hall car park site because he is embarrassed at the lack of use and waste of scarce resources. Can he tell me how he measures value for money for this scheme in the business case prepared under paragraph 6.7 of the Financial Regulations? **Response from the Cabinet Member for Commercial Services and Asset Management** As Cllr Jermy will be aware, not least from responses to similar questions, there has been a global pandemic underway. Which has meant that all offices (including ours) have either been following the Prime Minister's instruction to 'work from home where you can' or following national health and safety guidance operating with a significant reduction in usable desk space. As we emerge from the pandemic, following the successful vaccination programme; nationally we will start to see a slow return back to previous usage patterns – whether that be on the train network, footfall in our major cities, and indeed the use of County Hall. I make no bones that our offices (and indeed car parks) have been quieter than usual, but there is a good public health rationale. In terms of Value for Money – we have and will continue to consolidate offices and functions onto the County Hall estate, providing a more efficient and lower cost estate, whilst delivering environmental benefits from this key recently refurbished building. We are clear that we will need parking, alongside other modes of transport, to support the staff, visitors and partners who use County Hall. This is not something to be embarrassed about – but is delivering real savings for the taxpayer
7.11	**Question from Cllr Paul Neale** Our adult social care system is in meltdown because of inadequate funding from the government to recruit and maintain dedicated skilled staff to run it. The

Government has recently given Norfolk County Council a one off payment of £600,000 to prop up our crumbling adult social care services. NCC's cabinet member is quoted as saying that he is really pleased the government has taken on board our requests for extra support yet he should be pressing the government for what is needed not praising them.
Is the cabinet member actually aware of how much we need long term to give adult social care that is fit for purpose?

Response from the Cabinet Member for Adult Social Care, Public Health and Prevention
Thank you for your question. As you would expect the case for extra resources is being continually made by Norfolk County Council because the pressures on the social care system are immense due to the current wave of Omicron infections.

We have been met with some success recently with the extra £5.2 million pounds Workforce Grant and the £600k Omicron Grant which we have put straight out into the Care Market and I make no apology for praising both our own staff and those in the wider care sector for the way they are continuing to support people.

At the same time we have, and will continue to take every opportunity to set out for Government the urgent need for long-term sustainable funding for the sector, and particularly the need for parity of investment with the NHS. COVID has clearly demonstrated the critical role that social care plays in the wider health and social care system.

Second Question from Cllr Paul Neale
As the council has recently lost two judicial review cases, incurring high public costs, will the Cabinet commit to make the adjustments to the LTP4 requested by Leigh Day Solicitors in its letter to the Council dated on 21 December, and also undertake to not in the meantime hold the plan out to any third party as a completed and fully adopted plan?

Response from the Cabinet Member for Highways, Infrastructure and Transport
The council has adopted a revised Local Transport Plan (LTP) strategy and committed to the development of an implementation plan. Until the implementation plan is adopted the current LTP remains LTP3 and by virtue of s108(3b) of the Transport Act 2000 the council is required to have regard to LTP3 in complying with its duty under s108(b).

That does not negate the need for the council also to 'carry out their functions so as to implement' the policies contained within LTP4 in accordance with s108(1)(b), this is because LTP4 contains policies which have been developed under s108(1)(a) of the Transport Act 2000. As such an appropriate level of weight will be given to the LTP4 strategy in decision-making by the council.

In development of the implementation plan the council will give due consideration of, and review and where appropriate revise, LTP4 Strategy to ensure that our legal duties are met and that the documents therein are consistent.

7.12	**Question from Cllr Steff Aquarone** Can the Leader of the Council explain why he has not made a statement despite the repeated requests from the Eastern Daily Press on the claims that Councillor Borrett twice struck a horse during a hunt over Christmas? **Response from the Leader and Cabinet Member for Governance and Strategy** I accept that the media enjoy harassing politicians as they see that as part of their role. There is little point in commenting on an allegation that has no substance, which has been demonstrated by the relevant bodies taking no action. **Second question from Cllr Steff Aquarone** Can the Cabinet Member confirm what impact the successful achievement of NCC's stated net zero ambitions will have on Norfolk's carbon emissions? **Response from the Cabinet Member for Environment and Waste** NCC has made a public commitment to reducing its estate emissions to net zero by 2030. This commitment is an important signal that NCC recognises and seeks to be part of the national effort for the UK to be net zero by 2050. Gross emissions falling under the scope of NCC's net zero target were around 7,200 tCO2e for the year ending March 2021 (down from over 12,800 tCO2e in 2016/17). This represents around 7.5% of total public sector estate emissions in the county (including hospitals, schools etc). Furthermore, the contribution of public sector estate emissions Norfolk's territorial emissions is estimated to be around 2%. Therefore, we appreciate that NCC is only directly responsible for a small part of Norfolk's overall emissions. Nevertheless, we believe that setting and delivering on our estate net zero target sets an important example. The October Cabinet paper on Environmental Policy set out an ambition to go further through influencing our supply chain, through working in partnership with other public sector organisations in Norfolk and through helping Norfolk residents to reduce their transport emissions through supporting better passenger transport, active travel and the transition to electric vehicles.
7.13	**Question from Cllr Ben Price** Recently, some councils have committed to leading the effort to become "deforestation-free" by trying to eliminate use of products that contain palm oil linked to deforestation. Chester and Oxford councils are working with schools and businesses to help them reduce the use of harmful palm oil. Will Norfolk do the same, including via wholly-owned companies such as Norse? **Response from the Cabinet Member for Environment and Waste** We are aware of the impacts of palm oil production on tropical forests, and how it has become a key component in a range of products, with an estimated 50% of supermarket products containing it. It is widely acknowledged that the key issue isn't with the product itself, but where this crop has been planted. It is for this reason that the Defra set up the UK Roundtable on Sustainable Palm Oil. As a result of this initiative, it is worth noting that the bulk of palm oil now imported into the UK is derived from certified sources (UK Roundtable on Sustainable Palm Oil Annual Report). However, NCC has committed to look at reducing the environmental impact of its supply chain wherever possible, and will continue to monitor this issue, and, in terms of school meals, Norse will continue to source good quality ingredients from sustainable sources, and locally wherever possible.

	Second Question from Cllr Ben Price The role of adult services is to care for the welfare of our county's citizens. Does the cabinet member for Adult Social Services believe that empathy for the welfare of all living things is a prerequisite to be a fit and proper person to perform this role, and, in light of the recent claim by anti-hunt activists that he hit his horse twice with the handle of his hunting crop, while on a hunt, should he now tender his resignation? **Response from the Leader and Cabinet Member for Strategy and Governance** Cllr Borrett has done and continues to do an excellent job as Cabinet Member for Adult Social Care, Public Health and Prevention and he has my full confidence in that role. The allegation was purely that, it has not been substantiated and it was determined that no action was necessary by the relevant bodies.

Written Supplementary Questions requiring written responses from the Cabinet Meeting held on Wednesday 12 January 2022

	Agenda item 7 **Local Member questions**
	Supplementary question from Cllr Maxine Webb In light of your response, please explain why the statement is not materially inaccurate, when the review is expected to be completed by and will an update be provided to the next Infrastructure Development Committee as this issue was raised at the last meeting. **Response from the Cabinet Member for Communities and Partnerships** It is difficult to be definitive as there is no single source of information which provides the complete picture, but the DfE data we have indicates that over 90% of children and young people in England that have a learning problem or disability that make it more difficult for them to learn are educated in "mainstream" schools. So, it is right that the Active Lives Child Survey does not cover those children in Special Schools, pupils that will often have the most complex needs. However, the survey sample does cover schools where the vast majority of children with learning problems or disabilities attend. So it is reasonable to caveat / interpret the survey results with this in mind, but I think the Active Lives Child data on children and young people with a disability remains useful and is materially accurate. Our review of how we present this information will be completed before the end of February. We will continue to prioritise our work in making it easier for children with SEND and those with a disability to experience the benefits of an active lifestyle, which clearly is our primary aim.
	Supplementary question from Cllr Brenda Jones Given that this is policy development, part of the very reason we have select committees, why hasn't the People and Communities Select Committee been involved in the detail of this proposal and when will the supporting evidence be published? **Response from the Cabinet Member for Adult Social Care, Public Health and Prevention** People and Communities Select Committee has already helped to shape this next phase of transformation for adults social services through its policy shaping and influencing work. Since May 2019, it has considered and made input into prevention approaches, approaches to supporting carers, integration with the NHS to deliver better experience for people, technology approaches, Care Market – performance, shaping, operational resilience (during Covid) and engagement. The Cabinet report included an appendix which summarised the supporting evidence from the diagnostic work.

Cabinet

Item No: 8

Report Title: Fee levels for adult social care providers 2022/23

Date of Meeting: 31 January 2022

Responsible Cabinet Member: Cllr Bill Borrett (**Cabinet Member for Adult Social Care, Public Health & Prevention**)

Responsible Director: James Bullion, Executive Director for Adult Social Services

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 25 November 2021

Executive Summary / Introduction from Cabinet Member

This paper brings forward to Cabinet the annual review of the fee levels relating to Adult Social Services purchased care services, and the recommended change to these for the upcoming financial year 22/23. With current general UK inflation around 5.4% (Consumer Price Index of 5.4% in 12 months to December 2021), our recommended fee uplift of 6% exceeds this and represents the highest fee uplift offered by this Council for the Adult Social Care market in at least the last 5 years. This paper provides for a further £18m investment in levelling up our local care economy during 22/23. Recognising the make-up of care costs, this uplift of rates will enable Norfolk's local care providers to wholly meet Governments increase of 6.6% to the National Living Wage and the anticipated wider price inflation of 3.7% indicated by the Office of Budget Responsibilities 22/23 estimate of the consumer price index (CPI).

Norfolk County Council (the Council) invests more than £330m a year in purchasing external adult social care services from the market. The Council has legal duties under the Care Act 2014 to promote the effective and efficient operation of this market including its sustainability and maintaining adequate fee levels. Furthermore, recent central government announcements, including the White paper "People at the Heart of Care", have set out reform aspirations that will have a material impact on the services we commission from independent care markets. At the same time the Council also has a duty to deliver both a balanced budget and value for money against public funding.

In recognising these duties, the Council has sought to undertake both a "cost of care" exercise and a "fee uplift" exercise that seeks to update our pricing structures for commissioned care in 2022/23. In undertaking both exercises, the Council has engaged with care providers and used external sources of information to inform its conclusions.

We recognise the challenges Norfolk's care market faces and have therefore ensured a price uplift recommendation that reflects those continued pressures, including but not limited to increasing labour costs driven by both the National Living Wage and external competition for labour and the wider cost pressures inferred by the general underlying inflation seen within the economy.

As a result of the exercises undertaken and described in this paper, and the wider context surrounding our care market, we are recommending to Cabinet a much needed, and critically significant, fee uplift for the Adult Social Care market. Notwithstanding our continued desire for Central Government funding to invest in the sustainable delivery of high quality social care, the recommendations within this report seek a balanced approach to meeting our duties by offering a fair and equitable distribution of the resources available to the Council and support our drive for increasing the quality of care provision.

Recommendations:

Cabinet is recommended to:

a) **Consider and agree the implementation of the outputs of the Cost of Care exercise described in section 3.2 of this paper**
b) **Consider and agree the implementation of the outputs of the fee uplift exercise described in sections 3.3 - 3.11 of this paper**

1. Background and Purpose

1.1 Norfolk County Council (the Council) invests more than £330m each year in commissioning Adult Social Care services from hundreds of independent businesses that make up Norfolk's Care Market. In addition to our investment, both our health partners and private self-funding individuals purchase services from these businesses as part of a local care economy.

1.2 The Care Act (2014) requires Local Authorities to promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market:

a) has a variety of providers to choose from who (taken together) provide a variety of services
b) has a variety of high quality services to choose from
c) has sufficient information to make an informed decision about how to meet the needs in question

1.3 In performing this duty a Local Authority must have:

a) regard to the importance of ensuring the sustainability of the market
b) the importance of fostering continuous improvement in the quality of services and the efficiency and effectiveness with which such services are provided and encouraging innovation in their provision
c) the importance of fostering a workforce whose members are able to ensure the delivery of high quality services (because, for example, they have the relevant skills and appropriate working conditions)

1.4 When commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support and allow for the service provider to be able to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality and encourage innovation and improvement. Local authorities should have regard to guidance on minimum fee levels necessary to provide this assurance, taking account of the local economic environment. This assurance should understand that reasonable fee levels allow for a reasonable rate of return by independent providers that is sufficient to allow the overall pool of efficient providers to remain sustainable in the long term.

1.5 Local Authorities should ensure that they themselves have functions and systems in place to fulfil their duties on market shaping and commissioning that are fit for purpose, with sufficient capacity and capability of trained and qualified staff to meet the requirements set out in the updated Care Act and the Care and Support Statutory Guidance August 2021

1.6 Local authorities must develop markets for care and support that – whilst recognising that individual providers may exit the market from time to time – ensure the overall provision of services remains healthy in terms of the sufficiency of adequate provision of high quality care and support needed to meet expected needs. This will ensure that there are a range of appropriate and high quality providers and services for people to choose from.

1.7 The Council also has duties within its broader legislation to deliver an array of other functions. This is all bound within the Local Government Finance Act (1992) provisions which set out the process to which the Council must set a balanced budget annually and the Local Audit and Accountability Act (2014) which requires our Auditors to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. It is therefore important to recognise the delivery of our Care Market duties within the wider context of the Council’s responsibilities and financial constraints.

1.8 As such, the Council on an annual basis undertakes a broad review of the fee levels it usually expects to pay in relation to the provision of commissioned Adult Social Care services for the forthcoming financial year.

1.9 In December 2021, Central Government published its White Paper “People at the Heart of Care”. This paper does not seek to describe all of the contents of the upcoming reform but it is important to recognise the interaction of the components relating to “Market Sustainability and Fair Care of Care”. As described in section 3.2 of this paper, within the recently announced reform, is the expectation of a “move towards paying providers a fair rate of care”.

2. Existing Market Conditions

2.1 Before outlining the proposal, the following segment provides some existing background to Norfolk's care markets that provide relevant context and rationale for the proposal.

2.2 **Demand for Care**

a) Norfolk's population is projected to increase by approximately 13% over the next 10 years, it is projected to continue to be the 9th largest local authority in England. This is a projected population increase of over 56,000 spread over the next 10 years, 44,000 (78.6%) of this increase is in the population aged over 65. Across Norfolk, the average life expectancy is approximately 80 years for men and 84 years for women. The average number of years a person can expect to live in good health is about 63. Deprivation and poverty influence the health and wellbeing of the population. The life expectancy gap between the most deprived areas of Norfolk and the least deprived areas is 7.4 years for men and 4.4 years for women
b) People are living longer with multiple long-term conditions. Long-term condition levels increase in the older age group and modelled estimates indicate that the 75+ population of Norfolk is likely to require about 15,000 nursing and residential beds and more than 6,000 housing with care units. This was the position pre the Covid pandemic – further modelling is to be undertaken to reflect the impact that Covid has had on the sector especially the demand for residential provision
c) Dementia - about 1% of the population in Norfolk have a dementia diagnosis recorded and this is higher than in England as a whole, most likely due to the ageing population in the county. In 2019/20 10,796 people registered at practices in Norfolk and Waveney were recorded as having a dementia diagnosed. By 2030 dementia prevalence is expected to increase to about 21,400 people, a 24.8% increase on the 2019/20 position. People living with dementia get the diagnosis and medication from the NHS, however often the symptoms mean that they need help with everyday living such as personal care and shopping meaning that social care also provides a lot of support to people living with the condition. As such a higher number of dementia cases in Norfolk will put additional demand on both the health and social care services required to provide treatment and support to enable the individuals to live well for longer
d) Further demand is placed on services if people need to be admitted to hospital due to dementia. Across Norfolk and Waveney there are approximately 7,000 emergency admissions each year for people with dementia. Care home and care at home services need to be supported to meet increasing acuity of need and reduce the level of unplanned admissions and ambulance call outs. As a system we need to review how best to ensure that the adult social care sector has the funding and wider support needed to meet current and expected future needs
e) Advances in healthcare mean than people with disabilities are now more likely to survive into adulthood and live longer, often in a care home environment
f) With an ageing population this does, and will continue to, result in higher levels of demand for care and support, alongside decreasing Council resources. As part of our Promoting Independence strategy the Council is changing and adapting the services that it commissions. Services will need to have more of

an emphasis on prevention and early help, supporting people to stay independent for as long as possible thereby delaying the need for more formal care

2.3 **High Quality Care**

2.3.1 The Care Act requires Local Authorities (LAs) to support the development of a vibrant market that gives people choice of high quality provision.

2.3.2 The Care Quality Commission (CQC) Inspections Board, as at November 2021, highlights that Norfolk County Council has 72.5% of all care types rated good and outstanding. When looking at individual care types the percentage rated good and outstanding compared to the East of England and the family group of similar local authorities are as follows:

Table 1: CQC Quality rating comparisons

	Percentage of services rated good and outstanding		
Care type	**Norfolk**	**Family Group**	**East of England**
All care types	72.5%	84%	84.1%
Home support	76.6%	90%	88.6%
Nursing	68.4%	77.9%	80.9%
Residential	71.4%	82.5%	81.2%

2.3.3 The above highlights that Norfolk is significantly worse than the averages for East of England and the family group of similar Local Authorities and is ranked the lowest for the average of 'all care types' compared against both groups.

2.4 **Sustainable Care Markets**

2.4.1 The Council must have regard to the importance of ensuring the sustainability of the Care market.

2.4.2 The adult social care market is characterised by increasing demand, greater complexity of need, increased costs, especially related to staffing and critical labour shortages. We have seen that the current pandemic has increased the pressure on delivering safe, high quality and sustainable care. Whilst this describes Norfolk, it is also describes a national picture that will be familiar to many Local Authorities.

2.4.3 During 2021/22 22 the Council has seen demand outstrip supply in key sectors such as domiciliary care and continuing upward pressures on fee levels across all care sectors.

2.4.4 The Council closely monitors the stability of its care markets and at present has found an increasing number of residential providers at risk of failure or looking to exit the care market. Covid has had a significant impact on this with some providers not confident that the market will revert back to the pre Covid position. Recruiting and retaining staff is the other factor impacting on the sustainability of the residential sector.

2.4.5 The Council's Integrated Quality Service both supports providers with implementation of improvement plans, but also monitors referrals to providers with quality concerns to help ensure safe admissions to services. In some cases, improvements are not achieved and the Council will work with individuals and their families to seek alternative arrangements. The limited availability of some types of care in Norfolk, which can be driven by workforce shortages e.g. nursing, is a barrier to quality improvement, which will normally be higher in a more competitive market.

2.4.6 Supporting quality improvement through the mechanisms available to the Council is a priority. Identified actions include:

a) The Integrated Quality Service has been strengthened to rollout the programme of PAMMS audits across all parts of the care sector and to deliver specific support for providers where improvement actions have been identified
b) We have reviewed our contract management approach and are working with corporate teams to identify system improvements that can support improved access to contract information, oversight of provider performance and a shared evidence base
c) New commissioning approaches and upcoming reviews of contracts will be strengthened to improve quality and workforce measures. In addition, the Council, in collaboration with Health, are supporting wider engagement on ethical commissioning approaches to improve future practice
d) The policy for quality improvement and escalation has been reviewed to help ensure a consistent approach to managing the safeguarding and contractual elements of quality concerns
e) Embedding a quality culture across all adult social care teams to ensure that quality is a focus in all roles through induction, training, forums and communications
f) A cost of care review has been undertaken for older people residential and nursing and software purchased to support cost review of care provided for working age adults
g) A wellbeing programme was implemented during Spring 2021 and a further programme will be available for all care providers and their staff this winter
h) The Adult Social Care Workforce Strategy and five year implementation plan is agreed with good progress made supported by integrated work with social care partners and health
i) Direct action to help shape the market through investment in independent living schemes for both older people and working age adults

2.4.7 In order to ensure that we have market stability, we continue to enhance our monitoring of provider risk and maintain a close relationship with the Norfolk Care Association (NorCA)

2.5 **Workforce recruitment and retention**

2.5.1 A critical component to delivering care is a stable, motivated and skilled workforce. The care sector employs 1.5m people nationally – this is more than the NHS which employs 1.3m people. According to Skills for Care, an estimated 24,500 people are employed in the care market in Norfolk.

2.5.2 Norfolk has serious long term labour turnover issues amongst staff working in care; across all care types annual staff turnover is 34%. When we review by care type turnover is at 39% in residential homes, 47% in nursing homes and 33% in community based services. This reflects an issue in the sector across direct care staff, professionals such as registered nurses, management and administration roles. The turnover rates are even higher if only direct care staff are counted. Skills for Care report that theacross all job roles in August was 8% across the Eastern Region and the care sector has indicated that this has increased during the autumn. Actions being taken by providers across the sector to mitigate staff capacity gaps include: using overtime, temporary cover of shifts, refusing new referrals, agency staff and handing back care.

2.5.3 The reasons for high staff turnover rates are multi-faceted. Covid has had a massive impact on staff wellbeing with staff "burnout" being reported by most providers. Recognition is something that is often cited by care staff, a recognition that they are skilled workers and play an important role in keeping people well, fulfilled, enabled, as active as possible and out of hospital. Pay is a significant factor with some staff moving to a different provider for what can often be a very small increase in pay. Social care roles have previously been seen as jobs rather than as careers so promoting social care as a good career opportunity, providing access to training and development and ensuring that staff are paid an appropriate wage are essential to improving the recruitment and retention of the workforce.

2.5.4 Whilst clearly a national scale issue, the Council provides a high level of recruitment and retention support for providers. This includes:

a) The employment of a Recruitment and Retention Officer who works with social care providers, delivering recruitment fairs and webinars and offering training sessions to providers in what good recruitment and retention practices look like. During the year there has been a strong focus on the local recruitment campaign with TV and radio adverts, video case studies and social media marketing. This seems to be getting traction but there is still a long way to go to address the current staff capacity issues being experienced within the sector
b) Norfolk Care Academy - a new initiative that supports the on-boarding of applicants into the care sector
c) Earn as you learn – an initiative focussed on students offering them opportunities to gain regular paid work whilst studying
d) International recruitment – working collaboratively with the NHS to optimise the opportunities for international recruitment
e) The Norfolk Care Association (NorCA) are currently leading a project on Parity of Esteem to develop a care worker framework linked to pay. The framework will draw on experience, qualifications, skills, expertise, level of individual responsibility and complexity of service delivery and will support the development of a robust career pathway within the adult social care sector

3. Fee uplift and Cost of Care Proposal

3.1 During 2021/22 the Council has undertaken an exercise to formally review the underlying cost of delivering Residential and Nursing Care for Older People – this is known as the Cost of Care exercise. In addition, it has undertaken its annual review of the cost drivers that will likely impact all care markets as we enter 2022/23 – this is know as the Fee Uplift exercise.

3.2 Cost of Care Exercise

3.2.1 As part of Social Care reforms announced in September and followed up in the December 2021 "People at the Heart of Care" white paper, central government has outlined some key commitments to delivering reform that "protects people from unpredictable costs; offers more choice and control over care received; offers outstanding quality; and is accessible to those who need it".

3.2.2 Underpinning this reform is the reaffirmation of the need to have sustainable care markets to deliver against this aspiration. One fundamental aspect of the reform will therefore be to "ensure that local authorities are able to move towards paying a fair cost of care".

3.2.3 To fund the reform nationally £162 million will be allocated in 2022/23 to support local authorities as they prepare their markets for reform. A further £600 million will be made available in both 2023/24 and 2024/25. These proposals are funded by the new Health and Care Levy announced in September 2021.

3.2.4 We currently await additional details relating to the future years funding but the overarching conditions relating to 2022/23 funding are:

To prepare markets, we expect local authorities will carry out activities such as:

a) conduct a cost of care exercise to determine the sustainable rates and identify how close they are to it
b) engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market (particularly the 65+ residential care market, but also additional pressures to domiciliary care)
c) strengthen capacity to plan for, and execute, greater market oversight (as a result of increased section 18(3) commissioning) and improved market management to ensure markets are well positioned to deliver on our reform ambitions
d) use this additional funding to genuinely increase fee rates, as appropriate to local circumstances. To fund core pressures, local authorities can make use of over £1 billion of additional resource specifically for social care in 2022 to 2023. This includes the increase in Social Care Grant and the improved Better Care Fund, a 1% adult social care precept and deferred flexibilities from last year's settlement

3.2.5 The Council has been undertaking formal cost of care reviews for older adult residential services since 2015. In 2021/22 we have again undertaken this exercise.

3.2.6 In calculating the cost of care rates for 2022/23 for the older adult residential sector the Council:

a) In partnership with NorCA, held engagement events with older adult residential providers to help inform the cost of care approach to be adopted
b) Established a provider task and finish group to support the cost of care review process
c) Created a standard provider cost template and analysed the findings from the care providers who kindly supplied information to the Council
d) Reviewed other information sources to benchmark the approach including the LaingBuisson Cost of Care Toolkit, Skills for Care pay data submitted by Norfolk

providers during the six months of this year and undertook an analysis of pay rates being advertised for jobs within the sector

e) Engaged with the older adult sector on the approach and assumptions used to determine the new usual prices for 2022/23. This engagement process runs from 23 December 2021 through to 13th January 2022

3.2.7 The costs that came out of the review were then benchmarked against other information sources to ensure that they accurately reflected the current market conditions and costs being incurred. Benchmarking resources included the Laing Buisson cost of care toolkit, the Skills for Care Pay rates for April - September 2021 and advertised pay rates on Indeed, Norfolk Care Careers and Reed.

3.2.8 In recognising the findings from the cost of care exercise, and the reality of the costs currently being paid by the Council, the recommendation is to uplift our underlying cost of care as follows:

Table 2: Cost of Care Usual Price Changes

Market Sector Single room only	2021/22 Usual Price	Cost of Care Usual Price (pre 2022/23 fee uplift)
Residential Standard	£584.03	£652.42
Residential Enhanced	£679.29	£718.89
Nursing Standard *	£600.83	£659.59
Nursing Enhanced *	£658.92	£737.13

*excluding FNC

3.2.9 During 2022/23 the Council will consider carefully any additional requirements of the Market Sustainability and Fair Cost of Care element of the Social Care reform and take the necessary steps to implement any relevant changes required.

3.3 Fee Uplift Exercise

3.3.1 Each year the Council undertakes an exercise to consider any changes in circumstances that will impact the future costs and therefore fee levels it pays for the delivery of commissioned Adult Social Care services. We have again undertaken this exercise to consider any changes relating to fee levels for 2022/23.

3.3.2 The starting position for this exercise, as in previous years, is to segment our care provision into the individual care markets, and then within these markets, consider the primary categories of cost and their overarching drivers (including any specific terms and contract clauses).

3.3.3 The overarching cost categories and drivers in our models are as follows (note the provision of a cost of care exercise for Residential and Nursing Care means that model is more granular in detail):

Table 3: Care Cost Categories

Category	Driver
Care Staff	Staff pay, National Insurance and Pension contributions
Other Staff	A balance between Care Staff driver and Other Cost driver
Other Costs	Inflation as measured by Consumer Price Index

This method is used to derive a weighted % uplift for each care sector.

3.3.4 We then gather associated evidence to consider how the cost drivers are materially likely to change as we enter the upcoming financial year.

Table 4: Care Cost Drivers

Driver	Evidence
Staff Pay	Current labour market rates from Skills for Care, National Living Wage national announcement,
National Insurance	National information on newly set 1.25% increase related to Health and Care levy
Pension	National relevant auto enrolment
General Prices	Inflation as measured by Consumer Price Index - Office of Budget Responsibility (OBR)[1] in late October which forecasts a 3.7% increase in these costs for 2022/23

3.3.5 In relation to staff pay, on the 27th October 2021, the Chancellor of the Exchequer in the Autumn Spending Review announced the intention to increase the NLW by 6.6% from £8.91 to £9.50 in April 2022. For workers under 23, a smaller increase will be provided.

Table 5: National Living Wage rates

	Rate from April 2022	Current rate (April – March 2022)	% increase
National Living Wage	£9.50	£8.91	6.6%
21-22 year old rate	£9.18	£8.36	9.8%
18-20 year old rate	£6.83	£6.56	4.1%
16-17 year old rate	£4.81	£4.62	4.1%
Apprentice rate	£4.81	£4.30	11.9%
Accommodation offset	£8.70	£8.36	4.1%

3.3.6 The information we acquire from the Skills for Care national minimum dataset information sets out actual pay rates for the care sectors in Norfolk. These tend to indicate that actual average wages in Norfolk's care market are slightly above the National Living Wage. The Council recognises however that in order to compete in the labour market, at a minimum, increases in pay rates need to be in line with increases in the NLW. In addition, the Council recognises that pay differentials need to be supported to aid retention of skilled and experienced staff.

3.3.7 This, alongside the training and development opportunities available to adult social care staff through, for example, the ESF funded Health and Social Care

[1] OBR "November 2020 Economic and fiscal outlook – supplementary table 1.7" – available online

Development fund, will help to support adult social care as a career and hopefully attract more people into the sector.

3.3.8 The Council has, as in previous years, segmented the care markets for the purpose of the fee uplift exercise into the following categories

a) Home Support (Spot/Framework)
b) Long Term Older People Residential and Nursing Care
c) Short Term Older People Residential and Nursing Care
d) Working Age Adults Residential and Nursing Care (including Physical and Learning Disabilities and Mental Health)
e) Day Opportunities (Day Services)
f) Supported Living
g) Supported Accommodation (Housing with Care)
h) Supported Accommodation (Shared Lives)
i) Direct Payments

3.3.9 For contracts with the following terms and conditions the following will be applied:

a) Indexation of Prices. These contracts specify an annual variation by reference to a specific price index or indices. In these cases, the Council is contractually obliged to apply whatever the indexation requires by way of price variation
b) Fixed Prices. These contracts set a fixed price for the duration of the contract. The Council is not contractually obliged to adjust prices in these types of contracts
c) Pre agreed tendered prices. With these contracts the provider is required to set out in advance the prices they require over the life of the contract including their assessment of inflation with no facility for altering those prices. In these circumstances the Council is not contractually obliged to make any changes to prices but has a discretion to consider changes in wholly exceptional circumstances
d) Prices subject to annual inflation consideration. These are the contracts in scope of the proposed fee uplifts described in table 6

3.3.10 In consideration of the aspects described in section 3.3 (and its sub-sections included above) the fee uplift proposals recommended for those contracts associated with 3.3 are:

Table 6: 2022/23 Fee Uplift Proposal

Market	Uplift %
Home Support (Spot/Framework)	6.00%
Long Term Older People Residential and Nursing Care	6.00% (applied as a fixed cash uplift to usual prices only)
Short Term Older People Residential and Nursing Care	0% / N/A
Working Age Adults Residential and Nursing Care	6.00%
Day Opportunities (Day Services)	6.00%
Supported Living	6.00%
Supported Accommodation (Housing with Care)	6.00%
Supported Accommodation (Shared Lives)	6.00%
Direct Payments	6.00%

3.3.11 For each of the markets described in table 6 the following applies some additional narrative.

3.4 **Home Support.**

3.4.1 The home support sector is facing unprecedented demand and significant challenges in recruiting and retaining the staff needed to meet this demand. The requirement for staff to travel, lone working and the added responsibility that this brings makes this makes this more difficult to recruit to. Pressure on pay rates associated with the NLW and the significant increase in the costs of fuel mean that there is a risk that the cost of service delivery will soon exceed the fee rates being paid by the Council.

3.4.2 The Council still has a number of areas of the County covered by block contracts, these block rates are lower than the framework rates and all block providers have requested a discussion about the rates as part of a discussion on extending current contractual arrangements. The Council has paused the strategic review due to the current market pressures and workforce challenges. It is the intention of the Council to pick this up again early next year to review how best to optimise provision and capacity across the sector.

3.4.3 The Council's focus is the on-going work with the market to create effective partnerships that support the ambition of high quality care being delivered to vulnerable people in Norfolk. The percentage of home support (care at home, Extra Care Housing, Supported Living and Shared Lives) providers rated good or outstanding is 76.6%. This is the lowest in the Eastern Region and the lowest of the family group (average of providers rated good or outstanding 90%).

3.4.4 The recommended uplift of 6% will increase the hourly rate from £19.68 to £20.88 per hour of care. This uplift will maintain the strategic intention to support and develop the Home Support market. The new process will allow for providers to continue to invest into the care workforce recognising pressures such as the NLW. NCC will use the benefit of the Framework Agreement to work with providers to grow care capacity and capability in identified areas of need, both in terms of geography and to meet complex needs.

3.4.5 It should be noted that block contracts continue to operate in geographical areas of West Norfolk, East Norfolk and North Norfolk. These block contracts are subject to pre agreed tendered prices, as per the definition stated in section 3.3 above.

3.5 **Residential and Nursing Care for Older People**

3.5.1 As described in section 3.2 this market has also been subject to a cost of care exercise for 2022/23 pricing. As such the proposed 6% is in addition to that proposal as follows:

Table 7: Fee uplift and Cost of Care combined

Market Sector Single room only	2021/22 Usual Price	Cost of Care Usual Price (pre 2022/23 fee uplift)	2022/23 Fixed Cash uplift to usual price	2022/23 Usual Price
Residential Standard	£584.03	£652.42	£39.15	£691.57
Residential Enhanced	£679.29	£718.89	£43.13	£762.02
Nursing Standard *	£600.83	£659.59	£39.58	£699.17
Nursing Enhanced *	£658.92	£737.13	£44.23	£781.36

3.5.2 For clarity the fixed cash uplift means there is to be no fee uplift on third party and council top ups – this is a fixed cash uplift calculated on the basis of new usual prices.

3.5.3 For those people on short term contracts there will be no automatic uplift to price. These contracts should be short term in nature and therefore priced as such. People supported in short term placements will be reviewed and placed on appropriate length contracts related to their long term needs at an appropriate time to undertake long term planning. Should providers be concerned about the sustainability of their short term held contracts they are encouraged to contact us to discuss these.

3.6 **Residential and Nursing Care for Working Age Adults (WAA)**

3.6.1 Packages of care for WAA have a range of pricing structures in place and in many cases are negotiated to be specific to the needs being met.

3.6.2 The Council is working to implement a model to support consideration of the fair price of care as part of future reviews of WAA packages. As a result, the current banded costs have been inflated by 6%.

3.7 **Day Opportunities (Day Services)**

3.7.1 The annual cost for these services has been assessed and a fee uplift of 6% is proposed as outlined in **Table 6** above, subject to the contract clause between NCC and a provider, concerning any uplifts in prices.

3.7.2 Before Covid-19 the Council had the goal to work with providers and people accessing services to reshape this market to continue to align it with what the people we support have indicated they need. Commissioners will continue to work with providers to shape the offer and price within a post Covid-19 world.

3.8 **Supported Living**

3.8.1 The annual cost for these services has been assessed and a fee uplift of 6% is proposed as outlined in **Table 6** above, subject to the contract clause between NCC and a provider, concerning any uplifts in prices.

3.9 **Supported Accommodation (Housing with Care)**

3.9.1 We only have one independent provider of this service and the annual cost for these services has been assessed and a fee uplift of 6% is proposed as outlined in **Table 6** above, subject to the contract clause between NCC and a provider, concerning any uplifts in prices.

3.10 **Supported Accommodation (Shared Lives)**

3.10.1 We only have one independent provider of this service and the annual cost for these services has been assessed and a fee uplift of 6% is proposed as outlined in **Table 6** above, subject to the contract clause between NCC and a provider, concerning any uplifts in prices.

3.11 **Direct Payments**

3.11.1 It is proposed that the Direct Payments budget is increased by 6%. Direct payments reflect costs relating to both services and direct employment. The increase therefore needs to enable those that directly employ staff, i.e. as personal assistants, to pay in line with the proposed wage rate. The proposal would enable the hourly rate for care to increase to £9.91

3.11.2 Other costs would be increased by inflation at 3.7%. In addition, other mechanisms are in place that will ensure that an individual is able to meet their assessed unmet eligible needs, including reviews of needs and support plans to ensure that they accurately reflect those needs.

4 Impact of the Proposal

4.1 Funding to meet the financial impact of the fee uplift proposals and the older adult residential and nursing cost of care have been secured.

4.2 The fee uplift for 2021-22 incorporated a rate of £9 per hour for care staff which was above the NLW rate of £8.91. For 2022-23 the Council has uplifted the pay rate elements for each sector calculated in 2021-22 by 6.6% thereby retaining a rate in excess of the NLW rate.

4.3 The recruitment and retention of the adult social care workforce continues to present challenges and this impacts on the quality of provision and market stability. Whilst we recognise that every business model is different, and some agency usage will be required to allow a flexible workforce, it is far more cost effective if permanent staff can be recruited and retained. An above NLW offer continues to enhance the chance of attracting staff and should help to reduce reliance on agency provision.

4.4 The financial challenges being faced by the Council means that it is not possible to increase the fee uplift beyond that proposed in this paper. In addition to fee uplifts the Council also provides additional support for the external care provider sector. Support available includes:

a) Support to enable providers to move from delivering standard to enhanced provision
b) Continued focus on housing and prevention with a Council Capital Fund of £29m to support the development of up to 3,000 units of housing with care across the County
c) Continued focus on supported living with a Council Capital fund to support the development of over 180 supported living homes over the 3 years 2021-2024
d) Integrated Quality Service working with all parts of the care market to support quality improvement
e) Implementation of the Workforce Strategy and continuation of the Council funded external social care recruitment and retention support programme
f) Delivery of the ESF part funded skills development programme across health and social care delivering fully funded training to social care staff
g) Supporting the market to maximise the benefits of technology

4.5 **Provider reported impact of the proposals:**

4.5.1 The Council has engaged on both the cost of care review for the older adult residential and nursing home sector and the fee uplift proposals which were sent to all providers across all sectors. The engagement period for both proposals was from 23 December 2021 through to the 19th January 2022. The following provides a summary of responses received

4.6 **Responses received from providers in relation to cost of care**

4.6.1 Providers were asked 3 questions:

a) *Does the approach taken (re cost of care) and the assumptions used in the calculations appear fair?* Response choices: yes,no or maybe.

Out of 34 responses received 37% of providers responded yes, 37% no and26% maybe. The main reasons for the no and maybe responses is in relation to wage rates and the inability of providers to attract people into jobs at the NLW rate. Providers also felt that the increase in utilities and insurance costs incorporated into the cost of care rates are not sufficient given current price increases. Some providers had not picked up that inflation would be applied to the cost of care rates proposed and therefore commented that the pay rates did not meet NLW requirements. Providers were asked if they wished to amend their responses in light of this clarification

b) *Do the costs calculated more accurately reflect the current market conditions?*

Out of 34 responses18% of providers responded yes, 59% no and 23% maybe. Again, the reasons cited for their responses were the increasing costs of insurance, utilities, food costs, interest rates and costs of borrowing, wage rates and agency staff costs all of which have continued to rise since the cost of care exercise was undertaken. A couple of providers responded that the returns used were too low; returns include return on capital employed, rent and profit elements

c) *If these rates were accepted by Cabinet would you be willing to accept Norfolk County Council clients at these rates?*

Out of the 34 responses 35% of providers responded yes, 32.5% no and 32.5% maybe. In addition to comments about the difficulty of recruiting staff at the rates incorporated within the cost of care rate and the non pay inflation, there were comments made about needing to ensure that packages were reassessed in a timely way when needs have changed recognising higher acuity of need and a range of health and social care input required to support. Many providers responded that these rates will still require there to be a higher price charged to self funders

4.6.2 Responses received from providers in relation to the fee uplift proposal

As at 19th January 2022, 20 responses have been received from providers in respect of the fee uplift proposals. Of the responses received, nine welcome the proposed approach, nine believe that the approach is insufficient to address underlying costs and two understand the rationale but are concerned that what is proposed might not be sufficient to address current cost drivers. The key concerns raised by those opposed to the proposed approach cite wage rates required to attract and retain staff as the significant factor and also the impact of non pay inflation such as insurance premiums, food costs, petrol and utility costs. One provider recognised the support for recruitment and retention campaigns funded by the Council but commented that these will have limited impact until the underlying problem of low wages is addressed. The impact that Covid continues to have on staff absences due to sickness and isolating requirements is still high and difficult for providers to predict when this will reduce.

4.6.3 The challenges raised by providers through the feedback will inform the shaping of the commissioning intentions for the coming year. The Market Position Statement will be refreshed in line with these intentions ensuring that providers have access to information that will help inform their business plans. The Council will reflect the market engagement and challenges identified into the upcoming work to prepare Norfolk for the impact of the social care reforms.

5 Evidence and Reasons for Decision

5.1 The Legal Framework – The Care Act 2014

5.1.1 The Care Act places duties on local authorities to facilitate and shape their market for adult care, and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves or in other ways.

5.1.2 The ambition is for local authorities to influence and drive the pace of change for their whole market leading to a sustainable and diverse range of care and support providers, continuously improving quality and choice, and delivering better, innovative and cost effective outcomes that promote the wellbeing of people who need care and support.

5.1.3 The Statutory Guidance to the Care Act (Aug 2021) - when commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support, and allow for the service provider ability to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement. Local authorities should have regard to guidance on minimum fee levels necessary to provide this assurance, taking account of the local economic environment. This assurance should understand that reasonable fee levels allow for a reasonable rate of return by independent providers that is sufficient to allow the overall pool of efficient providers to remain sustainable in the long term. This section also identifies the following tools that may be helpful as examples of possible approaches: UKHCA Minimum Price for Homecare; Laing Buisson toolkit to understand fair price for residential care and the ADASS Paying for Care calculator.

5.1.4 The statutory guidance to the Care Act requires local authorities to commission services having regard to cost effectiveness and value for money. The guidance also states, however, that local authorities must not undertake any actions that might threaten the sustainability of the market as a whole, that is the pool of providers able to deliver the services required to an appropriate quality - for example by setting fee levels below an amount which is not sustainable for providers in the long term. The guidance emphasises the need to ensure that fee levels are sufficient to enable providers to meet their statutory obligations to pay at least the national minimum wage and provide effective training and development of staff.

5.2 **Contracts**

5.2.1 The Council spends over £330m a year in securing the care services needed through a large number of contracts. These contracts contain legally binding provisions regarding fee levels and often the treatment of inflationary and deflationary pressures on the fee levels which vary from contract to contract.

5.2.2 At 2021/22 usage rates the fee levels and cost of care exercise proposed in this report would add £18.3m m to the value of our total investment in the care market as we enter 2022/23. This is considered to be essential to enable the Council to continue to discharge its legal obligations as well as securing stable supply in the longer term.

6 Alternative Options

6.6 The option recommended within this report is affordable within the Council's budget planning approach and alternative options are not presented. However, members could choose to make different budget decisions as part of the County Council budget process.

7 Financial Implications

7.6 The recommended option is deliverable within the budget earmarked in the Medium Term Financial Strategy to meet the financial impact of the cost of care review for older adults and the fee uplift costs for 2022-23.

8 Resource Implications

8.1 **Staff:**

8.1.1 The care fees discussed within this paper are applicable to commissioned external providers only. Any care staff employed by the Council, such as those with Norfolk First Support, are subject to the Council's wider staffing terms and conditions.

8.2 **Property:**

8.2.1 None identified

8.3 **IT:**

8.3.1 The care sector digital support programme will help providers to identify and implement technology enabled services including the scaling up of the use of assistive technology.

8.3.2 The Council's funding term will work with providers to identify new investment opportunities that support technological solutions and skills development for the sector.

9 Other Implications

9.1 **Legal Implications:**

9.1.1 None identified

9.2 **Human Rights Implications:**

9.2.1 None identified

9.3 **Equality Impact Assessment (EqIA) :**

9.3.1 <u>Cost of Care</u>:

a) The cost of care review was undertaken only on older adult residential and nursing provision. Usual prices are average costs by service type: residential standard, residential enhanced, nursing standard and nursing enhanced. The cost of care review has taken into account the higher support needs of individuals requiring enhanced provision such as dementia care and/or enhanced physical health needs

b) The new cost of care rates for older adult residential will move the Council's usual rate fee closer to current self-funder prices. This will mean that third party top up payments should be reduced which will be a positive impact affecting all those who currently make a contribution to the cost of their care

c) For full cost payers, for example those below the savings threshold but with high income levels, the new rates calculated as part of the cost of care will mean that they will be required to pay more. It should be noted that these new rates, if accepted by providers, will still be below the self funder rates that they are charging

d) Although there has not been a cost of care review for working age adult residential provision, there is a banded rate system in place with fee rates aligned to the level of assessed needs of individuals

9.3.2 Fee Uplift proposal

The fee uplift of 6% that has been proposed, is a blended rate which reflects the: 6.6% National Living Wage pay rate increase, the additional impact of the increased NI rates as part of the health and social care levy and a 3.7% CPI increase based upon the Office for Budgetary Responsibility October estimates for CPI for the following year. This fee increase will have a disproportionate impact on older adult residential and nursing care full cost payers as their costs will be increased by both the cost of care new rates and fee uplift rises. It should be noted that these costs are still below the self-funder rates for most older adult residential provision.

9.3.3 Mitigation

All individuals are means tested and can discuss the impact of any changes with Council officers.

9.4 **Data Protection Impact Assessments (DPIA):**

9.4.1 Not applicable

9.5 **Health and Safety implications:**

9.5.1 Not applicable

9.6 **Sustainability implications:**

9.6.1 This proposal will support a rate of pay above the NLW. The proposal incorporates the Office for Budgetary Responsibility (OBR) estimate for the Consumer Price Index based upon the November 2021 forecast of inflation for 2022-23. It is felt that this option would therefore support provider sustainability.

9.7 **Any Other Implications:**

9.7.1 None identified

10 Risk Implications / Assessment

10.1 The Care Act requires Councils with adult social care responsibilities to promote the effective and efficient operation of the market so that sustainable, value for money, quality services are available to care consumers. If a provider fails, the Council has specific responsibilities to ensure that services remain available to meet needs.

10.2 The outcome of the cost of care review for older adults and the proposed whole sector fee uplifts represent a significant investment for the Council. The inflation uplift is based on the usual price for care. COVID related costs incurred during 2022-23 are to be managed separately and would be expected to be funded by government grants. If there is no further Infection Control Funding to support the Covid cost impacts then this will be a further cost pressure that the Council will need to consider.

11 Select Committee Comments

11.1 Not Applicable

12 Recommendations

12.1 **Cabinet is recommended to:**

a) Consider and agree the implementation of the outputs of the Cost of Care exercise described in section 3.2 of this paper

b) Consider and agree the implementation of the outputs of the fee uplift exercise described in sections 3.3 - 3.11 of this paper

Officer Contact

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

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Cabinet

Item No: 9

Report Title: Integrated Care System Places

Date of Meeting: 31 January 2022

Responsible Cabinet Member: Cllr Bill Borrett (Cabinet Member for Adult Social Care, Public Health & Prevention)

Responsible Director: James Bullion, Executive Director for Adult Social Services

Is this a Key Decision? No

If this is a Key Decision, date added to the Forward Plan of Key Decisions: N/A

Executive Summary / Introduction from Cabinet Member

The health and care system leadership are moving at pace to establish necessary governance and supporting structures to become a statutory Integrated Care System (ICS) in July 2022. Norfolk County Council (NCC) continues to be a significant leader in this and continues to help shape ICS development.

Whilst the ICS covers the whole of Norfolk and Waveney, there is recognition that an effective system will require sub-Norfolk and Waveney planning areas, partnerships between statutory and non-statutory bodies at a more local, community level. This development of 'ICS Places' is a critical element of our ICS and is in line with national expectations that ICSs will facilitate decision making and delivery at a place level.

This will enable people to be at the heart of their own health and care with a focus on their health needs, but critically, addressing the role prevention and socio-economic factors can play in improving longer term outcomes.

There are significant potential benefits that NCC and its citizens could derive from the creation of ICS Places that will ultimately contribute to the delivery of its strategic aims and improve outcomes for Norfolk people. To secure those benefits, NCC will need to make some critical decisions about how it wants ICS Places to develop and what its role in ICS Places will look like.

This paper aims to:

a) Update Cabinet on the development of ICS Places

b) Outline NCC's proposed approach to support and allocate staff resource to ICS Places

Recommendations:

Cabinet is recommended to agree the following key strategic approaches:

a) Agree NCC's support for, and commitment to engaging with, ICS Places
b) Agree NCC support and staff resources be allocated to ICS Places, including to lead the development of Health and Wellbeing Partnerships
c) Formally ask district councils to ratify support for, and commitment to, leadership of Health and Wellbeing Partnerships within their respective areas

1. Background and Purpose

1.1 Context

1.1.1 Integrated Care Systems (ICSs) are developing across England, with the purpose of bringing together providers and commissioners of NHS services with local authorities and other partners to improve population health and care, tackling unequal outcomes, enhancing productivity and value for money and supporting social and economic development.

1.1.2 In order to allow sufficient time for the remaining parliamentary stages of the Health and Care Bill, a revised target date of **1 July 2022** has been agreed for the new arrangements to take effect. This replaces the previously stated target date of 1 April 2022.

1.1.3 The Norfolk and Waveney ICS has agreed three key goals:

I. To make sure that people can live as healthy a life as possible
II. To make sure that you only have to tell your story once
III. To make Norfolk and Waveney the best place to work in health and care

1.1.4 The ICS means that governance and partnerships for health and care in Norfolk are changing radically over the next three years – bringing internal integration, unified leadership, and significant investment. The potential benefits that NCC and its citizens could derive from the creation of an ICS, that will ultimately contribute to the delivery of its strategic aims, were **set out in the report to Cabinet in September 2021.**

1.1.5 To achieve these, NCC faces key strategic choices over the next three years. It is critically important that Adult Social Services, Children's Services, Public Health, and by extension the whole Local Authority, continue to deliver on a clear vision for their role within an ICS when making these strategic decisions.

1.2 Purpose

1.2.1 With national thinking positioning ICS decision making and delivery to Place level, NCC will need to make some critical decisions about how it wants ICS Places to develop and what its role in ICS Places will look like. The proposals within this paper aim to:

a) Update Cabinet on the development ICS Places
b) Propose NCC's approach to leadership and support at ICS Places

1.2.2 The proposals continue to build on the set of NCC Principles **agreed by Cabinet in October 2020** to guide our development within an ICS, summarised as:

a) **Integration and collaboration** - helping achieve greater social, health and wellbeing outcomes, and focusing on social, economic and environmental links

b) **Place-based planning and working** - working together and making decisions at a more local level, whilst developing joint approaches to engaging with our population

c) **Governance and strategy** - strengthening NCC's role in an ICS, including joint commissioning and embedding prevention across all organisational strategies

d) **Resources** - utilising finances that support integration and controlling demand

2. Proposal

2.1 For most people, day-to-day care and support, alongside interactions with communities will be expressed locally in the 'Place' where they live. The following proposal focusses on **how we work together at Place**, outlining the key strategic choices for NCC in preparing for a statutory ICS by July 2022.

2.2 Our ambitions for ICS Places are foremost guided by the opportunities that working together can do to:

a) **Address wide variance in population health and care needs across the County** (For example: using place-based data and intelligence to drive all-age population health and care management, addressing the key issues our population face – particularly in variance of outcomes, quality of life and wellbeing)

b) **Tackle 'wicked issues' and deliver transformational change at Place level** (for example: place-based programmes brining partners together to address the most challenging problems that cut across all our roles and responsibilities ('wicked issues') and cannot be resolved by one organisation or sector alone: *Prevention*; *Tackling* Inequalities in Communities; and *Integrating Ways of Working*)

c) **Build proximity and trust in relationships through close local working, and develop collective accountability with oversight of local need** (for example: leadership and supporting officer structure that makes the most of any delegation to Place)

d) **Empower local communities and make decisions as close as possible to residents** (for example: place linked to democratic structures and engagement with local residents collectively between ICS partners)

2.3 In addition to the ambitions above, the NCC leadership will need to consider that the development of ICS Places as partnerships from across the public sector complement, not conflict, with the UK Government's plans for new 'County Deals', offering the opportunity for the rest of England powers that metro mayors have over areas like transport, skills and economic support. This will bring decisions closer to people and places, allowing more areas to pilot ideas, create jobs, drive growth and improve public services.

2.4 **Governance**

2.4.1 As noted in the September 2021 report to Cabinet, at system-level the ICS will have two named bodies, an **Integrated Care Board** (ICB) and **Integrated Care Partnership** (ICP):

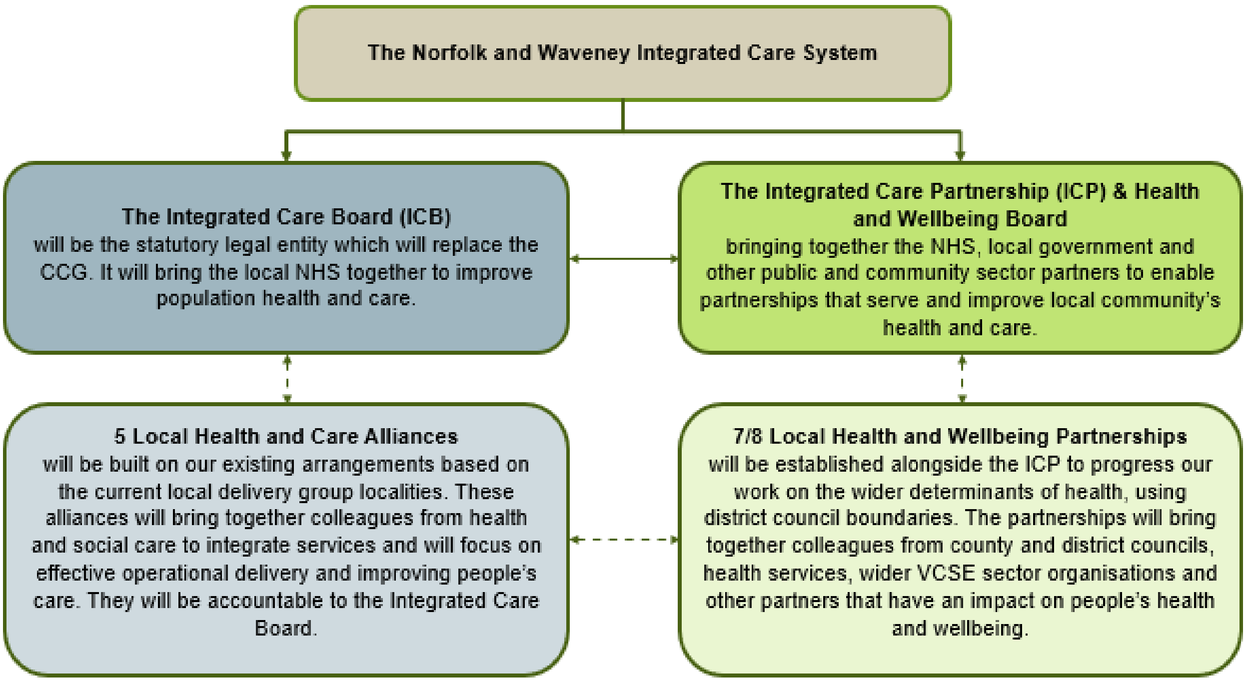
a) The **ICB** will lead integration within and across the NHS to deliver healthcare, for example taking on health commissioning functions. This means there will now be one single body organising health services in Norfolk, and

b) The **ICP** will lead integration between the NHS, local government and wider partners to enable partnerships that serve and improve local community's health and care. It will lead on the development of an overarching Integrated Care Strategy for the system. Arrangements for the ICP will be streamlined with the Health and wellbeing Board (HWB) with common membership and joint arrangements for holding meetings

2.4.2 The approach at ICS Place will mirror the two elements that will make-up our ICS:

a) **5 Health and Care Alliances** ('Alliances') will provide local arrangements alongside the ICB to focus on integration within and across the NHS and operational join-up with social care services, and

b) **7/8 Health and Wellbeing Partnerships** ('Partnerships') will form the arrangements alongside the ICP to focus on developing strategies to address the overall health and wellbeing needs of their places and the wider determinants of health



2.4.3 The recommendations for how we work together at Place level in our ICS (outlined below) has followed extensive engagement with partners from across the system, and has considered how we can:

a) Build on existing relationships, momentum and successes

b) Ensure the arrangements support continued effective operational delivery

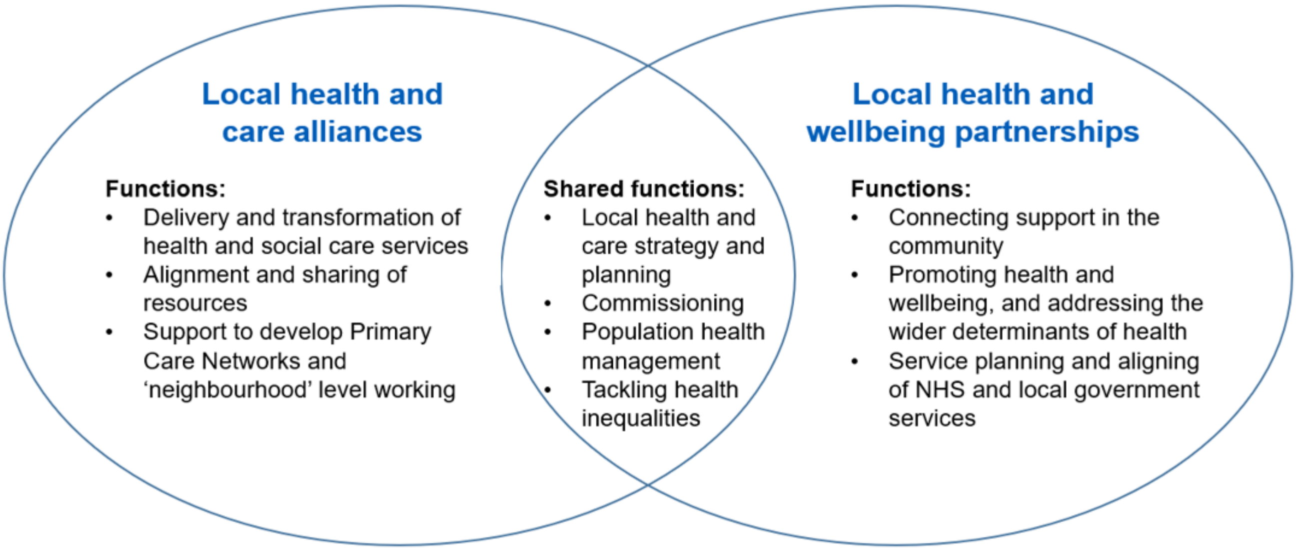
c) Recognise the critical partners in reducing health inequalities and addressing the wider determinants of health

2.4.4 Further work will take place in February 2022 with key partners to establish how the Alliances and Partnerships will work in practice (including meeting structure, leadership, membership and functions) with the ambition of establishing ICS Alliances and Partnerships in shadow form by April 2022.

2.5 **Functions of Alliances and Partnerships**

2.5.1 The consideration of what is undertaken at System or Place will be guided by the principle of subsidiarity, with decisions taken as close to local communities as possible, and at a larger scale where there are demonstrable benefits or where co-ordination across places adds value.

2.5.2 High level Place level functions are described below:



2.6 **Geographic Footprints**

2.6.1 The geography of the 5 Health and Care Alliances have been proposed based on the existing Clinical Commissioning Group and Local Delivery Group geographical footprints – Great Yarmouth and Waveney, West Norfolk, Norwich, North Norfolk and South Norfolk.

2.6.2 Local Health and Wellbeing Partnerships will be based on district council footprints as building blocks and will be established by local agreement according to their context. This approach to subsidiarity extends to the relationship between the Alliances and Partnerships where they will determine cross-working arrangements, which build on existing interfaces and structures. This flexible, bottom-up approach is seen as an important enabler for meaningful collaboration that will support effective working at this level.

2.6.3 These geographies are set out in **Appendix A**.

2.7 **Leadership**

2.7.1 The Alliances will be accountable to the ICB and will focus on integration at an operational level of health and social care services. However, local government is best placed to provide leadership in the development of the Partnerships, drawing on its natural strength in Place working, democratic accountability, and community assets approach woven through its purpose and practice.

2.7.2 District councils have a clear leadership role in the Partnerships, facilitating priority-setting, strategic alignment and decision-making between organisations across multiple sectors in their respective Place. It is proposed that this role take the form of a Partnership Chair. The Chair may also be nominated to represent the partnership in other governance forums; for example, on the ICP/HWB where appropriate.

2.7.3 The HWB District Sub-Committee, reporting to the HWB, will extend its invitation to the Chairs of the Health & Care Alliances to support collaboration and coordination between Alliances and Partnerships at System-level.

2.8 NCC's Leadership Role at Place

2.8.1 NCC must now actively establish its own part in the leadership and support of ICS Places, in expectation that:

a) Delegation of some NHS funding and accountability to Place is expected over time, and each ICS Place will potentially have a named NHS Director for ICS Place working.

b) Increasingly close working between the NHS, councils, the voluntary community & social enterprise sector (VCSE) and other partners

c) Places will have strong representation on ICS governance

d) Places will engage with residents, playing an important role in public discourse

2.8.2 To deliver, we must consider NCC leadership and support in each Place to:

a) Ensure strong NCC attendance at ICS Place 'leadership' meetings with key officers involved appropriately to ensure a whole life course approach

b) Take a leadership role, as part of the wider health and care system, to ensure that the work of the Partnerships join up, providing a system overview, sharing learning and developing best practice, as well as provide resources to drive the development of Partnerships and support with the secretariat (as required)

c) Provide knowledge and expertise to support an evidence-based approach to drive local action

d) Shape local delivery of the Integrated Care Strategy to ensuring NCC-wide priorities and objectives are achieved in the Alliances and Partnerships

e) Ensure equity of access of NCC services across ICS Places

2.8.3 Our offer and approach to ICS Places will draw on the range of specialisms from within the organisation as follows:

2.9 Public Health

a) **Support and Engagement** – Provide a dedicated Advanced Public Health officer for each Partnership to develop the Partnership's strategy and secretariat function

b) **Covid-19 Function -** Public health has been at the centre of the Covid response and work with district councils has never been closer. As well as continuing to work together to chains of transmission, there is an opportunity to continue to build on these partnerships and to work together to identify Covid recovery work across the County, recognising that health inequalities will have been exacerbated by Covid

c) **Data and Intelligence -** Public Health are able to provide data, intelligence and expert insight into local areas to determine population need and give direction for prioritisation of services. This will help each Partnership to plan and prioritise to address health inequalities that have been exacerbated during the pandemic

d) **Statutory Services** - The statutory services that Public Health commission and/or provide (Sexual Health, Drug and Alcohol support, 0-19 Service, Smoking cessation, NHS Health Checks) are county-wide, but need varies across the County. By working together, we can direct those services appropriately adopting a 'proportionate universalism' approach

2.10 **Adult Social Care**

a) **Support and Engagement** – Provide a dedicated senior operational and commissioning officer to each Alliance and Partnership, supported by a virtual Place Team of officers. Support Public Health in their secretariat function of Partnerships

b) **Commissioning and Transformation** - Revise the Better Care Fund arrangements in line with new agreements at place-level, whilst maintaining County level commitment to equity of access and consistent service models. Build on clear, strong existing operational delegation to places via locality teams

2.11 **Children's Services**

a) **Support and Engagement** – Ensure alignment between the Children and Young People Strategic Alliance and the ICP so that the needs of children and young people are reflected in the work of the ICS. Provide a dedicated senior officer to each Partnership

b) **Commissioning** – Utilise the Children's Integrated Commissioning Group (ChICG), reporting to the commissioning executive of the Children and Young People Strategic Alliance, to enable joint commissioning arrangements that support a place-based approach using place-based intelligence and data, whilst maintaining County level commitment to equity of access, and consistent service models

3. Impact of the Proposal

Opportunities

3.1 The ICS presents a series of opportunities for NCC, including to:

a) unite around a common purpose that will deliver strengthened health and social outcomes for our residents, for example ensuring the ICS includes social outcomes in its priorities and measures of success
b) use new joint financial ways of working to unlock opportunities that are often challenged by financial barriers and competing priorities
c) benefit from wider engagement in system resourcing and develop a platform to negotiate key spending priorities
d) build on the role of the LA as significant lead for health improvement with a focus on the causes of ill health associated with lifestyles and behaviours and wider determinants including education, employment, housing and environment
e) develop our workforce within a whole systems approach, focused on improving population health and wellbeing outcomes; recognising the benefits of identifying the role of health and social care employers and institutions to have a positive

impact on place and socio-economic development through employment, training and volunteering opportunities

f) fundamentally reshape how we work together at a Place level that strengthens the voice and role of a social care model in locality and primary care network approaches

g) strengthen our collective focus on meeting the needs of children, young people and adults through early intervention and prevention - including the development and transition into adulthood - so that the right support is provided at the right time and they can flourish

h) given the evidence about the importance of a child's first 1001 days, provide an integrated model which supports social mobility, education and family functioning alongside physical health, approaches that include a focus on the home environment, integration with early years education and collaboration with voluntary, community and peer support

Risks

3.2 Despite the opportunities, there are also challenges and risks associated with ICS development, including:

a) a new way of working is required to ensure a consistent and equal social care commissioning and operational voice in an ICS environment
b) joint financial working poses risks to individual organisations if not effectively governed/planned/executed
c) the need to support a system that maintains HWB accountability
d) legislative requirements to integrate education, health and care are driving our transformation with the necessity to provide increasingly integrated and more effective services to meet the needs of our population across all age groups, including children and young people
e) wider system development overseen by our Children and Young People Strategic Alliance must not be duplicated or delayed
f) that we manage engagement in ICS development to ensure social care is at the heart of plans
g) developing and implementing a joint workforce strategy including further joint working and integration where competing reward and employment frameworks carries risk retention and motivational issues
h) the development work outlined requires significant resource investment and capability from across NCC capabilities (legal, strategy, HR/OD, analytics) at a time of budget challenge and competing demands. Work is required to size the development need and investment required

4. Evidence and Reasons for Decision

4.1 The risks must be weighed against the potential benefits, and the alternative of ICS Places without NCC aims embedded in their purpose and approach. If navigated with care, these risks can all be mitigated to a degree that could result in a significant net benefit to the local authority, our partners and our citizens. The recommendations in this paper attempt to find a manner in which to navigate through these opportunities and challenges.

5. Financial Implications

5.1 The strategy itself has no immediate financial implications. However, the work taken forward in development of ICS Places may have implications for NCC and other system partners. Where these financial implications are identified they will form part of business cases to be assessed on a case-by-case basis.

6. Resource Implications

6.1 **Staff:**

6.1.1 It is anticipated that this will be a significant cross-organisational piece of organisational development and leadership focus. Further work is required to engage and understand a broad strategic plan of work and resource requirements to scope and shape work.

6.2 **Property:**

6.2.1 The strategy itself has no immediate implications. However, where property implications do arise during the development of ICS, these will form part of reports to be assessed on a case-by-case basis and could lead to opportunities to better utilise system estate.

6.3 **IT:**

6.3.1 The strategy itself has no immediate IT implications. However, where implications do arise during the development of ICS, these will form part of reports to be assessed on a case-by-case basis and could create opportunities for more effective information sharing and a greater ability to measure outcomes as a system.

7. Other Implications

7.1 **Legal Implications:**

7.1.1 This situation is developing, and the Health and Social Care Bill is still progressing though parliament. The proposals in this report are consistent with the current Bill, and the legal team will work closely over the coming months with Adult Social Services, Children's Services, and Public Health, to ensure that the Council responds appropriately and has the appropriate arrangements in place to comply with the legislation once it becomes law.

7.2 **Human Rights Implications:**

7.2.1 None identified.

7.3 **Equality Impact Assessment (EqIA) :**

7.3.1 An EqIA will be conducted, and equality issues will be considered, as part of the development of any agreed elements of an ICS that impact on our residents.

7.4 **Data Protection Impact Assessments (DPIA):**

7.4.1 None identified.

7.5 **Health and Safety implications (where appropriate):**

7.5.1 None identified.

7.6 **Sustainability implications (where appropriate):**

7.6.1 None identified.

7.7 **Any Other Implications:**

7.7.1 None identified.

8. Risk Implications / Assessment

8.1 See section 3.2.

9. Select Committee Comments

9.1 Not applicable.

10. Recommendations

a) Agree NCC's support for, and commitment to engaging with, ICS Places

b) Agree NCC support and staff resources be allocated to ICS Places, including to lead the development of Health and Wellbeing Partnerships

c) Formally ask district councils to ratify support for, and commitment to, leadership of Health and Wellbeing Partnerships within their respective areas

11. Background Papers

11.1 Cabinet, 6 September 2021: Item 8 Norfolk County Council in an Integrated Care System

11.2 Cabinet, 5 October 2020: Item 15 Norfolk County Council in an Integrated Care System

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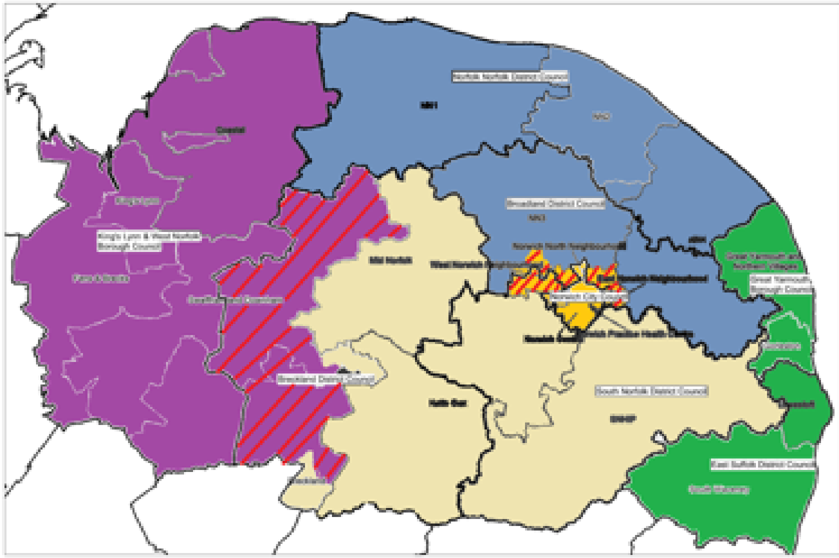
APPENDIX A: **GEOGRAPHY OF ICS PLACES**

Current Local Delivery Group footprints, to become Alliance footprints

Hashed lines show part of a PCN that cuts across a district boundary

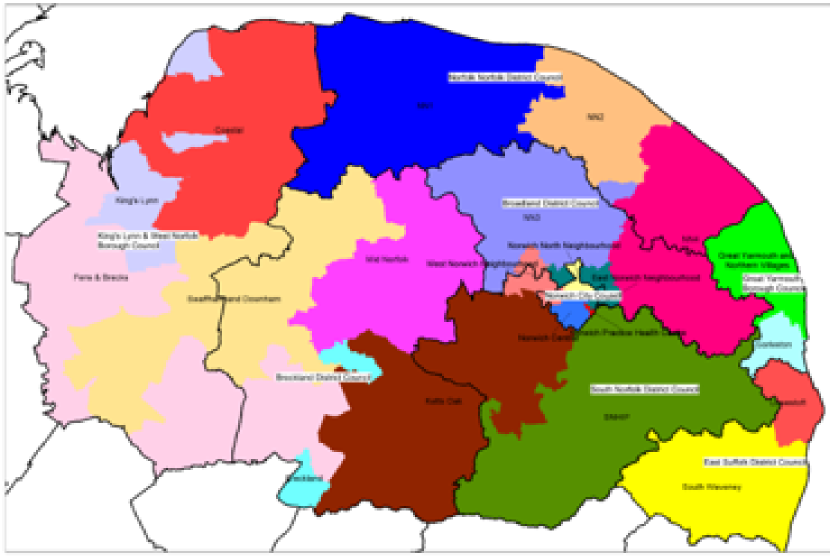


4 PCNs/neighbourhoods are split, total 105k people living in a 'split area'

The areas predominantly impacted are:

- People living in the Breckland area (split between South Norfolk and West Norfolk LDGS)
- People living in the Broadland area (Split between Norwich and North Norfolk LDGs)

District council footprints, overlayed on Primary Care Networks, to become Partnership footprints



Cabinet

Item No: 10

Report Title: 2022 Schools Local Growth and Investment Plan

Date of Meeting: 31 January 2022

Responsible Cabinet Member: Cllr John Fisher (Cabinet Member for Children's Services**)**

Responsible Director: Sara Tough, Executive Director Children's Services

Is this a Key Decision? ~~Yes /~~ No

If this is a Key Decision, date added to the Forward Plan of Key Decisions: n/a

Executive Summary / Introduction from Cabinet Member

Norfolk County Council has a statutory duty to provide sufficient school places and provides an annual snapshot of how these will be secured. The detailed planning is included in Annex A – the Schools Local Growth and Investment Plan (SLGIP).

Recommendations:

1. **Cabinets resolves to adopt the Schools Local Growth and Investment Plan 2022.**

1. Background and Purpose

1.1 Norfolk County Council has a statutory duty to provide sufficient school places and provides an annual snapshot of how these will be secured – the Schools Local Growth and Investment Plan (SLGIP).

2. Proposal

2.1 Norfolk County Council has a statutory duty to provide sufficient school places and provides an annual snapshot of how these will be secured in response to

a) demographic change, prompted by changes such as birth rates and life expectancy and
b) population movement, resulting from new housing development or migration to and from particular geographic areas.

2.2 The evidence for the planned growth and decline comes from a range of sources, including population data provided by health authorities and planned housing growth by District Councils.

2.3 Some housing developments agreed as part of Local Plans will take many years to be delivered. Where a need for new places is identified, this is taken into account as part of the planning process at an early stage.

2.4 Housing Growth projected by District Councils is subject to change, so the Schools Local Growth and Investment Plan provides a snapshot in time, anticipating the **likely** investments in new places for the next 10 years.

2.5 Details of plans for new schools and expansion of existing schools are included in the plan in Appendix A. The report also includes a brief discussion of the methodology to plan for any reduction in school places.

2.6 The Schools Capital Programme agreed by Cabinet in November 2021 sets out the **agreed** projects to provide new places or reduce places during a three-year period.

3. Impact of the Proposal

3.1 As a result of this proposal Norfolk County Council will:

- Continue to implement the policies for developing Norfolk's Education Landscape agreed in March 2020
- Continue to adopt a pro-active approach to place planning for all areas with demographic change, ensuring efficient use of resources and value for money.
- Identify any changes to the schools capital programme through the regular reporting to Cabinet.

4. Evidence and Reasons for Decision

4.1 The proposed Local Schools and Investment Plan provides the necessary detail to ensure we secure sufficient school places and prioritise capital appropriately.

5. Alternative Options

5.1 The statutory duty is to provide sufficient places.

5.2 It is possible to plan for fewer additional places, where surplus places are available further afield, but within maximum recommended travel distances.

5.3 Norfolk County Council would then have a duty to provide Home to School Transport. This would add a considerable inconvenience to children and families and is outside of the Council's policies (e.g. building local communities). It would also add to the existing transport costs, where budget pressures already exist.

6. Financial Implications

6.1 There are significant financial implications for Norfolk County Council, if housing developments are delivered as expected.

6.2 The overall cost of delivering all places identified in this plan is approximately £288m. Funding from developer contributions is expected to provide approximately £97m, leaving a shortfall of £191m.

6.3 Developer contributions are secured as part of the planning process and set out in S106 agreements. These include provision for school sites in larger housing developments.

6.4 For areas covered by Community Infrastructure Levy (CIL), separate arrangements are in place to secure contributions for Education Infrastructure. These have been set out as part of previous reports on the Schools Capital Programme.

6.5 Government grant contributions (Basic Need Capital) will account for some of the shortfall. The remaining shortfall represents a risk for Norfolk County Council.

6.6 Financial planning for providing new school places is set out as part of the capital programme agreed in November 2021, including capital borrowing for 3 years of the current programme agreed in 2020.

7. Resource Implications

7.1 Staff: The place planning duties will continue to be delivered with current staffing levels.

7.2 Property: There are no changes to the requirements for office space.

7.3 IT: There are no changes to the requirements for IT.

8. Other Implications

8.1 Legal Implications: none identified

8.2 Human Rights Implications: none identified

8.3 Equality Impact Assessment (EqIA) (this must be included):
New school places are planned to ensure that provision has no adverse impact on young people including those with disabilities, gender reassignment, marriage/civil partnerships, pregnancy/maternity, race, religious belief, sex or sexual orientation where appropriate. The agreed policy aims to secure a good place of education for every child. In particular it seeks to ensure that every school has sufficient capacity for strong leadership and governance to safeguard a good education for all.

8.4 Data Protection Impact Assessments (DPIA): none identified

8.5 Health and Safety implications (where appropriate): none identified

8.6 Sustainability implications (where appropriate):

8.6.1 Large scale housing developments require associated infrastructure, including school places to create sustainable communities. The SLGIP in Annex A sets out how these are likely to be secured in Norfolk. This will ensure that places are available locally and the need for travel and Home to School Transport is minimised.

8.6.2 Section 4 of the Schools Local Growth and Investment Plan sets out how to address provision of places that becomes unsustainable, usually through demographic decline.

8.6.3 NCC has a target to carbon net zero by 2030 and this has implications for all new building design and schools as a subset. This is addressed within the Schools Capital Programme.

8.7 Any Other Implications: none identified.

9. Risk Implications / Assessment

9.1 The key risk for Norfolk County Council is a failure to provide sufficient school places. The Schools Local Growth and Investment Plan sets out how this will be mitigated.

10. Select Committee Comments

10.1 This is a routine (annual) report, not usually discussed at a select committee.

11. Recommendations

1. **Cabinet resolves to adopt the Schools Local Growth and Investment Plan 2021.**

12. Background Papers

12.1 Schools' Capital Programme, November 2021, page 83

12.2 Education Landscape and School Place Sufficiency, January 2020, page 757

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ANNEX A

Schools' Local Growth and Investment Plan

The Schools' Local Growth and Investment Plan (SLGIP) provides a snapshot of NCC plans to fulfil its statutory responsibility to ensure sufficient school places for Norfolk children aged 4-16. Fundamentally, it addresses two issues.
1) demographic change, prompted by changes such as birth rates and life expectancy and
2) population growth, resulting from new housing development or migration to and from particular geographic areas.

Our aim is always to provide school places locally, whilst ensuring schools are of sufficient size (ideally 420 pupils for primary and 900 students for secondary).

Norfolk's education landscape has developed over time and is characterised by large numbers of small schools in rural areas.

Our plan also seeks to address our core duty of promoting high standards of education. To achieve this, we will use a combination of approaches to either grow or decrease the number of school places for any given local area. These will include:

1. Commissioning new schools
2. Promoting DfE Free School proposals
3. Expand the age range and size of existing schools either on their current or a new school site
4. Agree changes to the planned admission number (PAN) with associated change to accommodation
5. As a last resort, close schools

The 2022 SLGIP is structured in 4 parts:

Part 1 - Major growth areas which will require multi-school solutions (page 2)
Part 2 - Development locations where one new school is planned (page 11)
Part 3 - Growth areas with implications for existing schools (page 24)
Part 4 - Areas of the County indicating a decline in pupil numbers and where there are several small schools (page 25)

Areas which fall within the Greater Norwich Local Plan (Broadland District Council/South Norfolk District Council/Norwich City Council) are highlighted in ORANGE.

Part 1 - Major growth areas which will require multi-school solutions

THETFORD (Breckland District)

Kingsfleet - 5000 new dwellings

Indicative first new school design

CURRENT LOCAL PROVISION – capacity and organisation
Primary School places within Thetford are provided by 8 schools, a mix of infant, junior and all-through primary; 6 of these are academies; 5 run by Eastern MAT and one by DNEAT plus two community schools. A total of 360 places are available in each year group across the primary phase. Numbers of children that live in the catchment of Thetford schools rose by one form of entry in 2021. Although there are still some spare places in a small number of Thetford schools, once housing commences it is expected that these places will soon be filled.

LATEST ASSESSMENT OF GROWTH
The land promoters for this strategic development 'Pigeon' have been working since outset with Children's Services to ensure new schools are provided because of this housing. Although progress on building has been slow, 3 housebuilders will be on site and delivering new homes from mid 2022. The first phase of development is 343 homes of which 105 have been completed and occupied. Anticipated build out rate will be around 40 homes each year on the 3 phases remaining but this figure is dependent on many factors e.g. demand/materials/number of house builders on site.

CURRENT PRESSURES ON PUPIL NUMBERS
Although primary pupil numbers increased for September 2021 admissions, there is still some spare capacity at some schools in the Town. With the relatively slow build out of new homes, the existing primary school provision in the Town appears adequate for the

short/medium term. There are still a considerable number of spare places at Secondary level.

IMPACT OF HOUSING GROWTH
NCC have agreed with Pigeon that the transfer of the first primary school land will be deferred until the end of 2022. Meetings will commence shortly with local schools to share thoughts and understanding as to how more primary school places can be provided as a result of the growth and how to manage the impact of a new school on other schools in the area.

SHORT TERM RESPONSE
Handover of the first primary school site to NCC in 2022.

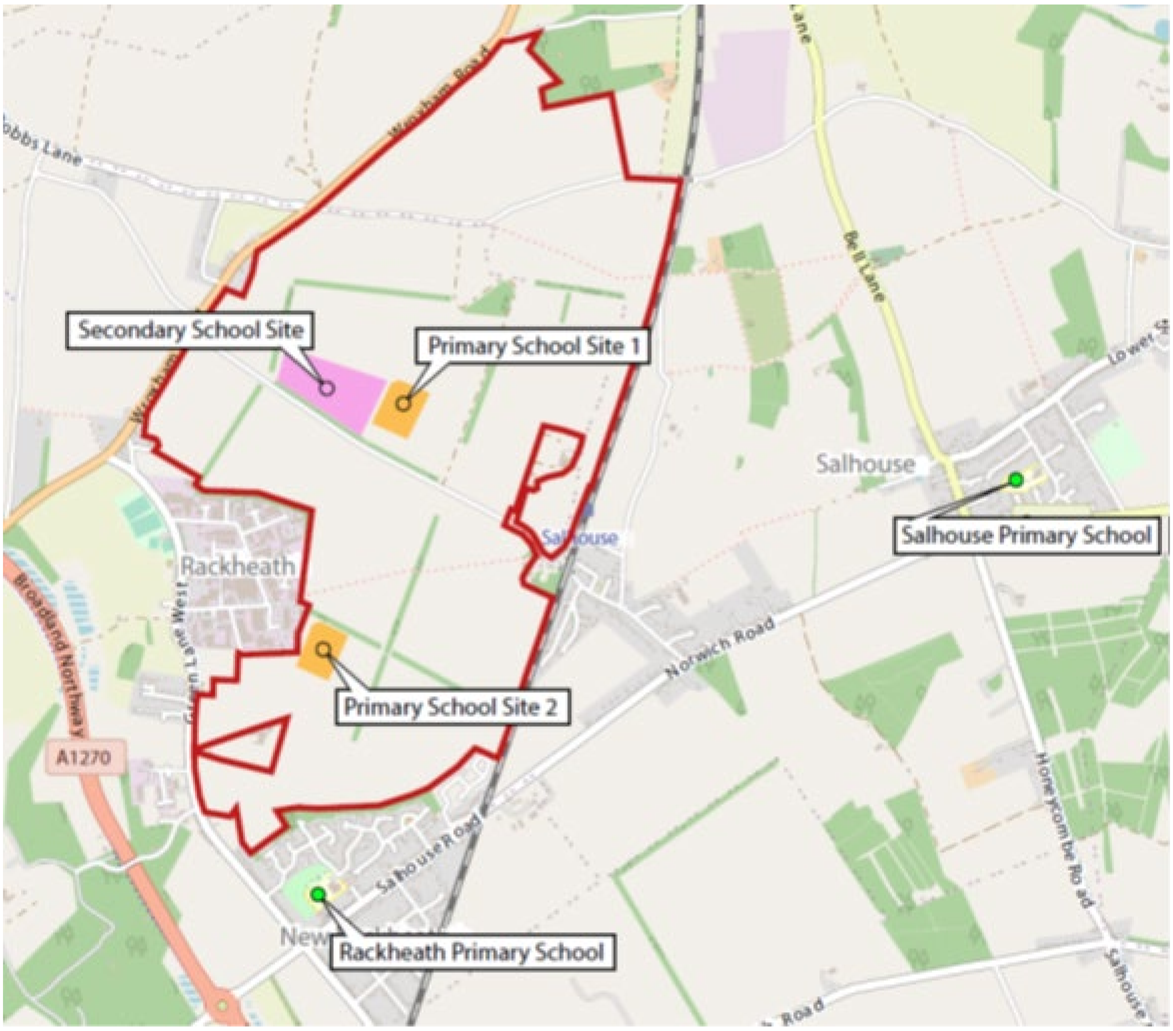
MEDIUM/LONGER TERM RESPONSE
Medium term – next 5 years to bring forward and open the first new primary school.
Longer term – 10-20 years, 2 further new primary schools will be opened.

Secondary school places will be monitored at Thetford Academy as additional land has already been provided at the school to allow for future expansion. S106 contributions have been secured although not yet collected as a result of the future housing allocation.

Capital response					
THETFORD	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New Primary School 1	2FE	Design stage which could be progressed quickly if places required.	*IRO £9m (increased as working towards carbon net zero)*	*2025*
	New Primary School 2	2FE	-	*£9m*	
	New Primary School 3	2FE	-	*£9m*	
	Secondary extension	tbc	-	*tbc*	

NORTH NORWICH GROWTH TRIANGLE (Broadland District)

Sprowston/Old Catton/Rackheath **12,000+ new dwellings**



Rackheath Strategic allocation for 4000 homes (red line boundary) including indicative site proposals for new schools.

CURRENT LOCAL PROVISION – capacity and organisation

Allocated sites in this area of Norfolk allocated in Broadland District Council Local Plan now totals iro 12,000 new homes known as the 'Growth Triangle'. This area stretches from Old Catton to the north west of the City to Rackheath north east of Norwich. Within the Growth Triangle there are specific allocated sites, larger ones known as 1) Beeston Park for 3,500 new homes which does have outline planning permission and 2) Rackheath for 4,000 new homes now in the control of Taylor Wimpey who are bringing forward a revised masterplan for the site. There are many schools that will be affected by this growth, secondary provision at Sprowston Community Academy, Thorpe St Andrew School and Broadland High Ormiston Academy and all their feeder primary phase schools. Birth rate decline is currently impacting on some primary phase schools which is resulting in schools with lower reception intake than they had a few years ago. It is difficult to see how long or to what extent this decline will continue but is hoped that new housing and additional children will mitigate this.

LATEST ASSESSMENT OF GROWTH

Although the main allocation at Beeston Park is slow to progress, a couple of smaller sites for 320 near Norwich Airport is expected to be completed in 2025 and 225 off Buxton Road will soon commence.

Persimmon Homes are bringing forward a further 1000-1200 new homes on a separate site at White House Farm and a site for a new secondary school on this land is still an option.

Taylor Wimpey now has control of the allocated site at Rackheath for 4000 new homes and are re-visiting the masterplan. A contingency site for a new secondary school was included in Broadland Local Plan and this is still an option for officers of Children's Services to consider against the option at Sprowston.

Some smaller sites in Rackheath have secured planning permission along with the larger allocation on Salhouse Road for 1200 new homes, which does also include an option for a site for a new 2 form entry primary school building.

CURRENT PRESSURES ON PUPIL NUMBERS

There is currently no pressure for places in this area and most schools are seeing lower intake numbers at reception due to the birth rate decline.

The larger year groups that have worked through primary phase are being seen at secondary. An expansion to provide additional places at Sprowston Community Academy is scheduled to complete in late summer 2022 so these places will be available for 2022 year 7 admissions. These places should be adequate for the next few years until housing really begins to impact on numbers and/or the new secondary school for the area is built.

IMPACT OF HOUSING GROWTH

Most of the larger scale allocations are yet to commence but smaller developments, building out now do need to be monitored as they can add up to several 100's of new homes. Currently no impact is being seen but we do need to be aware that this situation can quickly change.

SHORT TERM RESPONSE

Continue to receive updates from Broadland District Council on housing progress.
Continue to support local primary phase schools who are experiencing a decline in pupil numbers.
Continue to progress and secure a site for a new high school either at Rackheath or Sprowston.

MEDIUM/LONGER TERM RESPONSE

Monitor the progress of both smaller and larger scale allocations.

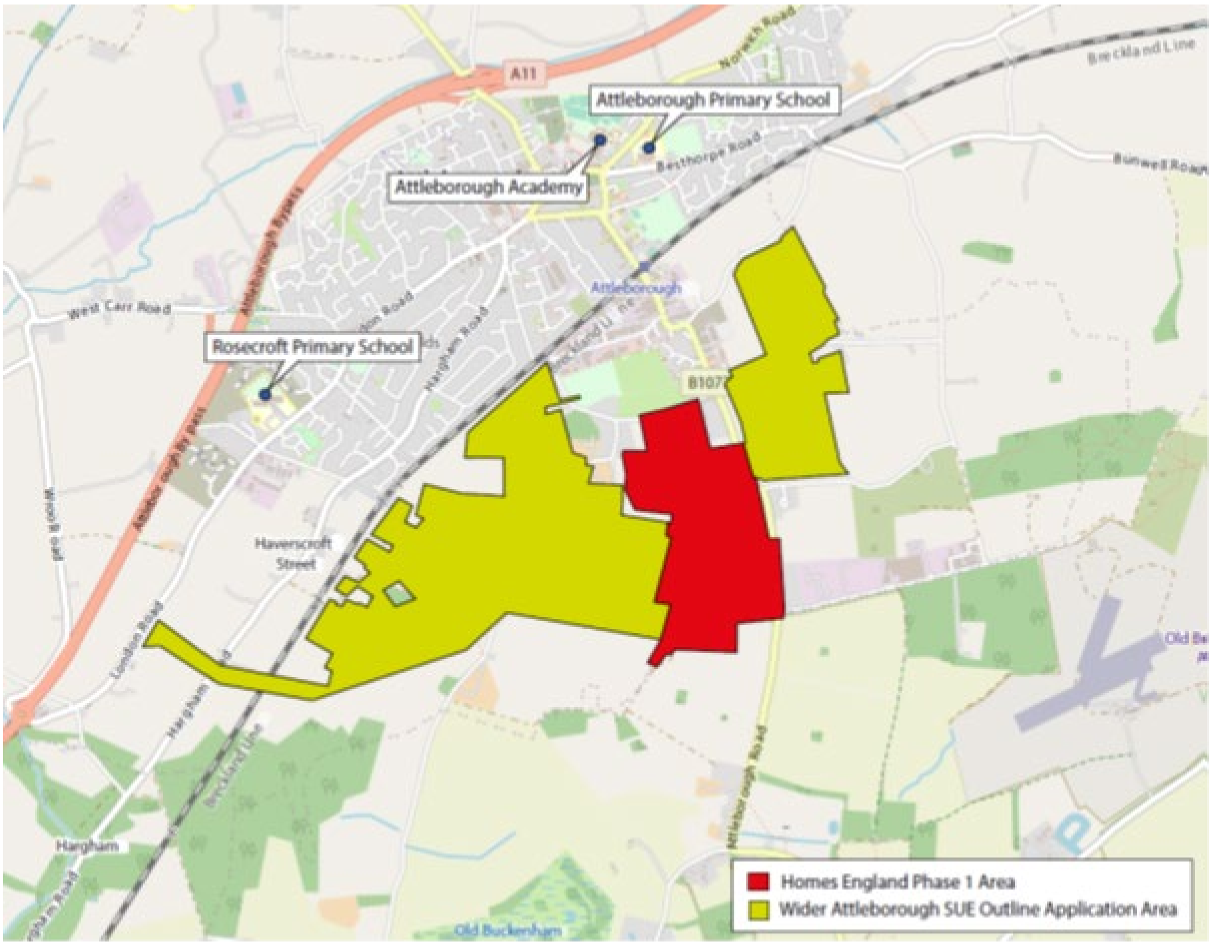
Continue dialogue with Broadland District Council to eventually secure a new secondary school site within an allocated site.

Opening new primary phase schools and secondary school.

Capital response					
NORTH NORWICH GROWTH	School	Scheme	Stage	Cost/estimate	
Future programmes	Lt Plumstead VAP	To 2FE	Planning approval but currently on hold	*£3.5-£4m*	*2022+*
	Beeston Park primary 1	2FE	Site identified	*£9m (unfunded)*	*2025+*
	Beeston Park primary 2	2FE	Site identified	*£9m (unfunded)*	*2027+*
	Rackheath 1	2FE	Site identified	*£9m (unfunded)*	*2025+*
	Rackheath 2	2FE	Site identified	*£9m (unfunded)*	*2027+*
	South of Salhouse Rd new primary	2FE	Site identified, await transfer of land if required.	*£9m (unfunded)*	*2025+*
	East of Broadland Business Park	2FE	Initial site layout options	*£9m (unfunded)*	*2025+*
	New high school	6FE tbc	New site search options	*£26m (unfunded)*	*2026+*

ATTLEBOROUGH (Breckland District)

Sustainable Urban Extension of 4000 new homes



Attleborough urban extension identifying Phase 1 promoted by Homes England

CURRENT LOCAL PROVISION – capacity and organisation

The reorganisation of the two primary schools in the town ensures the schools collectively provide 150 places across each year group. Catchment information suggests nearly 30% of the Attleborough reception age cohort choose surrounding schools. This has increased since last year with the opening of Wymondham College Prep school which has given more options for primary age schooling for the area. Although Attleborough numbers remain relatively static this pupil movement is having some impact on the surrounding village schools, from what was the historical preference.

Secondary provision is provided via Attleborough Academy operated by Sapientia Trust.

LATEST ASSESSMENT OF GROWTH

An outline planning permission was approved in March 2020 for 4000 new homes, a link Road, 2 new primary phase schools, community facilities and neighbourhood centres. Homes England is the UK Government housing accelerator and have bought the first parcel of land for this strategic urban extension. Homes England's role is to kick start the development by putting in infrastructure up-front to aid the delivery of a new community that complements the historic market town of Attleborough with well-designed new neighbourhoods, linked by a linear park. Homes England will work with Breckland District Council and local stakeholders to progress the plans through the next stages of the planning process with a submission towards the end of the year and more details in the Spring 2022.

KEY PRESSURES ON PUPIL NUMBERS
There is currently capacity in the primary phase following the reorganisation of the schools in the town. Secondary admissions indicate continued growth with the primary children moving through the year groups. Pressure for secondary places will be monitored to ensure sufficient places in accordance with the masterplan for the school expansion.

IMPACT OF HOUSING GROWTH
With reserved matters planning expected in March/April 2022 we will continue to monitor the impact on reception numbers as part of the annual admissions round. It is likely to take a few years before the impact of this housing is seen at schools.

SHORT TERM RESPONSE
Continue to monitor the annual reception intake round at the two Attleborough Primary phase schools. Work with Breckland District Council and Homes England to ensure pupil place pressures are monitored as the housing growth commences.

MEDIUM/LONGER TERM RESPONSE
Plan for provision of 2 new primary schools for Attleborough understanding the parental preference to surrounding villages and whether that will continue and how that will impact on the new schools. Decide whether 2FE or 3FE schools are required by analysis of the number of children generated from the new development. Ensure sufficient secondary school places within the existing Attleborough Academy.

ATTLEBOROUGH	School	Scheme	Stage	Cost/estimate	Date if known
	Attleborough Academy (High)	Current project complete	Masterplan being refreshed following completion of first phase.		*TBC*
	New primary 1	2-3FE	-	*IRO £9m*	*2025+*
	New primary 2	2-3FE	-	*IRO £9m*	*2028+*

WEST WINCH/NORTH RUNCTON (King's Lynn and West Norfolk)

Up to 4000 new homes in two phases:
1600 up to 2026
2400 post 2026

CURRENT LOCAL PROVISION – capacity and organisation

West Winch village is situated to the south of King's Lynn with geographically a large catchment area and one primary school of 210 places. Parental preference indicates that most children who live within the West Winch catchment attend their local school. The school currently is a suitable size to serve its catchment children but it is popular and fills its reception intake each year. To the east is Middleton which also has a small village school with less than 50 on roll. Historically, although the catchment for Middleton is large and each year group is around 0.5 FE not all children choose their local school which results in small intake numbers.

Secondary School places for this area are provided by the three secondary schools within Kings Lynn.

LATEST ASSESSMENT OF GROWTH

West Winch is a large strategic allocation for Kings Lynn and West Norfolk Borough Council. It is not unusual for an allocation of this size to take some years to come to fruition. Hopkins Homes has an outstanding application for the north of the site for 1,100 homes. The application for the remainder of the site is expected in early 2022. NCC is leading on the road element of the application so this will be determined by planning services at NCC and the housing element by the Borough Council.

NCC Children's Services have indicated that 2 new additional primary phase schools may be required as a result of this housing and land has been secured for these schools as part of this development.

KEY PRESSURES ON PUPIL NUMBERS

West Winch Primary School does sit on a site which maybe suitable for expansion so that would be considered before any new school was built. The school was informed of this option, but it was a few years ago.

The expected pressure on secondary school year 7 intake is likely for September 2022 admissions. Discussions with schools are ongoing to ensure all pupils secure a place at their local school.

IMPACT OF HOUSING GROWTH

Housing is likely to impact on West Winch Primary at the outset as they are already at capacity. Children's Services will work closely with the school to ensure sufficient places at the right time. Consideration on how other schools in the area could help with place pressure will be made at the time. This large scale housing will impact on secondary school places but it is likely to take several years before we understand how many additional places will be required. Options are available at one or more of the schools in the Town.

SHORT TERM RESPONSE

Monitor the progress of housing commencement with the Borough Council of King's Lynn and West Norfolk. Monitor the annual admissions round to ensure sufficient places for the area both at primary and secondary phases.

MEDIUM/LONGER TERM RESPONSE
Expansion of West Winch Primary School. One new Primary phase school in the northern phase of development and one new primary post 2026 in the southern part of the housing development.

Capital response					
WEST WINCH/NORTH RUNCTON	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	West Winch Primary	1 to 2 FE	-	*IRO £4m*	***unknown***
	New primary #1	2 FE	-	*IRO £9m*	***unknown***
	New primary #2	2FE		*IRO £9m*	***unknown***
	King's Lynn secondary phase	Expansion	Masterplan completed for expansion at Kings Lynn Academy but discussions with all Kings Lynn secondary schools on capacity required.	-	***unknown***

Part 2 - Development locations where one new school is planned

WYMONDHAM (South Norfolk District)

Up to 1500 new homes in various locations across the Town with planning permission still to be built.

CURRENT LOCAL PROVISION – capacity and organisation
Wymondham has 3 primary phase schools, Browick Road, Ashleigh and Robert Kett providing 6 forms of entry between them. The opening of Wymondham College Prep school in 2020 has helped to manage the pressure for places at reception. However, with all year groups across the Town almost at capacity, places for in-year admissions are limited.

Another phase of the project to increase capacity at Wymondham High Academy has been completed and the school admitted 295 pupils in year 7 for 2021.

LATEST ASSESSMENT OF GROWTH
Housing completions continue at pace in Wymondham and there are several large developments ongoing and still to build out up to a total iro 1500 dwellings. Wymondham has no allocations suggested in the Greater Norwich Local Plan

KEY PRESSURES ON PUPIL NUMBERS
Pressure for places at the admissions round (reception) and Year 7 for secondary are being managed well. The issue NCC has with pupil places is the in-year admissions which is high and with very limited places across the primary phase schools, children are often offered a place outside of their local area. NCC are looking at options to reduce this pressure until a new school is built in Wymondham.

IMPACT OF HOUSING GROWTH

Housing and in-year admissions from new children moving into this area is a cause for concern for the NCC admissions team. A new primary phase school for Wymondham will open in September 2024 but until then this pressure will have to be managed.

SHORT TERM RESPONSE
Continue to monitor housing growth and anticipated reception intake for September 2022.
Creative solutions to manage the in-year admissions issue.
Refreshing the masterplan for Wymondham High Academy to ensure sufficient capacity as a result of growth.

MEDIUM/LONGER TERM RESPONSE
Opening of the new school in Silfield in September 2024. Finalise expansion of Wymondham High Academy in response to growth.

Capital response					
WYMONDHAM	School	Scheme	Stage	Cost/ estimate	Date if known
Current programme					
	Wymondham High Academy	Classroom expansion	Feasibility	TBC	2024
Future programmes	Silfield new primary school	2FE	Detailed design	IRO £9m	2024
	Wymondham High Academy	Further phases	Final phase of development for 2050 capacity	tbc	tbc

CRINGLEFORD (South Norfolk District)

1300 new homes on two adjacent sites

CURRENT LOCAL PROVISION – capacity and organisation
Cringleford village is served by one 420 place primary school, Cringleford CE VA Primary School. Secondary age children feeder catchment school is Hethersett Academy but being located close to Norwich other secondary options are available.

LATEST ASSESSMENT OF GROWTH
Both housing sites are building rapidly, and new homes are selling well.

KEY PRESSURES ON PUPIL NUMBERS
Primary age catchment cohorts remain high but pressure for places at the local school is being managed since the primary school accepted a ‘bulge’ year of pupils in 2019. We are yet to see additional pupils as a result of new housing showing in our pupil forecasts and are managing admissions on an annual basis. NCC has planned expansion at Hethersett Academy which is being discussed and managed with the school to ensure sufficient places for the annual admissions round.

IMPACT OF HOUSING GROWTH

Land for a new 2 form entry primary school in Cringleford is secured within one of the new developments. The trigger to transfer this land to NCC is expected in early 2022 so work is ongoing to ensure the new school will open in September 2024. Discussions have been had with local primary schools so they understand the processes.

Additional land has been handed over to Hethersett Academy under the planning application for the strategic growth in Hethersett. One large project has completed at the school with the opening of a large new class block. Work is underway to agree further expansion as a result of anticipated additional pupil numbers for this school.

SHORT TERM RESPONSE
Continue to manage reception admissions until the new school is operational. The need to allocate places to other local schools is likely in the short term. Continue discussions with Hethersett Academy to ensure sufficient places for local/catchment children.

MEDIUM/LONGER TERM RESPONSE
Open a new primary school for Cringleford in September 2024. Manage the impact of a new school opening with other local schools.

Capital response					
CRINGLEFORD	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary	2 FE	Detailed design. Await transfer of new school site.	£9m	2024

HETHERSETT (South Norfolk District)

1200+ home strategic development

CURRENT LOCAL PROVISION – capacity and organisation
Hethersett village provides primary school places in two primary schools with the potential of offering 120 places across all year groups. The move of Woodside Infant School to new premises and growing to all through primary provision and the expansion of Hethersett Junior School to a 420 place primary school is preparing for the large scale growth in the village so some spare places are still available.

LATEST ASSESSMENT OF GROWTH
The housing development to the north of the village for circa 1200 homes is building out quickly and homes are popular for families. Just recently an application for a further 300 homes on the same site has been approved. NCC officers are in negotiations with South Norfolk District Council and the developer to secure a further piece of land to allow the new Woodside Primary school to expand to 3 forms of entry if needed in the future.

KEY PRESSURES ON PUPIL NUMBERS

With both primary phase schools in Hethersett operating as all-through primary, 120 places are now available at reception and future years as these larger groups move through the schools. This increased PAN for the area is in response to all housing being completed so currently there is capacity at one school who are operating initially with a PAN of 30. NCC Admissions and place planning officers are working with this school to consider when an increase of their PAN to 60 would be viable. Hethersett Academy is at capacity and over-subscribed but as places are available to allow for the planned growth, some drift from City based children to Hethersett is being seen. NCC officers are working with the school/Trust to understand what further expansion work is required at this school.

IMPACT OF HOUSING GROWTH
NCC Children's Services have prepared well to ensure sufficient school places, both primary and secondary are available for local children. The in-year admission from new housing is a matter that is currently being discussed with the school.

SHORT TERM RESPONSE
Continue to manage admission both at primary and secondary level. Hethersett High Academy masterplan refresh with a view to a second phase of expansion. Manage in-year admissions at primary school level.

MEDIUM/LONGER TERM RESPONSE
Continue to monitor growth in both Hethersett and Cringleford, as Cringleford VA Primary is a feeder school for Hethersett Academy. Work with Hethersett Academy to ensure sufficient places for both local children and those living in the school feeder catchments.

Capital response					
HETHERSETT	School	Scheme	Stage	Cost/estimate	Date if known
	Hethersett Academy	Staged expansion	Refresh of masterplan with a view to a second phase of development	*TBC*	*2024*

BRADWELL (Great Yarmouth Borough)

1000 new homes

CURRENT LOCAL PROVISION – capacity and organisation
The catchment schools for this new development are Hillside, Homefield and Woodlands Primary Schools who provide 120 places between them for each year group and share a large catchment area.   All three of these schools are at capacity but fortunately we are not yet seeing pressure for places and all local children are allocated a place. The catchment secondary school is Lynn Grove Academy with whom we are working closely with to ensure sufficient places for local children.

LATEST ASSESSMENT OF GROWTH
Housing has commenced on the site and over 400 of the 850 homes have been completed as at summer 2021. The smaller development of 130 dwellings now has over 40

completions as at summer 2021. The 2ha site for a new primary phase school will soon be transferred over to NCC.

KEY PRESSURES ON PUPIL NUMBERS
Although pupil forecasts are not yet showing the full impact of the housing, with many more completions expected and with all schools at capacity, it is now time to consider how and when more primary school places can be offered to this area.

IMPACT OF HOUSING GROWTH
NCC officers are aware from past experience that it sometimes takes time for the whole impact of new housing to be evident in an area. We feel it is the right time to make the decision on the new school and how more places can be provided. We have started discussions with the three local primary schools and some ideas have been formulated.

SHORT TERM RESPONSE
Monitor the annual admissions round and in-year admissions. Transfer the new school site from Persimmon to NCC. Continue discussions with local schools to agree a solution to provide more primary school places.

MEDIUM/LONGER TERM RESPONSE.
Open a new primary phase school in September 2025.

Capital response					
BRADWELL	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	School land transfer and masterplan of site.	IRO £9m	***2025***

FAKENHAM (North Norfolk)

Allocation of 950 new homes

CURRENT LOCAL PROVISION – capacity and organisation
Fakenham children have both an infant and a junior school in the Town and if they wish there is the offer of smaller village schools surrounding Fakenham. Both Fakenham Infant and Junior School are run by Synergy Multi Academy Trust. The infant school has reduced its PAN from 90 to 60 from September 2022 mainly due to a lower birth rate. This action allows more manageable numbers for the school. Secondary provision for Fakenham children is provided at Fakenham Academy run by Sapientia Academy Trust. The Academy now provides education both 11-16 and 6th form on one site having closed their second site in the Town. Their admission number is currently 150 which works well for children applying for a place.

LATEST ASSESSMENT OF GROWTH

The major growth site to the north of Fakenham was approved at Committee in October 2021 and a Section 106 has been signed that secures land for a new 2FE Primary school building and financial contributions towards the building of that school. The land will be sold to developers and once housing commences, any increase in pupil numbers requiring a local school place will be monitored both at reception, Year 7 and in-year admissions.

KEY PRESSURES ON PUPIL NUMBERS
With a decline in birth rates being seen across the County and with the infant school reducing its PAN from 90 to 60 there is no pressure at all on pupil places. However, this pattern can change, and pupil forecasts will be carefully monitored in areas of growth.

IMPACT OF HOUSING GROWTH
We do expect this housing to have some impact on school place at both primary and secondary but when this will happen is yet to be known. Discussions have taken place with Synergy Multi Academy Trust so they understand the process of decision making when a new school in an area is being considered.

SHORT TERM RESPONSE
Continue to monitor admissions both at primary and secondary. Obtain regular updates from North Norfolk District Council on housing progress and occupations to understand the impact of the initial stages of the housing on school pupil numbers.

MEDIUM/LONGER TERM RESPONSE
It is likely to be longer term (7-10 years) when additional places will be required for children in Fakenham. Officers from Children's Services will decide on options to provide more places. A new school will be provided if demographics and pupil forecasts indicate this is the best option.

Capital response					
FAKENHAM	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	Section 106 agreed.	£9m	***2026+***
	Possible expansion to Fakenham Academy	Unknown at present	-	-	***Unknown***

LONG STRATTON (South Norfolk)

1800 - 2400 new homes

CURRENT LOCAL PROVISION – capacity and organisation
Long Stratton primary school provision is provided by Manor Field Infant School run by Corvus Education Trust and St Mary's Junior School run by Diocese of Norwich St Benet's MAT. These schools operate as 2 forms of entry schools but are seeing lower intake numbers. This is mainly because around 0.5 forms of entry of children living within the Long Stratton catchment choose smaller schools in surrounding villages for their primary education. Secondary provision is provided by Long Stratton High School with Enrich Learning Trust.

LATEST ASSESSMENT OF GROWTH
The long-awaited bypass for Long Stratton is fully funded although the indicative start date is now Autumn 2023 with an 18 month build and an opening date of Easter 2025 although this is all dependant on planning approvals. The outline planning application for the housing on the east and west sites of the village is expected shortly. The east site also provides a site for a new Primary phase school building and the school site location has been agreed with the land promoters.

KEY PRESSURES ON PUPIL NUMBERS
The pattern of parental preference within the Long Stratton primary age catchment continues to see some families choosing surrounding village schools. NCC plan school place provision in accordance with catchment numbers so although schools are showing some spare capacity this preference pattern could change.

IMPACT OF HOUSING GROWTH
Although a site for a new school has been agreed it will be several years before we will see pressure for places that will require additional primary school provision in Long Stratton. In the meantime, officers from Children's Services will have discussions with local schools and academy trusts as appropriate to understand the most effective way to provide these additional places with the new building in mind. All-through primary phase provision will be considered.

SHORT TERM RESPONSE
Continue to be involved in stakeholder groups to ensure education is covered in all aspects of this development and bypass.

MEDIUM/LONGER TERM RESPONSE
Opening of a new primary phase school in Long Stratton with the potential to move to all-through primary provision in the village.

Capital response					
LONG STRATTON	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary phase school building.	2FE	Site location agreed.	IRO £9m	***2026+***
	High school	Expansion of Long Stratton High to be considered longer term.	-	*-*	

BLOFIELD/BRUNDALL (Broadland)

(up to 500 new homes)

CURRENT LOCAL PROVISION – capacity and organisation
This local area has its primary school places provided by mainly two schools – Blofield Primary (210 place) and Brundall School (315 place). There are some surrounding schools that impact on primary school provision due to parental preference namely Hemblington and Lingwood but in general, children who live in Brundall and Blofield do take up a place at their local schools. A capital project at Brundall Primary School was completed recently to allow the school to have full capacity to provide 315 places. Officers from Children's Services have been working for a while now with Blofield Parish Council, Blofield Primary School and Broadland District Council to secure land in the village for a new school building. This will allow the existing primary school to move from its existing site which it has outgrown to new premises and expand from a 1 to a 2 form of entry school, 420 places.

LATEST ASSESSMENT OF GROWTH
Three large housing developments have either commenced or have permission granted in this area totalling up to 500 homes. Although it often takes many years to see additional children in the system from new housing the expectation is that from this number of homes a further form of entry will be required in the longer term.

KEY PRESSURES ON PUPIL NUMBERS
Schools across this area are full but pupil numbers appear to be stable and the impact of housing is not yet evident. Once more children appear from new housing NCC wish to ensure there is a local school place for local children.

IMPACT OF HOUSING GROWTH
Many more new homes have planning permission than originally thought in the previous Local Plan. As mentioned above, it often takes many years to see the impact of housing on pupil numbers it is best to take opportunities when they arise and provide a new school building on this occasion.

SHORT TERM RESPONSE
Continue to work with Blofield Parish Council and Broadland District Council to secure the land for a new school.

MEDIUM/LONGER TERM RESPONSE
Open a new 420 place primary school building in Blofield and relocate and expand the existing school into this new building.

Capital response					
BLOFIELD	School	Scheme	Stage	Cost/estimate	Date if known
	New primary school building	2 form entry primary school	Site acquisition and concept design complete.	£9M (£1M CIL funding)	2024/2025

PORINGLAND (South Norfolk)

CURRENT LOCAL PROVISION – capacity and organisation

The village of Poringland is served by one larger primary phase school of 420 places – Poringland Primary School. There are other smaller primary schools surrounding the village of Poringland namely, Stoke Holy Cross, Brooke, Trowse, Alpington and Rocklands all of which provide primary education for children in the area. Framingham Earl High School provides secondary education.

LATEST ASSESSMENT OF GROWTH

Housing in Poringland continues and numbers in the region of 200 homes are still to be built out.

KEY PRESSURES ON PUPIL NUMBERS

Schools in Poringland and the surrounding areas are all full for 2021 admissions and pupil forecasts indicate this pressure will continue. There is an indication that new housing takes a while to actually impact on school places so an increase in pupil numbers for the area is expected over the next few years. NCC are experiencing several applications for in-year admissions with many children being refused a place and being offered alternatives.

IMPACT OF HOUSING GROWTH

Although the majority of housing in Poringland and surrounding areas have been completed, it is likely that the impact of these housing completions is not yet showing in pupil forecasts. With Poringland Primary School over capacity on such a limited size site there is no opportunity for expansion so a search for a new school site for the area is underway. Option appraisals have been completed on several sites in the area but as yet no site is considered suitable.

SHORT TERM RESPONSE

Continue to manage the annual admissions round and in-year admissions until a suitable new school site can be found.

MEDIUM/LONGER TERM RESPONSE

All information on primary school places in Poringland indicate insufficient places in the area. Securing a new school site and building a new school for the village is likely.
Pupil forecasts for secondary school places indicates sufficient places at Framingham Earl academy certainly for the medium term. The school consistently admits out of catchment children on preference.

Capital response					
PORINGLAND	School	Scheme	Stage	Cost/estimate	Date if known
	New primary school	Initially 1FE with the scope to increase to 2FE	Site search	£9M	2025+

HELLESDON (Broadland)

Allocation for up to 1000 new homes

CURRENT LOCAL PROVISION – capacity and organisation

Hellesdon has infant/junior schools situated across the area and a large and popular High School. The infant schools (Arden Grove, Heather Avenue and Kinsale) have 180 places per year group between them, which is more than adequate for their catchment. These 3 infant schools feed into two junior schools – Firside Junior and Kinsale Junior. The 2021 admission round as expect has shown more spare places in reception in previous years and pupil forecasts indicate a continued trend of lower numbers. Hellesdon High School being a popular school for children both within and outside of catchment is regularly over-subscribed but there are plenty of places for local children.

LATEST ASSESSMENT OF GROWTH

The hybrid planning application for this 1000 home development was approved in 2016. The first phase for 108 homes is on site but as yet full planning has not been submitted for phases 2 and 3. Children's Services officers have agreed the location of the school site with Broadland District Council officers and Persimmon Homes in accordance with the requirements set out in the S106 agreement. It is likely to be a few years before the trigger to transfer the school site land is met.

KEY PRESSURES ON PUPIL NUMBERS

Officers in Children's Services will continue to monitor pupil forecasts and admission numbers to ensure sufficient places for local children at their local school. Currently there is no identified pressure at these schools.

IMPACT OF HOUSING GROWTH

It is likely that this scale of housing will eventually impact on places in local schools and a new primary school for Hellesdon is proposed within the new development. Once the trigger for the transfer of the school site is met, meetings with local schools will commence to understand how more places can be provided and when so not to impact negatively on other existing schools.

SHORT TERM RESPONSE

Continue to monitor pupil numbers during the annual admissions round.

MEDIUM/LONGER TERM RESPONSE

A new primary school including consideration of all-through primary school provision in Hellesdon. Consider the capacity at the secondary school to ensure adequate places for local children.

Capital response					
HELLESDON	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	Section 106 in place and	IRO £9m	2026+

			site location agreed.		
	High school	Expansion of Hellesdon High to be considered if necessary.	-	-	

AYLSHAM (Broadland)

Local Plan allocation for 250 new homes

CURRENT LOCAL PROVISION – capacity and organisation

Aylsham primary age children are served by 3 schools; St Michael's Primary School which offers 140 places, John of Gaunt Infant School with an admission number of 60 which feeds into Bure Valley School. Secondary education is provided by Aylsham High School.

LATEST ASSESSMENT OF GROWTH

Although this is a relatively small allocation, Aylsham has seen considerable growth over the past few years which has resulted in all primary phase schools being full. A new development of this size would not typically require the need for a new school but without some additional capacity there will be no primary school places for additional local children. The allocation requires the developer to provide a 2ha site free of charge to the Local Authority and officers are working with Hopkins Homes to agree the location of the school site.

KEY PRESSURES ON PUPIL NUMBERS

Pressure for primary school places are high in Aylsham and the high school, although popular consistently draws children from outside of its catchment. An assessment has been made that although more primary school places will be needed, Aylsham High School has sufficient places for local children.

IMPACT OF HOUSING GROWTH

As mentioned above, this development will provide a site for a new school building and the current plan which is preferred by the County Council and the schools in Aylsham is to move the existing St Michael's Primary school to new premises and expand the school to all-through primary with 420 places. This move will provide potentially an additional 40 places across all year groups for the Town.

SHORT TERM RESPONSE

Continue to monitor pupil numbers during the annual admissions round and in-year admissions.

MEDIUM/LONGER TERM RESPONSE

Transfer the school land across to NCC and open a new school building to re-located St Michael's Primary School.

Capital response					
AYLSHAM	School	Scheme	Stage	Cost/estimate	Date if known

	St Michael's VA Primary	Minor capital project for reorganisation to all through primary	Construction	£750K	2021
Future programmes	New primary school	2FE	Site discussion underway	IRO £9m	2026+
	Aylsham High School	Increase capacity	Section 106 contributions collected.		TBC

CAISTER-ON-SEA (Great Yarmouth Borough Council)

Allocation for up to 665 new homes

CURRENT LOCAL PROVISION – capacity and organisation
Primary school provision for children living in Caister is provided by the two primary phase schools, Caister Infant and Junior Schools. These schools are federated with one Head Teacher and both operate with an admission number of 90. Secondary education is provided at Caister Academy run by Creative Education Trust.

LATEST ASSESSMENT OF GROWTH
The application for 665 new homes off Jack Chase Way in Caister has been put forward by Persimmon Homes and is being considered by Great Yarmouth Borough Council. The application includes land for a potential 2 form of entry new primary school building and contributions towards additional education provision.

KEY PRESSURES ON PUPIL NUMBERS
Lower birth rates are evident in Caister as it is across the whole of the County resulting in lower admission numbers for the infant school which then rolls through to the junior school. Whether additional places as a result of this housing will be necessary is yet to be known but numbers will be monitored annually to ensure sufficient places locally for existing children as well as new children living in Caister.

IMPACT OF HOUSING GROWTH
Yet to be seen until housing commences and occupations of new homes.

SHORT TERM RESPONSE
Continue to monitor pupil numbers during the annual admissions round and monitor pupil forecasts once housing commences.

MEDIUM/LONGER TERM RESPONSE
Decision by Children's Services officers as to if and how additional places can be provided for primary age children who live in Caister.

Capital response					
CAISTER	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	-	IRO £9m	2026+

TAVERHAM (Broadland)

Strategic allocation for 1400 new homes

CURRENT LOCAL PROVISION – capacity and organisation
Taverham primary phase education is provided by two infant schools feeding into one junior school, both infant schools have an admission number of 60 and the junior school 120. Taverham High School is also located in the village which provides secondary education for the local area. With the location of this site it would be sensible to also consider the impact of Drayton primary phase schools, Drayton Infant and Junior.

LATEST ASSESSMENT OF GROWTH
This site has come forward as a strategic allocation in the Greater Norwich Local Plan and an application is likely to be submitted in parallel with the Local Plan dates.

KEY PRESSURES ON PUPIL NUMBERS
Although there is no pressure for school places currently, it is prudent with a site of this size in a location that is likely to be popular with families to secure a new school site to ensure the option for additional school places for the future is accounted for.

IMPACT OF HOUSING GROWTH
As mentioned above, a site such as this in Taverham is likely to be popular to families with children so there is an expectation that more school places will be required in the future. Once this housing commences, both long term forecasts and admissions will be closely monitored.

SHORT TERM RESPONSE
Continue to monitor pupil numbers during the annual admissions round and annual pupil forecasts.

MEDIUM/LONGER TERM RESPONSE
Consider the possibility of a new primary school for Taverham having regard to existing provision in the village.

Capital response					
TAVERHAM,	School	Scheme	Stage	Cost/estimate	Date if known
Future programmes	New primary school	2FE	Site location discussions	IRO £9m	2026+

EAST NORWICH (Norwich City)

Allocation for up to 4000 new homes

CURRENT LOCAL PROVISION – capacity and organisation

There are several primary phase schools located close to this area: Lakenham Primary School and Trowse Primary School being the closest. Secondary education is provided by the Hewett School, City of Norwich School and Notre Dame.

LATEST ASSESSMENT OF GROWTH

The East Norwich Partnership was formed in 2020 and the Steering Group has been meeting on a bi-monthly basis over the last year. This is a public-private sector group with representatives from the County Council working with partners to steer the production of the masterplan for the site. Estimates indicate that the development could provide up to 4,000 new homes and 6,000 new jobs – potentially making it the largest development opportunity in the east of England. Consultants have completed the Stage 1 masterplan with consultation held in July 2021 this was followed by a second stage of engagement in October including two in-person drop in events. The County Council will support the development of the preferred options masterplan as it's progressed in early 2022 including the detailed discussions on the location of a new primary school.

KEY PRESSURES ON PUPIL NUMBERS

Primary school provision in this area is currently experiencing a demographic decline so there is a sufficient supply of places. The Hewett School has spare places.

IMPACT OF HOUSING GROWTH

Children's Services has been consulted on the masterplan and an indicative location for a new school has been agreed. This is very early days for this proposed housing but it is likely that an urban design school will be required.

SHORT TERM RESPONSE

Continue discussions with strategic partners on this site to ensure school place planning is adequately represented. Look at urban design schools across the Country.

MEDIUM/LONGER TERM RESPONSE

New school provision if required.

Part 3 – Growth areas with implications for existing schools

AREA AND NUMBER OF HOUSES	CURRENT ACTIONS	SIGNIFICANT INFRASTRUCTURE GROWTH REQUIREMENTS
WISBECH (500+ dwellings in Norfolk)	Working with Cambridgeshire and Kings Lynn and West Norfolk Borough Council regarding impact of housing.	An agreement has been made that with the majority of the housing within the Wisbech boundary, the new primary school will be a Wisbech school and all S106 contributions secured by both Cambridgeshire and Norfolk from this development should be allocated towards this school. A similar arrangement has been proposed for secondary provision. How housing will actually impact on Norfolk schools will be monitored from commencement. No significant changes have been made this year that impact on school place planning. We continue to work with neighbouring LA's.
DEREHAM/SCARNING/TOFTWOOD (700 homes)	A wide area in Breckland where parental preference is evident across the Town and surrounding villages. Dereham is an interesting area which has had its fair share of housing. However, pressure for school places, apart from an odd bulge year has not been evident. For 2021 admissions there are at least 30 spare places across the area.	Although discussions have begun with both DNEAT and Unity Trust on how they see primary provision across the Town in the future, it is unlikely anything will happen unless pressure for school places becomes evident. With this number of new homes it is likely, but it will continue to be monitored.
HOLT (250-400 homes)	The planning application for housing in Holt which includes a site for a new primary school building was approved this year. Children's Services await the sale of the land to developers but continue discussions with the land promoter.	A new 2 form entry primary school building to allow the existing Holt Primary school to move to new premises. This new school will provide the necessary additional new places for children in Holt as well as dealing with condition issues at the existing school.
KINGS LYNN WOOTTONS/KNIGHTS HILL (1000 dwellings)	Outline planning consent was approved in July 2020 for 600 new homes at Knights Hill after a public inquiry. We await reserved matters planning application for the first phase of	There are opportunities for expansion of existing primary school provision and discussions with schools will begin once more certainty on housing commencement is known.

	development. A full planning application for 450 dwellings on land to the north west of South Wootton is awaiting a decision. This application will provide land for expansion to the school if required.	
EASTON (890 new homes)	Since outline planning for the full 890 homes was approved in 2016, further full planning has been approved for Phase 1 for 291 homes and full planning for phases 2 (114 homes) and phases 3 and 4 (350 homes) have been submitted. Land for expansion to St Peter C of E Primary Academy has been secured under the outline permission. Secondary school provision for Easton catchment is traditionally Ormiston Victory Academy and a project for considerable expansion of this school to accommodate children from this and other developments in the area is now on site.	Expansion of St Peter's at Easton to potentially a 1.5FE or 2FE school when the place planning need is evident. Expansion of Ormiston Victory Academy to up to 10FE in Costessey in preparation for additional intake years is currently under construction.

Part 4 - Areas of the County indicating a decline in pupil numbers and where there are several small schools

Norfolk, as a rural county is seeing some areas with considerable growth yet other areas with small and sometimes larger decline in pupil numbers. The Local Authority needs to plan effectively to ensure that provision matches the place needs. Whilst surplus places can sometimes facilitate improvement through parental preference patterns, they can also be a barrier to success. Surplus places create inefficiencies in the school system, which individual institutions may find difficult to manage. The analysis below shows the level of surplus places and indicates some of the demographic trends. Larger schools can often manage both contraction and expansion of pupil numbers. Partnership advisers will actively monitor the quality of education provided in any area and consider any action that may be needed, which could include:

1. Agree changes to the planned admission number (PAN) with associated change to accommodation
2. Conducting an area-based review, which could lead to

    a. Schools joining a governance group such as federation or MAT

    b. Changing age range for a school

    c. Merging schools in existing or newly provided buildings.

    d. As a last resort, close schools

3. Norfolk Planning Areas have been RAG rated in order to identify long term excess school places across each area: GREEN – where there are sufficient places to match the catchment area numbers AMBER – where there are 30+ spare places (per year group) across the Planning Area but places are often filled with out of area children. These areas will be monitored but with the expectation that either catchment number increase or housing will solve the issue RED – areas with considerable surplus places/limited housing/catchment decline.

AMBER PLANNING AREAS
Acle Planning Area - the 8 schools in the area have regular spare capacity which allow for parent preference from some out of area families, some schools in the area have had some small cohorts which will require monitoring.
Broadland Planning Area – an area of 8 schools and some parts of this area have considerable growth planned, numbers in the smaller schools will need to be monitored as the decline could impact those schools the most.
Costessey and Bowthorpe Planning Area – the area has 7 schools with a combination of infant, junior and primary phase, there is currently capacity in the schools with 40 places being available each year, the area is outlined for some development, but this is not yet included in our forecasting, numbers in school are being monitored.

Harleston Planning Area – a small planning area consisting of 4 schools, limited development opportunity impacting the decline in primary phase, the secondary phase is managing with numbers, it gains children from out of county supporting its pupil population. Monitoring in this area based on the small level of school presence which may impact parental preference.

King's Lynn Planning Area – This area includes 11 schools of primary and secondary phase. There is decline across pockets of schools in this planning area, demonstrating parental preference and the potential of choosing the more popular schools in the area. Only one school has a full form of entry, there is expected development in parts of this area which will support growth, but it won't impact all schools across the quite wide planning area. The secondary phase is consistent and appears to regularly pick up children across the schools from out of the catchment supporting a stable position.

Methwold Planning Area – This planning area has 9 schools for primary and secondary phase. 6 of the schools have lower than one form of entry (30 places). There are 45 more places in reception resulting in all schools in this area having an intake lower than their expected PAN. With limited development in this area numbers will continue to be monitored to understand the pupil movement.

North Walsham Planning Area – this planning area has 10 schools including; infant, junior, primary and secondary. The schools centred around North Walsham have consistent numbers and this appears stable, although the schools on the coast and that border other planning areas to the south numbers appear low against their PAN, and the forecast indicates decline further. This may change with development occurring in and around North Walsham, but numbers currently do not evidence this.

North Norwich Planning Area – This planning area has 11 infant, junior and primary schools with 7 secondary schools. There is growing capacity in the reception year indicating the demographic decline being seen in Norfolk. There is capacity in all primary phase schools allowing for parental preference and some moving children out of catchment in this area. The impact here will require some monitoring based on the size of these schools in this planning area.

Norwich South Planning Area – this is a large planning area of 16 schools, all of which are 1 form of entry or larger. Catchment numbers suggest there are 150 places per year group more than is required for the area. With this large number of spare places, parental preference circulation is evident and only the most popular schools are seeing full classes at reception. Half of the schools in this planning area have considerably lower numbers in reception than their capacity allows.

Tas Valley Planning Area – A planning area of 7 village schools, the largest being Mulbarton with a PAN of 60, the other schools have a PAN of 1 form of entry or less. Numbers seem quite static against last year with little development expected at this time. The school's benefit from parental preference and movement from within and from outside the catchment area which maintains numbers. Some more rural smaller schools could become under pressure which will require monitoring.

Thorpe St Andrew Planning Area – This area consists of 3 large primary schools there is pressure expected in the catchment numbers which may mean there could be approximately 40 spare places, the admissions round will need to be monitored to assess future out of area movement.

RED PLANNING AREAS

Cromer and Sheringham Planning Area – This area has 11 schools, forecasts indicate falling catchment numbers with limited development being expected currently. The schools clearly admit children from out of catchment due to parent preference compared to the actual numbers in the catchment areas. 4 schools have below 20 in reception and decline in their catchment currently being forecast. The secondary phase have some spare capacity but any development will not impact all schools in a similar way.

Dereham Planning Area – a large planning area of 16 schools including the town of Dereham and its surrounding village schools. Dereham Town itself has experienced much housing growth and continues to do so, however the impact of this housing has not yet been seen at local schools and 8 of the 12 primary phase schools are experiencing low numbers and the forecast indicates this could continue. Some of the surrounding village schools are also seeing a significant decline in catchment numbers which is resulting in low numbers going into reception. Secondary phase are seeing the bulge groups moving through and cause no concern.

Diss Planning Area – there are 12 schools in this planning area, 3 in close proximity to the town centre and the remainder in outlining villages close to the border with Suffolk. There is a sharp decline in the reception intake for this year and our forecast indicates further decline. The secondary phase is unaffected allowing for some out of county children.

Downham Market Planning Area – There are 14 schools in this planning area, 5 schools in close proximity to the town and the remainder in outlining villages across the area. 5 of the primary phase schools have an admission number of 10 or less and the forecasts indicate continued decline to the reception number. This has led to one school in this small group amalgamating with its partner ensuring the capacity of the school is maintained for a sustainable future.

Fakenham Planning Area – is a market town with an infant and junior in the centre with many village schools around it. There are 9 schools in this planning area, 4 schools have a PAN of below 15, and reception numbers indicate 60 spare places across the schools in this area. Parental preference appears to show children moving out of the central area to the village schools and some moving out of the catchment area completely. Although considerable housing is planned for Fakenham it will be some years before this is recognised in the school system. We will need to continue to monitor the current decline being seen.

Flegg Planning Area – The planning area consists of 8 schools, primary, infant and junior and one secondary school. There remains significant decline in this area with almost 70 spare places across the schools, development is happening in this area on a small scale but it is not generating significant numbers to reduce the capacity issues that exist. Parental preference allows for schools to be selected according to the infrastructure routes across the area. The secondary phase is not affected securing children from outside their catchment area currently.

Litcham Planning Area – A planning area of 10 schools only one school have a full form of entry. 4 of the schools have less than 62 children on role. There is very little housing in this planning area with the area showing significant decline.

Loddon Planning Area – This is a large planning area consisting of 13 schools across the phases. 8 of the schools are operating on a half form of entry, the concentration of pupils centres around Loddon with 5 of the schools running along the border seeing some challenge with pupil movement and intake numbers. The planned development in this area is showing stable numbers to the central Loddon schools but there is little development in the other areas of this planning area. Monitoring of this area will take place.

Stalham Planning Area – a coastal planning area including 9 schools, of the 7 infant and primary phase schools 6 have only lower than a 1 form of entry, many only maintaining a half form of entry. This capacity allows for parental preference in the area, but school places appear in decline with small developments not going to impact considerably to the pupil numbers in some of these schools. These low numbers will work through into the junior and secondary phases based on current forecasts.

Cabinet

Item No: 11

Report Title: Dedicated Schools Grant (DSG) Funding

Date of Meeting: 31 January 2022

Responsible Cabinet Member: Cllr John Fisher (Cabinet Member for Children's Services)

Responsible Director: Sara Tough, Executive Director of Children's Service

Is this a Key Decision? Yes

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 21 January 2022

Executive Summary / Introduction from Cabinet Member

This paper presents the changes to the distribution for the Dedicated Schools Grant from April 2022 in line with the Department of Education's National Funding Formula arrangements.

This includes the funding distribution formula that delegates the funding into maintained schools and academies, who are responsible for using this to ensure the educational outcomes for their children, and early years providers for 2-, 3- and 4-year-old funded places.

Schools funding, both locally maintained and academies, is provided primarily through the Dedicated Schools Grant (DSG). This ring-fenced funding is allocated to local authorities who then have the responsibility to delegate this funding to schools in accordance with the agreed formula allocation.

Currently, it is each Local Authority's responsibility to determine individual school budgets according to local formulae, following local consultation with schools, within statutorily set timescales to enable schools to plan accordingly for the next financial year. To enable the timescales to be met by the County Council, Cabinet needs to agree the principles of Norfolk's local formulae.

In summary, the proposed changes to the mainstream schools distribution formula are:

- Allocate the Schools Block funding via the National Funding Formula unit values (in line with the 2022-23 arrangements)
- A one-off movement of 0.5% from the Schools Block to the High Needs Block, due to the scale of demand for high needs specialist places for pupils, as agreed by Norfolk's Schools Forum
- An additional one-off movement of 1% from the Schools Block to the High Needs Block, due to the scale of demand for high needs specialist places for pupils, if agreed by the Secretary of State (decision awaited at the time of report preparation)

In addition to funding via the DSG, Schools receive funding from other ring-fenced grants, such as Pupil Premium and Universal Infant Free School Meals. Each have their own method of allocation and distribution.

As part of setting the High Needs Block budget, the Local Authority is responsible for agreeing a top-up funding model for state-funded special schools. Norfolk's model has not been amended since 2013 and an alternative model is proposed for 2022-23 that reflects increasing cost pressures, which will be funded by additional High Needs allocation announced by Government in December 2021.

It is also the Local Authority's responsibility to set a local formula to pay early years providers for funded hours claimed by parents in line with DfE requirements, after consultation with providers. In summary, the proposed changes to the distribution formulae utilising the increased rate that NCC will receive (announced by the Government in December 2021) are:

- an increased base rate for 3- and 4-year-olds (increased by £0.10/hr from £3.98/hr to £4.08/hr) with no changes to mandatory and discretionary supplements, and the remaining national increase being allocated based on:
  - c. £0.01/hr of the remaining £0.07/hr will go towards increasing the SEN Inclusion Fund in 2022/23 to meet increased demand;
  - c. £0.06/hr was previously overallocated in 2021/22 when the funding model was revised.
- an increased base rate for 2-year-olds (increased by £0.16/hr from £5.34/hr to £5.50/hr) with the remaining £0.05/hr is used to expand the SEN Inclusion Fund reflecting the level of demand seen in 2021-22.

Recommendations:

To agree:

1. **the Dedicated Schools Grant funding including**
    a. **the changes to the schools funding formula;**
    b. **the changes to the early years funding entitlements formula;**
    c. **agreeing the high needs block budget, including the changes to the alternative top-up funding model for state-funded special**

schools, noting that it has been assessed to meet our statutory duties and it adds to the DSG cumulative deficit;

2. **to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, delegated authority to agree the final funding cap, or allocation of additional funds, once the final DSG calculations of individual school allocations are known and in line with the principles of Cabinet's decision.**

1. Background and Purpose

1.1 Schools funding is provided through the Dedicated Schools Grant (DSG) and other grants. The DSG is allocated to local authorities who then delegate the funding to schools in accordance with agreed formula allocation. Grants are allocated by local authorities to schools as per the Department of Education (DfE) conditions of grants, which vary depending upon the purpose and aims of the funding.

1.2 The Local Authority will receive its Dedicated Schools Grant allocation for 2022-23 based on the new National Funding Formula (NFF). Pupil premium will continue as a separate, ring-fenced grant.

1.3 The DSG is split into four funding blocks: the Schools Block, the High Needs Block, the Early Years Block and the Central School Services Block.

1.4 Movements of up to 0.5% from the Schools Block to other Blocks has to be agreed upon by the local Schools Forum. An application for approval to the Secretary of State has to be made if either the Schools Forum do not agree to a transfer of up to 0.5%, or the Local Authority wishes to make a transfer between Blocks of above 0.5%. Appendix A provides further details of previous years Schools Block to High Needs Block arrangements for reference.

1.5 The DSG deficit arises from the historic underfunding of the High Needs Block, which supports high needs places in state special schools, independent schools, and Alternative Provision. Norfolk is currently carrying an outstanding DSG deficit from previous financial years, with a forecast £54.324m cumulative deficit forecast for the end of 2021-22. On the basis of the accounting treatment introduced in 2020 by the Government:

- the DSG is a ring-fenced specific grant separate from the general funding of Local Authorities;
- any deficit an authority may have on its DSG account is expected to be carried forward and is not required to be covered by the authority's general reserves;
- the deficit should be repaid through future years DSG income.

This deficit DSG reserve position is referenced in the County Council's reserve balances presented within the Norfolk County Council Revenue Budget 2021-22 report elsewhere on this Cabinet's agenda but does not need to be considered when assessing the sufficiency of the Council's general reserves balances.

1.6 The demand anticipated continues to outstrip supply in future years, based upon the trends seen since the policy changes made in the SEND Reform Act. The funding for the High Needs Block has not kept pace with the financial impact of these policy changes and based upon current projections, the significant capital investment and transformation programme that is underway will not be sufficient to sustainably balance the DSG. The outcome of the delayed National SEND Review continues to be awaited.

Central Government Policy

1.7 The Government issued a spending review in October 2021 for the 2022-23 financial year[1]. This confirmed the third and final year of the Education Secretary's previous multi-year announcement in September 2019 totalling £14bn of extra funding for schools and high needs over the three years 2020-23. For 2022-23, this is an iterative cash increase of £3.1bn nationally. This follows a £2.6bn increase to core schools funding in 2020-21 and a £2.2bn increase in 2021-22 on the basis of the September 2019 announcement.

1.8 In addition to the increased DSG allocation, the Government has announced an additional £1.6bn nationally for 2022-23 on top of the increased allocation already expected, in the form of a Schools Supplementary Grant of £1.2bn to meet Health and Social Care Levy and wider costs in mainstream schools and academies, plus additional High Needs allocations of £325m for the Health and Social Care Levy and wider cost pressures in special schools and alternative provision.

1.9 The DfE have stated that it is their intention to incorporate the additional grant into core allocations where possible from 2023/24. Their guidance states that the supplementary grant will be rolled into the schools National Funding Formula for 2023/24, and the LA expects that the additional High Needs allocation will be included within the published DSG allocation spreadsheet for 2023/24 (instead of separately as in 2022/23).

1.10 Part of the cash increase announced relate to minimum per-pupil levels; for 2022-23 will be £4,362 for primary schools and £5,669 for secondary schools[2].

1.11 Government policy continues to be working towards transferring to a 'hard' NFF (where funding is allocated directly to schools, rather than local authorities). In the meantime, Local Authorities will receive their Dedicated Schools Grant allocations for 2022-23 based on the unit values and factors of the NFF. It is the Local Authority's decision as to how the Schools Block is distributed as, at present, there is no requirement upon Local Authorities to allocate the block as per the NFF unit values. However, as the central government policy indicates a move towards a 'hard' formula in future, the implications of this need to be considered by Local Authorities when determining their local formula. The options for the local formula for Norfolk were co-produced with Norfolk Schools Forum and all schools were consulted on the options available.

1.12 The issue of increasing and sustained pressure with High Needs Blocks due to increasing quantity and complexity of need has been raised by many Local

[1] https://www.gov.uk/government/news/all-schools-and-colleges-to-receive-extra-funding-for-catch-up

[2] https://www.gov.uk/government/news/school-funding-boosted-by-4bn-to-level-up-education-for-young-people

Authorities the length and breadth of the country. The increased demand can be correlated to the impact of the 2014 SEN Reform Act. The sector currently awaits the outcome of the National SEND Review and any implications that this may have in.

Transformation Programme

1.13 The County Council are continuing to implement our SEND & AP Transformation Programme, which is making good progress despite the pandemic. Under Norfolk's Area SEND Strategy, £120m of capital has been committed for SEND in Norfolk.

1.14 Over the past 2 years we have increased places in our existing special schools by 247 through a combination of capital expansion and incremental growth. Through the Transformation Programme, we have built Bure Park Specialist Academy (SEMH) in Yarmouth with 32 places open in September 2021 (growing to 88 places by summer 2023). The Duke of Lancaster School (ASD) opened in January 2022 with 48 places and The Bridge Easton is scheduled to open in January 2023. 110 new specialist resource base places have also been created. Through the redirection of County Council resources, combined with investment in a number of roles funded by the High Needs Block, the Local Authority is also working across mainstream early years settings, schools, and colleges to support local inclusion for children and young people with special educational needs and other vulnerable pupils.

1.15 These transformational changes, taken together, will not only improve educational provision and outcomes for children and young people, but are also addressing the ongoing budget pressures within the council's SEND transport budget and the High Needs Block (HNB). Without these changes, both budgets would be seeing higher pressures than currently being witnessed.

1.16 Despite the additional funding allocated to date since the 2019 announcement, funding for children with SEND in Norfolk remains a key pressure in a number of ways. For many years, Norfolk's rate of pupils with SEND has been higher than the national average, which leaves a cultural legacy not just in schools, but from families and agencies across the county. Recently, we have seen the demand nationally 'catch up' with Norfolk's position, but the funding nationally does not fully recognise this high level of need and identification.

1.17 In addition, Norfolk continues to see increasing demand outstripping supply. Requests for special school placements increased by 38% from 2019/20 to 2020/21 and there is low parental confidence in mainstream provision amongst a growing number of parents. Tribunal applications have increased by 415% since 2015, with 80% lodged by parents to secure a special school placement.

1.18 The geography and infrastructure of the county means that specialist provision is not available equitably. Too often children and young people in Norfolk are travelling too far to access appropriate provision. The funding available to support meeting high needs is firmly committed, year on year, to the delivery of specialist provision, and this accounts for the vast proportion of the funding available via the High Needs Block. However, with too few maintained places in Special / Complex Needs Schools in Norfolk, a significant proportion of this funding is required to fund places in independent / non-maintained, higher cost provision, which, when compared to relative quality, does not represent best value for money.

1.19 In addition, the permanent exclusion of children from Norfolk schools has historically been amongst the highest proportion of children excluded nationally, (excepting the reduction in exclusions during the pandemic). The consequent impact on the funding of alternative provision for excluded children is adding a further, significant pressure, both at a primary and a secondary level.

1.20 Latest savings forecast for the programme:

	Delivered (£m)	Forecast (£m)				
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Savings (new in-year savings)	-1.373	-3.474	-6.389	-6.248	-3.299	-2.369
Savings (ongoing and new in-year)	-1.373	-4.847	-11.235	-17.484	-20.783	-23.152
Savings (cumulative total)	-1.373	-6.219	-17.455	-34.938	-55.721	-78.873

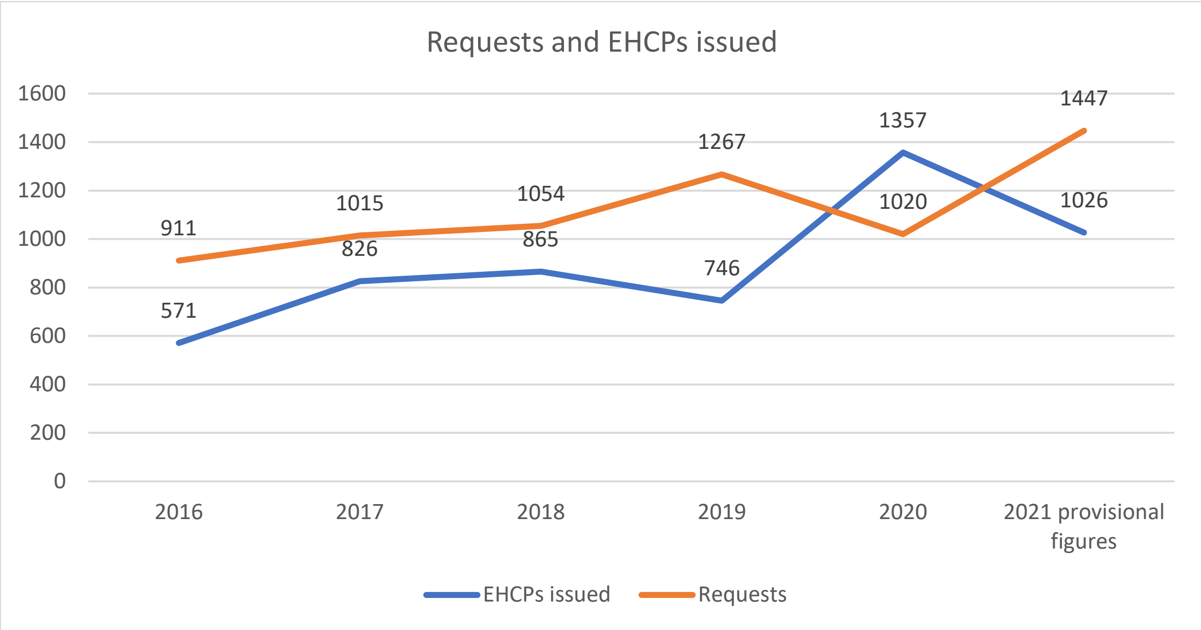
Updated DSG Management Plan

1.21 Norfolk County Council continues to fully co-operate with the DfE and a meeting took place between the Local Authority and the DfE in October 2021 to discuss the deficit and plan for recovery. During the meeting it was explained that high needs pressures continue to increase and that the subsequent update of the DSG recovery plan would see a significant increase in the forecast deficit for the current and future years based upon the increase in specialist places in independent provision being higher than forecast, alongside a significant increase in the average cost of fees charged by the independent sector.

1.22 The financial modelling for the DSG recovery plan is based upon the best available information at the time of preparation, and some elements of the transformation planned are further through the planning cycle than other elements. This review has taken into account key assumptions relating to:

- Increased forecast outturn for 2021/22, which also affects future year deficits;
- Increased average placement costs for independent provision based on current placement data/costs (where a significant increase in the cost of new placements has been seen this year) and including estimated price inflation of 2% for future years;
- Increased High Needs Block income for 2022/23 based on indicative information provided by the DfE plus an increase from estimated inflationary future increases;
- Further increasing the number of maintained specialist provision to increase quality and reduce placement costs compared to the independent sector;

- Increased Exceptional Circumstances Fund and SEN Support / EHCP Element 3 funding to meet needs being supported within mainstream schools seen in 2021/22 to date;
- Additional online Alternative Provision offer and Section 19 support in line with demand seen;
- Increased demand for EHCP assessments (provisional figures for 2021 confirm that 2020's downturn in demand was related to the pandemic), with an increasing number of children and young people identified as requiring a special school place;



- Updated average cost of placements and support (current and projected) – due to place demand, independent provision tends to increase in cost with each placement whilst, as the transformation programme continues, the cost of new provision can more accurately be calculated;
- Ongoing increase in independent provision reflecting the current market conditions where despite apparent saturation, the market continues to expand and accept additional pupils;
- Increases in the High Needs Block allocations in relation to overall schools funding announcements;
- and, Extended plan to 2025/26.

1.23 It should be noted that the DSG recovery plan is a based upon a complex financial model, aspects of which are not entirely within the control of the local authority, such as demand for specialist provision, independent sector placement charges and the medium-to-longer term impact of the Covid-19 pandemic upon high needs including alternative provision.

1.24 The demand that the local authority is anticipating continues to outstrip supply in future years, based upon the trends seen since the SEND reforms of 2014. The local authority is of the view that the funding for the High Needs Block has not kept pace with the financial impact of these policy changes and based upon current projections, the significant capital investment and transformation programme that is underway will not be sufficient to sustainably balance the DSG. DfE have confirmed that the much-anticipated SEND Review will be published Spring 2022, but it is expected that any national changes to the SEND system will be years in the development.

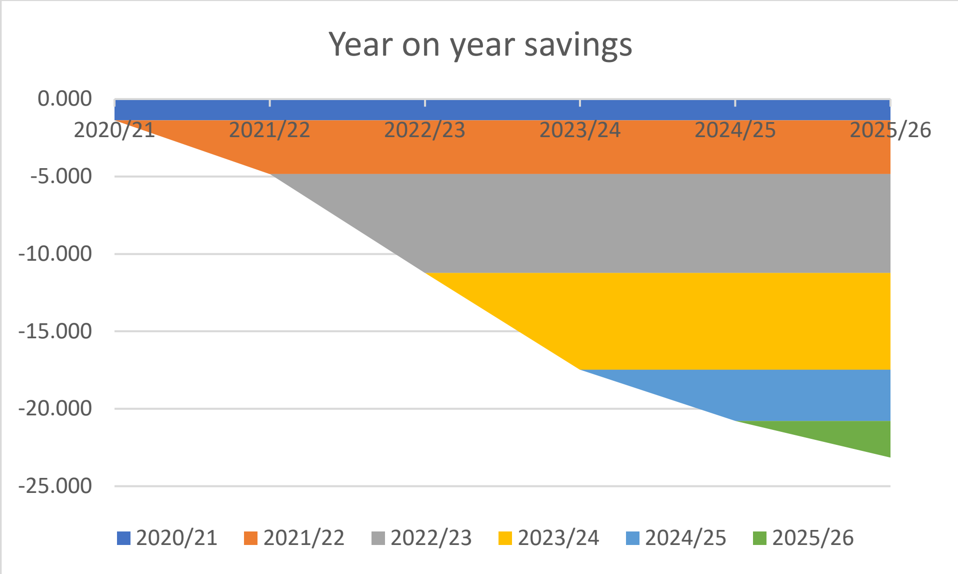
1.25 The recent DfE High Needs Block consultation showed that the system had been under-funded for multiple years for many LAs, including Norfolk and this has significantly contributed to the ongoing deficits. The consultation did not propose back-dated funding to mitigate this under-funding, leaving this historic deficit to the local authorities to resolve. Additionally, it also proposed a cap on 'gains' of 12% (later reduced to 11% for indicative 2022/23 NFF allocations), further exacerbating Norfolk's financial position.

1.26 To be able to properly meet the needs of Norfolk's population, the local authority is of the view that central government needs to allocate both sufficient revenue funding and capital funding, with the capital funding sufficient to both maintain the condition of existing maintained special schools, but also to expand or create new provision (similar to capital grant allocations for mainstream schools).

1.27 Sufficient capital investment has not been forthcoming from central government for many years and whilst recent announcements are welcomed, this will not be sufficient to fully meet the place needs of children with high SEND. Previous capital funding for specialist provision has been subject to a national bidding process rather than allocation based on greatest sufficiency need, and Norfolk has lobbied the DfE to prioritise capital funding to those authorities where it will deliver the biggest benefit. Investing in the right provision would deliver significant revenue benefits for high needs spending within Norfolk, as well as delivering improvements in outcomes for children and young people.

1.28 Stronger regulation of the independent sector for cost, quality and admissions is also needed to enable local authorities to better ensure high quality provision which also represents value for money. The exemption of the independent sector from the High Needs funding system and from admitting pupils when named in children's EHCPs does not represent a level playing field to manage local supply, demand and cost.

1.29 Despite all of these challenges, as shown in the table in section 1.20, Norfolk is still anticipating significant savings due to its significant capital investment. The savings presume that the alternative would be increased independent provision, a realistic assumption considering how the independent market continues to expand even when it appears to have reached saturation point:



1.30 The cumulative DSG deficit carried forward from 2020-21 was £31.797m and is currently forecast to reach £54.324m at the end of the current financial year.

1.31 The level of deficit is forecast to rise based on current forecast demand for places to £154.706m at the end of the 2025-26 financial year. This includes accounting for identified mitigating actions including the opening of the additional special school and specialist resource base provision, and a 1.5% transfer from Schools Block to High Needs Block each year. The assumptions are based on current DSG regulations which state that a deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the LA not to do this. As the level of High Needs Block funding provided is not sufficient to meet demand, the only way to maximise DSG income to mitigate the DSG deficit is to request Schools Block to High Needs Block transfers each year. Without the Block transfers, the cumulative deficit is forecast to exceed £189m.

1.32 If the increased demand was fully met by increased independent provision, rather than through Norfolk County Council's £120m capital programme, then the cumulative deficit by 2025-26 would be expected to be at least £23m per annum higher (cumulative deficit would be in the region of £79m higher) for the same number of places. The quality of provision and outcomes for children and young people is significantly and consistently better in the maintained and academy sector; thus, the programme will deliver significant non-financial benefits for children and young people as well as financial benefit.

1.33 The forecast in-year deficit reduces in 2022-23, prior to rising again from 2023-24 onwards. The funding uplift seen in 2022-23 provides some 'respite', but this improvement is mitigated in future years as income is not expected to rise in line with spend increases. The expected significant supply of new provision into the state-funded sector in 2022-23 (following the increase in 2021-22) does provide benefit, with a shift in the proportion of children with high SEND having their needs met in the maintained and academy sector rather than the independent sector, but the ongoing demand outstrips this.

1.34 The scale of the challenge faced by Norfolk within the current funding arrangements from the Government cannot be understated, as demonstrated in the DSG forecast provided below. On the basis of information supplied to local authorities by the DfE, future HNB funding is being estimated to increase by 5% for 2023/24 and by 3% from 2024/25 for each income factor, plus the basic entitlement factor for growth in specialist places.

1.35 Following a review of budget pressures for 2022/23 and considering the most recent monitoring available at the time of writing (period 8, end of November 2021), the latest forecast DSG deficit recovery position is shown in a table overleaf.

1.36 The Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2021 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2022/23, equivalent to approximately £5.686m. The Secretary of State has approved that request and the DSG Management Plan update includes the confirmed transfer.

1.37 The modelling continues to be improved and refined on an iterative basis. Some of the changes in this latest update are corrections or improvements to previous figures or assumptions.

1.38 The current financial year outturn forecast (2021/22) is £22.527m overspend at the end of period 8 monitoring (end of November 2021).

As modelling is iterative, changes in each year will have a knock-on effect in future years. Thus, changes to key estimates, such as the significant increases seen in independent place unit costs, additional places created in maintained special schools in excess of the original plans, and additional resources into EHCP/SEN support, have the impact of adding to each year’s deficit cumulatively into the future. Therefore, based upon the latest information and modelling, the forecast in-year deficit for 2022/23 has now increased to £17.924m, and the cumulative DSG deficit by 2025/26 has now increased to £154.706m.

DSG Recovery Plan, £m	Outturn							
	2018/19	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
High Needs Block DSG Income	80.462	81.917	93.311	103.840	114.886	119.544	122.534	125.390
0.5% Schools Block Transfer	2.365	2.410	2.535	2.621	2.843	2.909	2.938	2.968
Additional Schools Block to High Needs Block Transfer	0.000	4.580	0.000	0.000	5.686	5.705	5.763	5.820
Additional High Needs Block allocation (notified Dec 2021)					4.350	4.350	4.350	4.350
Schools Block / Early Years Block / Central Services Schools Block Underspends	4.095	1.491	0.369	0.184				
Total Resources	**86.922**	**90.398**	**96.215**	**106.645**	**127.765**	**132.508**	**135.584**	**138.528**
Placement Budget starting point			87.103	93.441	106.961	120.941	130.365	136.995
Demographic Growth			7.711	16.993	20.370	15.671	9.929	8.731
Savings			-1.373	-3.474	-6.389	-6.248	-3.299	-2.369
Total Placements	**80.488**	**87.103**	**93.441**	**106.961**	**120.941**	**130.365**	**136.995**	**143.357**
Exceptional Circumstances inc. Inclusion & AP	0.396	1.342	2.205	5.087	5.277	5.277	5.277	5.277
EHCP/SEN Support	5.680	7.420	7.815	9.454	10.973	11.723	12.473	13.223
New Special School Start-up Costs			0.113	0.568	0.318	0.000	0.000	0.000
Speech and Language Therapy Service contribution	0.771	1.002	1.004	1.066	1.068	1.000	0.970	0.970
Sensory Support	1.566	1.565	1.565	1.565	1.943	1.943	1.943	1.943
Youth Offending Team contribution	0.290	0.290	0.290	0.290	0.290	0.290	0.290	0.290
Child and Adolescent Mental Health Service contribution	0.251	0.251	0.251	0.251	0.251	0.251	0.251	0.251
High Needs Inclusion Infrastructure	0.832	0.854	1.632	2.026	2.026	2.026	2.026	2.026
Permanent Exclusion charges	-0.999	-1.082	-0.506	-0.622	-0.500	-0.500	-0.500	-0.500
Other	0.447	0.469	0.498	0.642	0.720	0.720	0.720	0.720
Health & Social Care levy					0.500	0.500	0.500	0.500
Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant				1.886	1.882	2.056	2.171	2.258
Total Expenditure	**89.722**	**99.214**	**108.308**	**129.172**	**145.688**	**155.650**	**163.115**	**170.314**
Surplus (+)/Deficit (-)	**-2.800**	**-8.816**	**-12.093**	**-22.527**	**-17.924**	**-23.142**	**-27.531**	**-31.786**
Cumulative Deficit	**-10.887**	**-19.703**	**-31.797**	**-54.324**	**-72.248**	**-95.389**	**-122.920**	**-154.706**

Placements Costs by type, £m:	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Maintained / Academy / Free Special Schools	*31.587*	*34.260*	*36.260*	*38.955*	*45.379*	*49.350*	*51.416*	*53.043*
Independent Special Schools	*25.604*	*30.456*	*33.050*	*41.455*	*43.597*	*47.904*	*51.539*	*55.246*
Add/Other Provisions					*2.870*	*3.370*	*3.870*	*4.370*
Medical Needs/Hospital Provision					*0.684*	*0.184*	*0.184*	*0.184*
Personal Budgets	*0.451*	*0.501*	*0.246*	*0.466*	*0.300*	*0.300*	*0.300*	*0.300*
Section 19 Placements and Support^	*0.000*	*0.060*	*0.938*	*1.174*	*1.174*	*1.174*	*1.174*	*1.174*
Alternative Provision	*6.455*	*4.693*	*4.198*	*2.143*	*2.142*	*2.142*	*2.142*	*2.142*
Post-16 (Further Education)	*6.440*	*6.774*	*7.090*	*7.483*	*7.851*	*8.159*	*8.295*	*8.686*
Specialist Resource Bases & Deaf Resource Bases	*3.089*	*3.242*	*3.714*	*5.241*	*6.815*	*7.528*	*7.686*	*7.686*
Short Stay Schools	*6.129*	*6.821*	*7.110*	*8.989*	*8.900*	*8.888*	*8.888*	*8.888*
Other Local Authority Recoupment	*0.734*	*0.298*	*0.837*	*1.054*	*1.230*	*1.366*	*1.502*	*1.638*
Total Placement Costs	**80.488**	**87.103**	**93.441**	**106.961**	**120.941**	**130.365**	**136.995**	**143.357**

Placements Numbers by type:	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Maintained / Academy / Free Special Schools	*1,484*	*1,577*	*1,630*	*1,827*	*2,040*	*2,165*	*2,246*	*2,317*
Independent Special Schools	*615*	*847*	*922*	*849*	*899*	*949*	*999*	*1,049*
Add/Other Provisions				*156*	*199*	*242*	*285*	*328*
Medical Needs/Hospital Provision				*13*	*33*	*13*	*13*	*13*
Personal Budgets	*55*	*65*	*52*	*74*	*74*	*74*	*74*	*74*
Section 19 Placements and Support^		*83*	*33*	*120*	*130*	*130*	*130*	*130*
Alternative Provision	*351*	*252*	*113*	*102*	*102*	*102*	*102*	*102*
Post-16 (Further Education)	*588*	*677*	*632*	*659*	*689*	*722*	*757*	*795*
Specialist Resource Bases & Deaf Resource Bases	*242*	*242*	*260*	*354*	*450*	*466*	*466*	*466*
Short Stay Schools	*350*	*370*	*370*	*432*	*432*	*432*	*432*	*432*
Other Local Authority Recoupment	*74*	*83*	*94*	*107*	*116*	*125*	*134*	*143*
Total Placement Numbers	**3,759**	**4,196**	**4,106**	**4,693**	**5,164**	**5,420**	**5,638**	**5,849**

^ Section 19 pupils are not placements as such, but are pupils that the LA has a statutory duty to support whilst they are either on the waiting list for Short Stay School, CME, or awaiting specialist placement.

2021-22 DSG Allocations

1.39 The total DSG allocation received for 2022-23 was published in December 2021 by the DfE and totals £729.191m before academy recoupment. This compares to a total DSG allocation of £699.382m in 2021/22, as at the November 2021 DSG update; an overall increase of £29.809m.

Schools Block

1.40 The Schools Block is £568.631m; an increase of £20.698m from the £547.933m received in 2021/22. £3.676m of the increase is extra funding for additional pupil numbers on the October census, up from 106,836 pupils to 107,460 pupils compared to the previous year. The remaining £17.022m is from additional National Funding Formula funding distributed by the Department for Education (DfE) as part of the 3-year settlement for schools' funding announced in autumn 2019 that will allocate an additional £14bn nationally between 2020/21 and 2022/23.

1.41 Appendix B provides a summary of the changes to the National Funding Formula for 2022-23.

1.42 Norfolk's share of the additional funding is £16.540m for the Schools Supplementary Grant, which will be allocated to mainstream schools and academies in 2022/23. Further detail is expected from the DfE in spring 2022.

Central School Services Block

1.43 This block consists of historic commitments prior to 2013 with a contractual agreement. It also includes a contribution to the admissions service, the servicing of the Schools Forum and covers licences that are paid centrally by the Department of Education on all schools' behalf. Additionally, it includes the previously retained element of the Education Services Grant, which covers the statutory duties carried out by the Local Authority for all types of school.

1.44 The Central School Services Block of £3.965m (£3.772m in 2021/22) covers central items previously held within the Schools Block. The increase of £0.193m is due to an increase in the amount allocated per-pupil (from £33.87 per pupil 2021/22 to £35.75 per pupil 2022/23) and a decrease in funding for historic commitments (down from £0.154m to £0.123m). This block covers the cost of central licences which will be charged to the authority by the DfE for all schools, historic commitments already agreed by Schools Forum and the retained services provided to all schools previously covered by the Education Services Grant. Schools Forum voted to retain these items centrally at the November 2021 Forum meeting

High Needs Block

1.45 The 2022/23 financial year will be the third and final year of funding increases announced in autumn 2019 by the Government totalling £14bn of extra funding for schools and high needs over the three years 2020/21, 2021/22, and 2022/23.

1.46 The High Needs block has increased to £114.886m from £103.840m. This is an increase of £11.046m (10.6%) compared to the 2021/22 DSG (November DSG 21 update) and is based upon the DfE's National Funding Formula for High Needs.

1.47 The overall increase of £11.046m between years includes a £0.026m reduction based on the number of pupils in special schools, down from 2,305 to 2,299.50 pupils. Officers will review this adjustment for accuracy when the DfE releases their pupil number tool in spring 2022, due to an ongoing issue with the LA's January 2021 Alternative Provision Census submission.

1.48 In addition to the High Needs Block DSG, the LA will receive an additional High Needs allocation of £4.350m in 2022/23 to support costs of the Health and Social Care Levy and wider cost pressures in special schools and alternative provision, and additional support for colleges and other providers offering extra hours of study to students requiring high needs top-up funding. High Needs grant allocation is subject to DSG conditions and brings the total funding allocated to Norfolk by the DfE for High Needs to £119.235m for 2022/23.

Early Years Block

1.49 The Early Years Funding Formula for 2022/23 will be paid to the Local Authority at £4.61 per hour for 3-and-4-year-olds, which is an increase of £0.17 per hour compared to 2021/22, and £5.57 per hour for 2-year-olds, which is an increase of £0.21 per hour.

1.50 The indicative Early Years Block for 3- and 4-year-old universal entitlement (15 hours per week) in 2022/23 totals £27.025m compared to £28.840m in 2021/22. The reduction in funding is due to decline in the number of Part-Time Equivalent (PTE) children as calculated by DfE. The percentage of 3- and 4-year-olds children in education has increased to over 94% (Autumn 21), but the number of 3-and-4-year-olds in Norfolk's population has decreased and the part time equivalent (PTE) for 3- and 4-year-old funded children has decreased, which suggests that some families are choosing not to claim their child's full universal entitlement. Therefore, funding has reduced by £1.815m due to lower PTE's in the January 2021 Census used for 2022/23.

1.51 Since September 2017 working parents have been able to access an additional 15 hours of funded 3- and 4-year-old early education. Taking the total amount to 30 hours of funded childcare based on the January 2021 census, the DfE has provided indicative funding of £9.349m for the estimated take up of the additional 15 hours by parents in 2022/23, compared to £9.543m in 2021/22. This is a decrease of £0.194m, based on the data used for the indicative allocation, however the funding for additional hours for working parents will be paid to the Local Authority at the new higher rate of £4.61 per hour in line with the universal entitlement, which is an increase of £0.17 per hour compared to 2021/22.

1.52 Parents can access 15 hours of funded 2-year-old early education, if they meet the eligibility criteria. The Department of Education is providing £4.243m of funding initially based on the January 2021 census (compared to £4.548m in 2021/22). The Local Authority will receive £5.57 per hour for Early Education of 2-year-olds, an increase of £0.21 compared to 2021/22.

1.53 Early Years Pupil Premium will be paid at an increased rate of £0.60 per hour per eligible child claiming 3 and 4-year-old funding, up to a maximum of 570 hours per year (compared to £0.53 per hour in 2021/22). The initial published allocation is £0.582m.

1.54 Final Early Years Block allocations for 2022/23 will be based on 5/12th of Part Time Equivalent data from the January 2022 Census and 7/12th of PTE data from the January 2023 Census. The local authority will account for EY Block income on an accruals basis, entering estimated adjustments into the accounts at year end to reflect the estimated final EY Block funding for 2022/23. The final adjustment to 2022/23 Early Years Block will take place in July 2023, after year end. This is a reversion to the usual adjustments by the DfE expected during each financial year following special arrangements during the initial party of the covid-19 pandemic.

1.55 The Early Years National Funding Formula (EYNFF) places nursery schools on the same funding model as all Early Years Settings, and supplementary funding of £0.284m (increased from £0.222m in 2021/22) has been provided to continue to protect fixed sums that the 3 Nursery Schools in Norfolk receive. The increase includes a £0.09/hr uplift to the supplementary funding rate and the PTE's in nursery schools have increased from 151.6 as at January'20 to 187.43 in the January'21 Census. The fixed sums fund the higher overheads and cost of qualified teaching staff in a Nursery School.

1.56 The Disability Access Fund aids access to early years places. An early years setting is eligible for £800 per year (increased from £615 in 2021/22) for each child in receipt of Disability Living Allowance using February 2021 data. The allocation for 2022/23 is £0.227m, and it is not updated during the financial year.

DSG Changes between years (by Funding Block)

1.57 The overall difference in the DSG allocation from the prior year is set out in the table below:

Funding element	**2022/23* (£m)**	**2021/22** (£m)**	**Change (£m)**	**Explanation for change**
Early Years Block				
Early Years 3- & 4-year-olds: 15 hours universal entitlement	27.025	28.840	(1.815)	Fewer eligible hours based on January'21 Census, however there is an increase of £0.17 per hour.
Early Years 3- & 4-year-olds: 30 hours for working parents	9.349	9.543	(0.194)	Fewer eligible hours based on January'21 Census, however there is an increase of £0.17 per hour.
Early Years 2-year-olds: 15 hours, where eligible	4.243	4.548	(0.305)	Fewer eligible hours based on January'21 Census, however there is an increase of £0.21 per hour.
Early Years Pupil Premium	0.581	0.503	0.078	Increase of £0.07 per hour, updated EYPP take-up.
Nursery Schools Supplement	0.284	0.222	0.062	Increase of £0.09 per hour, increased Part Time Equivalents in January'21 Census.
Early Years Disability Access Fund	0.227	0.181	0.046	Increase of £185 per eligible child, updated DLA data from February'21.
Schools Block	568.631	547.933	20.698	Increase of 624 pupils, £3.676m, and additional money from DfE through NFF, £17.022m.
Central School Services Block	3.965	3.772	0.193	Increase of 624 pupils, funding per-pupil has increased from £33.87 to £35.75 per pupil, £31k reduction to historic commitments funding.
High Needs Block	114.886	103.840	11.046	Additional funding as a result of the National Funding Formula additional DfE money. AP census figures used will be checked by LA when DfE releases further detail.
Total	**729.191**	**699.382**	**29.809**	

*Source: DfE's DSG allocation tables 2022-23 (published Dec'21)
**Source: DfE's DSG allocation tables 2021-22 (Nov'21 update)
Note: All figures are shown rounded to nearest thousand per DfE allocation table

Movement Between Funding Blocks

1.58 Movement of 0.5% from the Schools Block to the High Needs Block was agreed by Schools Forum at the November 2021 meeting with the intention of alleviating the forecast pressure on the High Needs Block caused by the demand on high-cost specialist placements, the increase in high needs in the school population and the proportion of placements in independent provision as opposed to state-maintained provision. Based on the updated DSG allocation for 2022/23 this is a one-off movement of approximately £2.843m. Following that transfer the new totals will be £565.788m for Schools Block and £117.729m for High Needs Block.

1.59 The Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2021 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2022/23, equivalent to approximately £5.686m. The Secretary of State has agreed to the additional block transfer requested and the DSG Management Plan update reflects this decision.

Existing DSG Cumulative Deficit

1.60 Norfolk is carrying an outstanding DSG deficit of £31.797m from previous financial years as a result of pressures within the High Needs Block. A further DSG deficit of £22.527m for 2021/22 is forecast based upon the latest information available. The overall DSG starting position for 2022/23 is, therefore, forecast to be a deficit of £54.324m (£31.797m from previous years plus £22.527m for 2021/22).

Other Schools Grants

Pupil Premium

1.61 The DfE has stated that Pupil Premium funding will increase in line with inflation for 2022/23, and that the new rates will be:

- Primary FSM6 pupils: £1,385
- Secondary FSM6 pupils: £985
- Looked-after children: £2,410
- Children who have ceased to be looked-after: £2,410
- Service children: £320

1.62 The DfE will publish allocations and conditions of grant in spring 2022.

Other grants for 2022 to 2023

1.63 The DfE have said that information about other grants for 2022 to 2023 will be issued during 2022.

2. Proposal

Schools Block

2.1 The Schools Block to be allocated to mainstream schools and academies in 2022/23, after deductions for an agreed growth fund and any agreed transfers to High Needs Block, mirroring National Funding Formula factor values and methodologies as closely as possible subject to a final calibration of the formula to funds available (as set out in the autumn 2021 consultation with Norfolk's schools). A summary of the consultation options and responses is available in Appendix C.

2.2 Norfolk Schools Forum agreed at the November 2021 meeting:

- A top slice of £0.500m Schools Block funding for a growth fund for maintained schools and academies;
- A transfer of 0.5% (£2.843m based on final Schools Block allocation) from Schools Block to High Needs Block to support pressures within the High Needs Block and to support recovery of the DSG deficit.

2.3 In addition to the 0.5% transfer agreed by Schools Forum in November 2021, a further transfer of an additional 1% (£5.686m) to High Needs Block has been requested in a disapplication request to the Secretary of State that has been approved.

2.4 The total allocation to mainstream schools' and academies' budget shares will be £565,288,092 (including National Non-Domestic Rates) £559,601,779. In addition, the agreed £0.500m growth fund will be allocated in-year based on the growth fund criteria agreed by Schools Forum in November 2021.

2.5 In addition to the Schools Block DSG allocation, Norfolk's share of the additional funding for the Schools Supplementary Grant[3] is £16.540m which will be allocated to mainstream schools and academies in 2022/23 based on school-level allocations provided by the DfE in spring 2022.

2.6 **Cabinet is asked to allocate the Schools Block funding via the DfE's National Funding Formula unit rates and methodologies, with a transfer to the High Needs Block of £8.529m of Schools Block, 1.5% as agreed by the Secretary of State. The Minimum Funding Guarantee, based upon the final DSG allocations, is expected to be set at +0.5% and it is anticipated that a funding cap of +2.82% will be required.**

2.7 **Cabinet is asked to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, has delegated authority to agree the final funding cap (if necessary) or allocation of additional funds, once the final DSG calculations of individual school allocations are confirmed, and in in line with the principles of Cabinet's decision.**

High Needs Block

[3] https://www.gov.uk/government/publications/schools-supplementary-grant-2022-to-2023/schools-supplementary-grant-2022-to-2023-methodology

2.8 The total High Needs Block allocation for Norfolk is £119.235m for 2022-23 including the additional High Needs allocation announced in December 2019. The DSG Management Plan for Norfolk demonstrates that this is expected to be insufficient funding for the demand upon the High Needs Block for high needs, specialist education placements and provision. Therefore, Norfolk will need to set a deficit budget for the High Needs Block, with the budgeted deficit to be added to the cumulative DSG deficit forecast as at end of March 2023.

2.9 The funding methodology for Norfolk's state funded special schools has been in place since 2013 with place and top-up funding has remained static during this period. A review of special schools' funding arrangements has been undertaken where a range of factors were considered including benchmarking against levels of funding in other local authorities, composition of leadership structures, staff to pupil ratios, and ancillary costs.

2.10 This review was facilitated and enabled via a working party consisting of representatives from Norfolk's state funded special schools and officers from Norfolk County Council. This group met a series of times over the last year, acting as a consultative group to explore and test out funding methodologies. The group has worked to terms of reference agreed between NCC and special school representatives. The outcome was a detailed state funded Special Schools Review paper at the September 2021 Schools Forum meeting[4] that was then consulted upon during the Autumn term.

2.11 The alternative funding model is provided in Appendix D for reference. The estimated financial impact of the funding model is c. £1.3m pa[5], including the cost of Minimum Funding Guarantee protection, where appropriate. A summary of the consultation options and responses is available in Appendix E.

2.12 The Health and Social Care Levy is a 1.25% increased employer contribution on all pay above the National Insurance lower threshold from April 2022. For Norfolk's maintained special schools[6], this is estimated at a total of £0.131m, and on average works to an additional £103 per-place. It is proposed that this is added to the new top-up values for special schools and academies for 2022/23. Based on the total number of places increasing to 2,040 during 2022/23 the additional allocation for the levy is estimated at £0.210m for 2022/23.

2.13 The adoption and implementation of the alternative top-up funding model was widely supported through the consultation. The sector has experienced very real pressures given that there has been no change to funding methodology since 2013. However, the affordability was a key concern due to the current pressures within the HNB of the DSG. The announcement by Government of the additional High Needs allocation for 2022-23, specifically to support cost pressures within specials schools and alternative provision, provides the opportunity move to the alternative funding formula, along with funding for the Health and Social Care Levy, aligning with Government policy that recognises the increasing costs the sector faces.

[4] Detailed review paper available at: Norfolk Schools Forum agendas and papers - Schools (29 September 2021)
[5] Based upon 2021/22 data (to be updated to reflect the latest pupil data for 2022/23)
[6] Detailed salary data was not available for academies, but similar levy costs are assumed.

2.14 Discussion was held at Schools Forum in November 21[7] and, whilst there was some concern raised about the approach to leadership within the modelling due to the variety of models across the system given the variety of settings, the sense was that the model was fairer overall, and it was important that special schools are funded appropriately to meet need. There was a request that future reviews of the model are undertaken within a short time period.

2.15 **Cabinet is asked to agree the move to the alternative top-up funding model for state funded special schools.**

2.16 The HNB budget for Norfolk has upon the presumption that the alternative top-up funding model and funding for the Health and Social Care Levy for state funded special schools is adopted.

2.17 Taking into account the modelling of the various types of placements, the proposed HNB for 2022/23 is shown in the table below (an extract of the DSG Management Plan shown elsewhere on the report):

2022-23 High Needs Block	2022/23 £m
High Needs Block DSG Income	114.886
Additional High Needs Block allocation (notified Dec 2021)	4.350
0.5% Schools Block Transfer	2.843
Additional 1% Schools Block to High Needs Block Transfer	5.686
Total Resources	**127.765**
Maintained / Academy / Free Special Schools	*45.379*
Independent Special Schools	*43.597*
Add/Other Provisions	*2.870*
Medical Needs/Hospital Provision	*0.684*
Personal Budgets	*0.300*
*Section 19 Placements and Support^*	*1.174*
Alternative Provision	*2.142*
Post-16 (Further Education)	*7.851*
Specialist Resource Bases & Deaf Resource Bases	*6.815*
Short Stay Schools	*8.900*
Other Local Authority Recoupment	*1.230*
Total Placements	**120.941**
Exceptional Circumstances inc. Inclusion & Alternative Provision	5.277
EHCP/SEN Support	10.973
New Special School Start-up Costs	0.318
Speech and Language Therapy Service contribution	1.068
Sensory Support	1.943
Youth Offending Team contribution	0.290
Child and Adolescent Mental Health Service contribution	0.251
High Needs Inclusion Infrastructure	2.026
Permanent Exclusion charges	-0.500
Other	0.720

[7] https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-minutes

Health & Social Care Levy	0.500
Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant	1.882
Total Expenditure	**145.688**
Surplus (+)/Deficit (-)	**-17.924**

2.18 **Cabinet is asked to agree the HNB budget, noting that it has been assessed to meet our statutory duties and it adds to the DSG cumulative deficit.**

Early Years Block

2.19 The hourly rates provided to Norfolk by the DfE, calculated through the the Early Years National Funding Formula, will increase from April 2022 from £4.44/hr to £4.61/hr for 3- and 4-year-olds (universal and additional entitlement) and from £5.36/hr to £5.57/hr for 2-year-olds.

2.20 Key increases in costs for providers will be the increase in National Living Wage (NLW) of £0.59/hr from April 2022 (and any subsequent impact to higher paid roles) and the 1.25% Health and Social Care Levy above the lower National Insurance threshold. The impact upon staffing costs for providers is estimated as:

- £0.08p/hr per child on average for 3-and-4-year-olds
- £0.16p/hr per child on average for 2-year-olds

2.21 Norfolk's Early Years funding formula is based upon several elements for 2021-22:

- Hourly base rate (2-, 3- & 4-year-olds)
- Special Educational Needs Inclusion Fund (2-, 3- & 4-year-olds)
- Mandatory Deprivation and Discretionary Flexibility and Quality supplements (3- & 4-year-olds only)
- Additional Maintained Nursery Supplement
- Centrally Retained by the LA for the provision of central services
- Contingency

2.22 For 2022-23, Norfolk's Early Years funding formula needs to be updated and the table below provides details of the various elements and the proposals:

Element	**Consideration and Proposal**
2-year-old hourly base rate	The local authority has considered various options for the distribution of the additional funding and, following detailed modelling work, proposes to increase the hourly base rate for **2-year-olds** from £5.34/hr to £5.50/hr, and **increase of £0.16/hr**
3-&4-year-old hourly base rate	The local authority has considered various options for the distribution of the additional funding and, following detailed modelling work, proposes to increase the hourly base rate for **3- and 4-year-olds** (including additional entitlement from £3.98/hr to £4.08/hr, an **increase of £0.10/hr**, with no change to mandatory or discretionary supplements. The reasons for the difference between the increase to Norfolk via the National Funding Formula and increase in rate proposed by the LA are: • Approximately £0.01/hr of the remaining £0.07/hr will go towards increasing the SEN Inclusion Fund in 2022/23 to meet increased demand; • £0.06/hr was previously overallocated in 2021/22 when the funding model was revised The LA had previously advised that following such significant changes to the model, careful review would be required; the data on the year to date has been reviewed and indicates, at this stage, that post clawback there will be an overspend and this is due to an overestimation as to the hourly rate that could be distributed. Modelling of the Early Years Block is challenging in ‘normal’ years due to difficulties in estimating take up and the impact of supplements. The 2020/21 financial year was particularly unusual for the Early Years Block due to the pandemic, including in relation to anticipating future patterns of demand. Additionally, the model leant towards maximising the rate distributed and minimising the amount of contingency available. The impact is that providers have, effectively, received £0.06p/hr more in 2021/22 and this needs to be rectified for 2022/23 to ensure that the model is affordable.
Special Educational Needs Inclusion Fund (2-, 3- & 4-year-olds)	The local authority proposes to increase the SENIF fund from £0.800m to £0.850m in 2022/23, at a cost of approximately £0.01/hr, to meet increased demand for low and emerging need for 3- and 4-year-olds.

	Following the successful introduction of the SEN Inclusion Fund for 2-year-olds during 2021/22, it is proposed to increase the 2-year-old SEN Inclusion Fund from £0.017m to £0.050m in 2022/23 to meet increased demand for low and emerging need for 2-year-olds. This would utilise the remaining increase of £0.05/hr in the 2-year-old rate received by Norfolk.
Mandatory Deprivation and Discretionary Flexibility and Quality supplements (3- & 4-year-olds only)	No change is proposed following changes made to the discretionary supplements for the 2021-22 formula
Additional Maintained Nursery Supplement	In addition to the Maintained Nursery Supplement (MNS) provided to nursery schools by the DfE, the LA currently provides additional protection to the schools to meet the remainder of the fixed sums that were paid to nursery schools prior to the introduction of the Early Years National Funding Formula (less a reduction of 1.5% per year previously agreed for transition). The combined total level of protection in 2021/22 for nursery schools is currently £370,905 made up of £222,079 for MNS from DfE and £148,826 additional protection provided by the LA from EY Block. On the basis that the total protection is reduced by 1.5%, the new total protection required for 2022/23 would be £365,342 which would be funded by £284,182 for MNS from DfE and £81,160 additional protection provided through the EY Block. Schools Forum were asked to comment on the proposal to provide additional protection to maintained nursery schools at this rate at their January Schools Forum Meeting. Concerns were raised by the Maintained Nursery representative that they would not see the benefit of the additional allocation from the DfE. However, to maintain local protection at the current would be approx. equivalent to the loss of 1p/hr for all 3-and-4-year-old funded hours for all providers. Whilst no vote was taken by Forum Members upon this particular issue, Forum Members did subsequently recommend to Cabinet the proposed changes to the overall Early Years funding formula without requesting further changes to the rates to address the reduced level of protection.

Centrally Retained by the LA for the provision of central services	The Early Years National Funding Formula sets out that Local Authority central costs funded from the EY Block should be no greater than 5% of 3- and 4-year-old funding when planning the budget. Based on the 2022/23 published DSG allocations, the upper limit of the 5% of total 3- and 4-year-old funding that can be retained centrally by the LA will be £1,818,710 (a reduction of c. £100k compared to 2021-22). This funding is used by the Council to provide central support and administer payments to all providers of Early Years Education, in schools and in private, voluntary and independent settings. Schools Forum voted to retain centrally 5% of the 3- and 4-year-old funding at their January Schools Forum meeting for 2022-23. At present, 2-year-old funding does not contribute towards the central services provided by the Council. For the vast majority of providers who are in receipt of 2-year-old funding and, therefore, can access central services, will also be in receipt of 3-and-4-year-old funding and so contributing through this source. As agreed by Schools Forum at their January Schools Forum meeting, consultation with the sector will take place ahead of 2023-24 to establish whether there should be future change so that 2-year-old funding also directly contributes to the services.
Contingency	It is proposed that the level of contingency remains at 0.5% (£208,551) of the Early Years Block for 2022/23, in line with the agreed contingency level (based upon a percentage of the Block) following last year's consultation with providers on the Early Years formula.

2.1 A comprehensive consultation of the Early Years funding formula for Norfolk was undertaken during the Autumn 2020 with significant engagement across the sector. The feedback from this consultation has been used to steer the update for the 2022-23 formula. The Early Years Reference Group will meet in late spring to consider future consultation matters with the sector ahead of setting the 2023-24 formula.

2.2 On the basis of the information provided above and the recommendations from Schools Forum, the proposed final formula for 2022/23 would be:

	Current Rate 2021/22 (£/hr)	**Proposed Rate 2022/23 (£/hr)**
Base rate (3-to-4-year olds)	3.98	4.08
Base rate (2-year olds)	5.34	5.50
Quality supplement	0.10	0.10
Flexibility supplement	0.10	0.10
Deprivation supplement (10% most deprived based on IDACI)	0.25	0.25
Deprivation supplement (11-20% most deprived based on IDACI)	0.15	0.15

2.3 **Cabinet is asked to allocate the Early Years Block funding via revised hourly rates with associated supplements as recommended by Norfolk's Schools Forum.**

3. Impact of the Proposal

Schools Block, High Needs Block and DSG Management Plan

3.1 Following a review of budget pressures for 2022/23 and considering the most recent monitoring available at the time of writing (period 8, end of November 2021), the latest forecast DSG deficit recovery position is shown in a table overleaf.

3.2 The Local Authority submitted a disapplication of regulations request to the Secretary of State in November 2021 requesting a further 1% transfer from the Schools Block to the High Needs Block in 2022/23, equivalent to approximately £5.686m. The Secretary of State has agreed to the additional block transfer requested and the DSG Management Plan update reflects this decision.

3.3 The modelling continues to be improved and refined on an iterative basis. Some of the changes in this latest update are corrections or improvements to previous figures or assumptions. These assumptions include the additional High Needs Block allocation of £4.350m for 2022-23, as well as implementation of the alternative funding model for maintained special schools.

3.4 The current financial year forecast (2021/22) outturn is an £22.527m overspend (as at the end of November 2021, period 8 monitoring). Based upon the latest information and modelling, the forecast in-year deficit for 2022/23 is £17.924m and the cumulative DSG deficit by 2025/26 is now forecast to be £154.706m.

3.5 The continuing increases to the future years' forecasts for the DSG Management Plan are concerning, but the plan can only prepare revisions based on the latest trends and data available, including market forces. The statutory responsibilities that the local authority has means that increases in demand or complexity of demand are expected to be met whether the High Needs Block funding is sufficient or not. Exploration continues, with the wider system, as to how increasing needs can be met so that children and young people achieve good outcomes through the most cost-effective provision.

3.6 Officers share the view of Norfolk's Schools Forum that the system, as a whole, remains underfunded. A High Needs Block consultation earlier in 2021 undertaken by the DfE showed that the system had been under-funded for multiple years for many LAs, like Norfolk, which will have significantly contributed to the cumulative and current deficits. The proposal consulted upon did not propose back-dated funding to mitigate this under-funding, leaving this historic deficit to the local authorities to resolve, whilst also proposing that there would be a cap on 'gains' of 12% (later reduced to 11% for indicative 2022/23 NFF allocations), meaning Norfolk continues to be under-funded into the future.

3.7 The outcome of the delayed National SEND Review continues to be awaited, and so the impact of this is not yet known, which is an uncertainty of concern to Officers.

Early Years Block

3.8 2-, 3- and 4-year-old base rates will all be increased in line with the additional costs of NLW and the Health and Social Care Levy; rates remain low for Norfolk compared to other authorities due to the allocation from Government continuing to be at the lowest level.

3.9 The funding model considers wage rates in the sector and so has the methodology used by Government has the effect of continuing to perpetuate low wages in the sector, which continues to be a concern in terms of ensuring a sufficient and well-trained workforce is in place.

4. Evidence and Reasons for Decision

4.1 The recommendations to Cabinet in this paper reflect the recommendations made, or expected, by Norfolk's Schools Forum following consultation open to all schools in Norfolk in the Autumn Term 2021 and in a comprehensive consultation with all early years providers in Norfolk in the Autumn Term 2020, as reported in the 2021-22 DSG Budget Paper[8].

4.2 The Schools Forum again supported a 0.5% block transfer from the Schools Block to the High Needs Block; this was a difficult decision for Members but was taken considering the whole strategic picture of the education landscape in

[8] Item 12, page 550
https://norfolkcc.cmis.uk.com/norfolkcc/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1672/Committee/169/Default.aspx

Norfolk. However, there was no support for a further block transfer of 1%, which the Secretary of State for Education has now approved.

4.3 A summary of the relevant consultation responses referred to are included in the appendices to this report, and Norfolk Schools Forum's considerations can be found within their publicly available agenda and minutes.

4.4 Applying the Minimum Funding Guarantee provides support to those schools losing per-pupil funding through the National Funding Formula, which will protect local schools from sharp funding reductions. Based upon the modelling undertaken for the schools' consultation, the recommended formula will mean that all schools will receive an increase in funding (on a like-for-like basis)

5. Alternative Options

5.1 The proposals contained within this report represent the culmination of the process with Norfolk schools, Norfolk's early years providers and with Norfolk Schools Forum to identify and recommended local formulae to distribute funding for mainstream schools and funded parental entitlement for early years provision. The Council has a responsibility to determine individual school budgets according to local formula, following local consultation with schools, within statutorily set timescales to enable schools to plan accordingly for the next financial year.

5.2 At this stage, for mainstream schools funding, Cabinet could decide not to implement a block transfer from the Schools Block to the High Needs Block, or to implement a reduced block transfer. Either option would increase the funding for mainstream schools with the raising or removal of the gains cap and increases above the NFF Basic Entitlement factor values may be possible with no block transfer.

5.3 Cabinet could decide not to implement the alternative top-up funding model for state funded special schools and, instead, continue with the current funding arrangements. This is likely to cause damage to relationships with the state-funded special schools, particularly those who have been closely engaged in the work to design an alternative model, and is likely to lead to an increasing number of schools requesting additional exceptional funding.

5.4 For the local formula for distribution of funded early years entitlements, Cabinet could choose to implement one of the other options shared with Schools Forum, such as removing discretionary supplements, reducing or removing the additional protection for maintained nursery schools or capping the level of Special Educational Needs Inclusion Funding available. However, this would go against the view of Schools Forum and potentially impacting upon the financial planning and stability of providers, it would be likely that significant damage would be caused to relationships with both providers and Schools Forum.

6. Financial Implications

6.1 The Central Government consulted during 2019-20 on a change to the terms and conditions of the DSG, to provide clarity regarding the responsibility of local authorities for any deficit within the DSG.

6.2 The outcome of this consultation and the changes introduced, i.e. that the DSG is a separate ring-fenced grant and that local authorities are not expected to contribute local resources towards it.

6.3 The accounting treatment for DSG cumulative deficits diverges from normal accounting practice and allows councils to carry a negative balance on these reserves. This treatment is being dictated by Government but will need to be kept under review as it potentially remains a significant issue for Norfolk County Council and will result in a material deficit balance in the council's Statement of Accounts until the DSG recovery plan has been delivered.

6.4 It should be noted that whilst local authorities are not expected to contribute local resources towards the DSG and any deficits, the Council is effectively 'bank-rolling' the deficit and so there is the impact upon local Council resources of the loss of interest.

6.5 The accounting treatment is due to end at the end of the 2022/23 financial year. Further information has been sought from the Government regarding their future expectations, but this is still awaited.

7. Resource Implications

7.1 Staff: None

7.2 Property: None

7.3 IT: None

8. Other Implications

8.1 Legal Implications:

8.1 The key guidance to, and expectations of, local authorities is contained in the 'Pre-16 schools funding: local authority guidance for 2022 to 2023'[9]

8.2 It is each Local Authority's responsibility to determine individual school budgets according to local formulae, following local consultation with schools, within statutorily set timescales to enable schools to plan accordingly for the next financial year. To enable the statutory timescales to be met by the County Council, Cabinet needs to agree the principles of Norfolk's local formulae.

8.3 Human Rights Implications: None

8.4 Equality Impact Assessment (EqIA) (this must be included): There are no equality or accessibility implications for this report, therefore an assessment is not required or attached.

[9] UPDATE https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022

8.5 Data Protection Impact Assessments (DPIA): Not applicable

8.6 Health and Safety implications (where appropriate): Not applicable

8.7 Sustainability implications (where appropriate): Not applicable

8.8 Any Other Implications: Not applicable

9. Risk Implications / Assessment

9.1 The key risks that will need to be carefully monitored and managed as the financial year progresses are that:

- Pressures increase, particularly within the High Needs Block, that exceeds the forecast expectations, resulting in increased levels of cumulative deficit of the Dedicated Schools Grant;
- The planned SEND and AP transformation is delayed resulting in new places not being available and / or planned support not being in place, which could result in under- delivery of savings or escalating demand, and thus cost pressures, in 2022-23;
- Independent providers continue to open new provision and / or places at existing provision in excess, and with cost rates, exceeding the budgeted amounts;
- Ongoing covid pandemic places schools (mainstream and specialist) and / or early years providers under increased financial strain;
- Pressures experienced by schools due to real term increases in costs outside of their direct control exceeding funding available, for example teacher pension costs, support staff costs as a result of national living wage implementation, condition of premises salaries, impacting on their ability to provide consistent education and to meet the basic needs of pupils in their school.

9.2 Officers will continue to keep the DSG Management Plan under close review throughout the financial year, reporting regularly to Cabinet through the monthly Finance Monitoring reports and periodically to Norfolk Schools Forum. Officers will also continue to co-operate with the DfE regarding the DSG plans.

9.3 The Government has prescribed an accounting treatment for the DSG deficit and confirmed that there is no expectation for local government to fund deficits from Council resources. However, it should be noted that this position is not guaranteed and will remain a subject of scrutiny from External Auditors or a change in approach from the Government. If the Council is not able to reduce the DSG cumulative deficit through a combination of the transformation programme, capital investment and high needs allocations from the DfE, then there remains a risk to the overall financial viability of the whole Council.

10. Select Committee Comments Not applicable

11. Recommendations

To agree:`

(i) the Dedicated Schools Grant funding including:
  - **a. the changes to the schools funding formula;**
  - **b. the changes to the early years funding entitlements formula;**
  - **c. agreeing the high needs block budget, including the changes to the alternative top-up funding model for state-funded special schools, noting that it has been assessed to meet our statutory duties and it adds to the DSG cumulative deficit;**

(ii) to delegate decision making powers to the Executive Director of Children's Services, in conjunction with the Lead Member for Children's Services, has delegated authority to agree the final funding cap, or allocation of additional funds, once the final DSG calculations of individual school allocations are known and in in line with the principles of Cabinet's decision.

12. Background Papers

12.1 Transforming the system for Special Educational Needs and Disability (SEND) in Norfolk (Item 8, 29 October 2018 Policy and Resources Committee)

http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1421/Committee/21/Default.aspx

Early Years Consultation Response (Item 3a, 13 November 2020 Norfolk Schools Forum)
Dedicated Schools Grant (Item 4, 17 November 2021 Norfolk Schools Forum)
Dedicated Schools Grant (Item 5, 19 January 2022, Norfolk Schools Forum)

https://www.schools.norfolk.gov.uk/school-finance/norfolk-schools-forum/forum-agendas-and-papers

Dedicated Schools Grant (DSG) Funding (Item 12, 2 February 2021 Cabinet)

https://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1590/Committee/169/Default.aspx

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Appendix A: Historic Block Transfers in Norfolk

2019-20

For 2019-20, Norfolk County Council made such an application (known as a disapplication request) to the Secretary of State to transfer £4.58m from the Schools Block to the High Needs Block in addition to the 0.5% transfer that had been agreed by Norfolk Schools Forum. This application was agreed based upon the business case and strength of evidence presented. This included the capital investment agreed by NCC to significantly increase the number of state maintained special school places and places within specialist resource bases, alongside the transformation programme Children's Services has in place. However, despite this additional funding to the High Needs Block, it was still anticipated that the High Needs Block would have an in-year deficit in 2019-20 that would be combined with the cumulative deficit brought forward from previous years. This is due to the time it would take to achieve the transformation required and increasing demand in excess of growth funding provided through the DSG High Needs Block.

2020-21

For 2020-21, Norfolk County Council decided not to make a disapplication request to the Secretary of State for a Schools Block to High Needs Block transfer in addition to the 0.5% agreed by Norfolk Schools Forum. When the Schools Forum agreed the 0.5% transfer for 2020-21, they requested that the Council did not submit a disapplication request to move any additional funding to enable schools to have the funding to meet the needs of current pupils and to prevent escalation of needs through meeting them, wherever appropriate and possible, at a local level.

As a result of the Schools Forum agreement to the 0.5% transfer, the Council did not submit a disapplication to the Secretary of State to move additional funding from the Schools Block to the High Needs Block for 2020-21, with it stated that the position would need to be reconsidered for 2021-22 and beyond, depending upon the DSG projections.

2021-22

For 2021-22, a disapplication request was submitted to the Secretary of State to move additional funding from the Schools Block to the High Needs Block due to the size of the increasing DSG deficit and based upon the DSG terms and conditions that expects local authorities to look to recover DSG deficits from within the grant. This request was refused by the Secretary of State and so only the 0.5% transfer agreed by Norfolk's Schools Forum from the Schools Block to the High Needs Block has taken place.

Appendix B: National Funding Formula 2022-23

The DfE have announced that the following changes will be made to the 2022-23 National Funding Formula:

- 3% increase to basic entitlement, free school meals at any time in the last 6 years (FSM6), income deprivation affecting children index (IDACI), lower prior attainment (LPA), English as an additional language (EAL) and the lump sum;
- 2% increase to the funding floor, the mandatory minimum per pupil levels (increasing them to £4,265 per-pupil for primary schools and £5,525 per-pupil for secondary schools) and free school meals (FSM);
- Data on pupils who have been eligible for FSM6 is now taken from the October 2020[10] school census instead of the January 2020 census, to make the factor more up to date and bring it in line with arrangements for other NFF factors as well as the pupil premium;
- In calculating low prior attainment proportions, data from the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) tests is used as a proxy for the 2020 tests, following the cancellation of assessment due to coronavirus (COVID-19);
- Pupils who joined a school between January 2020 and May 2020 attract funding for mobility based on their entry date, rather than by virtue of the May school census being their first census at the current school (the May 2020 census did not take place due to coronavirus (COVID-19));
- Further to the consultation on changes to the payment process of schools' business rates, schools' business rates will be paid by ESFA to billing authorities directly on behalf of all state funded schools from 2022 to 2023 onwards;
- Improved support for small and remote schools through increasing the maximum sparsity value from £45,000 to £55,000 for primary schools and from £70,000 to £80,000 for secondary schools, as well as changing the methodology to measure distance by road journeys instead of straight-line distances, and applying a new distance taper to dampen changes in funding between years for schools just below the distance thresholds;
- Premises funding which will be allocated at local authority level based on actual spend in 2021-22 (no increases) plus PFI factor will receive RPIX inflation of +3.17%;
- Local authorities have the freedom to set the Minimum Funding Guarantee in the local formulae between +0.5% and +2% per pupil, as well as to use a gains cap applied on the same basis for all schools.

[10] Source: DfE's Schools Revenue Funding 2022 to 2023 Operational Guide. The LA has been submitted a query to the DfE to check that this is the correct FSM6 data source for final 2022/23 budgets, confirmation is awaited.

In line with Norfolk's 2021-22 formula, the local authority intends to follow the National Funding Formula as closely as possible in all the options set out in the consultation for 2022-23 funding.

The table below shows the comparison of 2021-22 NFF funding rates currently used within the Norfolk funding formula and the proposed 2022-23 NFF funding rates for distribution of the additional Schools Block DSG that the Local Authority is expecting to receive.

Funding Factor	**2021-22 Formula**	**2022-23 Proposed Formula**
	£ NFF unit rates	**£ NFF unit rates**
Age Weighted Pupil Unit		
Primary	3,123	3,217
Key Stage 3	4,404	4,536
Key Stage 4	4,963	5,112
Minimum Per Pupil Funding		
Primary	4,180	4,265
Secondary	5,415	5,525
Additional Needs Funding		
Primary FSM	460	470
Secondary FSM	460	470
Primary FSM6	575	590
Secondary FSM6	840	865
Primary IDACI A	620	640
Primary IDACI B	475	490
Primary IDACI C	445	460
Primary IDACI D	410	420
Primary IDACI E	260	270
Primary IDACI F	215	220
Secondary IDACI A	865	890
Secondary IDACI B	680	700
Secondary IDACI C	630	650
Secondary IDACI D	580	595
Secondary IDACI E	415	425
Secondary IDACI F	310	320
Low Prior Attainment		
Primary LPA	1,095	1,130
Secondary LPA	1,660	1,710
EAL		
Primary EAL	550	565
Secondary EAL	1,485	1,530
Mobility		
Primary Mobility	900	925
Secondary Mobility	1,290	1,330
Lump Sum		
Primary Lump Sum	117,800	121,300
Secondary Lump Sum	117,800	121,300
Sparsity		
Primary Sparsity	45,000	55,000
Secondary Sparsity	70,000	80,000

Appendix C: Funding Formula Options 2022/23 – Consultation with Local Schools

An online survey was held with schools from Monday 4th October to Friday 22nd October 2021, with schools notified via an MI notification on Friday 1st October, and LA Officers attended the Educate Norfolk Headteacher Briefing on 19th October to present information on the DSG and the funding options being consulted on for 2022/23 to raise awareness of the consultation and to encourage a good level of response.

The following options for the 2022-23 mainstream funding formula were consulted on:

Option 1 - Implementation of DfE's National Funding Formula unit rates and methodologies, with a transfer of £8.473m of Schools Block (0.5% plus a further 1% to High Needs Block). It is expected that the Minimum Funding Guarantee would be set at +0.50% and there would need to be a funding cap of +2.34%.

Option 2 - Implementation of DfE's National Funding Formula unit rates and methodologies, with a transfer of £2.824m of Schools Block (0.5%) to High Needs Block. It is expected that the Minimum Funding Guarantee would be set at +2% but there would be no need for a funding cap on gaining schools.

Option 3 - Implementation of DfE's National Funding Formula unit rates and methodologies. It is expected that the Minimum Funding Guarantee would be set at +2% and there would be no need for a funding cap on gaining schools. It is estimated that an increase of +1.43% above the NFF Basic Entitlement factor values may be possible.

Note: If further adjustment is required to calibrate Norfolk's formula to the final level of DSG funding available for 2022-23 it is proposed that this would be managed as explained below.

For additional funding to allocate, it would be allocated in the following order:

- Increase the level of MFG protection if possible for all schools, within the allowable range of +0.5% and +2%, and increase cap so it is no lower than MFG threshold;
- Remove funding cap on gains if possible;
- Increase the Basic Per-Pupil Entitlements for primary and secondary pupils above NFF values by an equal percentage, until all additional funding is allocated.

If the final DSG allocation for Norfolk is less than expected, the formula would be adjusted in the following order:

- Reduce the level of MFG if necessary;
- Reduce the level of the funding cap (reducing the level of maximum gains) or introduce a funding cap on gaining schools. The funding cap must not be lower than the MFG threshold;

As a last resort, and not expected to be needed, reduce the Basic Per-Pupil Entitlements of all schools below NFF values by an equal percentage until the formula balances, whilst still meeting minimum per-pupil and MFG requirements.

Consultation Responses: Analysis provided to Norfolk Schools Forum 17 November 2021

The Local Authority received 31 completed responses to the online survey. Of these responses:

- 27 were from individual schools within the Primary sector
- 3 were from academy trusts representing multiple academies
- 1 was an individual response from the Chair of Schools Forum

A total of 50 schools were represented within the responses, out of 423[11] state-funded schools in Norfolk, excluding the response from the Chair of Schools Forum.

The overall number of **schools** represented within each of the responses were as follows:

	Primary	Secondary	Federations	Academy Trusts	Total
Number of Responses	27	0	0	3	**30***
Representing:					
Infant	1				**1**
Junior					
Primary	26			17	**43**
Secondary				4	**4**
Special School				2	**2**
Sixth Form Only					
Total Schools	**27**	**0**	**0**	**23**	**50**

*Plus 1 response from Chair of Schools Forum

The number of **pupils** represented within the responses was as follows (out of c.118k[12] pupils in state-funded schools in Norfolk):

	Primary	Secondary	Federations	Academy Trusts	Total
Number of Responses	27	0	0	3	**30***
Total Pupils	**6,395**	**0**	**0**	**10,069**	**16,464**

[11] Pupil Numbers on Roll (norfolk.gov.uk)
[12] Pupil Numbers on Roll (norfolk.gov.uk)

*Plus 1 response from Chair of Schools Forum, for whom no pupil numbers are shown

The LA has not received the level of response seen historically to the annual Fair Funding Consultation since the onset of the pandemic. In the two years prior to the pandemic, an average of 81 responses were received each year so the response rate has since reduced by more than 60%. However, this is understandable given the increased pressures on school leaders, and the LA appreciates all of the responses received during this busy time.

The number of votes per ranking for each of the options following consultation was as follows:

Option	**1st**	**2nd**	**3rd**
Option 1 - £8.473m (1.5%) transfer to HN Block	4	6	21
Option 2 - £2.824m (0.5%) transfer to HN Block	20	9	2
Option 3 - No transfer to HN Block	7	16	8

The survey system used (Smartsurvey) applies a weighting to each of the rankings, with options ranked 1st receiving the highest weighting, as follows:

Rank	**Weighted Score**
1st	3
2nd	2
3rd	1

Applying these weightings, the survey system ranks the overall order of preference of the options as follows:

Option	**Weighted Score**	**Overall Ranking**
Option 2 - £2.824m (0.5%) transfer to HN Block	80	1
Option 3 - No transfer to HN Block	61	2
Option 1 - £8.473m (1.5%) transfer to HN Block	45	3

However, this is based on a single ranking per response and does not take into account the number of schools represented by federations and academy trusts.

Applying the submitted rankings to the overall number of schools represented (with schools within a federation or academy trust assumed to vote in the same ranked order), gives the following results (50 schools represented plus 1 response from the Chair of Schools Forum):

Option	1st	2nd	3rd
Option 1 - £8.473m (1.5%) transfer to HN Block	14	6	31
Option 2 - £2.824m (0.5%) transfer to HN Block	24	25	2
Option 3 - No transfer to HN Block	13	20	18

Applying the weighted score to these results gives:

Option	Weighted Score	Overall Ranking
Option 2 - £2.824m (0.5%) transfer to HN Block	124	1
Option 3 - No transfer to HN Block	97	2
Option 1 - £8.473m (1.5%) transfer to HN Block	85	3

Therefore, the result of the consultation based on the number of schools represented, is also a preference for a transfer of only £2.824m (0.5%) to the High Needs Block, followed by no transfer to the High Needs Block, with a transfer of £8.473m (1.5%) to the High Needs Block being the least favoured option.

We asked schools responding for any other comments; all responses are provided verbatim within the Norfolk Schools Forum agenda papers for 17 November 2021, item 4c, 'Fair Funding Consultation / National Funding Formula'.[13]

[13] Norfolk Schools Forum agendas and papers - Schools

Appendix D: Summary of the Maintained Special Schools Alternative Funding Model

The following shows the methodology behind the approach for an alternative model.

The modelling is split between place funding of £10k, which is the level of special school place funding set nationally by the DfE, and top-up funding bands which relate to individual pupils' needs.

The table below shows how the £10k of place funding would be arrived at (figures rounded to the nearest £1):

	£	
Leadership Structure	672	Schools below 250 pupils to receive sliding scale uplift
Teaching Main Pay Range 6 Maximum SEN	4,638	Minimum teaching at 12:1 ratio @£55,658
Teaching Assistant, Top of grade D (point 16) 32.5 hours	1,522	Minimum TA at 12:1 ratio @£18,261
Premises Costs	1,399	Cleaning, caretaking, site, etc. staff, building and grounds
Occupation Costs	753	Water, refuse, sewerage, catering, energy, insurance, rates
Supplies and Services	1,276	Educational/admin supplies, bought in professional services
Admin/Clerical/ICT Staff	981	Admin/Clerical/ICT
Excess over £10k	(1,240)	Excess over £10k to be paid via band values
	10,000	

The excess of £1,240 over-and-above the £10k place funding will be paid via the proposed band values shown below:

Banding Levels **Modelled Top-Up Bandings**	**PB** **1**	**A** **2**	**B** **3**	**C** **4**	**D** **5**	**E** **6**
Leadership Structure	1,174	1,174	1,174	1,174	1,174	1,174
Basic Staffing/Other in excess of £10k	1,240	1,240	1,240	1,240	1,240	1,240
Additional Teaching (based on ratios)	0	928	2,319	4,638	4,638	9,276
Additional TA (based on ratios)	0	304	3,044	4,565	13,087	16,739
Welfare/Medical/PSA etc (provided by schools)	771	771	771	771	771	771
TPG/TPECG Contribution (towards salary costs)	(660)	(660)	(660)	(660)	(660)	(660)

Delegated amounts (e.g. maternity)	365	365	365	365	365	365
Modelled Band Values Before Uplift	**2,890**	**4,122**	**8,253**	**12,093**	**20,615**	**28,906**

Comparison of band values to existing formula:

	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
Current band name:	**PB**	**A**	**B**	**C**	**D**	**E**
	£	£	£	£	£	£
Alternative band values (exc. Uplifts):	**2,890**	**4,122**	**8,253**	**12,093**	**20,615**	**28,906**
Current band values (exc. Uplifts):	364	2,364	8,364	12,973	18,291	27,427
Difference:	2,526	1,757	(112)	(880)	2,324	1,478

The model will provide for leadership at a cost of £1,174 per pupil within each of the top-up band values and, in addition, a ‘fixed sum’ of £167,883 has been applied to cover the expected minimum cost of leadership for all sizes of school (which will be allocated via a combination of place funding and an uplift % to top-ups as lump sums cannot be allocated directly to special schools). Below 250 pupils, an uplift % to the top-up values will be given based on a sliding scale in order to meet that fixed cost through the formula. This may be up to around 20% for the smallest schools but would only be around 0.1% for largest schools.

The alternative funding model excludes schools that are still in their growth phase and subject to individual funding arrangements agreed with the LA

An allocation of £32k per pool will be applied via additional uplift % to the band values of schools with pools, in-line with the place and top-up funding mechanism required.

Minimum Funding Guarantee protection will apply to schools to prevent funding losses, based on a like-for-like basis calculation (the same number of pupils and same needs) compared with 2021/22.

Appendix E: Special Schools Alternative Top-Up Funding Model – Consultation with Schools

A summary of responses to each question and comments verbatim as submitted through the survey, including if there appear to be errors in understanding of the factual data, are as follows:

Question 1

Summary of leadership structure in the alternative model:

	School size				
	50	**100**	**150**	**200**	**250**
Headteacher FTE	1	1	1	1	1
Deputy Head FTE	1	1	1	1	1
Assistant Head FTE	0	0	1	1	2
Business Manager FTE	1	1	1	1	1
TLR points paid at TLR 1 Max	2	2	2	2	2

Are the assumptions for the average number of leadership roles required for each size of special school reasonable?

	Response total	Response percent
Yes	4	40.00%
No	4	40.00%
Unsure or need more information	2	20.00%
Total	10	100.00%

- *It looks like a reasonable model. There is an enormous amount per child to do.*
- *School sizes of 150 or 200 pupils will need at least 2 assistant heads and 2 deputies for 200 plus pupils*
- *reflects our school*
- *we work on a different model of 1 HT, 2 AHT, 3TLR*
- *for a 200- pupil school we would be assuming 2 AHT's and 3 TLR1's*
- *Reasonable as a start point, however, this needs to be looked at in the future as we suspect an additional assistant head would need to be added to the formula for all schools.*
- *Seem to be an excessive number of leadership posts. Not sure I understand the rationale as to why special schools require comparatively more deputy and assistant heads than main schools*

Question 2:

For the salary of Headteachers, Deputy Heads and Assistant Heads, the Teachers Pay & Conditions Document 2020 has been used to calculate which ‘leadership group each special school falls into for salary range purposes. This calculation involves giving a ‘score’ that is dependent on the spread of pupils across key stages in each school and takes into account the teaching ratio. The resulting score then correlates to a ‘leadership group’ and thus a salary range from which the most senior leadership roles should be paid.

Is the approach to Leadership salaries reasonable, i.e., using the methodology in the Teachers Pay and Conditions document to ascertain the ‘leadership groups’ for each size of school)?

	Response total	Response percent
Yes	9	90.00%
No	0	0.00%
Unsure or need more information	1	10.00%
Total	10	100.00%

- *seems the only sensible criteria*
- *reflects our school needs*
- *Sensible approach*

Question 3:

Most of our special schools also employ a School Business Manager. If not, they are likely to have other equivalent staff to cover that role, hence allowance for one Business Manager has been worked into the proposed model. Data provided by Norfolk’s special schools shows that those schools that do have a School Business Manager currently pay them on the NCC pay range between scale H to K, with most being on a scale K salary. Therefore, an approximate average of top of scale J (£46,459) has been built into the model), which includes on-costs

Is the approach allowing for the salary for the School Business Manager reasonable?

	Response total	Response percent
Yes	6	60.00%
No	3	30.00%
Unsure or need more information	1	10.00%
Total	10	100.00%

- *School Business Manager pay is currently being reviewed by business leader groups with a view to having parity to other senior leaders in the school with similar levels of responsibility*
- *for the job responsibilities*
- *This does not reflect the true costs and needs further research*

Question 4:

A 'best fit' leadership model across different sizes of schools with pupils of 50,100, 150, 200 & 250 has been used, in line with the principles agreed by the Specials Schools Funding Review Group. This range reflects the current number of pupils in existing state funded special schools.

This model provides for leadership at a cost of £1,174 per pupil which has been allowed for within each of the top-up band values and, in addition, a 'fixed sum' of £167,883 (which has to be allocated via an uplift to top-ups as lump sums cannot be allocated directly to special schools) has been applied to cover the expected minimum cost of leadership for all sizes of school. For every school other than the largest at 250 pupils, an uplift to the top-up values would be required in order to meet that fixed cost through the formula.

Are the principles behind the 'best fit' method for funding leadership costs reasonable (i.e., providing funding for a per pupil amount and a fixed cost met from uplifts)?

	Response total	Response percent
Yes	8	80.00%
No	0	0.00%
Unsure or need more information	2	20.00%
Total	10	100.00%

- *we agree with the methodology*

Question 5:

The salaries used in the model are:

- £55,658 – Point 6 on Main Pay Range with max SEN (includes on costs)
- Support Staff: £18,261 – Top of scale D (32.5 hrs per week / 44.1 weeks year)

Are the suggested average costs a fair approach for both teachers and support staff (teaching assistants)?

	Response total	Response percent
Yes for both	5	50.00%
Yes for teachers, but no for support staff	2	20.00%
Yes for support staff, but no for teachers	1	10.00%
No for both	0	0.00%
Unsure or need more information	2	20.00%
Total	10	100.00%

- *It's approximately what other schools have*
- *Majority of teachers have one TLR for subject leadership and one SEN payment (TLR is higher than SEN payment). Many teachers are paid on UPS as we require experienced teachers to support the pupil's needs.*
- *with higher banding pupils you not only need more staff but also higher paid staff with more skills, experience and commitment and this is not reflected*
- *a more realistic approach would be to fund support staff for 35 hours per week and teachers on an average of UPS 1 rather than TMS6.*
- *More accurate reflection but will need reviewing in line with salary increases*.

Question 6:

After extensive consideration, the pupil / teacher ratios that the group finally agreed to be used for this alternative model are:

	Pupil/Teacher Ratio	Pupil / TA Ratio
PB	12:1	12:1
A	10:1	10:1
B	8:1	4:1
C	6:1	3:1
D	6:1	1.25:1
E	4:1	1:1

Whilst acknowledging that there will be individual circumstances that may require different ratios, are these ratios a fair approach as standard assumptions to use for the alternative model?

	Response total	Response percent
Yes	4	50.00%
No	1	12.50%
Unsure or need more information	3	37.50%
Total	8	100.00%
skipped	2	

- *Please note however we think Scale D historically has always required one to one support*
- *tribunals are skewing the natural order of*
- *a more realistic approach would be 1:1 TA to band D child however we recognise that this won't always be the case and very much depends on the individual child and the other children in the class.*
- *They are a good start, but more work needs to be done to check they reflect reality, I have done this for some classes and for bands D and E it seems accurate, but for others it does under-estimate the number of staff and size of class*

Question 7:

The categories of expenditure included in non-teaching costs are:

- Premises (staff, maintenance, cleaning etc)
- Occupation (energy catering insurances etc)
- Supplies & Services (educational supplies, ICT, professional services)
- Admin & clerical (staff and supplies)
- Other costs (indirect employee costs, training, special facilities)
- Welfare / medical and ‘other ‘staff

This comes to £5,180 per pupil if we use 20/21 actual costs and allow a separate additional amount for those schools with pools. This seems to be a more appropriate level of funding than the current £2,600 included within the formula that has not been increased since 2013.

Is the approach to modelling non-teaching costs reasonable given that the alternative modelled non-teaching costs are in the region of the 2022/23 special schools forecast?

	Response total	Response percent
Yes	7	70.00%
No	1	10.00%
Unsure or need more information	2	20.00%
Total	10	100.00%

- *Band D proposal of 1.25:1 does not match up with the audit matrix which states Band D equals 1:1 support. The logical conclusion will be that all Band D pupils will switch to Band E. How would any pupils Band D plus or Band E pupils be funded where 2:1 support is required[14]?*
- *With more time this could have possibly been improved*

Question 8:

With regards to those schools with a swimming / hydrotherapy pool, the categories of spend which are likely to be affected by additional costs are:

- Water & sewerage
- Energy
- Premises staff and services

The group undertook some investigation into these categories of expenditure and the average per pupil cost difference between schools with pools and those without was approximately £320 per pupil. Which, on this basis, would give £32,000 for a mid-sized school of 100 pupils. After reviewing actual costs provided by those schools on the review group with pools, it was recommended that £32,000 as a fixed amount (regardless of school size) would be an appropriate amount per pool, which could be achieved via the uplift mechanism for affected schools.

Is the use of a 'fixed sum' approach, via the uplift mechanism, at a cost of £32,000 per pool a reasonable approach to fund the cost of hydrotherapy pools?

	Response total	Response percent
Yes	8	80.00%
No	0	0.00%

[14] This response was submitted against question 7 although it appears to relate to question 6.

Unsure or need more information	2	20.00%
Total	10	100.00%

- *This needs to be applied to both hydrotherapy and main pools We have and need both to support our pupils.*
- *as fair as anything*
- *very transparent*

Question 9:

The Funding Review Group identified that a school which is spread over multiple sites ultimately incurs additional costs. The estimate of additional costs for having a split site were c. £4,000 - £5,000, as provided by Sheringham Woodfields School.

In addition, it was suggested that an additional 20% FTE of an Assistant HT is required for extra responsibilities for schools with a split site. For a school that falls into leadership group 5, this would mean an additional amount of £12,514 or £16,952 (with on-costs). Based upon average Assistant Headteacher salary at point 17 on the pay scale.
Should the additional costs of split sites be recognised within the formula for schools with multiple sites?

	Response total	Response percent
Yes	7	70.00%
No	0	0.00%
Unsure or need more information	3	30.00%
Total	10	100.00%

No comments for question 9.

Question 9a: If yes, should there be a minimum distance between sites to qualify?

	Response total	Response percent
Yes	5	50.00%
No	2	20.00%

Unsure or need more information	3	30.00%
Total	10	100.00%

- *Not applicable to adjacent sites - there should be a distance between the two sites*
- *if the split sites are within walking distance the allowance should be less compared to a further distance*

Question 10:

The Special Schools Funding Review Group discussed the fact that one of the Norfolk Special Schools (Chapel Green) covers a large site in relation to the number of pupils it has capacity for. They also have multiple lifts to maintain, which is understood to be an exclusive issue for that school. The review group did not establish the level of additional costs incurred by this school

Should the alternative formula include additional funding for schools with exceptional site costs?

	Response total	Response percent
Yes	6	60.00%
No	0	0.00%
Unsure or need more information	4	40.00%
Total	10	100.00%

- *our school has parts which are older and need repairs and individual needs of a site should be considered*
- *but what is the definition of exceptional site costs eg we spend @ £10k /annum on tree surveys and remedial works being part in a conservation area but recognise newer schools may have higher technical costs with new builds*

Question 10a: If yes, how should such exceptional costs be defined?

- *Agreed amount per additional exceptional expenditure to be applied to maintain transparency - suggest similar process to allowance of funding for pools is undertaken.*
- *Consultation with the schools*
- *Chapel Green School is the only two storey special school in the County. The site has two lifts for wheelchair users to access the secondary department. The school could not function without the use of the lifts which are incredibly expensive to*

maintain at a cost of £2500 per year. When the lifts eventually need replacing the school would be looking at over £200,000 in costs.

- *by them being over and above costs other sites have to fund and there being no option to reduce these costs.*
- *Full cost recovery*

Question 11:

Currently, when pupils enrol in a Norfolk special school during the year their funding is set at the average rate for that school, due to the banding level not being known until the next review. Similarly, funding is also deducted on an average basis for pupils leaving schools mid-year. It is presumed that, on average, there will be as many starters as there are leavers so this should balance.

There are existing systems whereby schools are able to submit exceptional requests for specific bandings to apply to pupils where costs will significantly exceed average levels of banding. In these instances, the LA will consider the request and the agreed banding level will apply until the case is reviewed at the following funding audit.

The schools on the Funding Review group expressed a preference to receive specific banding values for in-year admitted pupils immediately on their entry to school. Officers representing the Local Authority on the group were concerned that a change to the current practice to individually attribute bands to all in-year starters would require significant additional LA resource across the year to manage

Is it reasonable to continue to use average band values for in-year starters and leavers and, therefore, not incur significant additional resource implications for the LA that will need to be funded?

	Response total	Response percent
Yes for both	8	88.89%
Yes for starters, but no for leavers	0	0.00%
Yes for leavers, but no for starters	0	0.00%
No for both	0	0.00%
Unsure or need more information	1	11.11%
Total	9	100.00%
skipped	1	

- *The option to negotiate for starters with exceptional additional needs should remain.*

- *but where there are identified high needs for new starters, in order for the transition to be successful there should be a mechanism for schools to receive additional negotiated funding. eg if a child moves from special school within the authority the banding funding shouldn't be averaged. When 6th formers leave the funding should not be clawed back for August*

Question 12:

Within the existing funding model there are two discrete funding allocations attributed to Band D: one applying to pupils who are part of the main school and the second to those who occupy a place in a formal "unit" provision as part of the main school. The funding allocation for "unit" provision is currently slightly lower than that which applies to the main school. This was applied on the basis that the "unit" would continue to receive place and top up funding regardless of whether children were occupying places as opposed to funding in main school where place and top up only applies to children actually placed in the school.

The review group expressed that given there is no underoccupancy in "unit" provision, schools who organised unit provision were at a disadvantage against those who did not. It was also recognised that additional funding methodologies also existed for "unit" provision based on evidence "bottom up" costs to meet the needs of the usually highly complex pupils who required them.

Consequently, it is proposed that the different Band D funding for "unit" provision be removed and that "main school" Band D funding to apply to all pupils, whilst retaining the facility for individual special schools and the LA to apply separate "bottom up costed" funding methodology for existing and future "unit" provision, if required.

Should the band values for "units" within special schools be funded at the same level as for the main school?

	Response total	Response percent
Yes	4	44.44%
No	2	22.22%
Unsure or need more information	3	33.33%
Total	9	100.00%
skipped	1	

- *the resource bases need to be core funded to enable them to have key experienced and consistent staffing*

- *These often have exceptional costs, sometimes time limited, we would prefer to negotiate individual agreements with the LA as and when.*

Question 13:

A Minimum Funding Guarantee (MFG) applies to all state funded special schools which states that a school's total budget per pupil must be no less than it was in the previous year based on like-for-like pupils. If top up band values change, the financial impact on the schools must be fully considered.

If there are any schools adversely affected by new band values then it could be possible to offer transitional protection to minimise the impact; however, this would incur additional cost of the High Needs Block and would mean that those schools receive amounts above the standard formula funding. The default approach would be to apply the MFG so that affected schools cannot lose on a like-for-like per-pupil basis between years until the formula would provide per-pupil funding above the MFG level.

The alternative of offering transitional protection, instead of the default MFG protection, would require an application to the Secretary of State to disapply the regulations, as required for any approach that does not comply with Minimum Funding Guarantee protection.

Is the most appropriate approach to protect schools against losses if any amended model was implemented, or request to disapply the MFG regulations in these cases?

	Response total	**Response percent**
Protect schools against losses	7	77.78%
Request to disapply the MFG regulations in these cases	0	0.00%
Unsure or need more information	2	22.22%
Total	9	100.00%
skipped	1	

- *If MFG regulations were applied based on a previous year and the school had been overfunded e.g., small school funding where no longer a small school this would no longer be appropriate. Therefore, an alternative method to protect schools against large, short term changes should be requested to ensure fairness and transparency.*
- *but where is the protection coming from.*

Question 14: If transitional protection was to be implemented, how long should this protection be for?

- *3 years to allow for budget planning.*
- *minimum of three years and maybe as per an individual school situation*
- *3 years??*

- *3 years*
- *3 years*
- *3 years*

Question 14a: Should it be for full losses or a 'floor' imposed?

	Response total	Response percent
Full losses	1	12.50%
Impose a 'floor'	4	50.00%
Unsure or need more information	3	37.50%
Total	8	100.00%
skipped	2	

No comments for question 14a.

Question 15:

This funding review has taken place in the context of a significant, and increasing, deficit on the High Needs Block of the Dedicated Schools Grant (DSG). As at the end of 2020-21 the cumulative deficit for Norfolk was £31.797M and the pressures are increasing this year due to the ongoing significant increases in EHCPs and requests for specialist school placements. Any change to funding arrangements that cause additional commitment to the High Needs Block will need to be taken alongside full consideration of the Education Skills Funding Agency requirements relating to DSG improvement planning and deficit recovery and the relevant DSG regulations and guidance.

The Special School Funding Review Group raised the question as to whether a cap should be applied to schools with large gains. An Equality Impact Assessment will need to be completed by the Local Authority in advance of any decision being taken.

Should there be a cap on the gains that could potentially occur for schools as a result of any amended formula implemented given the current overall financial picture for the High Needs Block?

	Response total	Response percent
Yes	2	25.00%

No	4	50.00%
Unsure or need more information	2	25.00%
Total	8	100.00%
skipped	2	

- *No as the new formula recognises schools have been significantly underfunded so they need the money asap*

Question 16:

It has been many years since the funding for special schools has been reviewed. Timescales for future reviews were discussed within the Funding Review Group. Suggestions for timescales for future reviews ranged from 3 to 5 years. LA Officers expressed that significant funding reviews require substantial officer resource and cost, and any timescale settled upon would need to balance the need to keep under review fairness of funding against the resource and cost required to carry this out.

Given the level of resources required to undertake a full review of the formula, what would be an appropriate timescale and methodology for future periodic reviews, including the impact of inflation?

Timescale

- *3 years*
- *5 years*
- *5 years*
- *2 -3 years*
- *2 years*
- *5 years*

Methodology

- *Review of budget forecast, average salaries and bandings*
- *cannot say*
- *focus on pay costs reflecting actual costs and significant changes to eg energy costs*
- *As last review*
- *Unsure*

Rationale for above answers

- *Regular review would require less resources and maintain alignment with any national changes e.g., minimum wage etc. Also to maintain budget stability.*
- *I understand the consultation group found this a complex area to calculate*
- *Could this be overtaken by the DfE imposing a National Funding Formula to Special Schools?*
- *Give schools more time to compare formula with reality and genuine ratios and costs*

Question 17: Does the alternative formula enable maintained, academy and free special schools to meet the needs of their pupils?

	Response total	Response percent
Yes	3	37.50%
No	1	12.50%
Unsure or need more information	4	50.00%
Total	8	100.00%
skipped	2	

- *The alternative formula will enable special schools to balance deficit budgets however it may not address all staffing requirements as these have been cut back in recent years due to the lack of funding and increased expenditure year on year.*
- *We feel this is the suitable with current circumstances*
- *The new formula does not make up for losses over the last ten years in real terms*

Question 18: Are there any other comments or feedback that you would like to share not covered in previous questions?

- *It is far too difficult to give an objective view when I have been in charge of a special school so do not completely understand the challenges faced (& they are all different)* *however if this funding goes ahead then the impact on the high needs block will be quite substantial and add to the growing problem.*

- *No thank you*
- *the current bandings mean that D= 1:1 this has changed in the new plan and will mean many pupils become a band E*
- *An impressive amount of work has gone into this alternative formula and we do not have enough knowledge to respond to the detailed questions.*
- *Our only concern is the effect of this on the very high and rising deficit in the High Needs Block. These proposals would aggravate the problem in every year ahead.*
- *Thank you for the opportunity to be consulted*
- *I would be concerned about any major redistribution of the HNB at a time when pressures on this are so significant.*

County Council

Item No: 12

Report Title: *Better Together, for Norfolk* 2021-2025 – delivering our strategy

Date of Meeting: 31 January 2022

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

Responsible Director: Paul Cracknell, Executive Director for Strategy & Transformation

Executive Summary

On 29 November 2021, Norfolk County Council formally adopted the new strategy Better Together, for Norfolk 2021-25 as part of its policy framework. The strategy was developed following up to date feedback of the impact of Covid on our economy, people and communities, engagement with partners to determine a set of common priority areas, a review of our operating environment and in the context of our ongoing financial challenges.

The publication of the strategy was accompanied by a commitment to develop a number of products that will contribute to the delivery of our strategic priorities, more specifically:

- A Corporate Delivery Plan, to contain the critical activities that will contribute to the delivery of our strategy and the measures that will track our progress.
- A refreshed Communication strategy, to ensure we have a clear narrative which we can communicate effectively to our target audiences and stakeholders, and to help us meet our core objectives.
- A refreshed Workforce strategy, to ensure the Council has people with the skills, knowledge and experience required to achieve its strategic objectives efficiently and effectively, both in the short and long term.

The purpose of this report is to seek approval for the proposed approach to business planning and the Corporate Delivery Plan, and to provide an update on the additional products outlined above.

Recommendations [delete as appropriate]

To:

1. **Approve the proposed approach to business planning and developing a Corporate Delivery Plan.**

2. **Acknowledge, comment on and agree the work being done to develop the Communication and Workforce strategies, and the proposed timescale for delivery.**

1. Introduction

1.1. Norfolk County Council has traditionally developed a series of strategic and operational plans which set out the Council's ambitions and priorities, are aligned to the administration's manifesto pledges, and reflect the national policy and local operating context and challenges. These plans are underpinned by a Performance Management Framework, which links plans and performance outcomes and measures together, connecting business priorities with the activities and actions of managers and staff at a department, team and individual level.

1.2. The process for developing the Council's strategy *Better Together, for Norfolk 2021-2025* in the wake of the Covid-19 pandemic, has enabled the Council to reaffirm its vision and ambitions for the County and the Council, and review its strategic priorities. Furthermore, it has created an opportunity for the business planning and performance framework to be reviewed and realigned to the needs of the organisation.

1.3. The Council also committed to developing a Workforce strategy and a Communications strategy, as enablers to the delivery of the corporate strategy.

1.4. This report provides Cabinet with an overview of the revised strategic planning framework, describes the Corporate Delivery Plan and proposed business planning cycle, and offers an update on the development of the Workforce and Communications strategies.

2. Better Together, for Norfolk 2021-25

2.1. The strategy outlines the Council's definition of "levelling up" in Norfolk and is structured around these five key strategic and interlinking priorities:

- **A vibrant and sustainable economy** – this priority is about growing the economy inclusively, so that everyone has opportunities to benefit. It is about growing the skills the County needs and creating high value jobs; drawing down investment; and developing our infrastructure and digital connectivity
- **Better opportunities for children and young people** – this priority is about raising educational standards and attainment in our County, improving the lives of families and children, and creating better employment opportunities for young people
- **Healthy, fulfilling and independent lives** – this priority focuses on the themes of levelling up health, ensuring people who face disadvantage

and poor health can live well, and have access to better services where they live

- **Strong, engaged and inclusive communities** – this priority focuses on improving the relationships between communities and public service provision, so that people and communities are supported, empowered, enabled to help themselves, and have a voice in how services are designed and delivered
- **A greener, more resilient future** – this priority recognises the critical importance of climate change and the environment, as well as the role that our physical and social infrastructure play in creating stronger communities that people can be proud of

2.2. These strategic priorities seek to address challenges and opportunities arising from the pandemic and the government's policy agenda and priorities. They reflect the Council's ambition to support the county to emerge stronger and more sustainable, meet people's needs more effectively, and seize opportunities to embed positive change for the future.

2.3. The strategy will inform what we do within Norfolk County Council as well as beyond and with partners. Internally, it offers the opportunity for the leadership to agree common priorities and objectives, achieve organisational alignment against those, inform our investment choices and form the basis for delivery plans with clear measures of success. Externally, it provides the platform and opportunity for further conversations with our partners and government on how we might work better together to achieve common goals to deliver a better future for Norfolk, for example through a County Deal.

2.4. In July 2021, the government confirmed its commitment "to devolving power to local places and closer to citizens, letting dynamic and accountable local leaders get on and deliver" as well as the intention to "widen devolution beyond the cities and provide strong local leadership for all of our places", through "county deals", working with upper tier authorities and their partners. Norfolk has expressed its interest in an early deal and initial discussions with government have taken place. The framework for county deals is due to be part of the government flagship Levelling Up White Paper. The paper was expected in December 2021 however was delayed and is now expected in January 2022. Achieving a County Deal for Norfolk' is reflected in the overarching strategy and our commitment to levelling up Norfolk'. The priorities within it were informed by the shared priorities of partners and thus the actions within the draft corporate delivery plan described in section 5 are already geared towards securing/shaping any potential deal. If Norfolk is offered the opportunity of an early deal that meets our expectations and objectives, including financial commitments from Government, the corporate delivery plan outlined in section 5 will be updated to better reflect the programme of activities that will deliver such a deal.

3. NCC Planning Framework

3.1. At NCC, our planning framework consists of a number of strategic documents which ensure alignment across the organisation. The latest addition to the framework is the Corporate Delivery Plan, which is described further in the following sections. Briefly, the framework now consists of:

- The Council's **corporate strategy** *Better Together, for Norfolk 2021-25*, which sets out the Council's vision for our county and the council, focuses on mid to long-term goals and explains the basic strategies for achieving them. It is a central part of the policy framework setting out the corporate priorities and outcomes that the council aims to achieve over the next three years and the ethos for doing so.
- The **Corporate Delivery Plan**, which acts as the single business plan for NCC, and sets out the most significant activities which will contribute to the delivery of the outcomes and objectives in our corporate strategy. This is a new element to the planning framework and is described further in the following sections.
- **Cross-cutting priorities**, which will ensure that large-scale activities which affect the whole Council are coordinated across the organisation (e.g. Net Zero, Smarter Working)
- The **Departmental plans**, which are produced by each of our Departments annually and show what they will do to contribute to the achievement of outcomes within the corporate strategy, as well as outlining key operational actions and activities for service delivery.
- The **plans on a page**, which are developed annually at whatever business unit level is deemed appropriate within a department – mostly at Director and Assistant Director level. These plans summarise teams' key priorities and targets for the next performance year and are used to set individual performance goals.
- Finally, the **individual performance goals** contain personal objectives that will help to achieve actions within the relevant department plan, plan on a page and/or the priorities and outcomes in the corporate strategy as appropriate.

3.2. It is the intention to fully review and refresh the business planning cycle and determine what products are appropriate for the current period and into the future. However, due to the ongoing service pressures from Covid-19 and winter pressures, particularly in social care teams, the timing of this review should not place additional pressures on already stretched teams.

4. Business planning and delivery

4.1. Our current transformation programmes continue to drive key service improvements - raising performance, changing the way we work and delivering significant efficiencies – and, at the same time, accelerating our work to deliver the council's strategic priorities.

4.2. However, to achieve our strategic priorities within the current financial constraints, and while we continue to grapple with the Covid-19 pandemic, it will be necessary to continue to reform how key services and activities are designed and delivered, and also how we work across the local public sector system and with our partners in the most efficient and effective way.

4.3. This approach takes time, particularly with critical services being stretched by winter pressures, the ongoing effects of the pandemic, and workforce shortages. We have therefore taken a ‘twin track’ approach, running the 2022/23 budget-setting process whilst simultaneously working to develop our approach to planning for 2023/24 onwards that will help put the Council on a stable financial footing, as well as setting in train, where appropriate, more ambitious transformation activities, ensuring we’re in the best possible position to deliver outcomes for our residents. We will also be concentrating our efforts on mapping, defining and creating accountability for all our whole-council priorities, such as Net Zero and Smarter Working, to ensure clarity across the whole end-to-end process.

5. Corporate Delivery Plan

5.1. In order to have a clear grip and focus on priorities over a period, the Council needs a single whole-council view of key activities.

5.2. The Corporate Delivery Plan will be structured by the 5 strategic priorities outlined in the corporate strategy document and will be focused on NCC’s most significant “big ticket” activities, which:

- Support the delivery of political ambitions, outcomes and objectives in our strategy
- Deliver our Medium Term Financial Strategy
- Are business critical

In the context of the Corporate Delivery Plan, “significant activities” are proposed as:

- Significant service activity (e.g. transformational changes in service delivery and business change projects)
- Commissioning of infrastructure (e.g. highways, property, ICT systems) and people services (e.g. children’s, adults and public health services)
- Capital delivery (e.g. delivering new education, property and community assets in our capital programme)
- Strategy and policy development (e.g. new strategies, responding to changes in national policy and lobbying)

5.3. Essential, day-to-day service delivery to be captured in our departmental plans (divisional/service business plans) and plans on a page. The Corporate Delivery Plan is not intended as an exhaustive guide of everything we do, but instead provides a clear sense of how the council will respond to changes in our operating environment to deliver significant activity successfully.

5.4. The plan will be published online and contain “outcome ‘summaries’ which will be used to communicate what we intend to deliver at a high-level to the public. At the same time, a more detailed internal version will be developed to drive the business, our actions and our decisions. This will have more precise information on what is needed to deliver (e.g. resources, timescales, accountability, financial information, dependencies) to ensure the leadership of the Council have a clear view of the performance and implications of our critical activity.

5.5. In addition to the 5 strategic priorities in our strategy, the Corporate Delivery Plan will also contain a section on Operational Effectiveness, which will capture significant activity which will transform our property, technology, engagement, and workforce, and contribute sustainable funding. These activities are essential for strategic and corporate services and often require a cross-cutting approach across the council.

5.6. The detail of how and when activity in the Corporate Delivery Plan will be achieved will continue to sit in underpinning documents, such as business cases, programme/project plans and departmental plans.

5.7. The Corporate Delivery Plan will be a rolling plan to be updated each year to help the Council to focus on what needs to be delivered over the next short- to medium-term to improve the quality of life in Norfolk. It is not meant to be just a passive document, it is a live document to be reviewed quarterly and reported on annually.

5.8. The plan is owned by the Leader, Cabinet and Executive Directors. It has been collectively developed with Department Senior Leadership Teams, reflecting Cabinet members' priorities. The current draft Corporate Delivery Plan can be seen in Appendix A.

6. Next steps

6.1. The attached draft Corporate Delivery Plan provides Cabinet with a proposed structure and approach, to be developed more fully between now and March 2022. This enables the Council to go into the performance year 2022/23 with a clear view of priorities and significant activities, while at the same time, planning more effectively for 2023/24 and beyond.

6.2. Over the next two months, we will:

- Continue with the series of workshops with senior leadership teams and heads of service to confirm:
    - those activities that currently contribute to the delivery of our strategy and financial sustainability
    - desired outcomes, activity that will contribute to those, targets where appropriate and key milestones
    - key dependencies and cross cutting priorities
    - what gaps we have and what we could or should do to address those – using the start/stop/continue model
    - what additional knowledge, skills, or resources we need to deliver on our strategy in a financially sustainable way
- Align with financial planning so that business planning and budget planning for future years are a better integrated process.

- Review and redesign the Performance Management Framework and "Vital Signs", with potential further development of our associated reporting and monitoring tools.
- Review our use of internal and external sources of data to ensure our performance measurement can be appropriately benchmarked, compared and assessed in a specific, measurable, achievable, realistic and timely (SMART) way.

6.3. In developing this approach, we have engaged actively with the Council's Corporate Select Committee, which will continue to shape our business planning and performance frameworks.

7. Managing performance

7.1. Whereas the Corporate Delivery Plan enables us to track the progress of our significant activities, the corporate Performance Management Framework, is intended to provide Cabinet, our staff and our residents with assurance against the delivery of our strategic outcomes, the quality of our services, and the effectiveness of our enabling and transformative actions. It also serves as a mechanism of governance, to identify good and poor practice against a series of set targets helping us identify opportunities for improvement.

7.2. The current framework includes a range of performance measures, our Corporately Significant Vital Signs, which are reviewed quarterly by Cabinet. The launch of our new strategy and the reassessment of our strategic priorities and financial challenges, provides the opportunity to review the existing framework, measures and associated management tools, to ensure it is fit for purpose and aligned with our strategy. We also want to ensure that key metrics and performance can be compared to and validated through external sources and benchmarks.

7.3. Throughout the planning and performance management cycle, risks are identified, assessed and appropriately managed. Norfolk County Council has a mature Risk Management framework in place with clear governance, including reporting of strategic level risks to Cabinet and the Audit Committee. In planning to deliver our refreshed strategy, we will also be reviewing the risks to delivery, ensuring mitigating actions are identified both at a corporate, departmental and service level and any new / updated risks reflected in our Corporate Risk Register.

8. NCC Workforce strategy

8.1. Development of the workforce strategy has begun. The workforce strategy will describe how the organisation and its workforce must change over the next few years, in support of its strategic ambitions and in response to the challenges and opportunities coming over the horizon. The strategy timescale will be to 2025, in support of '*Better Together, for Norfolk*', and will relate to all colleagues engaged in delivering NCC services.

8.2. The strategy will consider the five broad workforce themes which affect NCC's ability to deliver now and into the future:

- What should NCC's future size, shape and role be within the Norfolk system?

- How can we create a community of leaders and managers who have the values, strengths and skills that will be needed?
- How we can provide more attractive, fulfilling and stimulating roles and careers for talented people?
- How can we be a more diverse and inclusive employer in delivering services for our Norfolk communities?
- How can we develop an ever more engaging and therefore high-performing culture?

8.3. To date, a skeleton structure for the strategy has been created and populated where possible with current workforce data, future trends and developments, and the key workforce questions that need to be addressed. The work is led by Human Resources and supported by Strategy & Transformation. One-to-one conversations with each of the Executive Directors have taken place to understand their broad ambitions for the workforce.

8.4. These discussions have fed into the workforce themes and vision which, along with some group analysis of which potential changes would have the biggest impact and which would be the easiest to implement, will underpin the core of the strategy. There are also ongoing discussions about what levels / types of engagement would be appropriate for other stakeholder groups such as Members, the wider NCC leadership teams, and other colleagues. The extent of further engagement will determine the timescale for completion of the strategy. However it is anticipated that a draft document will be available by the end of March.

9. NCC Communications strategy

9.1. Effective communications are vital to keep the public, staff and partners informed and engaged about the council's work and enable the council to listen to their views.

9.2. The communications strategy will create, through a variety of methods, meaningful conversations with residents, staff, partners, and stakeholders so Better Together for Norfolk can bring about positive change for the county. The strategy will also guide the work of the council's communications by setting out the key themes based on the council's key principle of clear evidence using data and analytics to identify the needs for change and evaluate them. This approach will also inform and involve staff and members as it sets the tone for a positive internal culture, so our staff and elected members are clear on, and are advocates for, Better Together for Norfolk in the community.

9.3. The aim of the strategy is to create a 'one team' approach working side by side to create a culture with departments that harnesses a more focussed and joined up approach that improves message delivery for service users and shows communication with residents is the responsibility of all officers and elected member. Work is already underway to identify communications roles across the Council which need to be integrated with the central Communications team to ensure this focused and joined up approach.

9.4. The overall strategic approach will be supported by more detailed communications plans, co-designed with our services with agreed departmental objectives linked to the wider strategy so the council can further integrate communications within each department's planning process to strengthen the balance of communications delivery throughout the council.

9.5. The aims of the strategy are to deliver the following:

- The focus and desired outcome of all communications activity will build on developing a relationship of trust and instilling a feeling of confidence in the council, both internally and externally.
- Community communications will be targeted more effectively using the preferred channels and methods, based on residents' profile and information preferences, to connect people with the council more.
- The "one council" communications strategy will be embedded throughout the council's various departments to deliver the council's key principle of work being done well and done once.
- The key principle of improving the way the council presents its communications will be met by working together with departments to set the right tone in language and presentation to provide information, advice and guidance in a way and format people want though agreed quality and accessibility measures.
- A spirit of collaboration and have in place systems between departments to ensure all teams, members and partners are well informed on key NCC and Norfolk priorities and policies.
- Share and upskill communications, engagement and consultation skills across the council working together with departments to ensure staff and members are more involved in the communications process.
- Seek to work collaboratively with partners, acknowledging their local knowledge and expertise, ensure our efforts are customer focused and meet the demand in local areas and deliver the Better Together, for Norfolk agenda.

9.6. The Communication strategy is expected to be finalised in the first quarter of the financial year 2022/23.

10. Financial Implications

10.1. The financial context for the strategy will be set through our annual budget planning process and Medium Term Financial Strategy.

11. Resource Implications

11.1. **Staff: N/A**

11.2. **Property: N/A**

11.3. **IT: N/A**

12. Other Implications

12.1. **Legal Implications: N/A**

12.2. **Human Rights Implications: N/A**

12.3. **Equality Impact Assessment (EqIA) (this must be included):**

A core purpose of ***Better Together, for Norfolk*** is to 'level up', to ensure that 'no community is left behind'. In compiling the strategy, a wide range of evidence was reviewed, to ensure that ***Better Together, for Norfolk*** gives due regard to equality, in relation to**:**

- Eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- Advancing equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
- Fostering good relations between people who share a relevant protected characteristic and people who do not share it.

The priorities in ***Better Together, for Norfolk*** reflect the conclusions drawn from this analysis. The strategy is informed by the Council's Equality, Diversity and Inclusion Policy and the Digital Inclusion equality impact assessment.

As the Corporate Delivery Plan will be pulling together business activity, it is expected that each project or activity will undertake its own Equality Impact Assessment. The requirement for an up-to-date Equality Impact Assessment will be stated in the Corporate Delivery Plan.

12.4. **Data Protection Impact Assessments (DPIA): N/A**

12.5. **Health and Safety implications (where appropriate): N/A**

12.6. **Sustainability implications (where appropriate): N/A**

12.7. **Any Other Implications: N/A**

13. Risk Implications / Assessment

13.1. A Corporate Delivery Plan will ensure that the Council's leadership have a clear view of the significant activities that contribute to the delivery of our strategy, our operational efficiency and our ability to deliver better services to our residents. It also ensures collective oversight and accountability for business performance and seeks to minimise the risk of silo working, particularly around the cross-cutting priorities, allowing a smarter and more efficient deployment of resources.

14. Recommendations

To:

1. **Approve the proposed approach to business planning and developing a Corporate Delivery Plan.**
2. **Acknowledge, comment on and agree the work being done to develop the Communication and Workforce strategies, and the proposed timescale for delivery.**

15. Background Papers

15.1. ***Better Together, for Norfolk 2021-2025***

15.2. **Strategy development and business planning at NCC** (page 45)

Officer Contact

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

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix A

Norfolk County Council

Corporate Delivery Plan 2022-23

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Introduction

On 29 November 2021, Norfolk County Council adopted the refreshed strategy *Better Together, for Norfolk 2021-25* as part of its Council Policy Framework.

The strategy outlines the Council's definition of "levelling up" in Norfolk and is structured around these five key strategic and interlinking priorities:

- **A vibrant and sustainable economy** – this priority is about growing the economy inclusively, so that everyone has opportunities to benefit. It is about growing the skills the County needs and creating high value jobs; drawing down investment; and developing our infrastructure and digital connectivity
- **Better opportunities for children and young people** – this priority is about raising educational standards and attainment in our County, improving the lives of families and children, and creating better employment opportunities for young people
- **Healthy, fulfilling and independent lives** – this priority focuses on the themes of levelling up health, ensuring people who face disadvantage and poor health can live well, and have access to better services where they live
- **Strong, engaged and inclusive communities** – this priority focuses on improving the relationships between communities and public service provision, so that people are and communities are supported, empowered, enabled to help themselves, and have a voice in how services are designed and delivered
- **A greener, more resilient future** – this priority recognises the critical importance of climate change and the environment, as well as the role that our physical and social infrastructure play in creating stronger communities that people can be proud of

The Council also committed to develop a Corporate Delivery Plan, to provide a whole-Council view of the critical activities that will delivery our strategy as well as our Medium Term Financial Strategy and operational targets.

Our Corporate Delivery Plan

In order to have a clear grip and focus on priorities that deliver our strategy and objectives, the Council needs a single whole-council view of key activities.

The Corporate Delivery Plan will be structured by the 5 strategic priorities outlined in the corporate strategy document and will be focused on NCC's most significant "big ticket" activities, which:

- Support the delivery of the outcomes and objectives in our strategy, and our Medium-Term Financial Strategy
- Are business critical

In the context of the Corporate Delivery Plan, “significant activities” are:

- Areas of significant service activity (e.g. transformational changes in service delivery and business change projects, new services etc.)
- Significant commissioning activities for infrastructure (e.g. highways, property, digital infrastructure) and people services (e.g. children’s, adults and public health services)
- Capital delivery (e.g. delivering new education, property and community assets in our capital programme)
- Strategy and policy development (e.g. new strategies, responding to changes in national policy and lobbying)

The Corporate Delivery Plan is not intended as an exhaustive guide of everything we do, but instead provides a clear sense of how the council will respond to changes in our operating environment to deliver significant activity successfully. Essential, day-to-day service delivery continues to be captured in our departmental plans (divisional/service business plans) and plans on a page.

In addition to the 5 strategic priorities in our strategy, the Corporate Delivery Plan also contains a section on Operational Effectiveness, which describes that significant activity which aim to transform the Council - our property, technology, ways of working, engagement, and workforce. These activities are essential for strategic and corporate services and often require a cross-cutting approach across the council.

The detail of how and when activity in the Corporate Delivery Plan will be achieved will continue to sit in underpinning documents, such as business cases and programme/project plans.

The plan is owned by the Leader, the Head of Paid Service and the council’s Executive Directors. It has been collectively developed with Department Senior Leadership Teams, reflecting Cabinet members’ priorities. It is a rolling plan to be updated each year to help the Council to focus on what needs to be delivered over the next short to medium term to improve the quality of life in Norfolk. It is not meant to be just a passive document, instead it is a live document to be reviewed quarterly and reported on annually.

Operating context

Our strategic priorities and the activities outlined in the corporate delivery plan arise from and are influenced by a range of factors, all of which constitute our current operating environment. Being as we are, still in the grip of the pandemic and the Omicron variant, our operating environment remains volatile and prone to change. In this document, we outline the key drivers of our operating context as we understand them at the time of writing. These will be reviewed regularly, and the corporate delivery plan updated accordingly, should the need arise.

Impact of Covid-19: The pandemic has had a significant impact on our economy, our communities and the council, much of which is ongoing. The local economy has started to recover, making up £3bn of the £4.5bn of Gross Value Added (GVA) lost during the year 2020/21. However, a number of sectors such as food and accommodation, leisure and entertainment, health and social care, agriculture and manufacturing remain more vulnerable to change, the latter two being affected by ongoing disruption to supply chains, and global shortages of key goods. Covid-19 has also highlighted the vulnerability of many groups like people with pre-existing conditions, disabilities or mental health problems, requiring us to work in a more focused way to improve health outcomes for our residents. It has also brought into focus the difficulties of many disadvantaged children and families, with learning severely disrupted, the gap with non-disadvantaged children growing and hardship continuing to affect many people and families.

Climate change and Net Zero: The momentum on the climate change created by COP26 and the government's Net Zero strategy, as well as the benefits experienced by so many countries over the past 2 years, means we must accelerate action on environmental issues, including climate resilience, renewable energy and more cuts to carbon emissions. We have a three-fold role to play: direct action within our own estate and operations to meet the long term net zero carbon targets, influence with partners and our supply change to promote greener transport, infrastructure and economic growth, and a community leadership role to work with residents, partners and communities on climate action and resilience. We continue to bring agencies and partners together to address these issues.

Digital technology: Digital and mobile technology continues to change the way we live and work. We are committed to supporting innovation and research that will empower and connect communities and increase productivity. Technology also has powerful potential to radically change the way we work within Norfolk County Council to become a more modern, efficient council.

Local government finances: The financial outlook for local government remains challenging, with growing demand for services set against ongoing uncertainly of funding and workforce pressures. Although the Government has announced reforms to Adult Social Care and some additional funding in the Spending Review 2021, it will take time for their implications for the council to become clear, meaning the immediate pressure remains squarely on local authorities. We also know there are still major demand and demographic pressures on social care and children's services and areas of significant financial risk such as high needs funding. This will need continued strong financial management and sustainable medium term budget solutions.

National policy: Government have announced a range of policy initiatives and legislation which impact on us as a Council and as a County. "Build Back Better – a plan for growth", the Health & Care Bill 2021-22, the Health &

Social Care Levy Bill, already impact on how we operate and work with our partners in the local system, with more due in 2022. The Levelling Up White paper, expected in January 2022, has a strong economic focus, but it is not just about the economy – it requires us to address those factors that affect people's lives. We have already put many of these policies at the centre of our strategy and will continue to look for opportunities afforded by the framework, once published. In June 2021, the UK became the first major economy to pass **a Net Zero emissions law**, with a target that will require the UK to bring all greenhouse gas emissions to net zero by 2050.

Strategic Priority 1 – A vibrant and sustainable economy

Economic growth, which creates quality jobs with good wages and delivers benefit back into local communities, has a vital role to play in improving the health and wellbeing of residents.

We want Norfolk to move from being a low-skill, low-wage and low-productivity economy, to high-skill, high-wage, high-value businesses, which are innovative and can capitalise on our strong digital connectivity. We will work closely with our partners and the business.

community to ensure that growth is inclusive and builds investment and social value into the local economy.

	Activity title	Headline summary
	Growth and Development	
	Continue to roll out our economic plan for recovery and growth.	Our economic plan for recovery and growth offers **programmes of support for business planning and development, innovation, digitalisation** and **business incubation**. Specific programmes include: • **Go Digital**; • **Innovation Grant Mentoring Programme,** and • A proposed new **Enterprise and Business Start-Up Programme**. The Enterprise programme will build on the Community Renewal Fund (CRF) self-employment support project and self-employment strand in the FCE C-Care Project (CRF will end June 2022 and FCE funding will end in March 2023). The project will run over 3 years and provide one-to-one support to **1800** people considering setting up a business.
	Enable the development of sites supporting new technologies	We will continue to enable the **development of sites supporting new technologies**, such as the **O&M campus in Great Yarmouth.** Such strategic sites support the creation of higher value jobs for local people and inward investment opportunities.
	Deliver a 5-year investment framework for Norfolk.	In conjunction with a countywide stakeholder group, we will develop a **5-year investment framework** of investment priorities for Norfolk, that will enable us to compete nationally for funding to support growth. The Framework will develop a sound evidence base to help identify the specific investment opportunities and projects that will have the greatest impact on sustainable economic growth in the county. This will drive a delivery programme of projects in due course.

	Activity title	Headline summary
	Support the delivery of the Norfolk Rural strategy	Since 2013 Norfolk County Council has led a steering group of public, private and voluntary sector partners to produce and deliver a three-year Rural Economic Strategy for Norfolk. The [2021-24 strategy]() has been consulted on with partners is currently going through the review and adoption process with the County Council's Infrastructure and Development Committee and its Cabinet. The strategy's priorities are: • New rural economy and market towns • World class environment and the green economy • Community resilience • Skills and rural innovation • Digitalisation and technology adoption • Modern infrastructure
	Business and Intellectual Property Centres – Norfolk Network	BIPC Norfolk is part of the British Library Business and Intellectual Property Centre national network offering support to small businesses including: • Free and low-cost access to £5 million worth of business intelligence • Business publications - both in branch and online • One-to-ones, workshops and networking events • Intellectual property (IP) support The main centre is the Norfolk and Norwich Millennium Library with BIPC Locals now operating in our libraries at Cromer, Great Yarmouth, King's Lynn, Thetford, Wroxham and Wymondham.
	Skills and employment	
	Deliver the CHANCES programme	We will continue to deliver **Chances**, our support to employment project. Chances is part financed by the European Social Fund and we work with the longer term unemployed residents of the county to support them into work or closer to the labour market through 1:1 bespoke support. Participants of the programme are the longer term unemployed, those with health issues (both mental and physical) and those who have other barriers to employment such as caring responsibilities or returning to work after career breaks. We work with our delivery partners who currently employ over 20 Chances Advocate who provide the

	Activity title	Headline summary
		support for our participants, plotting a journey to reach their goals that can include confidence building, increasing job search skills as well as sourcing reskilling and upskilling opportunities across a number of sectors. The participants receive regular support from the Advocates and can be given financial support where needed to help with things such as travel, childcare, specialised courses and equipment as they search for work. The project runs to September 2023 and aims to support **2,602 people** throughout its lifetime.
	Continue to deliver the NCC Employer Training Incentive Project	This programme has been highly successful, committing nearly £300,000 of funds for training in less than 6 months, generating over 1300 training interventions to reskill and upskill individuals. It has also generated in excess of £115K employer match funding. With a waiting list of 200 businesses, we will explore further funding opportunities to continue the programme.
	Launch the Skills, Progression, Adaptability and Resilience (SPAR) programme	We will launch the **SPAR project** in 2022. A European Social Fund project in partnership with Suffolk County Council, it will complement other programmes such as ETIP and CHANCES by providing the **Pathways Fund.** This is a delegated grant scheme to enable and incentivise businesses to access training, with a focus on key skills needs including: Digital Skills, Leadership & Management and Customer Services & Relationship Management. A further strand, **Pathways 50+**, is designed to support both SMEs and participants aged 50 or over, through a combination of expert information, advice and guidance, business support services and grant funding, creating 3-month paid work placements for people who are unemployed, under-employed or economically inactive.
	Launch the Green Skills Roadmap	**Decarbonisation and Green Energy and Skills** is a growing priority across all areas of Government and there is great potential for job creation in this area in Norfolk. The **Green Skills Analysis and Roadmap Research** project will consolidate existing project information and research to determine the existing and emerging skills gaps across the green economy. This will involve engagement and skills analysis with experts in key

	Activity title	Headline summary
		sectors, including Low Carbon Services, Nuclear, Off-Shore wind, Solar and Retrofit/Construction. The project will deliver a **Green Skills Roadmap** for the county, including key actions to develop scalable provision to meet employer demand, and ensure a whole of county approach to the breadth of decarbonisation activities required in the short, medium and long term across Norfolk.
	Library and Learning Hub in Great Yarmouth	Working in partnership with Great Yarmouth Borough Council, NCC has committed to the relocation of the GY Library with the introduction of a refreshed Adult Learning Offer, and further education links with East Coast College to create a comprehensive Library and Learning Hub. The project is still at feasibility stage with £2m capital committed from NCC alongside GY Future High Street and Town's Deal money
	Construction and Environmental Sustainability Hubs in Norwich and King's Lynn	In the current academic year, the service has implemented a new construction and environmental sustainability curriculum, which provides a creative response to local challenges in the sector and aims to address the deficit of skilled workers and respond to the needs of adult residents who are economically inactive, unemployed and low skilled. In addition, this new curriculum responds to Norfolk's net zero ambitions. The first courses are starting in January 2022 and the service has secured £560,000 from the Community Renewal Fund to establish two construction training hubs in Norfolk (Norwich and King's Lynn). This work is underway and will be complete by June 2022.
	Adult Learning Digital Leaders Programme	Adult Learning are also taking the national lead in the development of the use of technology in education. In September 2021, the service secured a £500,000 Further Education Professional Development Grant from the Department for Education to lead a digital leaders project which aims to improve the use of technology across the further education sector. Together with 9 local authority partners, this ground-breaking work positions Norfolk at the forefront of the use of cutting-edge technology to deliver learning.
	Infrastructure and digital connectivity	
	Implement the priorities in the annual Strategic Delivery Infrastructure Plan.	The Norfolk Strategic Delivery Infrastructure Plan sets out Norfolk's high-level strategic infrastructure priorities for the next 10 years. This list of projects has been compiled in conjunction with stakeholders/local partners

	Activity title	Headline summary
		including internal county council departments, district councils, utility companies and government agencies. These projects are selected on the basis that they deliver considerable housing and jobs growth. Priority strategic projects include: • A47 improvements £2-300m (delivered by National Highways) • Great Yarmouth Third River Crossing -£120m • Transforming Cities as part of the Transport for Norwich programme - £66m (all funding sources) • Long Stratton Bypass • West Winch Housing Access Road • Norwich Western Link
	Deliver the Highways Capital Programme, investing in maintaining and improving this essential asset across Norfolk	In addition to the major infrastructure improvements, significant annual investment is made each year in maintaining and improving the 6,200 miles of road, 2,800 miles of footway and cycleway, 3,400 miles of Norfolk Trails and public footpath. A well maintained and improved network is essential for all business and residents. Annual maintenance programmes include road resurfacing, dressing, patching and pothole repairs which have been boosted by an additional investment from the Council of £10m, plus a further £6m for the Flood Reserve fund to boost the amount the Council spends on drainage maintenance, repairs and improvement to reduce the risk of flooding. A new £1m Road Safety Community Fund has been launched to deliver 100 additional safety schemes across Norfolk over the next four years. The Local Member Fund has also been expanded to enable tree planting and the installation of Electric Vehicle Charging Points as part of the Council's Net Zero action plan.
	Deliver fibre broadband infrastructure	Strong digital connectivity is seen as key enabler for NCC to meet is core corporate strategy. It will: • Allow existing Norfolk business to develop and new business to be attracted to Norfolk • Encourages housing, infrastructure and job growth across Norfolk • Reduce digital and social exclusion for the residents and workforce across Norfolk. Allowing improved access to services,

	Activity title	Headline summary
		encourage innovative ways to; work, learn, and access health/social care services • Allows the implementation of assistive Technology to support independent living • Reduce our impact to the environment. Fibre Broadband Infrastructure is integral to this and will focus on the delivery of 3 key programmes: • Local Full Fibre Network – aiming to deliver Fibre To The Premise to 393 public buildings in 2022 • Better Broadband for Norfolk – aiming to deliver FTTP to 8821 premises by 2024 • Project Gigabit – aiming to deliver gigabit capable infrastructure to the hardest to reach 20% of rural premises by 2025/26
	Deliver the Shared Rural Network	This programme supports the implementation of a shared mobile infrastructure by the four mobile network operators in rural communities across Norfolk, with the overall aim of improving mobile coverage in the hardest to reach locations. It directly supports the government's target of achieving 95% 4G coverage across the UK by 2025, which is also the target for Norfolk.
	Deliver the Norfolk and Suffolk Innovation network	This project sees the implementation of a Long-Range Wide Area Network (LoRaWAN) across Norfolk and Suffolk to enable business, public sector, educational organisations and the public to explore, trial and implement Internet of Things (IoT) technology. The infrastructure provides the foundation for a whole ecosystem that could transform our economy using sensor technology and actionable data. The project is a key enabler for the Smart City / Communities agenda enabling the connection of IoT devices (sensors) for public sector innovation, efficiency & service transformation, business growth, carbon reduction initiatives and our digital inclusion ambitions. It drives inclusion and skills by providing the base infrastructure foundation (the accelerator) that can be used free of charge to teach young people and small businesses to experiment, to develop business ideas and to test them.

Strategic Priority 2 – Better opportunities for children and young people

Norfolk's children and young people are the future of the county and we would not want to see them labelled as "the Covid generation". We are ardently ambitious for them and want to ensure that this generation of children do not have to live with the knock-on effects of the pandemic for
the rest of their lives, either in terms of their own wellbeing or aspirations for the future.

We want all children and young people in Norfolk to flourish, have a safe and supportive home, high aspirations, better educational outcomes and access to well-paid jobs. It is by investing in them to achieve their full potential and develop skills which prepare them for life and work, that we lay the foundations for a more resilient future for them and for our county.

	Activity title	Headline summary
	Levelling up outcomes for families	
	Continue to embed our New Roads Service	This service was launched in June 2021 and takes a non-traditional approach to working with adolescents experiencing complex journeys - with an innovative residential 'Hub' at the heart of the service. It provides short term placements and edge of care support through a range of specialist and wrap around services to help young people on their journey, supporting our vision to reduce the number of looked after Norfolk Children. Each young person will have a dedicated key worker and have access to the specialist support embedded within the hub Each hub will also be supported with: ○ Two dedicated supported accommodation trainer flats for 16-18 year olds ○ Two High Needs Supported Lodgings (HNSL) hosts. The hosts will be able to provide a room within their home and be the stepping stone for young people moving towards living independently. ○ Two Hub Community Families. These will be supported and supervised by our fostering team and can call on any of the specialist hub support at any time. Norfolk County Council successfully obtained £5m funding from the DfE to implement and embed the New Roads service. We are being supported by North Yorkshire County Council (NYCC), who are the innovator authority for

	Activity title	Headline summary
		the “No Wrong Door” model that we have adopted for the New Roads Service.
	Continue to embed our Targeted Youth Support Service	This service was set up in March 2021 and is aimed at supporting young people at risk of harm outside the family home, through criminal or sexual exploitation. It continues to build on the work already being carried out by the council’s detached youth work service in Norwich, as well as support provided across police, social care, the Youth Offending service and voluntary sector services. Specifically: • Detached youth workers will support young people across the county, in the places and spaces where young people choose to meet up. • Social workers and family support practitioners working with young people will also be able to call on support from youth workers where they believe young people are at risk of harm outside the home • Practitioners will undertake return home interviews for young people who have gone missing, to explore reasons for going missing, understand any risk or harm experienced and reduce the likelihood of further missing episodes. We will continue to work closely with other voluntary and commissioned services that work with young people across Norfolk.
	Deliver the Healthy Child programme	The Healthy Child Programme offers every family a programme of activities, including screening tests, immunisations, developmental reviews, and information and guidance to support parenting and healthy choices. The programme aims to have contact with every child in Norfolk at key points in their life in domestic, community, and education settings. Included in the programme are: • Health Visiting & School Nursing services • Delivery of Just One Norfolk • Specialist, targeted support for groups such as teenage parents As part of Covid recovery, we will work with commissioned services and wider partners to

	Activity title	Headline summary
		understand the impact of COVID on children's health & wellbeing and to implement appropriate, joined-up approaches to address these.
	Joined up networks for support	Since the beginning of the Coronavirus pandemic, partners across the Norfolk system have been working together to provide community support to our residents, this has included support to shield and self-isolate, and more recently to receive information and advice and hardship support. A system has been put in place to facilitate this work, called the Norfolk Vulnerability Hub and work will continue to stabilise, refresh and embed this system to provide a long term solution to respond to resident needs.
	Hardship Support Programme	The Household Support Fund (HSF) was announced on 30 September 2021 for the period to end March 2022 to alleviate winter hardship while the economy recovers. The fund is to support residents with financial uncertainties, providing a bridge between the end of furlough, the reduction in Universal Credit, and unprecedented increases in the cost of utilities and fuel. There is a major focus on supporting families with 50% of funding specifically for families with young children. We will continue our work with our partners in local government and the independent sector to support households experiencing hardship with: • **Food** • **Energy and water** • **Essentials, linked to energy and water** (sanitary products, warm clothing, hygiene products, boiler servicing and even fridge freezers and ovens) • **Wider essentials** ((support with other bills like digital access including broadband, Council Tax transport costs and car repairs) The Household Support Fund form part of wider offer being developed by the cross organisation Hardship Board
	Libraries and Adult Learning – Families offer	Adult Learning and Libraries offer a range of learning opportunities for families to support their literacy, numeracy and wider wellbeing. We will continue to develop this across our library network and in partnership with Schools, the ECFS and

	Activity title	Headline summary
		early years settings to ensure that as many families as possible are able to benefit and the support raised aspiration and achievement.
	Raise educational attainment for children and young people	
	Deliver the £120m investment in new special schools across the county.	Continue with our plans to deliver new special schools across the county. To date, two new schools have been completed and a further two are planned – one in Norwich and one in a location yet to be identified. Our ambitious plans will enable more local children to have their special educational needs met in a high quality Norfolk school closer to where they live, minimising the need to travel long distances across the County to adequate provision.
	Implement the Norfolk Special Educational Needs and Disabilities (SEND) Written Statement of Action Plan	The statutory need for this piece of activity continues, with future inspection expected. The current priority is to deliver the Action Plan to successfully deliver the improvement required, working closely with Education and Health partners.
	Embed the enhanced inclusion service.	The consequences of the pandemic on children's education is well documented. On returning to school in September 2020, many children experienced a number of adjustment difficulties, which has led to schools significantly increasing referrals to the inclusion line, which has been strengthened and enhanced. We will continue to embed the enhanced inclusion service to strengthen the ability of mainstream settings to meet needs and access additional support where necessary so that more children and able to remain in appropriate local educational placements.
	Roll out the 2022 Schools Local Growth and Investment Plan	The Schools' Local Growth and Investment Plan (SLGIP) provides a snapshot of NCC plans to fulfil its statutory responsibility to ensure sufficient school places for Norfolk children aged 4-16. Our aim is always to provide school places locally, whilst ensuring schools are of sufficient size (ideally 420 pupils for primary and 900 students for secondary). Norfolk's education landscape has

	Activity title	Headline summary
		developed over time and is characterised by large numbers of small schools in rural areas. Our plan also seeks to address our core duty of promoting high standards of education. To achieve this, we will use a combination of approaches to either grow or decrease the number of school places for any given local area, including: • Commissioning new schools • Promoting DfE Free School proposals • Expanding the age range and size of existing schools • Agreeing changes to the planned admission number with associated change to accommodation
	Create better employment opportunities for young people	
	Deliver our apprenticeships strategy	Apprenticeships continue to play an important part in upskilling individuals and supporting business growth. Our successful **Recruit|Retain|Reward** will continue to offer a grant of £1000 to an SME who employs a young apprentice (aged 16-24). Additionally, two other projects have just been launched. • **Access to Apprenticeships (A2A)** a FCE C-Care funded programme, it provides bursary grants of up to £500 to improve the opportunity for those aged 16-24 in Norfolk, to be able to start an apprenticeship. • **Progression to Apprenticeships (P2A)** is a project aiming to increase the number of young people aged 16-24 moving into an apprenticeship by joining up existing initiatives and helping to decrease the number of young people returning to Universal Credit or other benefits following completion of a feeder programme, reducing the ‘revolving door’ scenario.

Strategic priority 3 – Healthy, fulfilling and independent lives

We want Norfolk to be a place where everyone has the opportunity to live their lives to the full, with independence, and access to the right support at the right time.

We want to lead the system in Norfolk to focus on prevention and early help, to improve and sustain good health and wellbeing, as well as work with willing partners to create a more accessible Norfolk. We will strive to accelerate health and social care integration to respond to new demands and remove barriers to equal lives, tackling the issues which contribute to widening health inequalities.

	Activity title	Headline summary
	Levelling up health	
	Adult social services "front door" and prevention programme	Adult Social Care currently spends over £1million per day on meeting the eligible needs of Norfolk residents. It is our duty to be ambitious and progressive in how we meet these needs in a sustainable way. Going forward, we will work with a strategic partner to develop a comprehensive and clear strategy for prevention and early help. Using advanced analytical techniques, we will develop a deeper understanding of Norfolk's residents, their needs, and the local support they require. Our strategy will aim to proactively leverage community support, with targeted interventions, and a re-purposed 'front door',
	No homelessness in Norfolk strategy	We will continue to support and contribute to the Norfolk Strategic Housing Partnership strategy "No Homelessness in Norfolk". We are currently in the process of developing an action plan focusing on the 4 strategic priorities: • Reduce Homelessness by focussing on homeless prevention services • Improve access to homelessness support services across Norfolk • Continue to develop person-centred services with a focus on co-production • Continue to build partnership working to improve collaboration and whole system change The programme is currently developing a more detailed action plan for February 2022.
	Deliver the Public Health and Wellbeing programme	Our focus on prevention drives our public health and wellbeing programme of activities, aimed at improving population health, reducing fragility in people and

	Activity title	Headline summary
		delaying the need for critical health and social care interventions. Key initiatives include: **NHS Health Checks -** A health check-up for adults in England aged 40 to 74, designed to spot early signs of stroke, kidney disease, heart disease, type 2 diabetes or dementia **Stop Smoking Services** – Offer practical and treatment support to aid quitting smoking through accurate information, advice and individual support by experts, as well as re-establish and lead the Tobacco Control Alliance Weight Management Services - Practical support including advice, information and intervention programmes for adults in Norfolk struggling with their weight **Drug & Alcohol Misuse and Dependence -** Offer specialist clinical treatment and behaviour change approaches to support individuals across Norfolk struggling with drug and alcohol use
	Implement Project ADDER	Project ADDER (Addition, Diversion, Disruption, Enforcement and Recovery) commenced in 2020/21 as a nationally funded pilot; a joint initiative between the Home Office (HO) and the Office for Health Improvement and Disparities (OHID). Greater Norwich was selected a key target location and the ADDER programme has been operating in the locality since March 2021, overseen by a joint delivery group co-chaired by NCC and Norfolk Constabulary. ADDER, with an annual budget of £1.35m, is delivered in addition to Norfolk's core Alcohol & Drug Behavioural Change Service, through which NCC invests £6.6m per year of its Public Health Grant income (circa 16%). The project brings together co-ordinated law enforcement activity, alongside expanded diversionary activity and treatment/recovery provision, and seeks to expand multi-agency partnership working in the Greater Norwich area. The ADDER programme was due to end in March 2023, but this has now been extended to at least March 2025 as an outcome of the strategic spending review, and is a key feature of the governments new 10-year drug strategy From harm to hope. The programme is underpinned by a national evaluation and monitoring framework, to help and

	Activity title	Headline summary
		inform an evidence base for future Government intervention and national investment.
	Healthy libraries	**Norfolk Libraries** play a key role is supporting the health and wellbeing of residents, with a key focus on health information and social isolation, with well-established initiatives like Just a Cuppa in place in every Library. Projects currently in train include Digital Health with the NHS, and further development of our emotional and mental health support offers. The service also delivers specific activities to support children and families such as “feed and read”. The library network also supports period and hygiene poverty and is part of the community collect model for Covid testing.
	Living well	
	Deliver the capital housing programmes	This is a 10-year capital contribution programme to facilitate building of new specialist housing of a variety of types and sizes across Norfolk (Independent Living and Supported Living), which meet the needs of older people and working-age people with learning or physical disabilities. The programme has a number of delivery dates for the different builds and will aim to be completed by 2028.
	Continue to implement and embed the Norfolk First Response transformation	Norfolk First Response offer a reablement service to people who need some support when discharged from hospital to regain their confidence and independence. The team provide a responsive service that provides immediate support in a crisis and prioritises safeguarding but also supports people to manage in the long term. The transformation programme aims to deliver a high quality social care service that builds on the strengths of the person, whether supported by family and carers, our staff or services we commission.
	Changing places toilets initiative	The previously committed £600k for changing places toilets has been reviewed in light of additional funding provision at district level. A proposal will be brought to Cabinet in the Spring to finalise the locations for NCC investment.
	Better local services	

	Activity title	Headline summary
	Home Support Transformation	We will continue to transform and re-shape the Home Support Market to deliver services that meet the needs of people in Norfolk through the development of a "home first" home support model, including a dementia offer, that builds on the strengths of the person, supporting resilience and independence. Aspects of the programme have been delayed due to the Covid pandemic and milestones will be redefined in 2022.
	Care Market Shaping Programme	It is part of our statutory responsibility to provide a sufficient social care market to deliver quality services for local people. We must promote choice through a diverse social care market, working with a range of independent and voluntary, community and social enterprise sector providers. Our ambition is for a stable, modern care market in Norfolk where 85% of providers are judged Good or Outstanding by the Care Quality Commission (CGC). Aspects of the programme have been delayed due to the impact of the Covid pandemic on the social care market, and it will be reviewed fully in 2022 in the context of other transformation activity.
	Work as a partner to the Norfolk and Waveney Integrated Care System	We will continue to be a critical partner of Norfolk and Waveney's Integrated Care Systems (ICS) to improve population health and care, tackle unequal outcomes, enhance value for money and support social and economic development. Key priorities include: • Establishing an Integrated Care Partnership tasked with strengthening integration between the NHS, local government and wider partners to serve and improve our community's health and care • Developing a place-based approach to service delivery, taking health and care decisions at a more local level and plan how to address the root causes of health inequalities. Our Integrated Care System will be established in **July 2022**.
	Multi User Hub development programme	Building on the strong community asset base that our Libraries provide, we are undertaking a programme to transforming existing Libraries into Multi-User hubs. As a starting point we will be delivering Adult Learning from the majority of sites, as well as strengthening offers from partners within the NHS and voluntary

	Activity title	Headline summary
		sector. A pilot site exists in Attleborough with additional plans in place for Great Yarmouth, King's Lynn and Great Yarmouth. Dereham is also being reviewed.
	Delivery of Active Travel and Public Transport Improvements	Norfolk has been keen to play an active role in enhancing the walking and cycling network across the County and improving sustainable transport. The Governments Active Travel programme has seen investment in Norfolk of over £3m and further funding bids have been submitted. Phase 2 schemes are being delivered in 2022, with more to follow in future years. The sustainable transport improvements from the Transforming Cities programme will continue to be delivered over the next year, along with Norfolk's Bus Service Improvement Plan and the new Enhanced Partnership currently being developed.

Strategic priority 4 – Strong, engaged and inclusive communities

Individuals, families and communities are the best guardians of their own interests. We want to deliver a fundamental shift in how we work in partnership, supporting, facilitating and empowering our many diverse communities to help themselves, building capacity and capability, while improving participation in each place and ensuring that those at risk are protected.

We will work with our partners in the public and voluntary sector and other key stakeholders, such as our armed forces community, to ensure that all our residents have access to good services, information, advice and guidance which enables them to always be in control of their lives.

	Activity title	Headline summary
	Involvement and participation	
	Refreshed approach to Community Engagement	Being developed
	VCSE engagement	As part of NCCs commitment to VCSE infrastructure support, we will embed an engagement charter with the VCSE sector, outlining how, when and where we will engage. We will do this at an early stage in service transformation or where we shape new services. This will mean that we take a whole system approach to the way we support residents in the county to reach their full potential.
	Norfolk Armed Forces Covenant	Norfolk County Council has signed the Covenant Pledge to demonstrate its support, as an employer, to the armed forces community. We have been awarded a Gold Award from the Ministry of Defence in national recognition of our commitment to support the armed forces community through our employment practices. We will continue to contribute to the Norfolk Armed Forces Covenant Board's Action Plan 2019-22 with a particular focus on: • Building communities • Health, welfare and housing • Education, employment and skills

	Activity title	Headline summary
	Building capacity	
	VCSE infrastructure support and integration with ICS VCSE Assembly	A refreshed infrastructure support offer has been provided by NCC to the Voluntary Sector over the next 3 years, focused on the following key outcome areas: **1)** Funding and finance **2)** Advice and support **3)** Volunteer recruitment and deployment **4)** Training opportunities **5)** Forums and networking In recognition of the increased demand that will be placed on the sector in the forthcoming 2 years, we propose extending the funding to £250,000 per annum for 2 years (previously £172k) to provide enhanced capacity for support in these key areas. It is also proposed to add a single, one off "support grant" pot of £150,000 to be managed as part of the overall infrastructure grant, to provide grant funding capacity. This £150,000 is in addition to the £250,000 annual grant detailed above.
	Empowering our communities	
	Joining up our information and signposting	Across a number of our programmes including VCSE support, Digital Inclusion and our Multi Use Community Hubs we will work with partners and stakeholders across the system to join together the support offers we commission, make it simple for residents to access the help they need across debt, advice, skills, mental health and wellbeing using seamless methods of referral. We will also make sure that we engage with the voluntary and community sector across the county so that they can easily understand the help that is available and can access it easily and quickly.
	Digital Inclusion Strategy	We have an ambitious 3 year plan to ensure that Norfolk residents have the opportunity to access the skills development opportunities and connectivity they need to become digitally included. By providing support across our Libraries, Adult Learning and the voluntary sector residents will be able to access programmes of learning that enable them to develop digital skills and confidence for life and work. Programmes will be targeted at cohorts of people who are identified as digitally excluded using shared data from across the system, who have been disproportionately affected by the pandemic. In particular: • older people • people with acute health conditions and disabilities

	Activity title	Headline summary
		• job seekers and low income households • children and young people • people experiencing multiple inequalities Delivery of the strategy is underpinned by a strategic plan the details of which are appended in the Digital Strategy document

Strategic priority 5 – A greener, more resilient future

Norfolk has many areas of outstanding beauty, and it is a clean and safe place to live for our residents. It is also a county with a nationally important heritage, both natural and in terms of historic buildings and scheduled monuments. We want to keep it that way and to preserve its quality and integrity for future generations

We also want our communities to be resilient, able to enjoy and benefit from sustainable, inclusive and accessible social infrastructure, including high-quality local facilities, to make our communities resilient and rewarding places to live.

	Activity title	Headline summary
	Protecting and enhancing our environment	
	Implement our Environmental policy – Nature recovery	The Council's Environmental Policy was launched in November 2019, takes as its starting point the Government's own 25-year Plan published in 2018 and is structured to reflect the key environmental concerns embodied in that plan. In addition, it is framed to reflect the increasing importance that climate change has on all aspects of the environment, whether the landscape itself, the species within it, or the rich cultural heritage that occupies it. This policy reflects the areas that the Council sees as key to protecting and maintaining the health of Norfolk's distinctive environment and its occupants. Our key priorities in 2022/23 will focus on: • **Active and greener travel**, which will deliver a Norfolk-wide local cycling and walking infrastructure plan, as well as on-street EV chargepoints in areas with limited off-street parking • Our **1 million trees** initiative, with plans to roll out the next phase of the project in 2022/23 • Continuing to grow and expand the new **Environmental Hub** at Gressenhall Farm and Workhouse, which acts as a centre for learning of our environmental aims
	Implement our Environmental policy –Net Zero programme	Both the Council's strategy and its Environmental policy commit us to: • **Achieve 'net zero' carbon emissions on our estates by 2030** • **Work towards 'carbon neutrality' by 2030** We are committed to working with our partners in local government, health and business, as well as our communities to reduce and offset carbon emissions wherever possible. Our focus for 2022/23 will be to continue to:

	Activity title	Headline summary
		• Install **electric vehicles charging points** across our estate • Cease to buy gas boilers for our estate and **replace with heat pumps** or other low-carbon alternatives those that come to end of life. • Continue with the **transition to low-energy lighting** in council buildings by 2024, and our target to convert a further 15,000 street lighting units to LED by July 2023. • Develop a business case to **convert all remaining street lighting to LED**. This would result in all of the Council's 53,000 streetlights being LED. • Use our pipeline of contract expiries and break points to **identify opportunities for supply chain decarbonisation**. • Seek to **minimise carbon emissions** from the retendered Norwich Park and Ride Service. • Set **carbon reduction objectives for our wholly owned companies** in the same way as we currently set financial objectives.
	Access to quality spaces	
	Castle Keep	We will continue our work to deliver **"Norwich Castle: Royal Palace Reborn"**, our £13.5m project to transform Norwich Castle's iconic Norman Keep - one of Europe's most important early medieval castles - by rebuilding its medieval floors and rooms to so that everyone can experience a Norman royal palace and its stories. This restoration is one of the largest heritage projects of its kind currently underway in the UK. In addition to reinstating the principal floor level, offering unique views and creating learning spaces, **the Keep will also have a new gallery designed in partnership with the British Museum**, to showcase national medieval treasures alongside Norfolk's own. As part of our commitment to an "accessible Norfolk", the work will also see the installation of a new lift, **ensuring that all five levels of the keep are fully accessible**, for the first time in its history.
	Greenways to Greenspaces	**Greenways to Greenspaces** is an umbrella concept that encompasses all work to improve Norfolk's green travel networks for the benefit of both people and environment. Greenways aims to improve connectivity between market towns by providing safe, low-carbon travel options while also functioning as linear 62 habitats,

	Activity title	Headline summary
		linking the county's Greenspaces into an extensive network and integrating biodiversity enhancement. The work includes: • A **Pollinator Action Plan for Norfolk** and the future development of a Pesticide Policy for the County Council. • Designation of 112 **roadside nature reserve** sites with an extension to 300 over the next three years
	Dark Skies	The Norfolk Coast Partnership (NCP) in conjunction with our partners and other organisations, focuses on celebrating the dark skies and landscapes of the Norfolk Coast Area of Outstanding Natural Beauty (AONB), while raising awareness of the vital benefits that the dark brings to people and biodiversity, and conversely, the impacts of light pollution. The protected areas of the Norfolk Coast and Broads contain some of the last remaining dark landscapes in the UK, so we aim to conserve and enhance those valuable nightscapes for future generations. In 2022/23: • We will continue to **work closely with a range of partners**, local and national specialists, parish councils, local groups and businesses, and actively participate as a member of the UK Dark Skies Partnership in order to deliver our dark skies aims and objectives. • A **4th Norfolk Dark Skies Festival** working with partners, schools and local organisations to host a range of online and in-person public events and activities • **Training sessions** for specific audiences - parish councils, local businesses and planning officers to encourage their active participation to help reduce light pollution in their area. • **Awarding Dark Skies Friendly Accreditation** to businesses and organisations which demonstrate their ability to be Dark Sky Ambassadors for the coast.
	Community resilience	
	Water Management strategy	We will continue to play a leading role within the **Norfolk Strategic Flooding Alliance (NSFA)** and support the delivery of its Strategy through effective collaboration with key partners across the region and sector. This includes identifying priority sites for joint intervention, delivering education and public awareness campaigns, and working together to access funding and

	Activity title	Headline summary
		resource opportunities from regional/national bodies and central government. Our support builds on the commitment of **£1.5m per annum** Flood Reserve from the Norfolk County Council budget which supplements the existing drainage maintenance and repair budgets of £4.5m per year. This all aims to ultimately increase the confidence of the residents of Norfolk that flood risks are as low as reasonably practicable and are being appropriately managed. Work has already begun on 16 priority flood sites and the Alliance is in the process of identifying a second tranche of key sites across the county.
	Deliver Highways, Transport & Waste improvements	These improvements aim to reduce the impact of these services on the environment, and will include: • Improvement to streetlighting, the benefit of which is captured as part of our Net Zero programme. • Boost recycling rates at the Council's 20 Recycling Centres through a range of waste reduction and reduce, re-use, recycling initiatives. Continue with the major upgrades and improvements to recycling centres including Sheringham & Wymondham sites. • Through the above Waste initiatives, reduce the amount of waste per household per week. • Planning and delivery of sustainable transport schemes including Active Travel, Bus Services Improvement Plans, and Transport for Norwich which includes the Beryl e-scooter/e-bikes/bike hire schemes. • Support the take up of electric vehicles by implementing the new Electric vehicle strategy, which will result in an increase in the number of charging points across Norfolk. In addition, support bus operators and take advantage of funding opportunities (ZEBRA) to encourage the replacement of the Norfolk bus fleet with electric vehicles.
	Implement the NCC Libraries and Information Service strategy	In March 2020, Norfolk County Council adopted **a strategy for Norfolk Library and Information Service** with a vision for our libraries to make a real difference to the people of Norfolk by being there when they need

	Activity title	Headline summary
		them at the heart of the community, supporting individuals, communities and businesses to be the best they can be. With implementation being impacted by Covid related closures, the service now aims to achieve the service vision by: • Offering private PC space with video-enabled equipment **for people to attend remote job interviews and online health conversations** • Re-introducing study space for **students and young people catching up on educational gaps** • **Increasing accessibility** for those most in need and the most vulnerable • Continuing to roll he **Norfolk Reading Pathway** programme **to support literacy** • Implement the national programme “Learn my way” **to help digitally excluded people learn digital skills**. • Working with Devices dot Now **to distribute devices, provide connectivity** and offer digital support to vulnerable adults • Offering **support for early years and families** with programmes such as “bounce and rhyme” and “story time” • Helping **reduce social isolation** through initiatives such as “Just a cuppa” and “Reading Friends” • Offering **code clubs, summer reading challenges, and work experience for young people**
	Leisure offer for Adult Learning	Being developed

Operational Effectiveness

The Council continues to face a number of challenges in the way it is funded, how it is able to manage demand for services and demographic pressures, and how it responds to policy and legislative changes. At the same time, new technology and ways of working represent opportunities to transform our business processes and systems, to work in more modern and productive ways.

In order to drive through change and deliver our strategy, we must also be clear about how we can transform our services and workforce to increase capacity and skills, continuously review the way we are organised to ensure the most efficient operating model, and have strong and integrated programme governance that enables us to realise our desired benefits and outcomes.

	Activity title	**Headline summary**
	Recovery from backlog	Frontline services have experienced significant disruption to usual workflows during the pandemic, with significant backlogs of assessments, reviews and new cases needing to be addressed. We will review our workplans regularly and consistently to ensure that we have the right capacity to deliver the best service we can.
	Preparing for inspection (Adults / Children's)	In 2022/23 we expect to see Children's Services department inspected by Ofsted, as well as a new inspection regime for Adult Social Services.
	Smarter Working programme	The Smarter Working Programme was established following the adoption of the 2020-2024 Medium-Term Financial Strategy with the aim of achieving savings through implementing more business-like Smarter Working, utilising physical space and technology to maximise flexibility for customers and staff whilst effectively delivering good outcomes. While phase 1 has focused inwardly on council staff and hybrid working, phase 2 in 2022/23 will focus on transformation of the way Directorates deliver outcomes to residents, communities, service users and businesses in collaboration with partner organisations. A number of areas of the Smarter Working programme overlap or connect to the implementation of the Environmental Policy and the reduction of carbon emissions. The two programmes will work together to deliver the most benefit.
	Deliver our Innovation strategy	The council has a dedicated Innovation team which provides practical innovation support to complement the existing innovation and transformation work

	Activity title	Headline summary
		underway within departments. In line with the council's Innovation Strategy, the team's priorities over the next year will focus on embedding the use of innovation methods – such as prototyping, user research, co-production, service design and behavioural insights - across council priority projects to help them achieve their goals. The team will also continue to help front line staff to build their confidence and capacity to use new technologies, sourcing external funding for new solutions, and trialling new ways to build a culture within the council which is supportive and enabling of innovation.
	Transformation and Innovation integrated governance	The Council has a significant change agenda aimed at transforming the way we work and operate. To ensure effective implementation and robust delivery of benefits, we will design and implement a governance plan to enable Council's leadership to govern and direct the programmes and projects that make up the portfolio of change delivery, gain best value from our investment and improve certainty of outcomes.
	Embed the approach to cross-cutting priorities	Our programme of transformation includes a number of cross-cutting priorities, where no one department has exclusive accountability or where the impact affects the whole of the Council. We will embed planning processes and disciplines to ensure these priorities have clear ownership and accountability for delivery and performance.
	Workforce strategy	The refreshed workforce strategy will describe how the organisation and its workforce must change over the next few years, in support of its strategic ambitions and in response to the challenges and opportunities coming over the horizon. The strategy timescale will be to 2025, in support of '*Better Together, for Norfolk*', and will relate to all colleagues engaged in delivering NCC services. The strategy will focus on 5 broad issues: • The Council's future size, shape and role within the Norfolk system • Leadership and management development • Developing our talented people • Being a diverse and inclusive employer • Developing an engaging and high-performing culture The strategy will be delivered by April 2022.

	Activity title	Headline summary
	Implement our "Digital strategy & roadmap for the 2020s"	The 2018-2021 Digital Norfolk Strategy oversaw many improvements to the Council's technological and digital infrastructure as well as connectivity for Norfolk's residents and businesses. Our refreshed strategy therefore builds on solid foundations as we look forward to how technology and digital services should evolve during the 2020's. The internal aspect of the strategy will focus on: • Staff having access to the right technology and data, and the skills to use them effectively. • Taking a systematic approach to transactions and redesigning internal systems to be digital by design, improving productivity and taking out cost across the organisation. • More effective use of data and business insight for operational and strategic purposes, and data-driven decision making to enhance our ability to target services more effectively The plan to deliver the strategy will centre on: • Data Centre Infrastructure • Collaboration & End User Technologies • Cloud & Edge Computing • Customer Relationship Management Strategy & Customer Experience • Data Analytics & Artificial Intelligence • Security Management Programmes • Security Technology, Infrastructure & Operations
	Strategic Property Asset Management Framework 2021/22 - 2026/27	In November 2021 NCC adopted the Strategic Property Asset Management Framework 2021/22 - 2026/27 with an overarching aim to maintain and develop an economic, efficient and effective property and land portfolio. This framework supports the delivery of NCC's priorities and outcomes detailed in the Councils Corporate plan "***Better Together, for Norfolk 2021-2025"*** by: • Insuring NCC's property assets are fit for purpose and in the right location to support service delivery. • Exploiting and reusing property no longer required for operational purposes. Operational policies and an annual action plan flow from the framework and will be the basis for measuring overall performance.

	Activity title	Headline summary
.	Service Transformation	There is a significant programme of transformation taking place across a number of departments and services, looking at how we deliver services, how we further develop customer-focused processes and systems, how we manage increased demand arising from demographic and other pressures, and how we meet changing customer expectations and accessibility needs. These programmes sit mainly in • Adult Social Services (Promoting Independence) • Children's Services (Safer Children and Resilient Families, Special Educational Needs and Disabilities) • Customer Services (Customer Services Strategy) Programmes have both their own programme governance and corporate oversight, and will further link to the Transformation & Innovation Governance activity above.
	Organisational Design	Implement the findings of the review into organisational design and effectiveness
	A County Deal for Norfolk	County Deals were announced by the Prime Minister in July 2021. They will involve the transfer of powers to local area. The government expects County Deals to: • Strengthen local leadership • Raise living standards where they're lower • Improve public services where they're worse • Enhance the sense of pride in areas. • Offer counties the same devolved powers metro mayors have gained over things like transport, skills and economic support. The government's delayed Levelling Up white paper is expected to include further details and announce a first wave of pilot deals. The Prime Minister has said County Deals will not be one size fits all, and government will take a flexible approach to allow more places to agree devolution. We expect County Deals to be tailored to the needs of individual counties, thus enabling us to champion Norfolk and address local priorities. We want to deliver a county deal for Norfolk so our county can

	Activity title	Headline summary
		collectively and collaboratively do much more to grow our economy. A key principle will be for any devolved powers, funding and decision making to be exercised at the right level to make a difference for Norfolk.

Governance and oversight

The Corporate Delivery Plan is supported and underpinned by a number of internal processes and systems, to ensure timely oversight successful delivery of the benefits defined within.

- **Programmes and Projects**: Programme specific boards in departments provide oversight of change activity including programmes and projects. This is supported by programme and project governance within Directorates, with reporting to individual Cabinet Members and to Corporate Board. A number of related performance indicators currently form part of our Corporately Significant Vital Sighs and are reviewed quarterly. Work to fully review all our Vital Signs to ensure internal alignment to the strategy delivery is underway.
- **Departmental Plans**: Activity within the Corporate Delivery Plan continue to be reflected in departmental and service plans, which cover both strategic activity and essential service delivery, acting as important business planning documents for the Council. The performance of this is monitored through departmental performance indicators, which are also being reviewed.
- **Risk management:** Activities within the Corporate Delivery Plan will continue to require robust risk management, reflected in both the Corporate Risk Register and the Departmental Risk Registers which are reported through management and formal governance processes. Risks for individual activity may also, at times, be reflected in programme/project risk registers.
- **Governance and decision making**: Significant activity identified in the Strategic Delivery Plan will progress through the Council's governance and decision making process, with oversight and input from Elected Members, as set out in the Council's Constitution.
- **Transformation & Innovation Governance Board:** We are working towards implementing a Transformation & Innovation Board aimed at providing valuable governance, so that leadership can direct the NCC portfolio of change, gain best value from our investment and improve certainty of outcomes. The main objectives of the Board will be to direct what action can be taken when programmes and projects are outside of tolerance, ensure plans are viewed from a pan-organisational perspective, and support planned assurance points that provide insight and recommendations to improve certainty of outcomes. We aim for this to be in place in early 2022.

Report to Cabinet

Item No. 13

Report Title: Capital Strategy and Programme 2022-23

Date of Meeting: 31 January 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

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 26 February 2021

Introduction from Cabinet Member

This report presents the proposed capital strategy and programme and includes information on the funding available to support that programme. This year in particular the capital programme is central to the continued development of key services: enabling the transformation of social services to meet growing need, promoting regeneration and sustainable development, generating efficiencies through the use of information technology and making provision for the continuation of development of our libraries into local multi-service hubs.

The papers summarise the development of the proposed capital programme, including proposed new schemes, and a summary of forecast capital receipts.

Executive Summary

The proposed programme is based on a capital strategy and consists of two main elements – schemes included in the current programme and new schemes to be funded through borrowing, capital receipts or grants and other anticipated contributions from third parties.

The new schemes to be added to the 2022-27 programme total £90.742m, including the following:

- Fire Services 3 year Vehicle and Equipment Replacement plan (£20.6m)
- expansion of SEND provision in schools (£20m),
- Repton Property Developments additional loan facility (£10m)
- MyOracle systems upgrade (£5.8m),
- Wensum Lodge Development (£4.5m)
- Various property developments (£4.3m), highways improvements and flood drainage improvements
- new replacement libraries (£3m),
- expansion of waste recycling services (£2.9m),

- improvements to greenways, footpaths and trails (£1m),

When proposed new schemes are added to the existing £612.404m programme for future years, the future capital programme totals £717.756m.

Recommendations

1. To agree the Capital Strategy at Appendix A as a framework for the prioritisation and continued development of the Council's capital programme;
2. To agree the proposed 2022-27+ capital programme of £717.756m, subject to additional amounts for schemes yet to be re-profiled from 2021-22;
3. To refer the programme to the County Council for approval, including the new and extended capital schemes outlined in Appendix D;
4. To recommend to County Council the Council's Flexible Use of Capital Receipts Strategy for 2022-23 as set out in Section 5;
5. To note known grant settlements as summarised in Section 3 and agree that future capital grants will be added to the programme when confirmed;
6. To note the forecast of estimated capital receipts to be generated to achieve the target of £30.0m, subject to market conditions, over the next four years to support schemes not funded from other sources, as set out in Table 5.

1. Background and Purpose

1.1. The Council needs to set a capital programme prior to the beginning of each financial year and to commit the revenue and capital resources required to deliver the programme.

1.2. Historically, most schemes are prioritised within the two major capital programme areas of transport and schools, with corporate property, Adult Social Care, IT and loans to subsidiary companies also important themes.

1.3. Schemes are considered by the appropriate team to ensure that the capital programme integrates with business and service planning, with revenue implications taken into account. Highways schemes are prioritised within CES. Schools schemes are prioritised through the member-led Children's Services Capital Priorities Group. Large property sales and purchases are co-ordinated through the Council's Corporate Property team and are reported through Cabinet.

1.4. Schemes not covered by the major headings above are developed by the relevant chief officer, and where corporate funding is required are considered by the Executive Director of Finance and Commercial Services, who review the overall affordability of the programme.

1.5. The Council's overall capital programme is formed by combining service capital programmes, and ensuing that sufficient funding is available before seeking Council approval.

1.6. This report sets out the proposed capital programme for 2022-27+. It is supported by a strategy aimed at securing a structured, affordable and prioritised approach for the development of future years' capital programmes.

2. Proposals

2.1. The attached report introduces the proposed capital programme for 2022-27+.

2.2. The proposed programme consists of two elements – schemes included in the current programme and new schemes funded through borrowing, capital receipts or grants and other anticipated contributions from third parties.

2.3. The programme is supported by a prioritisation model to help guide the best use of resources.

2.4. The size of the capital programme reflects capital grant settlements, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in the attached Annex.

2.5. The Council's ability to prudentially borrow to fund future schemes is limited by the budgetary pressures which the Council continues to face. Information regarding the revenue implications of prudential borrowing for new schemes is provided in Section 6.

3. Impact of the Proposal

3.1. The recommendations set out in this report are intended to enable Full Council to approve a capital programme for 2022-23 and provide a basis for the longer -term programme.

3.2. The proposals will impact upon the nature and type of services and facilities provided by the council, as well as delivering transformation to underlying council structures and operating models. Examples of high-profile transport projects in the programme include the Great Yarmouth Third River Crossing and the Long Stratton bypass. Transformational projects include an ambitious programme to improve SEND school provision, the Castle Keep Museum and funding for greenways, natural capital and improvements to the national and Norfolk Trails network as well as Active Travel schemes.

4. Evidence and Reasons for Decision

4.1. The attached Annex summarises the development of the proposed capital programme, including proposed new schemes, and a summary of forecast capital receipts.

5. Alternative Options

5.1. The papers appended to this report represent the culmination of the process to develop capital schemes to be recommended to Full Council which will improve services, promote efficiencies and address deficiencies. However, at this stage it remains the case that new capital proposals have not been agreed and could be removed from the proposed capital programme.

6. Financial Implications

6.1. The financial impacts of the proposed capital programme including expenditure, funding, financing and the impact on future revenue budgets are dealt with in detail in Sections 3 to 6 of the attached Annex.

7. Resource Implications

7.1. **Staff:** A number of the schemes included in the proposed capital programme are necessary to enable staff to provide services in an efficient and effective way, and in safe and well-maintained premises.

7.2. **Property:** Several schemes included in the proposed capital programme support the development and improvement of the school's estate, and the exploitation, enhancement and consolidation of the Council's operational and office property. Saving plans include activities linked to property budgets, and assumptions around levels of capital receipts to be achieved.

7.3. **IT:** A number of the schemes included in the proposed capital programme support IT projects and initiatives, including the development, implementation and exploitation of new systems and approaches. Existing saving plans include activities linked to IMT budgets.

8. Other Implications

8.1. **Legal Implications**
None identified.

8.2. **Human Rights implications**
None identified.

8.3. **Equality Impact Assessment (EqIA)**
A public consultation process on the 2022-23 Budget has been undertaken. As in previous years, this public consultation has informed an equality impact assessment in respect of both new 2022-23 Budget proposals and the Council's Budget as a whole, which includes the revenue impact of capital spending decisions. In addition, councillors have considered the impact of proposals on rural areas.
The proposed capital programme includes a recurring capital budget specifically to resolve access and other Equality Act issues.

The Council is maintaining a dynamic COVID-19 equality impact assessment to inform decision making during the pandemic.

8.4. **Health and Safety implications**

The proposed capital programme includes capital budgets specifically to address health and safety issues, including funding for fire safety related projects, asbestos removals, and a minor works budget to address works needed after health and safety audits.

8.5. **Sustainability implications**

The proposed capital programme recognises the Council's strategic aim to reduce carbon emissions and ensure that the capital programme is environmentally and ecologically sustainable.

The programme includes various decarbonisation studies of Council sites, consolidation and flexible use of community property assets, and highways schemes intended to support active travel. New capital funding is proposed to enhance greenways and footpaths, the national and Norfolk trails network in the County, and to address the risks caused by Ash dieback.

8.6. **Any other implications**

Significant issues, risks, assumptions and implications have been set out throughout the papers appended to this report.

8.7 **Data Protection Impact Assessments (DPIA)**

DPIA is not required as the data reported in this paper does not drill down to the personal data level.

9. Risk Implications/Assessment

9.1. There is a long-term risk to the Council's ability to deliver services without sufficient investment in maintaining its assets. To mitigate this, the capital programme is aligned to the Council's asset management plans and property client function ensuring that assets are well-maintained or disposed of if surplus to requirements.

9.2. The programme requires regular monitoring, management and budgetary control to deliver schemes on time and within budget. This is addressed through regular capital finance monitoring reports which are reported to Cabinet.

9.3. The capital programme is set on the basis of best estimates of cost. Through good procurement practice, the Council will continue where possible to manage down the costs of capital schemes, and to minimise the need to borrow.

9.4. There is a risk that anticipated grants and other third-party contributions will not be received for reasons out of the authority's control. In these circumstances, the programme will be amended to reflect the reduced funding.

10. Select Committee comments

10.1. None.

11. Recommendations

11.1. Recommendations are set out in the introduction to this report.

12. Background Papers

12.1. A Vision for Norfolk in 2021: Link
Better Together, For Norfolk – 2021-2025: Link
Together for our Future - Link
Norfolk Strategic Infrastructure Delivery Plan (NSIDP) 2021 - Link
County Council Budget 2022-23, (on this agenda)
Finance Monitoring Report 2021-22 (on this agenda)
Annual Investment and Treasury Strategy 2022-23 (on this agenda)

Officer Contact

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

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Annex 1

Norfolk County Council

Capital strategy and programme 2022-23

Report by the Executive Director of Finance and Commercial Services

1. Background and introduction

1.1. Introduction

1.1.1. This report introduces the proposed overall capital programme for 2022-23 and following years.

1.1.2. The proposed programme consists of two elements – schemes included in the current programme funded through borrowing, capital receipts when available, or grants and contributions from third parties, and new schemes requiring additional prudential borrowing.

1.1.3. The size of the capital programme reflects capital grant settlements that have been announced by central government, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in this report.

1.1.4. The Council pays from future revenue budgets the interest costs of borrowing undertaken for capital expenditure purposes. In addition, in accordance with its MRP policy, the Council will set aside an amount from each future revenue budget to re-pay its borrowing.

1.2. Government spending plans

- **Autumn Budget 2021**: The Chancellor of the Exchequer presented the Autumn Budget and Spending Review for 2021 (SR21) on 27 October 2021, which set out the government's ambition to level up, reduce regional inequality and invest in strong public services. SR21 included the introduction of the Health and Social Care Levy to fund the government's investment in health and the NHS. There was also a commitment to
    - level up education,
    - boost the Affordable Homes Programme
    - invest in the criminal justice system
    - increase public R&D and innovation
    - 15 Towns Deals
    - Project Gigabit Broadband rollout and
    - The Net Zero Strategy to support the transition to electric vehicles and the decarbonisation of buildings and homes.

SR 21 seeks to deliver £106.8 billion additional funding to the public services whilst partially funding this through £12.7 billion additional tax revenue.

- **UK Shared Prosperity Fund 2022**: As part of the Autumn 21 Budget statement the Chancellor also revealed the first details of the UK Shared Prosperity Fund (UKSPF) worth £2.6 billion over the next three years and rising to £1.5 billion by 2024-25. The fund aims to replace funding sources which used to come from the European Union and aims to "help people access new opportunities in places of need" with a strong emphasis on skills development and job creation. Levelling Up Funds of £4.8bn were announced in October 2021 and further tranches are expected in Spring 2022.

- **UK Community Renewal Fund (CRF):** In March 2021 the government announced £220 million of government funding through the UK Community Renewal Fund (CRF) to help local areas prepare for the launch of the UK Shared Prosperity Fund (UKSPF). The fund aims to support people and communities most in need across the UK to pilot programmes and new approaches and invest in skills and supporting people into employment. On 3 November 2021 the successful bids were announced, and the County Council secured £6.558m funding for 14 projects encompassing Net Zero Carbon initiatives, Youth Enterprise schemes and skills development.

- **Transforming Cities Fund**: On 25 September 2020, the government announced just over £32 million of government funding from the Transforming Cities Fund (TCF) to overhaul local transport links in Norwich, including a new bus interchange at Norfolk and Norwich University Hospital, improvements to cycle and pedestrian crossing facilities, and a junction redesign at Heartsease.

- **Active Travel:** In May 2020 the government announced final funding allocations of the active travel fund to support local transport authorities develop cycling and walking facilities. Tranche 1 enabled the installation of temporary projects related to the COVID-19 pandemic and Tranche 2 is for longer-term projects with Norfolk allocated approximately £1.8m in total.

- **Public Works Loan Board**: Local authorities invest billions of pounds of capital finance every year in their communities and the government supports this activity, in part, by offering low-cost loans through the Public Works Loan Board (PWLB). In recent years a minority of councils have used this cheap finance to buy very significant amounts of commercial property for rental income. To address this the government has revised the terms of PWLB lending to ensure local authorities continue to invest in housing, infrastructure and front-line services.

- On 26 November 2020, PWLB rates reverted back to the margins in place before a 1% increase made in November 2020. As part of the new arrangements, the PWLB will no longer lend to local authorities that plan to buy commercial assets primarily for yield. In particular, using PWLB borrowing to fund the purchase of property for investment purposes is prohibited. Also, in order to borrow from the PWLB, local authorities will be required to submit a summary of their planned capital spending and PWLB borrowing for the following three years.

1.3. Local joint working

- Norfolk County Council works with a number of other authorities and bodies in the development of capital and infrastructure projects and investments.
- Examples of current joint working include:
- **Local plans:** A Norfolk Strategic Infrastructure Delivery Plan 2021.pdf was published by the Council and its partners in December 2021. It pulls together information on the key infrastructure needed to deliver economic growth in Norfolk. As well as transport and housing, it covers digital connectivity, education and the Offshore Transmission Network, and it lists a number of major projects in which the Council and its partners have control or a significant interest, covering road, rail, utility, sustainability, education and regeneration projects.
- Further details of major transport project and improvement plans in Norfolk can be found at Major projects and improvement plans - Norfolk County Council. A Highways Capital Programme and Transport Asset Management Plan will be presented to Cabinet in March 2022.
- **One Public Estate**: Together with the district councils in Norfolk, the County Council is closely involved in the "One Public Estate" programme. The aim of this programme is to use public assets more effectively to deliver programmes of major service transformation and local economic growth.
- The Council works closely with the **New Anglia LEP**, which has resulted in the LEPs direct financial support for a number of infrastructure projects as well as direct support to businesses in Norfolk.
- The **Norfolk Joint Museums Committee** consists of representatives from district councils and the County Council. The Norfolk Museums Service is run by Norfolk County Council with capital schemes managed and reported as part of the Council's financial monitoring. The Norwich Caste Keep "Gateway to Medieval England" project is a nationally significant scheme which will see the Keep reimagined and reinterpreted.
- Having been awarded just over £6.1m in 2019 for schemes to transform travel in Greater Norwich, Norfolk County Council, in partnership with Norwich, Broadland and South Norfolk submitted a revised proposal for additional **Transforming Cities** funding (details above).

2. The Proposed Capital Programme 2022-27

2.1. Background

- The capital programme for 2020-23 was agreed by the County Council in February 2021. This was prepared based on schemes brought forward, information from the Government on known and forecast funding levels available at that time, plus new schemes requiring additional prudential borrowing approved at the time.

- The capital programme has been updated through the year to include the latest estimates of capital funding available to the Council and schemes added to the programme during the year as approved by Cabinet and County Council. Further information on external funding is included in Section 3.

- The proposed capital programme is underpinned by a Capital Strategy (Appendix A to this report) which was agreed at 2 November 2020 Cabinet. Schemes are scored against priorities reviewed by the Capital Quarterly Review Board and included in Appendix B for the approval of Cabinet.

- The Capital Programme Quarterly Review Board reviews, prioritises and provide oversight of the Council's overall programme. Including the Cabinet member for Finance, the board will provide a forum for officers from all services to discuss new schemes added to the programme, as well as existing schemes.

- The 2021-27+ programme reflects all amounts re-profiled up to and including month 8 (November) and significant changes made in month 9 (December). Re-profiling of schemes between years to reflect the revised timing of project delivery is reported to each Cabinet.

- The new capital programme reflects known government grant settlements for 2022-23 and beyond. The programme also sets out the necessary borrowing to be approved in order to provide sufficient funding for agreed schemes.

- A schedule of existing schemes included in the on-going capital programme is attached at Appendix C to this Annex, with new schemes listed in Appendix D.

- Particular attention should be drawn to those schemes which are to be funded from borrowing and capital receipts. The budget proposals provide for the direct use of capital receipts for the repayment of debt. As a result, there will be very limited capital receipts available to support new capital expenditure. An analysis of receipts and their proposed use is included in Section 4.

2.2. The Existing Programme

The current capital programme below is based on period 8 financial monitoring as at 30 November 2021 amended for significant changes made in month 9 (December). This position will vary through to 1 April 2022 as schemes are reprofiled, with all movements reported to Cabinet.

Table 1: Existing programme, excluding proposed new schemes

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adult Social Care	15.939	20.872	20.288			**57.098**
Children's Services	73.673	49.655	74.226			**197.554**
CES Highways	63.127	34.516	103.230	56.137	4.253	**261.264**
CES Other	41.447	14.546				**55.993**
Finance and Comm. Servs	24.335	15.878				**40.213**
Strategy and Governance	0.282					**0.282**
Total	**218.803**	**135.467**	**197.744**	**56.137**	**4.253**	**612.404**

2.3. Existing Schemes reprofiled

The Capital Review Board undertook a review of the capital forecast of existing projects across the services with the relevant officers. This review identified £14.6m slippage in the 2021-22 capital plan which will be transferred to 2022-23 and future years as set out below.

Table 2: Reprofile of existing schemes

Service Capital budgets Reprofiled	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Children's Services (reprofiled)	(9.391)	(5.571)	(35.969)	11.300	39.630	- 0.000
CES Other	9.331	1.159	1.499	1.000		12.989
Finance and Comm. Servs	1.926	(0.545)	0.240	-	-	1.621
Total	**1.866**	**(4.957)**	**(34.230)**	**12.300**	**39.630**	**14.610**

2.4. New schemes

Schemes not included in previous capital programmes will result in the following additions to the capital programme subject to approval:

Table 3: Proposed investment in new schemes

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adult Social Care	0.500	0.500	3.200	3.200	3.200	10.600
CES Highways	0.200	0.050	-	-	-	0.250
CES Other	8.145	7.772	18.723	-	-	34.639
Finance and Comm. Servs	17.846	13.356	12.131	0.960	0.960	45.253
Strategy and Governance	-	-	-	-	-	-
Total	**26.691**	**21.678**	**34.054**	**4.160**	**4.160**	**90.742**

A full list of the new schemes proposed is available in Appendix D

2.5. The Total Proposed Capital Programme (existing and new)

The full Capital Programme for 2022-27, combining existing and proposed schemes, is summarised in the following table.

Table 4: Proposed Total Capital Programme

Service	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	Total £m
Adult Social Care	16.439	21.372	23.488	3.200	3.200	67.698
Children's Services	64.282	44.085	38.257	11.300	39.630	197.554
CES Highways	63.327	34.566	103.230	56.137	4.253	261.514
CES Other	58.923	23.477	20.222	1.000	0.000	103.621
Finance and Comm. Servs	44.107	28.688	12.371	0.960	0.960	87.087
Strategy and Governance	0.282	0.000	0.000	0.000	0.000	0.282
Total	**247.361**	**152.188**	**197.567**	**72.597**	**48.043**	**717.756**

Note: tables on this page may be subject to small rounding differences

2.6. The existing programme includes on-going schemes, and new schemes approved in-year:

Major programmes and schemes, for example

- Schools basic need and capital maintenance
- Living Well - Homes for Norfolk: to develop extra care housing in Norfolk
- SEND transformation programme to create 500 extra specialist school places
- Great Yarmouth Third River Crossing
- Norwich Western Link
- Transport capital maintenance
- Better Broadband for Norfolk

Where additional funding for existing capital schemes have been received during the current financial year, they have been added to the programme, with all changes reported to Cabinet. New schemes requiring borrowing have been approved by Cabinet and County Council.

New schemes approved during the 2021-22 financial year (to date) include

- Ringland Western Link Road (£186.84m)
- 3rd River Crossing at Great Yarmouth and other highway schemes (£64.3m)
- Local Full Fibre Network (£3.962m)
- New schools places for SEND (£4.394m)
- Older People Estates Transformation (£0.5m)
- Greenways for Greenspaces (£0.35m)
- Electric Vehicles (£0.24m)
- Shirehall and Kings Lynn Museum (£0.35m)

A full summary of schemes in the existing programme can be found in Appendix C.

In addition, the County Council approved the flexible use of £3m capital receipts to fund the Adult Social Services transformation work and Children’s Services Demand Management & Prevention Strategy in 2021-22 and future years, as set out in 5.13 below.

2.7. New schemes proposed for addition to the capital programmes include:

Capitalisation of works previously funded from revenue budgets:

- Capitalisation of community equipment and assistive technology where the asset life of more than one year
- Library book stocks
- Capitalisation of staff costs of capital maintenance works, including highways, museums and environmental assets
- Capitalisation of IT development costs, property staff and capital programme management costs

Examples of new and existing projects requiring borrowing or unallocated capital receipts:

- The purchase or creation of specialist children's homes and semi-independent in-house provision for children looked after.
- The development of Wensum Lodge
- Capital contributions towards new libraries at Great Yarmouth the King's Lynn
- Various Fire and Rescue Service schemes, including equipment, property capital maintenance and building improvements, and fire training facilities
- Improvements to recycling facilities in West Norfolk
- Replacement vehicles and new site equipment to support recycling facilities
- Property capital maintenance and improvements throughout the estate
- On-going programme of capital maintenance and improvements at County Hall
- ICT critical infrastructure
- Additional loan facility available to Repton Property Developments

New schemes (grant funded) not requiring additional borrowing

- Highways new DfT grants not already included in the programme are added as and when funding is secured.
- Schools basic need and capital maintenance grants from the DfE.

Details of all the new schemes above are given in Appendix D.

2.8. Major known funding sources (eg structural maintenance grants) are already in the programme for 2022-23 and future years. Other external funding will be added to the programme as and when secured.

2.9. The prioritisation system used to rank schemes has been developed in accordance with good practice and the Council's priorities. It provided a firm basis for comparing unfunded/unsupported schemes and is summarised in Appendix B.

3. Financing the Programme

3.1. The capital programme is financed through a number of sources – grants and contributions from third parties; contributions from revenue budgets and reserves; and external borrowing and capital receipts.

3.2. For the purpose of the table below, it is assumed that future capital receipts will be applied to the direct re-payment of debt or the flexible use of capital receipts, rather than funding the capital programme.

3.3. Proposed new schemes will result in an additional £90.742m of new borrowing over the period of the programme, subject to alternative sources of funding becoming available. This will result in a total borrowing need of £437.66m to fund the capital programme. This amounts to a considerable investment and is a reflection on the ambition of the programme, decreasing relative levels of central government capital grant, and increasing pressures on the revenue budget.

3.4. The funding of the proposed programme is set out in the table below:

Table 5: Funding of the Proposed Capital Programme £m

Service	2-23 £m	23-24 £m	24-25 £m	25-26 £m	26-27 £m	Total £m
External Grants and Contributions including Government grants	81.317	44.932	91.946	36.734	0.167	**255.096**
Revenue and Reserves						**0.000**
Capital receipts (see note)	5.000	5.000	5.000	5.000	5.000	**25.000**
Borrowing	161.044	102.256	100.621	30.863	42.876	**437.660**
Total	**247.361**	**152.188**	**197.567**	**72.597**	**48.043**	**717.756**

This table may be subject to small rounding differences

Note: capital receipts will be allocated to fund the programme and reduce borrowing as and when they are not required for other purposes and have been secured.

3.5. Grants and contributions funding the programme include grants received or announced in previous years, not yet spent. Non-government external funding is primarily from developer contributions relating to highways and school's schemes around new developments, Better Broadband rebates from BT Openreach and the heritage lottery fund in respect of the Norwich Castle Keep development. The largest external grants are received from the government Departments for Transport and Education.

3.6. Partially due to the on-going focus on the COVID-19 pandemic, there have been no significant budget announcements relative to local government capital funding during the development of this programme.

3.7. The Department for Education condition funding methodology was last reviewed April 2019. Norfolk's DfE Basic Need allocation for 2022-23 is £8.090m, based on 419 additional places for the 2023-24 Academic year. This is a significant reduction when compared to the average of £14.8m pa received since 2011.

3.8. In April 2021 the DfE announced the allocation of an additional £20 million to support the provision of high needs places needed by September 2022. Norfolk's share of this fund was £4.393m.

3.9. For schools capital maintenance, the DfE allocates devolved formula capital (DFC) for schools to spend on their own capital priorities, and a school condition allocation (SCA). In 2021-22 these amounted to £0.995m and £5.288m respectively. At the time of writing the 2022-23 allocation has not yet been announced.

3.10. Highways funding from the Department for Transport (DfT) for both Structural Maintenance and Integrated Transport Block grants has been based broadly on a 6-year formula which was extended to 2021-22 totalling £39.930m and split as follow:

- Pothole Maintenance - £15.892m
- Highways Maintenance Block (HMB) - £15.892m
- HMB Incentive - £3.973m
- Integrated Transport Block (ITB) - £4.173m.

No further announcements have been made in respect of 2022-23.

3.11. The transport funding environment has becoming more complex and varied over the past few years with allocations “top-sliced” to allow councils to bid into one-off “challenge” and “incentive” pots. The Council continues to look towards alternative sources of funding such as the Transforming Cities Fund and the UKSPF22 (see section 1 above).

3.12. In the 2018 Autumn Budget the Government, announced a £98m grant for a new lifting bridge across the River Yare in Great Yarmouth (the Third River Crossing) as part of its Large Local Major Schemes Programme. On 25 November 2020 the final business plan was approved, and the funding unlocked. The project is expected to cost £121 million overall, with the remainder of funding coming from local sources. Construction began in early 2021 with the bridge open for use in early 2023.

3.13. In May 2020 the government announced final funding allocations of the active travel fund to support local transport authorities develop cycling and walking facilities. Tranche 1 enabled the installation of temporary projects related to the COVID-19 pandemic and Tranche 2 is for longer-term projects with Norfolk allocated approximately £1.8m in total.

3.14. Details of highways funding and proposed allocations are detailed in the Highways Capital Programme and Transport Asset Management Plan which is due to be presented to 8 March 2022 Cabinet.

3.15. A Disabled Facilities Grant (DFG) is received as part of the Better Care Fund. The Spending Review 2020 confirmed that the iBCF grant will continue in 2021 to 2022 and be maintained at its current level. The Disabled Facilities Grant, which is forwarded to district housing authorities to administer, will also continue. While the BCF in 2021 to 2022 remains largely unchanged, the government recognises that the proposals set out in the Health and Care Bill will impact longer-term system thinking and planning. So future iterations of the BCF make require the Council to consider its response in strategic planning to:

- Integrated or joint commissioning of services after hospital discharge
- Plans to prevent the need for longer-term services, admission prevention and independent living
- Plans to stimulate the care market and develop asset based community approaches to delivering quality and value in a sustainable care market

4. Capital Receipts forecast

4.1. Where capital receipts are generated through the sale of assets or repayments of loans by third parties, these may be:

- used to fund in-year capital expenditure, reducing the need to borrow
- held to offset future capital borrowing requirements
- used to repay existing borrowing, or
- used to fund the "Flexible use of capital receipts" (see section 5 below).

In accordance with the Council's constitution, some of the farms Capital Receipts are reinvested back into the Farms Estate. Otherwise, capital receipts are a corporate asset and not ring-fenced to any specific service or function.

4.2. The Council continues to review its assets seeking to ensure that their ongoing use supports the Council's future priorities. Assets that do not meet this need have been identified and form the basis of a continually updated disposal schedule.

4.3. The property sales figures included in the schedule below are currently the best estimate of the value of properties available for disposal, pending formal valuations, market appetite, planning decisions, timing of sales and delivery options, particularly in relation to housing schemes.

Table 6: Draft Capital Receipts forecast £m

Capital Receipts	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
Capital Receipts brought forward	6.449	7.314	17.417	23.940	16.741	11.741
Loan repayments from subsidiaries	0.681	10.703	1.401	2.017	0.728	0.580
Loan repayments from LIF	0.432	4.400	2.400			
	7.562	**22.417**	**21.218**	**25.956**	**17.468**	**12.320**
Forecast Property Sales *						
High likelihood	7.407	5.241	1.139			
Medium likelihood	0.036	2.862	12.628	0.643		
Low likelihood (likely to move to future years)	0.000	0.000	0.756	0.158		
Total	**7.443**	**8.103**	**14.523**	**0.801**	**0**	**0**
TOTAL CAPITAL RECEIPTS FORECASTED (A)	**15.005**	**30.520**	**35.741**	**26.757**	**17.468**	**12.320**

Use of Capital Receipts						
Required to support revenue budget	2					
Funding in year capital expenditure		5	5	5	5	5
Repayment of existing borrowing	2.691	5.103	3.801	2.017	0.728	0.580
Potential for flexible use of capital receipts (see below)	3.000	3.000	3.000	3.000		
TOTAL USE OF CAPITAL RECEIPTS FORECASTED (B)	***7.691***	***13.103***	***11.801***	***10.017***	***5.728***	***5.580***
Capital Receipts carried forward	**7.314**	**17.417**	**23.940**	**16.741**	**11.741**	**6.741**
Property Sales analysed by farms/non-farms property						
Farms	0.686	4.172	3.222	0.261		
Non-farms	3.895	3.481	11.301	0.115		
Major development sites (farmland)	2.862	0.450		0.425		
	7.443	**8.103**	**14.523**	**0.801**	**0.000**	**0.000**

***Property available for disposal schedule estimates £m**

4.4. Any repayments of capital loans made by NCC will be included in the value of capital receipts used to repay debt or to support the capital programme.

5. Flexible use of capital receipts

Introduction

5.1. DLUHC Statutory Guidance on the Flexible Use of Capital Receipts (updated), dated March 2016, has offered local authorities flexibility in the use of capital receipts. Originally this covered receipts generated between April 2016 and March 2019. The Local Government Finance Settlement 2018-19 originally extended to 2021-22 and on 10 February 2021 a further extension of three years beginning in 2022-23 was announced. The details of the extension of this flexibility have not been published yet, so there is an element of risk in assuming that this flexibility will be available in 2022-23 onwards.

5.2. Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.

5.3. Local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is offered. Local Authorities may not use their existing stock of capital receipts or loan repayments to finance the revenue costs of reform.

Background

5.4. Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under section 11 of the Local Government Act 2003, specify the purposes for which capital receipts may be used. The main permitted purpose is to meet capital expenditure together with other specified types of payment. Permitted purposes do not include use to support revenue expenditure.

5.5. Under section16(2)(b) of the 2003 Act the Secretary of State is empowered to issue directions providing that expenditure of local authorities shall be treated as capital expenditure for the purpose of Part 1 of the 2003 Act. Where such a direction is made the expenditure specified in the Direction is from that point on capital expenditure which can be met from capital receipts under the Regulations.

Process

5.6. For each financial year, a local authority should ensure it prepares and publishes at least one Flexible use of Capital Receipts Strategy prior to exercising the flexibilities allowed. The strategy must be presented to full Council, and this can be part of the annual budget setting documents.

5.7. Ideally, the strategy will be prepared before the start of any financial year. Where the need or opportunity has not been anticipated, the strategy can be presented to full Council at the earliest opportunity.

5.8. Examples of projects which generate qualifying expenditure include:

- Sharing back office services

- Service reform pilot schemes
- Service reconfiguration, restructuring or rationalisation
- Driving a digital approach to the delivery
- Aggregating procurement
- Setting up commercial or alternative delivery models
- Integrating public facing services across two or more public sector bodies

Strategy content

5.9. As a minimum, the Strategy should list each project that plans to make use of the capital receipts flexibility and that on a project by project basis details of the expected savings/service transformation are provided.

5.10. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming year and subsequent years.

5.11. Each future year's Strategy should contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.

Strategy for the flexible use of capital receipts

5.12. As stated in section 4 above, the value and timing of capital receipts is hard to predict and is not known at this stage. In order to support the revenue budget, the 3rd party loan repayments received are applied directly to the repayment of debt. Then capital receipts are allocated to fund in-year capital expenditure subject to a proportion of capital receipts from the sale of farm land being ring-fenced.

5.13. Assuming this flexibility is extended for a further three years, capital receipts of £3m will be put forward to fund transformation projects from 2022-23 onwards. The £3m set aside for 2021-22 is funding transformation projects including service restructuring and demand management:

- which are in accordance with Statutory Guidance on the Flexible Use of Capital Receipts (updated) issued by the DCLG, dated March 2016 and

- subject to scrutiny of proposals by the Executive Director of Finance and Commercial Services.

5.14. Any changes to this strategy will be reported through Cabinet.

Specific proposal for the flexible use of capital receipts

5.15. On 25 September 2017 Policy and Resources Committee considered a report entitled Demand Management & Prevention Strategy: Children's Services. This resulted in the allocation of £12-£15m into children's services over the four years 2018-22

5.16. The investment will fund a programme of transformational change, including investment in specialist, well supported alternatives to residential care, better 16+ provision, workforce training and development and better targeted interventions.

5.17. Subject to approval and availability, up to a maximum of £3m capital receipts per annum to 2021-22 have been applied to transformation projects and similarly £3m capital receipts per annum will be applied to transformation projects that meet the flexible use criteria from 2022-23 for 3 years, assuming there is no change to the conditions attached to the extension of this flexibility.

Impact on Prudential Indicators

5.18. By using capital receipts to fund this proposal, there is an opportunity cost of not being able to use the capital receipt for other purposes which could be the direct repayment of debt, or to fund capital expenditure (avoiding the need to borrow).

5.19. Assuming £3m of capital receipts are used to fund transformation projects:

Prudential indicator – impact of using £1m flexibly:	**-compared with using capital receipts for the direct re-payment of debt**	**-compared with using capital to fund capital expenditure**
Capital expenditure payment forecast	Expense classed as capital expenditure increases by £3m.	No impact
Ratio of Capital Financing Costs to Net Revenue Stream	No impact	Interest payable + MRP increases approx. £0.27m pa. Ratio increase 0.03%.
Capital Financing Requirement	No impact	CFR increases by £3m
Authorised Limit for External Debt	No impact	Authorised Limit increases by £3.2m
Operational Boundary Limit for External Debt	No impact	Operational Boundary increases by £3.0m

5.20. Capital Receipts not needed for this flexible use purpose are now carried forward to repay future debt instalments or to fund short-life capital expenditure.

5.21. Reducing the capital receipts available for the future repayment of debt would have a direct impact on future revenue budgets through the MRP.

6. Revenue Impact of the Proposed Capital Programme

6.1. Where the Council uses borrowing to support the capital programme, it must set aside revenue funds on an annual basis to repay the capital borrowed. This is required by statute and is known as Minimum Revenue Provision (MRP). The revenue impact of MRP depends on the expected life of the underlying asset.

6.2. In addition to MRP, the Council will need to fund any additional interest costs through future revenue budgets. The Council has the capacity to borrow from the Public Works Loan Board with interest rates currently in the region of 2% and anticipated to increase to 3%.

6.3. The table below is an estimate of the maximum incremental revenue impact of proposed new schemes before savings expected to be generated from direct revenue savings, transformation and other related spend to save schemes.

Table 7: Estimated incremental revenue costs of new capital schemes to be approved

	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
Assumed interest rate	2.50%	3.00%	3%	3%	3%
Incremental impact					
Cumulative interest cost		1.534	1.509	0.463	0.643
MRP	4.026	2.556	2.516	0.772	1.072
Total	**6.039**	**4.090**	**4.025**	**1.235**	**1.715**

Note: interest costs assume mid-year spend

6.4. MRP and interest forecasts assume schemes delivered as set out in the programme. It is likely that a significant proportion of spend will be slipped into future years as schemes are developed and timing of expenditure becomes more certain.

6.5. The table above shows the incremental costs associated with new schemes, all other things being equal. It does not take into account the use of capital receipts to fund in-year capital expenditure, thus reducing the Capital Financing requirement and the associated Minimum Revenue Provision.

6.6. The actual budgeted financing costs and percentage of the net revenue stream this represents by the revenue costs of borrowing is set out in the Treasury Management Strategy report to this committee.

Appendices

Appendix A: Capital strategy 2022-23

Appendix B: Capital bids prioritisation

Appendix C: Capital programme 2021-27 – existing schemes summary

Appendix D: New and extended capital schemes

Appendix A: Capital strategy 2021-22

Norfolk County Council

Capital strategy

2022-23

1 Capital Strategy Introduction

1.1 As local authorities become increasingly complex and diverse it is vital that those charged with governance understand the long-term context in which investment decisions are made and all the financial risks to which the authority is exposed. With local authorities having increasingly wide powers around commercialisation, more being subject to group arrangements and the increase in combined authority arrangements it is no longer sufficient to consider only the individual local authority but also the residual risks and liabilities to which it is subject.

2 Purpose and aims of the Capital Strategy

2.1 The CIPFA Prudential Code for Capital Finance in Local Authorities (2021) states that authorities should have in place a capital strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

2.2 The capital strategy is intended to:

- give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability;
- demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

2.3 The development of a capital strategy allows flexibility to engage with full council to ensure that the overall strategy, governance procedures and risk appetite are fully understood by all elected members

2.4 In considering how stewardship, value for money, prudence, sustainability and affordability can be demonstrated local authorities should have regard to the following key areas:

- Capital expenditure
- Debt, borrowing and treasury management
- Commercial activity
- Other long-term liabilities
- Knowledge and skills.

The Executive Director of Finance and Commercial Services has considered the affordability and risk associated with the capital strategy and where appropriate has taken specialised advice.

3 County Council Strategy and transformation

As a Council, our approach to all work is guided by four key principles:

- Offering our help early to prevent and reduce demand for specialist service;
- Joining up our work so that similar activities and services are easily accessible, done well and done once;
- Being business-like and making best use of digital technology to ensure value for money;
- Using evidence and data to target our work where it can make the most difference.

A vision for Norfolk in 2021, “Caring for our County”, outlines the Council’s commitment to meet the wide range of challenges the Council faces, with a focus on:

- Good Growth: Building communities we can be proud of;
- Making the most of our beautiful County;
- Starting a new relationship with Norfolk families;
- Investing in children and families; and
- Helping our population remain independent, resilient and well.

Together for Norfolk is the County Council's business plan for 2019-2025. It outlines our commitment to invest in Norfolk’s future growth and prosperity by:

- Focusing on inclusive growth and improved social mobility;
- Encouraging housing, infrastructure, jobs and business growth across the County;
- Developing our workforce to meet the needs of the sectors powering our local economy;
- Work to reduce our impact on the environment.

This way we can help Norfolk have a growing economy, full of thriving people living in strong communities we are proud of.

Our services support our ambitions by ensuring children and young people have the best start in life, protecting vulnerable people, developing strong infrastructure, maintaining a safe road system and helping improve the economy. The Council’s transformation programme, Norfolk Futures, provides the mechanism to realise these ambitions for the County across all of its activities.

In July 2021 we convened **Rising to the Challenge Together** bringing together partners from across all sections to look at the impact of COVID-19 on Norfolk and explore how best to achieve our common priorities. Our strategic priorities for the next 4 years are set out below:

1. A vibrant and sustainable economy;
2. Better Opportunities for Children and Young People;
3. Healthy fulfilling and independent lives;
4. A greener, more resilient future.

The Covid-19 pandemic has accelerated changes in the way we work to best use new systems and technology. As an organisation, we will be more flexible about when and where we work, and how we creatively use space and technology to find new and more efficient ways of doing things in a safe, modern and business-like way.

4 Capital expenditure

4.1 Governance process for approval and monitoring of capital expenditure

The Council's capital programme is approved as part of the budget setting process. Prior to the start of each financial year, usually in February, the County Council agrees a future three or four-year capital programme including a list of projects with profiled costs and funding sources.

At the year-end unspent capital funding on incomplete projects is carried forward to the following year as part of the closedown process and reported to the Council's Cabinet, with any changes to the budget approved by County Council.

New schemes added during the year which require prudential borrowing are also approved by County Council based on recommendations from Cabinet. Where additional external funding is received by on-going capital projects, this is added to the programme and noted by Cabinet on a monthly basis.

An outturn report each year gives details of actual expenditure and funding.

4.2 Policies on capitalisation

4.2.1 Property, Plant and Equipment

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. The de-minimis level for property, plant and equipment is £40,000.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

4.2.2 Heritage Assets

Heritage Assets are assets which increase the knowledge, understanding and appreciation of the local area and its history. The recognition of Heritage Assets is consistent with the Council's Property, Plant and Equipment policy, including the £40,000 de-minimis.

Apart from Heritage Assets previously accounted for as Community Assets, Heritage Assets acquired before 1 April 2010 have not been capitalised, since reliable estimates of cost or value are not available on a cost-effective basis.

4.2.3 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

4.3 Long-term view of capital expenditure plans

4.3.1 The Council's Service areas consider their capital expenditure plans in the context of long-term service delivery priorities and the Council's vision and plan. Historically, larger government capital grants development and capital maintenance of highways and schools have formed the basis of an affordable capital programme. This is supplemented by other funding sources, specific grants, and prudential borrowing. Long term capital planning includes the following major capital programmes:

4.3.2 **Adult Social Services - Living Well – Homes for Norfolk**: capital investment of up to £29m over 10 years has been approved to accelerate the development of extra care housing in Norfolk, with the aim of reducing unnecessary residential care admissions. Each individual scheme will be subject to a rigorous feasibility and financial assessment. Over a 10-year period it is estimated that the total programme could require between £17m and £30m depending on progress and grant subsidy levels.

4.3.3 **Transport and infrastructure** – In September 2020, the Secretary of State for Transport approved a Development Consent Order application to construct, operate and maintain the Great Yarmouth Third River Crossing and its approaches. Prior to this the Council secured £98m DfT funding towards the £120m anticipated cost. Subject to government approval of a final business case for the project, construction is scheduled to begin in early 2021 with the bridge open for use in early 2023.

Officers are developing strategic schemes (with partners where applicable) which may attract funding. Examples of schemes being taken forward are:

- Norwich Western Link – this project has conditional entry into DfT's 'Large Local Majors' funding programme with £145m DfT funding agreed subject to final approval of the outline business case
- A47 improvements (Highways England has committed £300m to improve the A47 with work set to begin in 2020)
- Long Stratton bypass - following £0.5m funding from the DfT an outline business case has been approved and a further £1.7m has been secured from the DfT. The total anticipated cost of this project is £30m.

As well as smaller road projects, the Norfolk Strategy Infrastructure Delivery Plan covers other infrastructure aspirations including Superfast Broadband, rail, utilities and sustainable walking and cycling infrastructure projects.

Following the review of Fire Services Estate, Vehicles, Plant and Equipment, officers have developed schemes to refurbish fire stations, develop training facilities and upgrade the “red fleet” totalling £21.8m

4.3.4 **Children’s Services**:

SEND provision: As part of the transformation of Special Educational Needs and Disability (SEND) provision in Norfolk, the Council has allocated £120m to create 500 extra specialist school places. As well as new and extended specialist units in mainstream schools, the programme is due to deliver four new specialist schools including:

- a new school in Great Yarmouth for young people with social, emotional and mental health (SEMH) needs;
- a 170 place complex needs school in the greater Norwich area; and
- a new school for children and young people with autism in the Fakenham area.

Schools: The Council has a duty to secure sufficient pupil places to meet the demands of the school-age population. Government capital grants, along with funding from other sources such as developer contributions are used to support the Council’s strategic plans for the provision of additional places in areas of population growth, and for improving the quality of existing Council-maintained school buildings. To ensure the programme can deliver the required places, the Council has agreed to underwrite £30m of capital expenditure on the basis that grants and other funding will be used where possible.

There is also a £3m expansion programme for Children’s Homes aimed at addressing the increased demand for residential places within Children’s Social Services.

The total borrowing forecasted for the Children’s Services capital programme for 2021-27 is £154 million.

4.3.5 **Trading through companies / capital loans**

The Council controls a number of wholly owned companies and has made loans for capital purposes available to Hethel Innovation Ltd, Repton Property Developments Limited, and companies within the Norse Group. In addition to loans to group companies, the Council has made a small number of capital loans to local housing developers.

These loans are approved as part of the capital programme, and are for capital purposes. Records are maintained to ensure that the loans are not disproportionate in terms of either the overall capital programme, or the Council’s net and gross expenditure. Loans are subject to due diligence, and relate to the Council’s powers to trade, or to assist third parties who are helping to further the Council’s priorities, including housing and economic development.

4.3.6 Capital project prioritisation

4.3.6.1 The Council has to manage demands for investment within the financial constraints which result from:

- The limited availability of capital grants
- The potential impact on revenue budgets of additional borrowing and
- The level of capital receipts generated.

As a result, prioritisation criteria have been developed to assess any capital bids that ensure the Programme is targeted to Council priorities.

4.3.6.2 Capital bids that require financial support must be set out in a Business Case that demonstrates

- Purpose and Nature of scheme
- Contribution to Council's priorities & service objectives
- Other corporate/political/legal issues
- Options for addressing the problem/need
- Risks, risk mitigation, uncertainties & sensitivities
- Financial summary including costs, potential efficiency savings, funding and timing

4.3.6.3 The corporate capital prioritisation model was first used for the 2015-16 capital programme and operates at a programme level, with most schemes prioritised at a more detailed level within the major capital programme areas of transport and schools. Prioritisation criteria are reviewed annually to ensure they continue to reflect the changing needs and priorities of the Council.

4.3.6.4 Schemes are considered within the appropriate service to ensure that the capital programme integrates with business and service planning, with revenue implications taken into account. Highways schemes are prioritised within CES. Schools schemes are prioritised through the Children's Services Capital Priorities Group. The majority of non-school property schemes are administered by the Council's Corporate Property team. Other schemes not covered by the major headings above are developed by the relevant chief officer, and where corporate funding is required are considered by the Executive Director of Finance and Commercial Services, who considers the overall affordability of the programme.

4.3.6.5 The Council's capital programme is formed by bringing the various capital programmes together, and ensuing that sufficient funding is available before seeking Council approval.

4.3.6.6 For schemes with no funding source, a benchmark has been applied, being the score for a dummy project of simply re-paying debt. Even for fully funded schemes, the scoring checks that revenue implications are considered, and the project contributes to the Council's objectives.

4.3.6.7 Although the prioritisation model has been broadly applied, it is primarily applicable to new projects and projects requiring the use of borrowing and/or capital receipts to provide funding.

4.4 Overview of asset management planning

4.4.1 Asset management planning

The majority of asset management planning falls under three major areas of capital spend: highways, schools, and corporate property.

4.4.1.1 Highways

As the highways authority for Norfolk, the Council has a responsibility to maintain, operate and improve its highway assets (eg roads and bridges). The landscape is one of increasing financial pressure, significant backlogs of maintenance, accountability to funding providers and increasing public expectations.

The Council's Transport Asset Management Plan identifies the optimal allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure. This plan is developed in the context of longer-term local transport plans such as "Connecting Norfolk: Norfolk's Transport Plan for 2026" and Norfolk Strategic Infrastructure Delivery plans. Norfolk's Transport asset management plan 2021-20 – 2024-25 can be found at:

https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/roads-and-transport/transport-asset-management-plan-full-document.pdf.

4.4.1.2 Schools

Each year the Council rolls forward its approved schools' capital building programme, making revisions to the existing programme and adding new schemes to reflect pressures and priorities.

The member led Children's Services Capital Priorities Group monitors the progress of the capital programme and considers in detail projects of concern, based on a regular risk assessment.

The impact of housing developments on both funding and demand for new and expanded school provision was set out in a Schools Capital Programme report to November 2021 Cabinet.

4.4.1.3 Corporate Property

The Council's Corporate Property Team has responsibility for property and asset management, supported by the Corporate Property Strategy Group.

The Council's Strategic Property Asset Management Framework will set out a plan for property management. The framework will build on the latest published Corporate Asset Management Plan 2016-2019 "One Public Service – One Public Estate" which identifies the key strategic policy and resource influences affecting Norfolk and the Council. The plan can be found at:

https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/finance-and-budget/corporate-asset-management-plan-2016-to-2019.pdf.

4.4.1.4 Capital Programme Quarterly Review Board

The Capital Programme Quarterly Review Board co-ordinates and provide oversight of the Council's overall capital programme. It is led by the Cabinet Member for Finance and attended by officer representatives from each major service. The board provides a forum to discuss, review and, if necessary, prioritise new schemes to be added to the programme, as well as on-going schemes.

4.4.2 Capital Funding Sources

There are a variety of different sources of capital funding, each having different advantages, opportunity costs and risks attached.

4.4.2.1 Borrowing

The Prudential Capital Finance system allows local authorities to borrow for capital expenditure without Government consent, provided it is affordable taking into account prudent treasury management practice.

As a guide, based on recent long term rates, borrowing incurs a revenue cost of approximately 7%. This is made up of two parts: the interest on the loan (maximum 3% assumed), and provision for the repayment of debt (known as the Minimum Revenue Provision or MRP) which for an asset with a life of 25 years is 4% per annum. The Council needs to be satisfied that it can afford this annual future revenue cost.

Local Authorities have to earmark sufficient revenue budget each year as provision for repaying debts incurred on capital projects, in accordance with its MRP policy.

4.4.2.2 Grants

The challenging financial environment means that national government grants are reducing or changing in nature. A large proportion of this funding is currently un-ringfenced which means it is not tied to particular projects. However, capital grants are allocated by Government departments which clearly intend that the grants should be for certain area such as education or highways. Sometimes, for major projects such as the Great Yarmouth Third River Crossing, grant funding is not sufficient to meet total costs, and other sources of funding will be sought to fund the gap.

4.4.2.3 Capital Receipts

Capital receipts are estimated and are based upon the likely sales of assets as identified under the Asset Management Plan. These include development sites, former school sites and other properties and land no longer needed for operational purposes. Receipts are critical to delivering our revenue budgets through the direct repayment of debt and, where allowed, the flexible use of capital receipts. Receipts not used for that purpose can be used to reduce future borrowing requirements.

4.4.2.4 Revenue / Other Contributions

The Prudential Code allows for the use of additional revenue resources within agreed parameters. Contributions are received from other organisations to support the delivery of schemes with the main area being within the education programme with contributions made by individual schools and by developers.

4.4.3 Capital Programme overview

4.4.3.1 The Capital Programme should support the overall objectives of the Council and act as an enabler for transformation in order to address its priorities.

4.4.3.2 Over the last three years Norfolk County Council's capital expenditure has been as follows:

Financial year (£m)	**2018-19**	**2019-20**	**2020-21**
Capital expenditure	158.5	177.6	219.5

Capital expenditure increased in 2020-21 partly due to the commencement of large projects like the Great Yarmouth 3rd River Crossing, refurbishment of the Castle Keep Museum and the Fakenham SEND school. The COVID-19 pandemic has also impacted schemes causing slippages in timing and increased costs due to disruptions in building works and scarcity of building materials. Capital expenditure projected to be between £265m and £285m in 2021-22.

The Council's 2020-21 capital programme was split by funding type as follows:

Funding type	**£m**	**%**
Capital grants and contributions	141.6	64
Revenue and reserves	3.5	2
Capital receipts applied	3.6	2
Borrowing	70.7	32
Total	**219.5**	**100**

4.4.4 Costs of past and current expenditure funded through borrowing

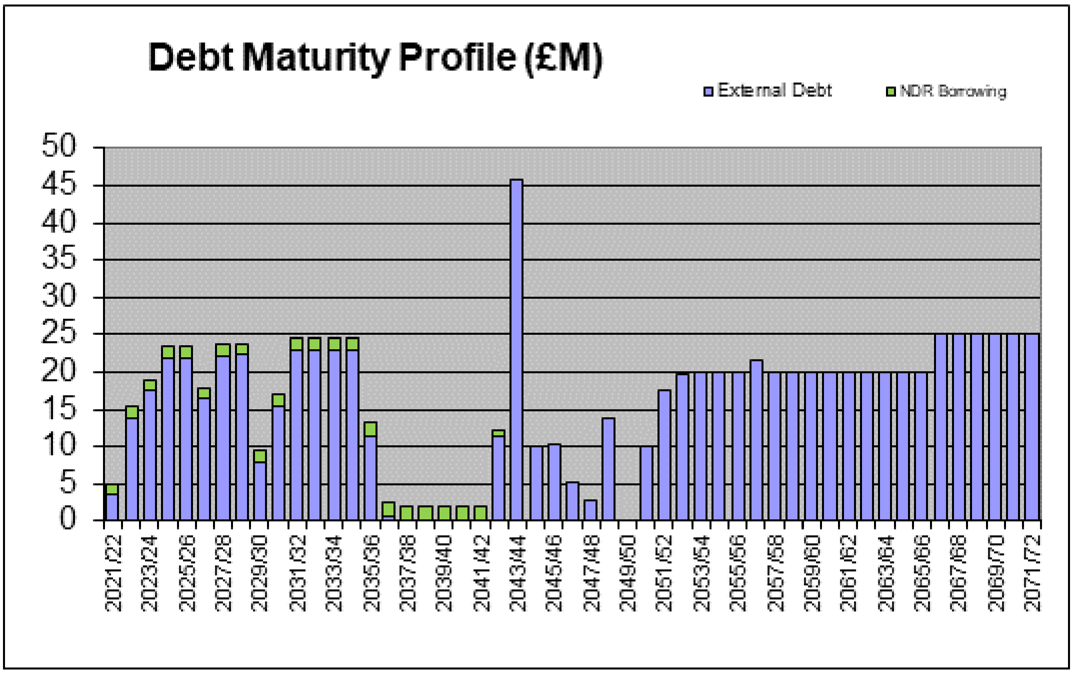
4.4.4.1 Actual borrowing and borrowing requirement

	£m
Borrowing b/fwd 1 April 2021	749.3
New Borrowing April – November 2021	110.0
Principal repayments 2021-22 – PWLB loans	-8.1
Forecast additional borrowing 2021-22	0
Forecast borrowing 31 March 2022	**851.2**
Other long-term liabilities (PFI + leases) 31 March 2022	46.8
Forecast borrowing and long-term liabilities 31 March 2022	**898.0**
Capital financing requirement 1 April 2021	**887.0**
Borrowing requirement after assumed slippage	100.3
MRP and other financing movements	-26.5
Forecast capital financing requirement 31 March 2022	**960.9**
Forecast borrowing requirement 31 March 2022	**100**

(Note: forecasts as at 31 December 2021)

4.4.4.2 Repayment profile of borrowing

The Council borrows in order to fund capital expenditure. This chart shows the repayment profile of borrowing undertaken as at the end of November 2021:



Due to the setting aside of an annual minimum revenue provision (see below), the charge to annual revenue budgets is based on notional borrowing and asset lives, rather than the actual maturities shown in the graph above.

The unusually high repayment due in 2043-44 includes £20m of commercial borrowing. The Council, with its treasury advisors, will consider re-financing options as and when they are offered which may smooth the repayment profile.

4.4.4.3 Interest and MRP costs

This table shows the cost of interest on borrowing and MRP budgeted for 2021-22. MRP (minimum revenue provision) is the amount the Council sets aside each year from revenue in order to service the repayment of debt, and is based on the cost and estimated life of assets funded through supported borrowing to 2008 and prudential borrowing thereafter.

Borrowing revenue costs (as at November 2021)	**£m**
Forecast external loans interest costs 2021-22	30.9
Calculated MRP 2021-22	31.7
Theoretical revenue costs of borrowing	**62.6**
Use of capital receipts	-2.0
Use of external contributions	
Reduction due to previous overpayments of MRP (temporary adjustment)	-3.26
Annual revenue costs of borrowing 2021-22	**57.34**

Additional borrowing will increase the cost of interest. The recent dip in PWLB interest rates compared with the higher rates of borrowing on repaid debt is assisting with the funding of new borrowing costs in the current year.

The reduction due to previous overpayments of MRP will be fully used in 2021-22. Thereafter, full MRP is accounted for in the MTFS, and all additional debt-funded capital expenditure will increase annual MRP.

4.4.5 Maintenance requirements

Services include the revenue costs of maintenance in their revenue budgets, including the costs and savings relating to capital investment.

4.4.6 Planned disposals

The Council actively manages its property portfolio in accordance with the adopted Asset Management Plan. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.

Assessments are carried out by the Corporate Property Officer (the Head of Property) in consultation with the Corporate Property Strategy Group (CPSG) with decisions taken through Cabinet in accordance with Standing Orders. The Corporate Property Officer reviews options for maximising income from surplus properties usually by open market sale. External advice, for example valuation and/or planning, is taken where appropriate.

4.5 Restrictions around borrowing or funding of ongoing capital finance

Apart from the general requirements on local authorities to ensure that their borrowing is prudent and sustainable, there are no specific external restrictions around the Council’s borrowing or funding of ongoing capital finance.

5 Debt, borrowing and treasury management

5.1 Projection of external debt and use of internal borrowing

The Council uses external debt and internal borrowing (from working capital cash balances) to support capital expenditure. As shown above there will be a forecast borrowing requirement at 31 March 2022 of £100m.

Except in the case of specific externally financed projects (such as the Great Yarmouth 3rd River Crossing), new borrowing is applied to the funding of previous capital expenditure, effectively replacing cash balances which have been used on a temporary basis to avoid the cost of 'carrying' debt in the short term. The Council continues to use cash balances for this purpose and will continue to balance the long-term advantages of locking into favourable interest rates against the costs of additional debt.

Based on the capital programme, an allowance for slippage, forecast interest rates and cash balances, new borrowing of £80m in 2022-23 and £60m 2023-24 is anticipated.

Assuming outstanding borrowing of approximately £1bn with a maximum life of 50 years, and annual MRP exceeding £30m pa from 2021-22, a factor in any borrowing decision will be to smooth out the repayment profile such that new borrowing does not cause debt maturing in any one year to exceed £28m, except 2042-43 which for historic reasons includes a large repayment of commercial and PWLB debt.

5.2 Provision for the repayment of debt over the life of the underlying debt

Provision for the repayment of debt over the life of the underlying debt is made through the setting aside of the minimum revenue provision each year. Based on an assumption of between £55m and £80m capital expenditure funded by borrowing each year (in line with an ambitious but realistic capital spend), with assets having an average estimated life of 25 years, forecast provision at the time of writing for the repayment of debt is as follows:

Financial year	MRP (Note 2)	MRP over-payment reduction	Net MRP forecast (Note 1)
	£m	£m	£m
2021-22	31.7	3.3-	28.4
2022-23	38.5	-	38.5
2023-24	41.5		41.5
2023-24	44.5		44.5

Note 1: impact on revenue budget will be reduced by the use of capital receipts to fund short-life capital expenditure, repay debt, and external contributions to debt repayment.
Note 2: the estimate of annual expenditure is based on the approved capital programme, adjusted for re-profiling based on historic patterns of spend.

5.3 Authorised limit and operational boundary for the following year

The Council's authorised borrowing limit and operational boundary for 2022-23 will be based on the approved capital programme at the time of budget setting.

5.4 Approach to treasury management

The Council's approach to treasury management including processes, due diligence and defining the authority's risk appetite will be set out in the annual Investment and Treasury Strategy, approved annually by the County Council.

6 Commercial activity

Together for Norfolk, the County Council's business plan for 2019-2025, outlines the Council's commitment to invest in Norfolk's future growth and prosperity by encouraging housing, infrastructure, jobs and business growth across the County.

This strategy was refreshed in July 2021 when the Council brought together over 100 partners from across all sectors to look at the impact of COVID-19 on Norfolk and to identify opportunities for long-term economic and social recovery. Better Together for Norfolk 2021 to 2025 sets out the Council's strategic priorities for the next 4 years with its focus on working with partner to deliver common priorities including:

- Building 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

Elements of the capital programme are focussed on these strategic priorities through the provision of capital loan facilities to the council's wholly owned companies.

The Council's capital investments are policy driven. It has no capital or property investments which are held 1) purely to generate a return or 2) out of County.

Non-treasury investments, including loans to companies, and investment properties as defined for statutory accounting purposes, are listed in detail in regular Treasury Management reports.

7 Other long-term liabilities

7.1 The Council's other long-term liabilities comprise PFI liabilities (six schools in the Norwich area, and street lighting throughout Norfolk) and lease liabilities (for example vehicles and ICT equipment).

7.2 The PFI arrangements continue to be monitored to ensure performance is in accordance with contract requirements. All PFI arrangements are subject to member approval. No PFI arrangements are currently being pursued.

7.3 All leases are subject to general budgetary constraints, with service departments taking budget responsibility for the length of the lease. Finance leases are arranged through Link Asset Management, the Council's treasury management advisors. From 2022-23, the International Financial Reporting Standard will require more arrangements to be accounted for in the same way as finance leases, including arrangements currently classed as operating leases, as well as service contracts where the Council controls the use of specific assets.

7.4 As set out in the Council's annual Statement of Accounts the Council has historically given several financial guarantees for project funding. Since 2008 financial guarantees have to be accounted for as a financial instrument – there are no such guarantees material to the accounts. Any capital guarantees and contingent liabilities are costed and approved as part of the annual capital programme.

8 Knowledge and skills

8.1 The Council has a number of specialist teams delivering the capital programme, including schools, transport and the Corporate Property Team.

8.2 These teams are supplemented by professional external advisors as necessary, including Norfolk Property Services, professional highways consultants, and external valuers.

8.3 The Capital Programme is kept under continual review during the year. Each scheme is allocated a project officer whose responsibility is to ensure the project is delivered on time, within budget and achieves the desired outcomes.

8.4 Capital finance monitoring reports are prepared monthly, and presented to Cabinet. New schemes are approved by Cabinet and then County Council. Various Project Boards, specialist teams of officers, and member-lead Working Groups, such as the Children's Services Capital Priorities Group, oversee the co-ordination and management of significant elements of the Capital Programmes.

Appendix B: Capital bids prioritisation model

The three main objectives in compiling an affordable capital programme are:

- to provide an ambitious and deliverable programme
- to minimise unaffordable revenue costs, mainly by avoiding unsupported expenditure.

Funding for capital schemes comes from a variety of sources. Significant capital grants are received annually from the departments for Transport and Education, in the expectation that they will be spend on maintaining and improving the schools and highways estates. Other funding, often relating to specific projects, comes from a variety of sources. Capital receipts can be used to fund capital expenditure, but where there are no unallocated capital receipts borrowing is necessary.

In developing the capital programme, the following are taken into account:

1. Existing schemes and funding sources: a large part of the capital programme relates to schemes started in previous years or where funding has been received in previous years and will be carried forward.

2. Additional capital schemes approved during the year.

3. Prioritising new and on-going schemes on a Council-wide basis to ensure the best outcomes for residents.

4. If a limit has to be applied to the amount of funding available in any year, the model may have to be developed to categorise schemes, for example into those that are Essential, Priority (short term), Priority (longer term) and Desirable, and to limit spend on scalable projects or programmes funded through prudential borrowing.

5. The prioritisation process gives a higher weighting to schemes which have funding secured. Where non-ringfenced capital grants are received there is a working assumption that they will be allocated to their natural home: for example DfT grants to highways, DfE grants to the schools capital programme.

6. Where a scheme does not have a funding source, priority is given to schemes which can provide their own funding. Where revenue or reserves cannot be identified, then it may be possible to identify future revenue savings or income streams which can be used to re-pay borrowing costs;

7. If there are unallocated capital receipts, these will be used to provide funding for higher priority unfunded schemes, or short life schemes where this gives a favourable MRP position.

The capital project marking guide(Annex 1) was reviewed by the Capital Quarterly Review Board in November 2021 and reflects the current priorities of the Council.

Capital programme prioritisation 2022-27

Capital Annex 1 –Marking scheme – with marking guide

Allocation of resources will be based on ranking. Schemes will be included up to the point that funding is available. This might mean that projects are banded into different funding categories.

	Heading	Reason	SCORE	Scoring guide - Enhanced	Weighting
1	**Statutory or Regulatory Duty (Governance)**	Is there a clearly identifiable requirement to meet statutory or regulatory obligations?	5	Specific and immediate statutory duty, funded externally	40%
			4	Statutory duty – but flexibility in its application and supported by external funding	
			3	Implied / indirect duty	
			2	Project may enhance statutory provision	
			1	Non NCC statutory duty	
			0	No statutory duty addressed	
2	**County Council priorities (Sustainability)**	Does the scheme directly contribute to the Council's vision, principles and corporate priorities?	5	Fundamental to the delivery of one or more Council Priorities, delivers revenue savings and promotes sustainability objectives	20%
			4	Supports one or more Council Priorities	
			3	Direct contributes to 1 Council Priority	
			2	Indirect contribution to more than one priority	
			1	Indirect contribution to one priority	
			0	No contribution to priorities	
3	**Ecological Priorities**	Will the scheme fulfil the objectives of more than one departmental service plan?	5	Delivers a reduction in carbon footprint for Norfolk	20%
			4	Delivers a carbon neutral outcome for Norfolk	
			3	Supports the delivery of carbon neutrality over the long term (3-5 years)	
			2	Indirectly contributes toward reduction in carbon footprint	
			1	No impact on carbon footprint	
			0	Increases in carbon footprint in the short term	
4	**Mitigation of risk to service delivery**	Is prudential borrowing / capital receipt required (assume for this purpose that non-ring-fenced grants are applied to the natural recipient)?	5	Immediate / definite risk to service delivery	20%
			4	Medium term risk to statutory service delivery	
			3	Probable / medium term risk to service delivery	
			2	Minor effect on statutory service delivery	
			1	Minor effect on non-statutory service delivery	
			0	No risk to current service delivery.	

Although the prioritisation model has been broadly applied, it is primarily applicable to new projects and projects requiring the use of borrowing and/or capital receipts to provide funding.

Annex 2: Capital programme 2022-27 – prioritisation scores

	Stat or Regulatory duty	CC Priorities	Ecological Priorities	Mitigation of risk to service delivery	**Total Score**
Criteria	**1**	**2**	**3**	**4**	
Weighting	**40**	**20**	**20**	**20**	
Services/Projects	Score	Score	Score	Score	
Living Well - Homes for Norfolk	4	**5**	2	4	76
Highways Capital Improvements	4	**5**	1	4	72
Highways DfT Grant Funded Works	4	**4**	1	5	72
Highways Structural Maintenance	4	**4**	1	5	72
Children's Homes/Residential Premises	3	**5**	2	4	68
SEND Transformation and Provision	4	**4**	2	3	68
Major Highways Schemes	3	**5**	1	5	68
Replacement HWRC	3	**4**	2	5	68
Better Broadband	3	**5**	3	3	68
Children's Homes/Residential Premises	4	**3**	2	4	68
Schools Capital Maintenance	3	**4**	1	5	64
Fire Appliances and Equipment	3	**4**	1	5	64
LED replacement	3	**4**	4	2	64
Local Safety Schemes & Resurfacing	4	**3**	2	3	64
Scottow Enterprise Park	3	**5**	2	3	64
Finance and HR systems	4	**2**	3	3	64
ICT Refresh and System Upgrades	3	2	3	5	64
Decarbonisation Studies	3	**3**	4	2	60
Library Replacement Schemes	4	**3**	2	2	60
Norfolk Infrastructure Projects	3	**3**	3	3	60
Road Drainage	3	**4**	2	3	60
Museums and Historic Building Maintenance	3	4	2	3	60
Community - Equipment and Assistive Technology	2	**3**	2	5	56
Children's Services	4	**3**	1	2	56
Schools Basic Needs	3	**4**	1	3	56
Fire Property Maintenance	3	**2**	2	4	56
Corporate Office Maintenance	3	**2**	2	4	56
Electric Pool Cars	2	**3**	4	3	56
Fire Property Maintenance	3	**2**	2	4	56
Environment & Greenways	3	**1**	3	3	52
GRT- Site Improvements	3	**2**	1	4	52
HLP Castle Keep	3	**4**	2	1	52
Libraries Community Hub Programme	3	**3**	2	2	52
Museums and Historic Building Maintenance	3	**3**	2	2	52
County Farms	3	**1**	2	4	52
Licensing and ICT Capital Improvements	3	2	3	2	52
Fire Vehicle Replacements	3	**2**	2	2	48
Social Infrastructure & Environment Policy	3	**3**	1	2	48
CPT Minor Works	2	**3**	2	3	48
Fire One Store	2	**2**	2	3	44
Social Care Information System	3	**2**	1	1	40
Great Yarmouth O&M Campus	2	**4**	1	1	40
Wensum Lodge Development	1	**4**	1	3	40
County Hall Refurbishment	2	**2**	2	2	40
Norse and other NCC subsidiaries loan facilities	3	1	1	2	40
Winterbourne Project	3	**2**	1	0	36
Clean Bus Technology	1	**3**	3	1	36
Repayment of Debt (Dummy Reference Bid)	2	**3**	0	2	36
Social Care unallocated	2	**2**	1	0	28

The prioritisation scores above are based on scores given to scheme in previous years. Schemes in Appendix D below relate to one or more of the schemes above and exceed the minimum (dummy) reference bid.

Appendix C: Capital programme 2022-27 – new and existing schemes £m

Services/Projects	2022-23 NCC Borrowing & Capital Receipts	2022-23 Grants and Contributions	2023-24 NCC Borrowing & Capital Receipts	2023-24 Grants and Contributions	2024-25 NCC Borrowing & Capital Receipts	2024-25 Grants and Contributions	2025-26 NCC Borrowing & Capital Receipts	2025-26 Grants and Contributions	2026-27 NCC Borrowing & Capital Receipts	2026-27 Grants and Contributions	TOTAL
Adult Social Care	**16.23**	**0.21**	**21.37**	**0.00**	**23.49**	**0.00**	**3.20**	**0.00**	**3.20**	**0.00**	**67.70**
Community - Equipment and Assistive Technology	3.00	0.00	3.00	0.00	3.20	0.00	3.20	0.00	3.20	0.00	15.60
Disabled Facilities Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Living Well - Homes for Norfolk	11.89	0.00	18.37	0.00	20.29	0.00	0.00	0.00	0.00	0.00	50.55
Social Care Information System	0.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.41
Social Care unallocated	0.93	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.14
Winterbourne Project	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Children's Services	**19.67**	**44.62**	**21.57**	**22.51**	**33.06**	**5.20**	**11.30**	**0.00**	**39.63**	**0.00**	**197.55**
Children's Homes/Residential Premises	2.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	6.00
Children's Services	0.70	1.14	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.35
Schools Basic Needs	4.03	29.91	0.07	19.37	1.76	5.00	0.00	0.00	0.00	0.00	60.14
Schools Capital Maintenance	2.79	9.06	0.00	3.14	0.30	0.20	0.30	0.00	0.32	0.00	16.11
SEND Transformation and Provision	10.14	4.50	20.00	0.00	30.00	0.00	10.00	0.00	38.31	0.00	112.95
Community & Environmental Services	**85.76**	**36.49**	**35.62**	**22.42**	**36.71**	**86.75**	**20.40**	**36.73**	**4.09**	**0.17**	**365.13**
Clean Bus Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Environment & Greenways	2.61	0.00	1.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.75
Fire Appliances and Equipment	1.59	0.00	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.08
Fire Property Maintenance	2.33	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	2.35
Fire Vehicle Replacements	9.99	0.00	7.80	0.00	10.60	0.00	0.00	0.00	0.00	0.00	28.39
Great Yarmouth O&M Campus	1.00	17.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.00
GRT- Site Improvements	0.50	0.00	0.50	0.00	0.50	0.00	0.00	0.00	0.00	0.00	1.50
Highways Capital Improvements	0.58	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63
Highways DfT Grant Funded Works	6.49	0.00	8.19	21.96	12.12	86.75	17.28	36.73	3.99	0.17	193.67
Highways Structural Maintenance	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10
HLP Castle Keep	3.18	2.74	0.00	0.44	0.00	0.00	0.00	0.00	0.00	0.00	6.36
LED replacement	5.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.88
Libraries Community Hub Programme	0.50		1.00		1.50						3.00
Library Replacement Schemes	4.28	0.47	2.66	0.02	1.00	0.00	1.00	0.00	0.00	0.00	9.43
Local Safety Schemes & Resurfacing	9.62	0.00	4.37	0.00	4.37	0.00	2.12	0.00	0.09	0.00	20.57
Major Highways Schemes	23.83	16.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.11
Museums and Historic Building Maintenance	0.59	0.00	0.42	0.00	0.05	0.00	0.00	0.00	0.00	0.00	1.06
Norfolk Infrastructure Projects	2.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.27
Replacement HWRC	5.83	0.00	6.29	0.00	3.06	0.00	0.00	0.00	0.00	0.00	15.19
Road Drainage	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.55
Scottow Enterprise Park	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.88
Social Infrastructure & Environment Policy	2.95	0.00	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.65
Wensum Lodge Development	0.20	0.00	2.00	0.00	3.50	0.00	0.00	0.00	0.00	0.00	5.70

Appendix C (cont)

Services/Projects	2022-23 NCC Borrowing & Capital Receipts	2022-23 Grants and Contributions	2023-24 NCC Borrowing & Capital Receipts	2023-24 Grants and Contributions	2024-25 NCC Borrowing & Capital Receipts	2024-25 Grants and Contributions	2025-26 NCC Borrowing & Capital Receipts	2025-26 Grants and Contributions	2026-27 NCC Borrowing & Capital Receipts	2026-27 Grants and Contributions	TOTAL
Finance &CS	**44.11**	**0.00**	**28.69**	**0.00**	**12.37**	**0.00**	**0.96**	**0.00**	**0.96**	**0.00**	**87.09**
Better Broadband	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Children's Homes/Residential Premises	1.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.60
Corporate Office Maintenance	12.81	0.00	6.17	0.00	1.24	0.00	0.50	0.00	0.50	0.00	21.22
County Farms	3.31	0.00	0.16	0.00	0.16	0.00	0.00	0.00	0.00	0.00	3.62
County Hall Refurbishment	0.29	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.38
CPT Minor Works	1.55	0.00	0.97	0.00	0.60	0.00	0.00	0.00	0.00	0.00	3.12
Electric Pool Cars	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Finance and HR systems	4.00	0.00	0.46	0.00	0.46	0.00	0.46	0.00	0.46	0.00	5.84
Fire Property Maintenance	0.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.49
ICT Refresh and System Upgrades	11.40	0.00	10.50	0.00	9.91	0.00	0.00	0.00	0.00	0.00	31.81
Licensing and ICT Capital Improvements	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30
Museums and Historic Building Maintenance	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Norse and other NCC subsidiaries loan facilities	7.20	0.00	9.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.90
Decarbonisation Studies	0.65		0.65								1.30
(blank)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Strategy & Governance	**0.28**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.28**
Licensing and ICT Capital Improvements	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.28
Grand Total	**166.04**	**81.32**	**107.26**	**44.93**	**105.62**	**91.95**	**35.86**	**36.73**	**47.88**	**0.17**	**717.76**

Appendix D: New and extended capital schemes

Proposed new schemes added to the capital programme are listed below:

New Capital Project	Scheme Description	Expected service benefits/improvements resulting from this asset	Financial Years 2022-23	2023-24	2024-25	2025-26	2026-27	Score
ICES Equipment		Represents an extension of the current scheme and is linked to revenue savings.	0.000	0.000	2.700	2.700	2.700	56
Assistive Tech - SC8169		Represents an extension of the current scheme and is linked to revenue savings.	0.500	0.500	0.500	0.500	0.500	56
TOTAL ADULT SOCIAL SERVICES			**0.500**	**0.500**	**3.200**	**3.200**	**3.200**	
Norfolk Fire and Rescue Service - FireOne Store.	Construction of a combined logistic hub and storage facility at Wymondham Fire Station	In addition to the above, Norfolk County Council have set a Carbon Zero target date of 2030. To support this, the new building shall be designed to be support these targets by use of low and zero carbon technologies. This shall include: Installation of Solar Panels to contribute to sites electrical power demands. Battery Storage to be considered on a cost benefit analysis. Installation of air source heat pumps for heating as opposed to reliance on fossil fuels.	0.871	0.000	0.000	0.000	0.000	44
Thetford FS maintenance	Increase of the 22-23 budget from £373k to match the tender	Thetford Fire Station is part of the long term premises strategy of the Fire Service. It is deemed a flagship and is operationally critical. The improvements planned to the site are essential for staff welfare, better ways of working and environmental considerations.	0.275					56

Capital investment needed for ongoing maintenance and repair of NFRS Live Fire Structure (fire breathing apparatus and fire behaviour training) based at Scottow Enterprise Park.	Establishing a 3yr maintenance and repair capital budget specifically for NFRS Live Fire training structure based at Scottow Enterprise Park	Continuing to deliver training to ensure Firefighters remain competent to enter fire situations to rescue members of public and extinguish fire.	0.012	0.012	0.012	0.000	0.000	64
GFW Environmental Landscape Management project	Project to enhance the environmental Landscape at Gressenhall Rural Life museum	Enhanced Service Offer - part of the overall plan create an environmental hub	0.149	0.050	0.050	0.000	0.000	52
Trading Standards 10g Mass Compactor	Investment in a robotic mass comparator as it increases throughput as it works overnight etc. and helps reduce overheads	Increased productivity, and potential additional income generation	0.135	0.000	0.000	0.000	0.000	60
Highways Depot Improvements	Essential Environmental and Health and safety related works to Highways depots	Improvements to the Highways depot estates	0.100	0.050	0.000	0.000	0.000	72
Libraries - Community Hub Programme	Manifesto commitment to invest £3m on library estate to extend Service and modernise facilities	Improved user experience and wider access to key user groups	0.500	1.000	1.500	0.000	0.000	52
Jubilee Trails projects	Improvements/ Enhancements to the Walking and Cycling network	Enhanced Walking and Cycling opportunities, Cultural Tourism, health benefits	0.900	0.000	0.000	0.000	0.000	52
Wensum Lodge Development	Development of the Wensum Lodge Site - continuation of the project. I tis intended that there will be a separate Cabinet report to approve the further work	Increased capacity to deliver adult training courses and a wider offer for the Adult learning, plus additional conference facilities or NCC	0.000	1.000	3.500	0.000	0.000	40

Fire - High reach appliance replacement	IRMP response capability provides three high reach vehicles in Norfolk King's Lynn vehicle due for replacement during financial year 2022/23.	Requirement of the IRMP capabilities	1.000	0.000	0.000	0.000	0.000	64
Fire - Heavy Vehicle replacements	Replacement of Fire Engines - Red Fleet	Current fleet coming to the end of their useful economic life	3.200	5.000	10.600	0.000	0.000	48
Fire -Emergency Response Vehicles (Response Officers)	Replacement of emergency response vehicles (cars)	Current fleet coming to the end of it's useful life, there needs replacement	0.000	0.200	0.000	0.000	0.000	48
Fire - Replacement Utility Vans	Current provision of 9 leased vans are each >100,000 miles and >6 years old.	support the requirements of the service as set out in the IRMP	0.323	0.000	0.000	0.000	0.000	48
Fire - Driver Training Vehicle	Fire - Driver Training Vehicle	Current vehicle due for replacement and does not provide candidates with a vehicle reflecting current technical and safety specification of modern fire engines. Contingency vehicle for spate conditions	0.160	0.000	0.000	0.000	0.000	48
Fire - replacement USAR equipment	Replacement of essential PPE and equipment (boat) for Urban Search and Rescue	Essential PPE equipment that is now out of date	0.140	0.000	0.000	0.000	0.000	64
North Walsham HWRC	New Household Waste Recycling Centre in North Walsham to meet increased demand for waste services	This scheme is linked to improvements to the HWRC to increase the potential for reuse/recycle of items brought to the HWRC. Potential revenue generation.	0.100	0.130	2.680	0.000	0.000	68
Drainage Improvement Schemes	Flood prevention and improvements to highways and road systems		0.380	0.380	0.380	0.000	0.000	60
Weather Stations	Extension of current refurbishment of weather stations scheme	Part of the structural maintenance programme of highways	0.100					72
TOTAL COMMUNITY AND ENVIRONMENTAL SERVICES			**8.345**	**7.822**	**18.722**	**0.000**	**0.000**	

Decarbonisation Studies	Further decarbonisation studies and remediation works will be needed across several hundred buildings, including the county farms and schools estates	To support NCC's commitment to be carbon neutral by 2020.	0.650	0.650	0.000	0.000	0.000	60
Hethersett Fire Station Improvements	The fire station was built as an integral part of NRFS headquarters. Improvements required to provide sufficient office space, showering facilities and appliance storage.	Ensure operational readiness & firefighter safety by ensuring more time for training. Develop a diverse and high performing workforce	0.275	0.000	0.000	0.000	0.000	56
Technology Transformation Capital Programme	Provided in the attached spreadsheet	Technology Refresh and Transformation to support the business now and in the future	0.293	1.667	9.912	0.000	0.000	64
HR & Finance Transformation (myOracle) myOracle Go-Live and continued product development	Continued optimisation of core oracle products supporting HR & Finance (including Payroll and Procurement) processes (via product 1/4ly updates) Support and development of new oracle products (via 1/4ly product updates)	Continued maximisation of core oracle products via enhanced self service and reporting to employees, customers and suppliers	4.000	0.460	0.460	0.460	0.460	64
Future Network Spend to Save Project	We will be implementing a new network service to Improve security, provide more flexibility, make revenue savings and exit the Capita contract which ends March 2024.	This will deliver revenue savings estimated at an average of £400k per year. We will be using capital £2.1M to fund the cost of change (Licences, staff and software) and enable a smooth transition to the new services.	1.368	0.730	0.000	0.000	0.000	64
Repton Property Developments Limited - additional capital loan facility	Additional capital loan facility to support Repton Property Developments Limited (wholly owned by Norfolk County Council) deliver housing developments in Norfolk.	Due to accelerated development at a large development at Hopton, the latest cashflow suggests that £26.5m loan will be needed. This is higher than the current £25m facility, and is needed for less than six months. The proposed increase to from £25m to £35m would cover sales being put back by 3 months which would be sufficient time to re-assess the rate of development and	5.000	5.000	0.000	0.000	0.000	40

		therefore spend.						
Various CPT Projects - extension of schemes for property maintenance			4.540	4.190	1.100	0.000	0.000	56
Elizabeth House Walpole Loke, Dereham NR19 1EE office alterations - cost saving	Breckland District Council are looking to redevelop/dispose of the Dereham Breckland Business Centre where NCC Childrens Services and Adult Services lease space. This bid is for alterations and furnishing of the proposed new leased in space at Elizabeth House to accommodate Childrens Services and Adults Services from the their current location Dereham Breckland Business Centre.	Improved modern office accommodation and client areas, revenue savings	0.450	0.000	0.000	0.000	0.000	52

Shrublands Farm building and NCC Family Time Service	The proposal is to undertake a feasibility study to identify whether the Shrublands Farm building can be adapted to accommodate the NCC Family Time Service who are currently in an end of life building and undertake works to bring the building back to full repair. Location is Shrublands, Magdalen Way, Gorleston, Great Yarmouth, Norfolk, NR31 7BP	The premises wold be used for two functions. Firstly, the centre will enable staff to meet demand in facilitating Looked after Children to maintain safe links with their birth families while they are waiting for courts to make long term decisions and beyond. The premises would allow the service to significantly increase their productivity. Secondly, the centre would provide workspace for the new community assessment function workers to use. The use for the community assessment function will include family meetings, assessment meetings, facilitating change work and supervision of staff.	0.611	0.000	0.000	0.000	0.000	52
County Farms - statutory compliance	Improvement in statutory compliance as landlord to the County Farms estate	Statutory compliance	0.159	0.159	0.159	0.000	0.000	52
GRT Sites - rolling budget		Placeholder - pending further discussions with District Councils	0.500	0.500	0.500	0.500	0.500	52
TOTAL FINANCE AND COMMERCIAL SERVICES			**17.846**	**13.356**	**12.131**	**0.960**	**0.960**	
TOTAL NEW BIDS - 2022-23		**90.742**	**26.690**	**21.678**	**34.053**	**4.160**	**4.160**	

Report to Cabinet

Item No. 14

Report Title: Annual Investment and Treasury Strategy 2022-23

Date of Meeting: 31 January 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

If this is a Key Decision, date added to the Forward Plan of Key Decisions: 26 February 2021

Introduction from Cabinet Member

It is a regulatory requirement for local authorities to produce an Investment and Treasury Strategy for the year ahead. The Strategy forms an important part of the overall management of the Council's finances; setting out the criteria for choosing investment counterparties and managing the authority's underlying need to borrow for capital purposes.

Executive Summary

In accordance with regulatory requirements, this report presents the Council's borrowing and investment strategies for 2022-23

Recommendations:

Cabinet is asked to endorse and recommend to County Council the Annual Investment and Treasury Strategy for 2022-23 as set out in Annex 1, including:

- The Capital Prudential Indicators included in the body of the report
- The Minimum Revenue Provision Statement 2022-23 in Appendix 1
- The list of approved counterparties at Appendix 4
- The Treasury Management Prudential Indicators detailed in Appendix 5

1. Background and Purpose

1.1. This Treasury Management Report forms an important part of the overall management of the Council's financial affairs. The regulatory environment places responsibility on Member for the review and scrutiny of treasury management policy and activity.

2. Proposals

2.1. The Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice for Treasury Management in the Public Services (the Code) requires local authorities to produce a treasury management strategy for the year ahead. The County Council is required to comply with the Code through regulations issued under the Local Government Act 2003 and has adopted specific clauses and policy statements from the Code as part of its Financial Regulations.

2.2 Complementary to the CIPFA Code is the Department of Levelling Up Housing and Communities' (DLUHC's) Investment Guidance, which requires local authorities to produce an Annual Investment Strategy and an annual Capital Strategy.

2.3 This report combines the reporting requirements of both the CIPFA Code and the DLUHC's Investment Guidance.

3. Impact of the Proposal

3.1. This report presents the Council's borrowing and investment strategies for 2022-23 providing the framework for managing the capital borrowing requirement within prudential and financially sustainable limits.

3.2. Given the recent increase in the Bank of England base interest rates, coupled with economic uncertainties borrowing rates are forecast to increase in 2022-23. A flexible approach to borrowing for capital purposes will be maintained which avoids the "cost of carrying debt" in the short term, whilst taking advantage of dips in borrowing rates, where possible, to secure long-term savings on the cost of borrowing.

3.3. The proposed investment strategy retains a diversified pool of high-quality counterparties with a maximum deposit duration of three years apart from property funds which, if used would be part of a longer-term investment strategy. No new counterparties have been added to the list.

4. Evidence and Reasons for Decision

4.1. The primary objectives of the Council's Investment and Treasury Strategy are to safeguard the timely repayment of principal and interest, whilst ensuring adequate liquidity for cashflow and the generation of investment yield. A flexible approach to borrowing for capital purposes will be maintained both in terms of timing, and in terms of possible sources of borrowing including the Public Work Loans Board (PWLB) and the UK Municipal Bonds Agency (UKMBA). This strategy is prudent while investment returns are low and the investment environment remains challenging.

The Investment and Treasury Strategy summarises:

- The Council's capital plans (including prudential indicators);
- A Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- The Treasury Management Strategy (how the investments and borrowings are organised) including treasury indicators; and
- An Investment Strategy (including parameters on how investments are to be managed).

5. Alternative Options

5.1. In order to achieve sound treasury management in accordance with the statutory and other guidance, no viable alternative options have been identified to the recommendation in this report.

6. Financial Implications

6.1. Long term borrowing rates stayed at the historical low level of 0.1% until 15 December 2021, when the Bank of England's Monetary Policy Committee (MPC) voted to increase the Bank Rate to 0.25%. This move signals the MPC's commitment using interest rates to meet the 2% inflation target, and supports the forecast of rising interest rates for 2022-23.

6.2. To fund future capital expenditure, officers will continue to work with the Council's treasury advisors to identify the most advantageous timing and sources of borrowing.

6.3. At 31 December 2021, the Council's external debt was £855.3m, having borrowed £110m to date since April 2021, securing long term borrowing at fixed rates below a 1.85% interest rate trigger point and securing £0.718m savings on the cost of carrying debt. No further borrowing is required for the remainder of 2021-22 to meet the current capital expenditure commitments.

6.4. The MRP policy remains unchanged and is designed to ensure sufficient money is set aside to repay the Council's debt.

7. Resource Implications

7.1. There are no direct staff, property or IT implications arising from this report.

8. Other Implications

8.1. **Legal Implications**
In order to fulfil obligations placed on chief finance officers by section 114 of the Local Government Finance Act 1988, the Executive Director of Finance and Commercial Services continually monitors financial forecasts and outcomes to ensure resources (including sums borrowed) are available to meet annual expenditure.

8.2. **Human Rights implications**
None identified.

8.3. **Equality Impact Assessment**
Treasury management activities take place to manage the cashflows relating to the Council's revenue and capital budgets. In setting the 2022-23 budget, the council has undertaken public consultation. This public consultation process has informed an equality impact assessment in respect of both the 2022-23 Budget proposals and the Council's Budget as a whole. In addition, councillors have considered the impact of proposals on rural areas.

8.4 **Data Protection Impact Assessments (DPIA)**
DPIA is not required as the data reported in this paper does not drill down to the personal data level.

9. Risk Implications/Assessment

9.1. The Investment and Borrowing Strategy presented in this report for approval, forms an important part of the overall financial management of the Council's affairs. The strategy has been produced in accordance with best practice and guidance and in consultation with the Council's external treasury advisors.

The Council's Treasury Management Strategy sets parameters for the selection and placing of cash balances, taking in account counterpart risk and liquidity. The strategy also sets out how the Council manages interest rate risks.

10. Select Committee comments

10.1. None

11. Recommendation

11.1. Recommendations are set out in the introduction to this report.

12. Background Papers

12.1. Capital Strategy and Programme 2022-23 on this agenda.

Officer Contact

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

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

ANNEX 1

Norfolk County Council

Treasury Management Strategy

including

Minimum Revenue Provision Policy Statement and

Annual Investment Strategy

2022-23

Note: the tables in this report will be amended to reflect any changes to the capital programme between this meeting and February County Council

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1 Introduction

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

1.2 Reporting requirements

1.2.1 Capital Strategy

The CIPFA revised 2021 Prudential and Treasury Management Codes require, all local authorities to prepare a capital strategy report, which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability.

The aim of the capital strategy is to ensure that all elected members understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

The capital strategy is reported separately from this Treasury Management Strategy Statement. Non-treasury investments including loans to companies are reported through the capital strategy and finance monitoring report, with summary information included in Treasury Management reports. This is to ensure separation of the core treasury function under security, liquidity and yield principles, and other investments, including loans to subsidiary and other companies which are usually driven by expenditure on assets for service delivery and related purposes.

Depending on the nature of any particular project, the capital strategy will cover:

- Corporate governance arrangements;
- Service objectives;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- For non-loan type investments, the cost against the current market value;
- The risks associated with activities and/or the ways in which risks have been mitigated.

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the DLUHC Investment Guidance and CIPFA Prudential Code have not been adhered to.

Norfolk County Council does not hold any non-treasury and/or non-financial investments which are designed purely to generate a financial return: all non-treasury investments, for, example loans to subsidiaries and companies for Norfolk based projects and/or to support subsidiary companies fund their capital investment plans, and all have been approved as part of the capital strategy and programme.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown in this report.

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital plans (including prudential indicators);
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
   - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an investment strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny
The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Council's Treasury Management Panel and Cabinet.

Scheme of Delegation
A summary of the Treasury Management Scheme of Delegation is at Appendix 8, with the Treasury Management role of the Section 151 Officer at Appendix 9.

1.3 Treasury Management Strategy for 2022-23

The strategy covers two main areas:

Capital issues

- capital expenditure plans and the associated prudential indicators;
- minimum revenue provision (MRP) policy (paragraph 2.4 and Appendix 1).

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been provided to members at the November 2021 Treasury Management Panel, and further training will be arranged as required.

The training needs of treasury management officers are reviewed as part of the annual performance review process.

1.5 Treasury management consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Through a competitive tender in 2019, the Council has ensured that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subject to regular review.

2 The Capital Prudential Indicators 2022-23 – 2024-25

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Services	215.348	275.358	242.361	147.188	197.567
Capital loans to group and other companies	3.372	10.428	5.000	5.000	0.000
Infrastructure loans to third parties	0.731	1.148	0.000	0.000	0.000
Total	**219.451**	**286.934**	**247.361**	**152.188**	**197.567**

Other long-term liabilities - The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding/borrowing need.

Financing of capital expenditure £m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Capital grants	141.621	176.916	81.317	44.932	91.946
Revenue and reserves	3.478				
Capital receipts	3.627	9.673	5.061	5.000	5.000
Prudential borrowing	70.725	100.345	106.983	102.256	100.621
Capital programme	**219.451**	**286.934**	**247.361**	**152.188**	**197.567**
Estimated slippage			(80.000)	(40.000)	(54.000)
Cumulative slippage	**0.000**	**0.000**	**(80.000)**	**(120.000)**	**(174.000)**
New borrowing requirement after slippage	70.725	100.345	80.983	62.256	46.621
Net financing need for the year	**219.451**	**286.934**	**167.361**	**112.188**	**143.567**

Slippage has been incorporated into the calculations in line with historic patterns of capital spend and the Q3 Capital Programme Review undertaken by the Capital Review Board. Although members approve capital programmes based on annual expenditure, it is not uncommon for projects to be delayed due to, for example, planning issues. In addition, where grants become available, these will be used ahead of borrowing to fund projects.

To better reflect actual likely expenditure, and to help avoid the risk of borrowing in advance of need, an adjustment for slippage has been incorporated into the calculations shown in this strategy.

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure shown in paragraph 2.1 above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £50.1m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Opening CFR	**827.765**	**887.045**	**960.928**	**1,013.477**	**1,043.827**
Net financing need for the year (above)	70.725	100.345	80.983	62.256	46.621
Less MRP and other financing movements	(11.445)	(26.462)	(33.240)	(42.026)	(45.593)
Movement in CFR	**59.280**	**73.883**	**47.743**	**20.230**	**1.028**
Closing CFR	**887.045**	**960.928**	**1,008.671**	**1,028.901**	**1,029.929**

A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the authority's overall financial position.

The capital expenditure figures shown in 2.1 and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Authority's remaining activity.

In line with the Capital Strategy, the external borrowing requirement planned in conformance with the new DLUHC requirements for applying for certainty rate borrowing from the PWLB is:

External borrowing £m	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Service spend	65.622	88.769	75.983	57.256	46.621
Housing	3.372	10.428	5.000	5.000	0.000
Regeneration	1.731	1.148	0.000	0.000	0.000
Preventative action					
Treasury Management					
TOTAL	70.725	100.345	80.983	62.256	46.621

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Opening investments	**173.568**	**225.252**	**219.907**	**208.924**	**191.368**
Net (use) of reserves, capital grants, working capital etc.	72.409	(15.000)	(10.000)	(15.300)	(15.300)
Capital expenditure funded through prudential borrowing	(70.725)	(100.345)	(80.983)	(62.256)	(46.621)
New Borrowing	50.000	110.000	80.000	60.000	40.000
Closing investments	**225.252**	**219.907**	**208.924**	**191.368**	**169.447**

2.4 Minimum revenue provision (MRP) policy statement

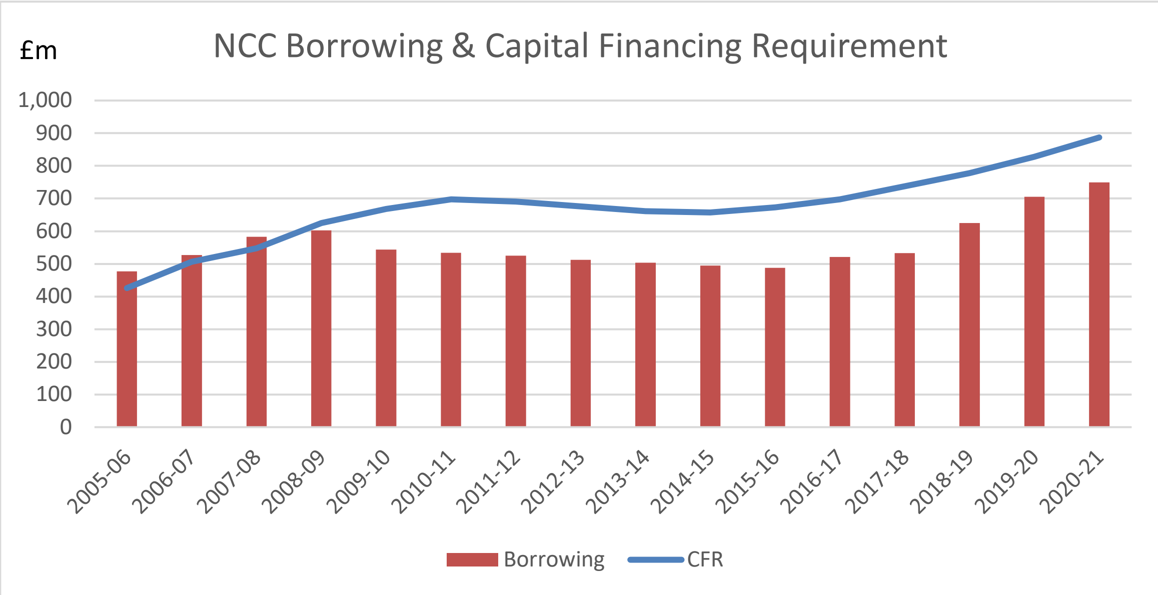
The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council's MRP Statement has been updated to better explain our use of the previous over-provision of MRP, including the amount brought forward into 2021-22, and also to refer to right-of-use assets which will result from the impact of IFRS16 which will affect the Council's accounts in 2022-23.

3 Borrowing

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The table below summarises the Council's historic capital financing requirement and borrowing:



3.1 Current portfolio position

The overall treasury management portfolio as at 31 March 2021 and for December 2021 is shown below for both borrowing and investments.

	31 March 2021	31 December 2021
Treasury Investments		
Banks	120.0	281.4
Local authorities	0.00	0.00
Money Market funds	90.9	30.2
	210.9	**311.6**
Treasury external borrowing		
PWLB	707.0	813.1
Commercial (including LOBOs)	42.3	42.3
	749.3	**855.4**
Net-treasury borrowing	**538.4**	**543.8**

Note: the 31 March column above is reconciled to the Council's Statement of Accounts by adjusting for uncleared BACS payments on balances, and accrued interest on loans.

At the end of December 2021 the bank deposits were with Barclays, Santander UK, Close

Brothers, Goldmans Sachs, Australia New Zealand Bank, Toronto-Dominion Bank, DBS Bank and Landesbank Baden-Wuerttemberg and the Money Market Funds with Aberdeen. At 31 December there is £100m invested in non-uk banks.

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Debt at 1 April	705.645	749.274	851.156	914.546	969.209
Expected change in Debt - repayments	(6.371)	(8.118)	(16.610)	(5.337)	(8.475)
Expected change in Debt – new borrowing	50.000	110.000	80.000	60.000	40.000
Debt at 31 March	**749.274**	**851.156**	**914.546**	**969.209**	**1,000.733**
Other long-term liabilities (OLTL) 1 April	50.082	48.170	46.847	44.476	41.098
Expected change in OLTL	(1.912)	(1.323)	(2.371)	(3.378)	(3.711)
OLTL forecast	**48.170**	**46.847**	**44.476**	**41.098**	**37.387**
Gross debt at 31 March	**797.444**	**898.003**	**959.021**	**1,010.307**	**1,038.120**
The Capital Financing Requirement	887.045	960.928	1,008.671	1,028.901	1,029.929
Under / (over) borrowing	**89.601**	**62.925**	**49.649**	**18.594**	**(8.191)**

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021-22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director of Finance and Commercial Services reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Debt	838.875	914.081	964.195	987.803	992.542
Other long-term liabilities	48.170	46.847	44.476	41.098	37.387
Total CFR	**887.045**	**960.928**	**1,008.671**	**1,028.901**	**1,029.929**

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which reflects the total approved capital expenditure, plus an allowance for schemes which may be approved in-year:

1. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Debt	880.819	959.785	1,012.405	1,037.193	1,042.169
Other long-term liabilities	52.987	51.532	48.923	45.208	41.126
Total	**933.806**	**1,011.317**	**1,061.328**	**1,082.401**	**1,083.295**

3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 8th November 2021. These are forecasts for certainty rates, gilt yields plus 80 bps:

Link Group Interest Rate View 8.11.21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
25 yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
50 yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50

Additional notes by Link on this forecast table: -

- *LIBOR and LIBID rates will cease from the end of 2021. Work is currently progressing to replace LIBOR with a rate based on SONIA (Sterling Overnight Index Average). In the meantime, our forecasts are based on expected average earnings by local authorities for 3 to 12 months.*
- *LINK forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short term cash at any one point in time.*

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings.

As shown in the forecast table above, the forecast for Bank Rate now includes five increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%

The Link Group have also highlighted significant risks to the forecast due to:

- Enduring labour and supply shortages that disrupt and depress economic activity
- Mutations of the Coronavirus which may render current vaccines ineffective
- The MPC's reaction to increases in the inflation rate
- Swift action by central government to cut expenditure to balance the national budget.

These risks, other major stock market risks and geopolitical risks on balance are expected to dampen the growth of the UK economy in the short term.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -.
  - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
  - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
  - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

PWLB rates and Borrowing for capital expenditure.

- Link's long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio. In addition, there are also some cheap alternative sources of long-term borrowing if an authority is seeking to avoid a "cost of carry" but also wishes to mitigate future re-financing risk.
- While Norfolk County Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a *cost of carry*, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances.
- Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the debt maturity profile.

Alternative source of borrowing

- Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. Should the government again increase PWLB margins or if the margins become uncompetitive, the Council will consider the following alternatives in light of the amount of borrowing required, structures (spot or forward dates), maturities, availability, interest rates, and arrangement fees:

  - Local authorities (primarily shorter dated maturities out to 3 years or so)
  - Financial institutions (primarily insurance companies and pension funds but also some banks, based on spot or forward dates).
  - Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement "CFR"), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Interest rate exposure on borrowing is currently managed by borrowing in tranches which roughly match the increase in the Council's CFR over time. This takes advantage of historically low interest rates currently available, but takes into account the revenue cost of carry of unnecessary borrowing.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022-23 treasury operations. The Executive Director of Finance and Commercial Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates,* then borrowings will be postponed.

- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast,* perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to Cabinet at the next available opportunity.

3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.

The portfolio will continue to be kept under review for opportunities and if circumstances change, any rescheduling will be reported to Cabinet at the earliest opportunity.

4 Annual investment strategy

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with treasury (financial) investments as managed by the treasury management team. Non-financial investments, essentially loans made for capital purposes, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 Edition ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions.

The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings. A comparative analysis of ratings from different agencies is shown as Appendix 2, and an indicative list of approved counterparties as Appendix 3.

2. **Other information**: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps**" and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use including 'specified' and 'non-specified' investments.

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix 4.

6. Transaction limits are set for each type of investment in 4.2.

7. This authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).

8. The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+ (Appendix 7). The sovereign rating of AA+ must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time.

9. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

10. All cash invested by the County Council will be either Sterling or Euro deposits (including Sterling certificates of deposit) or Sterling Treasury Bills invested with banks and other institutions in accordance with the Approved Authorised Counterparty List. The inclusion of Euro deposits enables the County Council to effectively manage (subject to European Central Bank deposit rates) Euro cash balances held for schemes such as the France-Channel-England Project.

11. As a result of the change in accounting standards for 2022-23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

12. In November 2018, the Ministry of Housing, Communities and Local Government ("MHCLG"), concluded a consultation for a temporary IFRS9 override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years to 31 March 2023. At the time of writing the Council has no pooled investments of this kind.

This authority will pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Executive Director of Finance and Commercial Services will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

- **Banks:**

(i) UK Banks requires both the short and long-term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria.

UK Banks	**Fitch**	**Standard & Poors**	**Moody's**
Short Term Ratings	F1	A-1	P-1
Long Term Ratings	A-	A-	A3

(ii) **Non-UK Banks** requires both the short and long term ratings issued by at least one of the three rating agencies (Fitch, S&P or Moody's) to remain at or above the minimum credit rating criteria and a sovereign rating of AA+ assigned by one of the three credit rating agencies.

Non-UK Banks	Fitch	Standard & Poors	Moody's
Short Term Ratings	F1+	A-1+	P-1
Long Term Ratings	AA-	AA-	Aa3

- **Part Nationalised UK Bank:** Royal Bank of Scotland Group. This bank is included while it continues to be part nationalised or it meets the ratings for UK Banks above.

- **The County Council's Corporate Banker:** if the rating for the Council's corporate banker (currently Barclays) falls below the above criteria, sufficient balances will be retained to fulfil transactional requirements. Other than this, balances will be minimised in both monetary size and time invested.

- **Building Societies:** The County Council will use Building Societies which meet the ratings for UK Banks outlined above.

- **Money Market Funds (MMFs)**: which are rated AAA by at least two of the three major rating agencies. MMF's are 'pooled funds' investing in high-quality, high-liquidity, short-term securities such as treasury bills, repurchase agreements and certificate of deposits. Funds offer a high degree of counterparty diversification that include both UK and Overseas Banks. Following money market reforms, MMFs will be allocated to sub-categories (CNAV, LNAV and VNAV) to meet more stringent liquidity regulations. However, the Council will continue to apply the same minimum rating criteria.

- **UK Government:** including the Debt Management Account Deposit Facility & Sterling Treasury Bills. Sterling Treasury Bills are short-term (up to six months) 'paper' issued by the UK Government. In the same way that the Government issues Gilts to meet long term funding requirements, Treasury Bills are used by Government to meet short term revenue obligations. They have the security of being issued by the UK Government.

- **Local Authorities, Parish Councils etc.:** Includes those in England and Wales (as defined in Section 23 of the Local Government Act 2003) or a similar body in Scotland or Northern Ireland.

- **Wholly owned companies: The Norse Group, Hethel Innovation Limited and Repton Property Developments Limited, Independence Matters CIC, NCC Nurseries Limited:** short-term loan arrangements made in accordance with approved service level agreements and the monetary and duration limits detailed below in Appendix 4.

- **Property funds (where not classed as capital expenditure)**: these are long term, and relatively illiquid funds, expected to yield both rental income and capital gains. The use of certain property funds can be deemed capital expenditure, and as such would be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **Ultra-Short Dated Bond Funds** will use funds that are AAA rated and only after due diligence has been undertaken.

- **Corporate Bonds:** These are bonds issued by companies to raise long term funding other than via issuing equity. Investing in corporate bonds offers a fixed stream of income, paid at half yearly intervals. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **Corporate bond funds:** Pooled funds investing in a diversified portfolio of corporate bonds, so provide an alternative to investing directly in individual corporate bonds. Minimum long-term rating of A- to be used consistent with criteria for UK banks. Appropriate due diligence will also be undertaken before investment of this type is undertaken.

- **UK Government Gilt funds:** A gilt is a UK Government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. They can be either "conventional" or index linked. Using a fund can mitigate some of the risk of potential large movements in value.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are set out in Appendix 4.
The proposed criteria for specified and non-specified investments are shown in Appendix 6.

Creditworthiness
Significant levels of downgrades to short- and long-term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

CDS prices
Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual

monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

4.3 Other limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

a) **Non-specified investment limit.** The Council has set limits for non-specified investments in accordance with the criteria set out in Appendix 6. For example, they are bound by the limits for investments set out in Appendix 4 and the upper limit for principal sums invested for longer than 365 days shown in paragraph 4.4. This ensures that non-specified investments are only made within appropriate quality and monetary limits.

b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of *AA+.*

c) **Other limits.** In addition:
   - no more than £30m will be placed with any non-UK country at any time;
   - limits in place above will apply to a group of companies.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations.
The current forecast shown in paragraph 3.3, includes a forecast for a first increase in Bank Rate in December 2021 though there is a high risk that it could be delayed until quarter 1 or 2 of 2022.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year, (based on a first increase in Bank Rate in quarter 2 of 2022) are as follows:

Average earnings in each year	Now	Previously
2022/23	0.50%	0.25%
2023/24	0.75%	0.50%
2024/25	1.00%	0.50%
2025/26	1.25%	1.00%
Long term later years	2.00%	2.00%

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£m	**2021-22**	**2022-23**	**2023-24**
Principal sums invested for longer than 365 days	£100m	£100m	£100m
Current investments >365 days as at 31 December 2021	£0m	£0m	-

4.5 Investment risk benchmarking
This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day, 3, 6 and 12 month London Interbank Bid Rate (LIBID)/SONIA. The publication of official LIBOR and LIBID rates will cease at the end of 2021 to be replaced with SONIA. To facilitate the transition to the use of the Sterling Overnight Index Average (SONIA), the Bank of England began publishing the SONIA Compounded Index from 3 August 2020 to allow for the calculation of compounded interest rates.

The most appropriate comparator at any point will depend on levels of cash balances and immediate liquidity requirements during the year.

4.6 Non-treasury investments

Although this section of the report does not specifically cover non-treasury investments, a summary of non-treasury loans is included at Appendix 10. This appendix shows that the impact of these loans on the Council's revenue budget is not material in comparison to its turnover.

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

5 Appendices

Appendix 1 - Minimum Revenue Provision Statement

Appendix 2 - Ratings comparative analysis

Appendix 3 - Indicative List of Approved Counterparties for Lending

Appendix 4: Time and monetary limits applying to investments

Appendix 5: The Capital and Treasury Prudential Indicators

Appendix 6: Credit and counterparty risk management

Appendix 7: Approved Countries for Investments

Appendix 8: Treasury Management Scheme of Delegation

Appendix 9: The Treasury Management Role of the Section 151 Officer

Appendix 10: Non-treasury investments

Appendix 1 - Minimum Revenue Provision Statement 2022-23

A1 Regulations issued by the Department of Communities and Local Government in 2008 require the Council to approve a Minimum Revenue Provision (MRP) statement in advance of each year.

A2 Members are asked to approve the MRP statement annually to confirm that the means by which the Council plans to provide for repayment of debt are satisfactory. Any revisions to the original statement must also be issued. Proposals to vary the terms of the original statement during the year should also be approved.

A3 MRP is the provision made in the Council's revenue budget for the repayment of borrowing used to fund capital expenditure - the Council has a statutory duty to determine an amount of MRP which it considers to be prudent, having regard to guidance issued by the Secretary of State.

A4 In 2022-23:

- For capital expenditure incurred before 1 April 2007 which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years.
- For all capital expenditure since that date which is supported by Formula Grant (supported borrowing), the MRP policy will be to provide the amount to set aside calculated in equal instalments over 50 years from the year set aside is first due.
- In calculating the amounts on which set aside is to be made pre 1 April 2007 Adjustment A will be applied.
- Any charges made over the statutory minimum revenue provision, voluntary revenue provision or overpayments can, if needed, be reclaimed in future years if deemed necessary or prudent, and cumulative overpayments disclosed. At 31 March 2021 the cumulative amount over-provided was £3.26m. The over-provision will be released in a phased manner in 2021-22, and is expected to be fully utilised.
- For expenditure since 1 April 2008, the MRP policy for schemes funded through borrowing will be to base the minimum provision on the estimated life of the assets in accordance with the guidance issued by the Secretary of State.
- Re-payments included in annual PFI and finance lease/right of use asset arrangements are applied as MRP.
- Having identified the total amount to be set aside for previously unfunded capital expenditure the Council will then decide how much of that to fund from capital receipts with the residual amount being the MRP for that year.

A5 Where loans are made to third parties for capital purposes, the capital receipt received as a result of each repayment of principal, under the terms of the loan, will be set aside in order to re-pay NCC borrowing and to reduce the Capital Financing Requirement accordingly. MRP will only be accounted for if an accounting provision has been made for non-repayment of the loan or if there is a high degree of uncertainty regarding the repayment. This arrangement will also be applied where a third party has committed to underwrite the debt costs of a specific project through amounts reserved for capital purposes.

A6 The Council will continue to make provision at least equal to the amount required to ensure that each debt maturity is met.

Appendix 2 - Ratings comparative analysis

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-		AA-		
A1		A+	A-1	A+	F1	Upper medium grade
A2		A		A		
A3	P-2	A-	A-2	A-	F2	
Baa1		BBB+		BBB+		Lower medium grade
Baa2	P-3	BBB	A-3	BBB	F3	
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1		CCC+	C	CCC	C	Substantial risks
Caa2		CCC				Extremely speculative
Caa3		CCC-				In default with little prospect for recovery
Ca		CC				
		C				
C		D	/	DDD	/	In default
/				DD		
/				D		

Appendix 3 - Indicative List of Approved Counterparties for Lending

UK Banks

Barclays Bank
Bank of Scotland Plc (*)
Close Brothers
Goldman Sachs
Santander UK
Lloyds Bank (*)
HSBC Bank Group

Non-UK Banks

Australia:

- Australia & New Zealand Banking Group
- Commonwealth Bank of Australia
- National Australia Bank Limited

Canada:

- Bank of Montreal
- National Bank of Canada
- Toronto-Dominion Bank

Germany:

- DZ Bank AG
- Landesbank Baden-Wuerttemberg
- Landesbank Hessen-Thueringen Girozentrale

Netherlands:

- Rabobank

Singapore:

- DBS Bank Ltd
- Oversea-Chinese Banking Corp
- United Overseas Bank Limited

Sweden:

- Svenska Handelsbanken

Part Nationalised UK Banks

Royal Bank of Scotland(#)
National Westminster(#)

UK Building Societies

Coventry BS
Leeds BS
Nationwide BS
Yorkshire BS

Money Market Funds

Aberdeen Standard Investments
Federated Investors
Aviva
Northern Trust

UK Government

Debt Management Account Deposit Facility
Sterling Treasury Bills
Local Authorities, Parish Councils

Other – Group companies (non-capital)

The Norse Group
Hethel Innovation Limited
Repton Property Developments
Independence Matters CIC
NCC Nurseries Limited

Note: (*) (#) A 'Group Limit is operated whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total.

Appendix 4: Time and monetary limits applying to investments

The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

COUNTERPARTY	NCC LENDING LIMIT (£m)	OTHER BODIES LENDING LIMIT (£m)	**TIME LIMIT**
UK Banks	£60m	£30m	**Up to 3 Years** (see notes below)
Non-UK Banks	£30m	£20m	**1 Year**
Royal Bank of Scotland / Nat. West. Group	£60m	£30m	**2 Years**
Building Societies	£30m	£20m	**1 Year**
MMFs – CNAV	£60m (per Fund)	£30m (per Fund)	**Instant Access**
MMFs – LNVAV			**Instant Access**
MMFs – VNAV			**Instant Access**
Debt Management Account Deposit Facility	Unlimited	Unlimited	**6 Months (being max period available)**
Sterling Treasury Bills	Unlimited	Unlimited	**6 Months (being max period available)**
Local Authorities	Unlimited (individual authority limit £20m)	Unlimited (individual authority limit £10m)	**3 Years**
The Norse Group	£15m	Nil	**1 Year**
Hethel Innovation Limited	£1.25m	Nil	**1 Year**
Repton Property Developments Limited	£1.0m	Nil	**1 Year**
Independence Matters CIC	£1.0m	Nil	**1 Year**
NCC Nurseries Limited	£0.250m	Nil	**1 Year**
Property Funds	£10m in total	Nil	**Not fixed**
Ultra short dated bond funds	£5m in total	Nil	**3 years**
Corporate bonds	£5m in total	Nil	**3 years**
Corporate bond funds	£5m in total	Nil	**3 years**
UK Government Gilts / Gilt Funds	£5m in total	Nil	**3 years**

Notes:

- In addition to individual institutional lending limits, 'Group Limits' are used whereby the collective investment exposure of individual banks within the same banking group is restricted to a group total lending limit. For example, in the case of Lloyds Bank and Bank of Scotland, the group lending limit for the Lloyds Banking Group is £60M.

- The maximum deposit period for UK Banks is based on the following tiered credit rating structure:

Long Term Credit Rating (Fitch or equivalent) assigned by at least one of the three credit rating agencies	Maximum Duration
AA-	Up to 3 years
A	Up to 2 years
A-	Up to 1 year

  Deposits may be placed with the Royal Bank of Scotland as a UK Part Nationalised Bank and Local Authorities may be made for periods of 2 and 3 years respectively.

- The Council will only use non-UK banks from countries with a minimum sovereign rating of AA+. The sovereign rating of AA+ must be assigned by one of the three credit rating agencies. No more than £30m will be placed with any individual non-UK country at any time. Approved countries for investments are shown at Appendix 7.

- For monies invested on behalf of the Norse Group, Independence Matters and Norfolk Pension Fund there is a maximum monetary limit of £10m per counterparty. Operationally funds are diversified further as agreed with the individual bodies.

- Long-term loans to the Norse Group and other subsidiary companies are approved as part of the Council's capital programme.

- The use of property funds, bonds and bond funds, gilts and gilt funds will be subject to appropriate due diligence.

- Certain property funds may be classed as a capital investment. If this is the case then they will be approved via the capital programme. If the fund is classed as revenue, then the IFRS 9 implications will be fully considered: unless the DCLG specifies otherwise, any surpluses or losses will become chargeable to the Council's general fund on an annual basis.

Appendix 5: The Capital and Treasury Prudential Indicators

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure £m	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Adult Social Care	12.221	14.671	16.439	21.372	23.488
Children's Services	49.216	50.210	64.282	44.085	38.257
CES Highways	103.557	129.790	63.327	34.566	103.230
CES Other	9.106	19.812	58.923	23.477	20.222
Finance and Comm. Servs	45.351	72.451	44.107	28.688	12.371
Strategy and Governance	0.000	0.000	0.282	0.000	0.000
Total	**219.451**	**286.934**	**247.361**	**152.188**	**197.567**
Loans to companies included in Finance and Comm Servs above	**3.372**	**10.428**	**5.000**	**5.000**	
GNGB supported borrowing to developers	**0.731**	**1.148**			
Loans as a percentage	*2%*	*4%*	*2%*	*3%*	

Non-treasury investments – proportionality

The table above demonstrates that loans to companies and developers, as a percentage of all capital expenditure, are a relatively low proportion and therefore do not present undue risk in the context of the programme overall.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

%	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
Financing costs (net)	40.775	57.600	66.140	74.926	45.593
Net revenue costs	744.557	733.818	784.689	788.209	808.189
Percentage	5.48%	7.85%	8.43%	9.51%	5.64%

The estimates of financing costs include current commitments and budget proposals. The % increase between 2020-21 and 2021-22 represents MRP previously overpaid being utilised in 2020-21 and fully used by 2021-22.

The Prudential Code 2021 acknowledged that the “Financing Costs to Net Revenue Stream” indicator may be more problematic for some authorities regarding the level of government support for capital spends. In these instances, it is suggested that a narrative explaining the indicator may be helpful. At this stage, it is considered that the table above can provide useful information.

Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Maturity structure of fixed & variable interest rate borrowing 2022-23		
	Lower	**Upper**
Under 12 months	0%	10%
12 months to 2 years	0%	10%
2 years to 5 years	0%	10%
5 years to 10 years	0%	20%
10 years to 20 years	10%	30%
20 years to 30 years	10%	30%
30 years to 40 years	10%	30%
40 years to 50 years	10%	40%

The percentages shown in the table above are proportions of total borrowing.

Control of interest rate exposure:

The table above indicates how the authority manages its interest rate exposure to ensure a degree of alignment between asset lives and appropriate interest rates and spreading the time over which any debt re-financing may need to happen.

Only £31.250m out of total borrowing of over £855m (less than 5% of total borrowing) is potentially variable, and the rate will only vary if borrowing rates rise to above 4.75%. Forecast borrowing rates suggest that that this threshold will not be exceeded in the foreseeable future. Planned borrowing is expected to be at fixed rates to take advantage of historically low interest rates, and to limit long term exposure to variable rates.

With positive cash balances, the Council has maintained an under-borrowed position which avoids short term exposure to interest rate movements on investments. The Council will continue to balance the risks of borrowing while cash balances are available, against the long-term benefits of locking into low borrowing rates.

Appendix 6: Credit and counterparty risk management

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Executive Director of Finance and Commercial Services has produced its treasury management practices (TMPs). This part, covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months, once the remaining period to maturity falls to under twelve months. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, housing association, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
5. A body that is considered of a high credit quality (such as a bank or building society).

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. These criteria are shown in detail in Appendix 4.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	**Supranational bonds greater than 1 year to maturity** **(a) Multilateral development bank bonds -** These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Reconstruction and Development Bank etc.). **(b) A financial institution that is guaranteed by the United Kingdom Government** (e.g. National Rail, the Guaranteed Export Finance Company {GEFCO}) The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	Not currently included as approved investment
b.	**Gilt edged securities** with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.	Ref Appendix 4
c.	**The Council's own banker** if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	Ref Appendix 4
d.	**Building societies not meeting the basic security requirements under the specified investments**. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings.	Not currently included as approved investment
e.	Any **bank or building society** that meets minimum long-term credit ratings, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	Ref Appendix 4
f.	**Share capital** in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.	Not currently included as approved treasury investment.
g.	**Loan capital** in a body corporate. The use of these loans to subsidiaries and other companies will normally be deemed to be capital expenditure. However, working capital loans are dealt with under Treasury Management arrangements. This Authority would seek further advice on the appropriateness and associated risks with investments in these categories.	Ref Appendix 4
h.	**Bond funds.** These are specialist products, and the Authority will seek guidance on the status of any fund it may consider using.	Ref Appendix 4
i.	**Property funds –** The use of these instruments can be deemed to be capital expenditure, and as such will be an application	Ref Appendix 4

	(spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.	

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Finance and Commercial Services, and if required new counterparties which meet the criteria will be added to the list.

Use of external fund managers – at the time of writing the Council does not use or plan to use external fund managers.

Appendix 7: Approved Countries for Investments (as at 27 November 2021)

Non-UK Banks requires minimum individual credit rating criteria and a sovereign rating of AA+ assigned by one of the three credit rating agencies. At 27 November 2021 approved countries and their applicable ratings include:

AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A

AA+

- Finland

Appendix 8: Treasury Management Scheme of Delegation

(i) Full Council

- approve the Policy Framework and the strategies and policies that sit within it (Source: Council constitution);
- Note: the Policy Framework includes "Annual investment and treasury management strategy".

(ii) Cabinet terms of reference

- to prepare, for adoption by the Council, the budget and the plans which fall within the policy framework).

(iii) Audit Committee

- Consider the effectiveness of the governance, control and risk management arrangements for Treasury Management and ensure that they meet best practice. (Source: Audit Committee Terms of Reference)

(iv) Treasury Management Panel

The Panel's terms of reference are to:

- consider and comment on the draft Annual Investment and Treasury Strategy prior to its submission to Cabinet and full Council
- receive detailed reports on the Council's treasury management activity, including reports on any proposed changes to the criteria for "high" credit rated institutions in which investments are made and the lending limits assigned to different counterparties
- receive presentations and reports from the Council's Treasury Management advisers, Link Asset Services
- consider the draft Treasury Management Annual Report prior to its submission to Cabinet and full Council.

(v) Executive Director of Finance and Commercial Services

- "responsible for the proper administration of the financial affairs of the Council including … investments, bonds, loans, guarantees, leasing, borrowing (including methods of borrowing)…"

  (Source: Scheme of delegated powers to officers)

  See Appendix 9 for detailed responsibilities.

Appendix 9: The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer is the Executive Director of Finance and Commercial Services. Responsibilities include:

Constitution – officer roles

- Have responsibility for the administration of the financial affairs of the Council and be the Section 151 Officer.
- Statutory responsibilities of the Chief Finance Officer (Section 151 officer) Budgeting and Financial Management, Exchequer Services, Pensions, Investment and Treasury Management, Risk & Insurance, Property, Audit. ICT and Procurement and Transactional Services.

Financial Regulations

- execution and administration of treasury management decisions, including decisions on borrowing, investment, financing (including leasing) and maintenance of the counter party list.
- prepare for County Council an annual strategy and plan in advance of the year, a mid-year review and an annual report.
- regularly report to the Treasury Management Panel and the Cabinet on treasury management policies, practices, activities and performance monitoring information.
- monitoring performance against prudential indicators, including reporting significant deviations to the Cabinet and County Council as appropriate.
- ensuring all borrowing and investment decisions, both long and short term, are based on cash flow monitoring and projections.
- ensuring that any leasing financing decisions are based on full options appraisal and represent best value for the County Council, in accordance with the County Council's leasing guidance.
- the provision and management of all banking services and facilities to the County Council.
- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities

- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following *(TM Code p54): -*
    - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
    - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
    - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
    - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
    - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Appendix 10: Non-treasury investments

Existing non- treasury investments (loans) at 31 March 2021

Loans	£m
NORSE Energy (capital investment)	10.000
Norse Group (capital investment)	2.687
Norse Group (Aviation Academy)	5.867
NEWS	0.318
NorseCare	2.845
Hethel Innovation Ltd (Hethel Engineering Centre)	6.583
Norwich Airport Radar (relocation due to NDR)	2.194
Repton Property Developments Limited	1.800
LIF loans to developers in Norfolk	4.611
Total loans to companies	**33.626**
NDR Loan – underwritten by CIL receipts	34.501
Total long-term debtors in balance sheet	**71.407**

In addition to the loans listed above, equity of £3.5m has been invested in Repton Property Developments Limited, a wholly owned housing development company.

A more detailed schedule of the above loans, showing objectives and explanations of each investment are detailed in Appendix 3 to the Mid-Year Treasury Management Monitoring Report 2021-22 presented to 6 December 2021 Cabinet.

Potential future non-treasury capital investments

Non-treasury investments: The following schemes if approved will result in loans to wholly owned companies or third parties. These loans will be for capital purposes, are Norfolk based, and are designed to further the Council's objectives. None of the loans listed are purely for the purpose of income generation.

Scheme	Background	Approximate value
Capital equity in, and loans to wholly owned companies	**Repton Property Developments** The company is developing land north of Norwich Road Acle surplus to County Council, as well as other appropriate surplus land holdings. **Other projects** From time to time the Council's wholly owned companies further the Council's objectives through capital investments. This facility is included in the capital programme. This includes the £5m transformation project with Norse Care for Older People Services approved in 2021-22	£30m included in capital programme

Proportionality of non-treasury investments:
The total value of loans (including CIL supported debt) is not likely to exceed £100m. At an indicative interest rate of 3% (giving a margin of approximately 1% over current PWLB borrowing rate) this would mean interest of £3m pa. This approximates to less than 20% of the Council's general reserves, 1% of the Council's net expenditure, and 0.3% of departmental gross expenditure. As a result, reliance on income from non-treasury is therefore considered to be proportionate and manageable.

Report to Cabinet

Item No. 15

Report Title: Finance Monitoring Report 2021-22 P8: November 2021

Date of Meeting: 31 January 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? No

If this is a Key Decision, date added to the Forward Plan of Key Decisions: N/A

Introduction from Cabinet Member

This report gives a summary of the forecast financial position for the 2021-22 Revenue and Capital Budgets, General Balances, and the Council's Reserves at 31 March 2022, together with related financial information.

Executive Summary

Subject to mitigating actions, on a net budget of £439.094m, the forecast revenue outturn for 2021-22 at the end of period 8 (November) is **a balanced budget** after taking into account use of £22.745m Covid reserves brought forward from 2020-21 to meet Covid pressures in 2021-22.

General Balances are forecast to be **£23.763m** at 31 March 2022 following transfers of £4.056m from non-Covid related savings and Finance General underspends at the end of 2020-21 and taking into account the current year balanced outturn forecast. Service reserves and provisions are forecast to total **£136.580m.**

Covid-19 financial pressures are taken into account in the forecasts in this report. Details of these pressures and progress on achieving savings are addressed in detail in this report.

Recommendations:

1. To recommend to County Council the addition of **£5.904m** to the capital programme to address capital funding requirements as set out in detail in capital Appendix 3, paragraph 4.1 as follows:
    - £5.288m for the 2021-22 Schools Capital Maintenance funded by the Department for Education and carried forward into 2022-23
    - £0.601m for the 2022-23 Section 106 developer contributions for schools provision at Bradwell and Holt

- £0.015m for Libraries services provision at Swaffham funded by Section 106 developer contributions

2. To recommend to County Council the uplift of capital programme by a net **£2.125m** in December 21 to address forecasted overspend in the Household Waste Recycling Centre Projects as set out in detail in Capital Appendix 3, paragraph 4.3.

3. Subject to County Council approval of recommendation 1 and 2 to delegate:
   2.1) To the Director of Procurement authority to undertake the necessary procurement processes including the determination of the minimum standards and selection criteria (if any) and the award criteria; to shortlist bidders; to make provisional award decisions (in consultation with the Chief Officer responsible for each scheme); to award contracts; to negotiate where the procurement procedure so permits; and to terminate award procedures if necessary;
   2.2) To the Director of Property authority (notwithstanding the limits set out at 5.13.6 and 5.13.7 of Financial Regulations) to negotiate or tender for or otherwise acquire the required land to deliver the schemes (including temporary land required for delivery of the works) and to dispose of land so acquired that is no longer required upon completion of the scheme;
   2.3) To each responsible chief officer authority to:
      - (in the case of two-stage design and build contracts) agree the price for the works upon completion of the design stage and direct that the works proceed; or alternatively direct that the works be recompeted
      - approve purchase orders, employer's instructions, compensation events or other contractual instructions necessary to effect changes in contracts that are necessitated by discoveries, unexpected ground conditions, planning conditions, requirements arising from detailed design or minor changes in scope
      - subject always to the forecast cost including works, land, fees and disbursements remaining within the agreed scheme or programme budget.
      - That the officers exercising the delegated authorities set out above shall do so in accordance with the council's Policy Framework, with the approach to Social Value in Procurement endorsed by Cabinet at its meeting of 6 July 2020, and with the approach set out in the paper entitled "Sourcing strategy for council services" approved by Policy & Resources Committee at its meeting of 16 July 2018.

4. To recognise the period 8 general fund forecast revenue **of a balanced budget,** noting also that Executive Directors will continue to take measures to reduce or eliminate potential over-spends where these occur within services;

5. To note the COVID-19 funding available of **£99.795m,** including £22.745m brought forward from 2020-21;

6. To recognise the period 8 forecast of 90% savings delivery in 2021-22, noting also that Executive Directors will continue to take measures to mitigate potential savings shortfalls through alternative savings or underspends;

7. To note the forecast General Balances at 31 March 2022 of **£23.763m.**

8. To note the expenditure and funding of the revised current and future 2021-25 capital programmes.

1. Background and Purpose

1.1. This report and associated annexes summarise the forecast financial outturn position for 2021-22, to assist members to maintain an overview of the overall financial position of the Council.

2. Proposals

2.1. Having set revenue and capital budgets at the start of the financial year, the Council needs to ensure service delivery within allocated and available resources, which in turn underpins the financial stability of the Council. Consequently, progress is regularly monitored, and corrective action taken when required.

3. Impact of the Proposal

3.1. The impact of this report is primarily to demonstrate where the Council is anticipating financial pressures not forecast at the time of budget setting, including the implications of the Covid-19 pandemic, together with a number of other key financial measures.

4. Evidence and Reasons for Decision

4.1. Three appendices are attached to this report giving details of the forecast revenue and capital financial outturn positions:

Appendix 1 summarises the revenue outturn position, including:

- Forecast over and under spends
- Covid-19 grant income
- Changes to the approved budget
- Reserves
- Savings

Appendix 2 summarises the key working capital position, including:

- Treasury management
- Payment performance and debt recovery.

Appendix 3 summarises the capital outturn position, and includes:

- Current and future capital programmes
- Capital programme funding
- Income from property sales and other capital receipts.

4.2. Additional capital funds will enable services to invest in assets and infrastructure as described in Appendix 3 section 4.

5. Alternative Options

5.1. To deliver a balanced budget, no viable alternative options have been identified to the recommendations in this report. In terms of financing the proposed capital expenditure, no further grant or revenue funding has been identified to fund the expenditure, apart from the funding noted in Appendix 3.

6. Financial Implications

6.1. As stated above, the forecast revenue outturn for 2021-22 at the end of P8 is a **balanced budget** linked to a forecast 90% savings delivery. Forecast outturn for service reserves and provisions is **£136.580m**, and the general balances forecast is **£23.763m**. Funding of **£77.050m** is forecast to be received in the year to off-set additional expenditure occurred as a result of the Covid-19 pandemic. When added to £22.745m Covid reserves brought forward the total Covid funding available is **£99.795m.**

6.2. Where possible service pressures have been offset by underspends or the use of reserves. A narrative by service is given in Appendix 1.

6.3. The Council's capital programme is based on schemes approved by County Council in February 2021, including previously approved schemes brought forward and new schemes subsequently approved.

7. Resource Implications

7.1. None, apart from financial information set out in these papers.

8. Other Implications

8.1. **Legal Implications**
In order to fulfil obligations placed on chief finance officers by section 114 of the Local Government Finance Act 1988, the Executive Director of Finance and Commercial Services continually monitors financial forecasts and outcomes to ensure resources (including sums borrowed) are available to meet annual expenditure.

8.2. **Human Rights implications**
None identified.

8.3. **Equality Impact Assessment**
In setting the 2021-22 budget, the council has undertaken public consultation and produced equality and rural impact assessments in relation to the 2021-22 Budget. An overall summary Equality and rural impact assessment report is included on page 284 of the Monday 22 February 2021 Norfolk County Council agenda. CMIS > Meetings

The Council is maintaining a dynamic COVID-19 equality impact assessment to inform decision making during the pandemic.

The Council's net revenue budget is unchanged at this point in the financial year and there are no additional equality and diversity implications arising out of this report.

8.4 **Data Protection Impact Assessments (DPIA)**
DPIA is not required as the data reported in this paper does not drill down to the personal data level.

9. Risk Implications/Assessment

9.1. Corporate risks continue to be assessed and reported on a quarterly basis to both Cabinet and the Audit Committee. The Council's key financial based corporate risk (RM002 - The potential risk of failure to manage significant reductions in local and national income streams) has been reviewed and refreshed in February 2021 to incorporate the 2021/22 budget and Medium-Term financial strategy 2021/22 - 2024/25 being set. Key risk mitigations include amongst others regular (monthly) financial reporting to Cabinet, working to the Medium-Term Financial Strategy and setting robust budgets within available resources.

9.2. Unlike many other parts of the public sector such as the NHS, local authorities are required by law to set a balanced budget. As part of their duties, the Executive Director of Finance and Commercial Services has a responsibility to report to members if it appears to him that the authority will not have sufficient resources to finance its expenditure for the financial year. While not underestimating the continued severity of the current crisis on Council's finances, the Executive Director of Finance and Commercial Services believes a balanced budget will be achieved in 2021-22.

10. Select Committee comments

10.1. None

11. Recommendation

11.1. Recommendations are set out in the introduction to this report.

12. Background Papers

12.1. Summary Equality and rural impact assessment CMIS > Meetings page 284

Officer Contact

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

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IN TRAN communication for all

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Appendix 1: 2021-22 Revenue Finance Monitoring Report Month 8

Report by the Executive Director of Finance and Commercial Services

1 Introduction

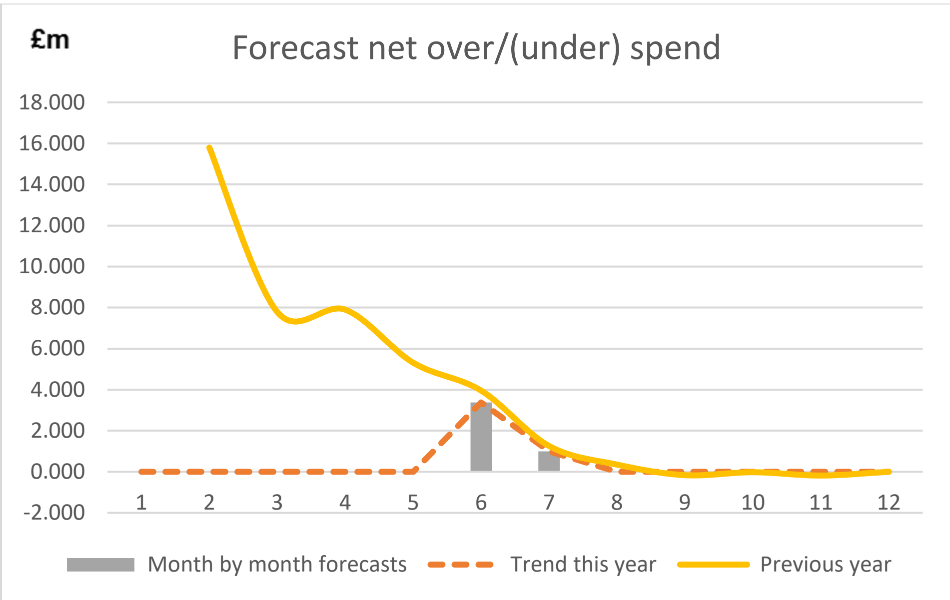
1.1 This report gives details of:

- the P8 monitoring position for the 2021-22 Revenue Budget
- additional financial information relating to the Covid-19 pandemic
- forecast General Balances and Reserves as at 31 March 2022 and
- other key information relating to the overall financial position of the Council.

2 Revenue outturn – over/(under)spends

2.1 **At the end of November 2021,** a balanced budget is forecast on a net budget of £439.094m.

Chart 1: forecast /actual revenue outturn 2021-22, month by month trend:



2.2 Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget will be achieved over the course of the year.

2.3 Details of all under and overspends for each service are shown in detail in Revenue Annex 1 to this report, and are summarised in the following table:

Table 1: 2021-22 forecast (under)/overspends by service

Service	Revised Budget	Cost Pressures	(Under spends/ Savings)	Earmarked Reserves & Provisions Utilised	Net (under)/ overspend	%	RAG
	£m		£m		£m		
Adult Social Care	252.635	10.168	-1.268	-8.9	0	0%	G
Children's Services	178.886	12.3	-1.965	-5.285	5.05	2.8%	A
Community and Environmental Services	157.889	1.307	0	-1.307	0	0%	G
Strategy and Transformation	8.601	0.372	-0.221	-0.151	0	0%	G
Governance Department	1.865	0.858	-0.019	-0.839	0	0%	G
Finance and Commercial Services	32.388	1.148	-0.173	-0.975	0	0%	G
Finance General	-193.17	1.979	-7.029		-5.05	2.6%	G
Total	**439.094**	**28.132**	**-10.675**	**-17.457**	**0**	0%	A

Notes:

1) the RAG ratings are subjective and account for the risk and both the relative (%) and absolute (£m) impact of overspends.
2) Earmarked reserves and provisions were set aside in 2020-21 in order to meet and fund additional pressures in 2021-22.

2.4 **Children's Services:** The forecast outturn as at Period 8 (end of November 2021) is an overspend of £10.335m partially offset by use of reserves, resulting in an overall overspend position of £5.050m. Children's Services budgets continue to be under significant pressure reflecting the operational pressures and challenging market forces that are outside of NCC's control and being seen nationally. Whilst management action has been, and continues to be, taken to mitigate the budget risks, the pressures have continued to increase. Much of the pressures are due to the uncertainties and on-going impact of the pandemic.

2.5 The budgets that continue to cause the greatest concern are demand-led; specifically, external social care residential placements and home to school transport for those with special educational needs. Education Trading budgets are also under pressure this year, but this is expected to be a short-term position for this academic year as an impact of the pandemic upon trading activities.

2.6 As previously reported, the former is under pressure due to rising demand for places, the rising complexity of need for vulnerable adolescents, and market forces significantly favouring suppliers of provision. The pressure on the number of residential placements required is due to the level of need and the availability of foster carers, both have been adversely impacted by the pandemic. Additionally, there has been increasing pressure on the leaving care budget, including where post-18s continue to support particularly with the challenge of securing suitable housing exacerbated by the pandemic. At this stage, £4.000m of the forecast overspend within social care is expected to be met through a corresponding contribution from Children's Services Business Risk Reserve.

2.7 The evidence from the tracking and delivery of the department's transformation programme is that pressure on placement supply and, therefore, budgets would have been far greater if transformation activity had not taken place and savings committed to as part of the budget planning process were not being delivered.

2.8 The home to school transport budget pressure of £2.6m is particularly due to the number of children and young people with high special educational needs and disabilities that need individual and/or high-cost assistance to travel to and from school or alternative provision. Since schools returned in April'21, similar to the national picture, NCC has seen a significant increase in demand for Education, Health and Care Plans and for specialist school provision, prompting increasing demand for transport. The current forecast includes the additional arrangements made throughout the Autumn term to meet needs and new requests, thus increasing the pressure on this budget (primarily for pupils for SEND). The forecast is higher than the pressure anticipated for this year when contributions were made to the Transport Equalisation Reserves at the end of the 2020-21 financial year; the use of these reserves, (£1.285m), had been forecast to mitigate the majority of this overspend. The cost pressure is a combination of higher costs from a less competitive market (a shortage of drivers following covid) and additional places in high SEND specialist provision seen within the Dedicated Schools Grant High Needs Block spend.

2.9 The pandemic has had a disruptive impact upon education trading for the past 18 months, with some services unable to operate due to restrictions in place, others trading at reduced levels or staff being reassigned to undertake pandemic-related work to support the schools' sector. During 2020-21 there was significant additional government funding which mitigated the losses incurred during that period. Whilst we are seeing the market begin to rectify itself, this is delayed by rising COVID cases as schools remain understandably cautious about visitors. Management action is being taken to reduce the financial pressures caused through reviewing services to ensure that they will meet the new, anticipated demand as well as looking for alternative funding sources in the meantime.

2.10 Management action continues to be taken within the department, wherever possible to reduce the financial risks faced, both in this financial year and within future financial years. Any impact upon future years' budgets is being kept under close review ahead of the 2022-23 Budget Planning process. The service also continues to presume the use of reserves to cover committed expenditure that slipped from 2020-21 due to the pandemic.

2.11 Given the current national context, there continues to be significant influences beyond the Council's control that make delivery of the transformation programme (and, therefore, savings) difficult. The ongoing recovery work is impacted by ongoing Covid-related staff shortages, surges in demands and any further Covid waves that may bring further restrictions and/or new scenarios to manage. These risks are continuing to be kept under close review.

2.12 **Adult Social Services:** The forecast outturn as at Period 8 (end of November 2021) is a balanced position after one-off reserve utilisation. With Adult Social Care (ASC) being a demand led service, the budget to provide it always operates under a degree of uncertainty. This has never been more apparent than in the last 12 months and is likely to continue for at least the remainder of this financial year. As reported throughout 2020/21, Covid-19 had a detrimental effect on the pace and scale of the ASC transformation programme. This therefore resulted in a shortfall in savings delivery which is still creating a legacy pressure against the department budget. At this time there is a risk that ASC will not be able to catch-up on the 2020/21 savings whilst also delivering against the new 2021/22 savings. During 2020/21 the department recognised the risk to 2021/22 budgets and built up a level of reserves to mitigate the risk.

2.13 The ASC service both in Norfolk and nationally, continues to be under immense pressure, with demands for services creating unique system and capacity constraints. Whilst not the direct remit of this report, understanding the wider departmental performance is crucial to understanding its financial performance.

2.13.1 As part of our regular reporting there are several key performance indicators that provide a sense of the challenge the department faces at present:

- Our holding lists are now at a high of 2300 people, which represents a 45% increase over the last 12 months. These lists are constantly monitored and prioritised to enable risk to be managed, which clearly is a significant resource pressure.

- Our Interim Care list is above 700 people, which indicates that our Care Market currently cannot provide all the services that are demanded upon it. This is further indicated by the significant level of Reablement capacity that is being absorbed to provide traditional home support whereby this is not available from the independent market.

- Since November 2020 we have seen a significant rise in the level of completed S42 (Care Act 2014) safeguarding enquiries. In Mental Health alone our service has completed 85% more S42 enquiries in 2021 than they did in the whole of 2020.

- The pressure facing our partners in the health system has meant discharge referrals from hospital into the Home First Hubs have increased by over 100% more than the staffing and commissioning capacity. We continue to work with members of Norfolk’s Health and Care system to manage this demand.

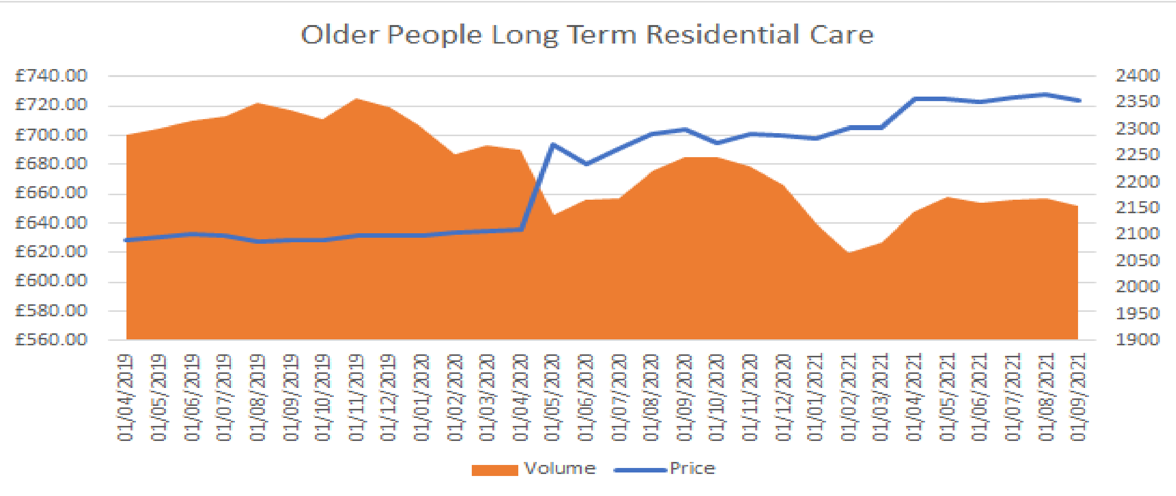
- Our care providers ability to recruit and retain staff, especially in services such as home support, is under strain at this time and will clearly limit capacity. For Home Support, since July 2020, we have seen a 35% increase in care vacancies, and in our care homes, a 14% increase in the last 3 months alone. Within this past month we are seeing a rise in the number of contracts that are either being handed back or having to be managed for interim periods due to temporary inability to staff.

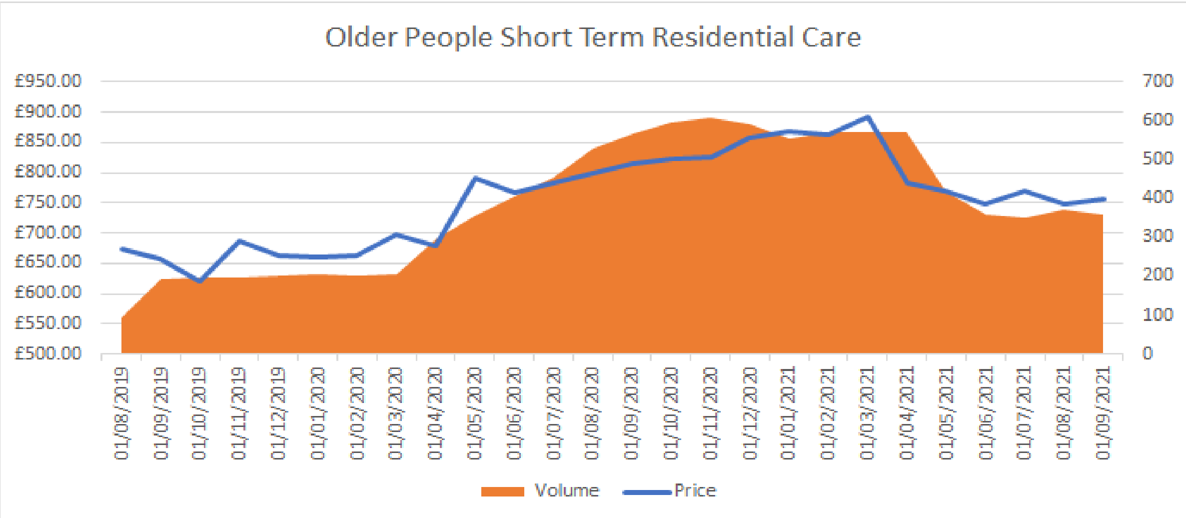
- As well as external care staff vacancies, our own teams continue to struggle to maintain capacity despite a concerted effort to recruit and retain qualified Social Workers.

- As a result of the continued pressures, the service department has reintroduced its SCOPEL (Social Care Operational Escalation Level) measure, alongside the NHS OPEL equivalent. This provides a daily measure of the pressure on the systems in Norfolk. For much of December both SCOPEL and OPEL have operated at the highest level of pressure (Level 4) which has meant an urgent reprioritisation of resource towards managing this risk.

2.14 What the preceding paragraph means is our ASC budget, in particular the Older People Purchase of Care budget, continues to be under pressure. For our care purchasing budgets, whilst the pandemic has, in the short term, resulted in some reduced demand for services such as long-term residential care (see Graph 1), overall we have still seen a 3% rise in demand for long term care, within which is a 13% rise in older people needing to access these services. We continue to give focus to our utilisation of short-term residential care beds and are seeing some positive results in reducing our dependence upon them. However, a high proportion of those previously in receipt of short term bedded care have converted into long term need. Of course, for the Health and Care system, as described by the SCOPEL paragraph above, the winter seasonal peak in pressure is now upon us, and capacity planning within our Winter Plan has kicked in and we make all attempts to manage this in the most cost-effective way possible.

Graph 1 & 2: Example of Older People care volume and price spikes over last 18 months.





2.15 During the last few periods the continued impact of the pandemic, and its effects on care capacity, has meant that we will see some short-term reductions in the volume, and therefore expenditure, of services such as home support and transport. These align to our rising interim care and holding lists. Whilst this could be perceived as positive movements financially, a continued pattern of movement from these drivers will likely be disadvantageous for both the outcomes of the people but also the longer term trend of cost.

2.16 We were pleased that new monies for Social Care relating to the six months to March 2022 were announced recently. These will provide a continued level of resource for care providers around infection control but also funding towards Hospital Discharge arrangements. Both funds were only confirmed for the next 6 months and continue to present a longer term financial risk to the Council.

2.17 In order to meet current demand levels and balance both Covid recovery and service transformation, the department has needed to continue with both its recruitment drive and focus on staff retention. This means that some of our staff budgets that have historically underspent (due to vacancies) may well be under pressure. We recognised that 2021/22 would likely be a difficult financial year and built an adequate reserve balance to manage any presenting risk. We have now passed the mid-point in the financial year, and as at period 8, the ASC department is still forecasting an underlying overspend of £8.9, mitigated by one-off utilisation of Business Risk reserves. The ASC reserve forecast (Table 3, section 4.3) therefore reflects this planned reserve utilisation. As noted elsewhere in this paper, the recent announcements of additional funding relating to ASC, namely for the Care Market and Hospital Discharge, has meant the funding set aside for the latter half of the year towards these pressures will likely not be needed during 2021/22. The Period 8 reserve forecast therefore reflects the reduced usage towards these needs in the next 3 months. It does however recognise that the service is likely to require these funds to manage both these pressures, and the wider transformation requirements described elsewhere on the agenda, in 2022/23 and beyond. The department recognises the one-off nature of reserve utilisation and therefore for both ASC, and the wider Council, it will be critical that the service is supported to manage the presenting risks in future cycles of the Medium Term Financial Strategy (MTFS) cycle.

2.18 **CES:** we are currently forecasting a balanced outturn position after the use of the business risk reserve, historically CES budgets have been fairly stable throughout the year, however the impact of the pandemic has added a degree of uncertainty to the budgets, specifically around income generation.

2.19 We are currently forecasting pressures around income within Museums, Libraries and On-street parking. Overall, the position will be mitigated through the local government income compensation scheme for lost sales, fees and charges and the use of the business risk reserve.

2.20 The department is also reviewing the additional costs of reopening services to ensure that they are available to the public and operating within the government guidelines.

2.21 Waste volumes at Recycling Centres and kerbside collections remain volatile following an exceptional year in 2020/21. The 2021/22 budget allowed for an increase in waste volumes, we continue to monitor this closely and the long term impacts on the budget.

2.22 **Corporate services:** The Strategy and Transformation and Governance directorates are forecasting a balanced position, making use of current underspends, Covid and business risk reserves brought forward from 2021-22 where appropriate.

2.23 Finance and Commercial Services is forecasting a balanced position for P8-22 as pressures due to the impact of COVID on loss of income and increasing overhead costs on Property services are offset using the business risk reserve.

2.24 **Finance General:** Finance General forecast has been updated in P8 for the one-off reduction in Minimum Revenue Provision of £4.405m resulting from slippage in the 2020-21 Capital Programme. In addition, there are interest savings of £0.718m due to borrowings secured at lower interest rates than budget, £0.532m additional interest receivable and £0.726m in Travel Rights Grants. This is offset by a £1.979m overspend in Covid related PPE, staff and premises costs. Other forecast underspends include £0.084m reduction in member travel and allowances, £0.113m Council's pension AVC salary sacrifice scheme and other minor variations totalling £0.451m. The net result is an overall underspend of £5.050m

2.25 The forecast assumes use of £22.745m Covid reserves brought forward from 2020-21 to mitigate Covid related expenditure where appropriate and necessary to maintain a balanced budget. We are assuming that the combination of Covid grants and reserves will be sufficient to cover additional cost pressures, but at this stage of the year the extent of cost pressures may still change.

2.26 Further details are given in Appendix 1: Revenue Annex 1.

3 Approved budget, changes and variations

3.1 The 2021-22 budget was agreed by Council on 22 February 2021 and is summarised by service in the Council's Budget Book 2021-22 (page 17) as follows:

Table 2: 2021-22 original and revised net budget by service

Service	Approved net base budget	Revised budget P8
	£m	£m
Adult Social Care	252.550	252.635
Children's Services	178.886	178.886
Community and Environmental Services	158.307	157.889
Strategy and Transformation	8.422	8.601
Governance Department	1.904	1.865
Finance and Commercial Services	32.235	32.388
Finance General	-193.210	-193.17
Total	**439.094**	**439.094**

Note: this table may contain rounding differences.

3.2 In November 21, there were some minor budget transfers between services, however the Council's net budget for 2021-22 remains unchanged.

4 General balances and reserves

General balances

4.1 At its meeting on 22 February 2021, the County Council agreed a minimum level of general balances of £19.706m in 2021-22. The balance at 1 April 2021 was **£23.763m** following transfers of £4.056m from non-Covid related savings and Finance General underspends at the end of 2020-21. The forecast for 31 March 2022 is £23.763m, taking into account the balanced outturn forecast.

Reserves and provisions 2021-22

4.2 The use of reserves anticipated at the time of budget setting was based on reserves balances anticipated in January 2021. Actual balances at the end of March 2021 were higher than planned, mainly as a result of grants being carried forward, including Covid-19 support grants, and reserves use being deferred.

4.3 The 2021-22 budget was approved based on a closing reserves and provisions (excluding DSG reserves) of £111.8m as at 31 March 2022. This, and the latest forecasts are as follows.

Table 3: Reserves budgets and forecast reserves and provisions (excluding LMS/DSG)

Reserves and provisions by service	**Actual balances 1 April 2021(1)**	**Increase in March 2021 balances after budget setting**	**2021-22 Budget book forecast March 2022**	**Latest forecast balances 31 March 2022**
	£m	**£m**	**£m**	**£m**
Adult Social Services	38.611	16.836	14.102	27.171
Children's Services (inc schools, excl LMS/DSG)	17.412	8.953	5.832	7.377
Community and Environmental Services	54.223	12.274	49.780	57.725
Strategy and Transformation	1.892	0.529	1.265	1.741
Governance	2.119	0.236	0.908	1.279
Finance & Commercial Services	4.628	1.340	1.872	2.559
Finance General	39.255	6.172	30.739	25.103
Schools LMS balances	17.018	4.204	7.308	13.625
Reserves and Provisions including LMS	**175.158**	**50.544**	**111.806**	**136.580**
DSG Reserve (negative)	**-31.797**	**-0.834**	**-34.355**	**-54.324**

4.4 Covid grants and other grants and contributions brought forward as at 31 March 2021 resulted in reserves and provisions being £50.5m higher than had been assumed at the time of budget setting. However, it is assumed that the majority of these reserves will be used for service provision during 2021-22. As a result, the latest forecast net total for reserves and provisions at 31 March 2022 is approximately £24.774m higher than was assumed at the time of budget setting.

4.5 **Dedicated Schools Grant (DSG)**: The latest forecast DSG Reserve is based on the latest modelling of the Dedicated Schools Grant (DSG) Recovery Plan after the 2020-21 outturn, updated for the actual rise in placements and support seen during the financial year to date that have exceeded the growth estimates built into the budget. The forecast is for an in-year deficit of c. £22.5m overspend as at the end of March 2022 which increases the DSG Reserve to £54.3m at 31 March 2022. The forecast overspend is due to the High Needs Block, with the Schools Block forecast to have a small underspend c. (£0.2m) and the remaining Blocks forecast to break-even at this stage. This compares to a budgeted deficit of £8.635m.

4.6 The areas of most significant cost pressure continue to be independent school placements along with post-16 provision and maintained special school placements. After the third national lock-down, there was a significant increase in demand for independent special school provision placements which significantly exceeds the growth estimated in the budget and is the key driver behind the increased overspend forecast for the 2021-22 financial year.

4.7 In addition, the average cost of these places has risen by c. 15% since the budget was set. This price increase is replicated regionally and nationally and is due to the market conditions where demand is significantly exceeding supply. The charges of this sector are not regulated nationally, and local authorities are not in a position to properly negotiate upon price when it is required that a child is placed in the provision in line with statutory duties. Even prior to this increase in average costs, analysis shows that, Norfolk spends twice as much on independent special school places as it does upon state-funded (i.e. maintained, academy or free) school places, and the educational outcomes for children and young people are consistently higher within the state-funded sector.

4.8 These budgets will continue to be kept under close review. Officers have also raised concerns about the imbalance in the market with representatives of the DfE and requested support regarding regulation, to better support the control of costs and improving the outcomes for children and young people within these placements.

4.9 Another area of additional spend in 2021/22 relates to support in mainstream schools for children with high special educational needs to enable the child to remain within the mainstream sector either on a long-term basis, to prevent escalation of needs or on a short-term basis whilst specialist provision is awaited. As the pandemic restrictions have eased, there has been a significant demand from schools. This area of spend is being kept under close review, but it should be noted that additional spend on these budgets should mitigate pressures on maintained special school and independent school placements, particularly in the medium-to-longer-term.

4.10 Despite the pandemic, significant work by the NCC, Norfolk Schools Forum and the wider system continues to take place as part of the Children's Services Transformation Programme both to ensure that the right specialist provision is in the right place to meet needs (i.e. the capital investment), whilst also progressing work to transform how the whole system supports additional needs within mainstream provision.

4.11 NCC reports the forecast position each term to the Norfolk Schools Forum, in line with DfE expectations and feedback from the Forum continues to be sought. The latest report was to the November Schools Forum meeting (in line with the Period 6 forecast) and this position has been shared with the DfE in line with their requests for periodic update. As part of the DfE's ongoing monitoring where a local authority is carrying a cumulative deficit, a follow up meeting with representatives from the DfE has been held this term with no significant suggestions from the DfE as to alternative ways that Norfolk could be managing the DSG cost pressures.

4.12 Sustainable funding for the HNB continues to be pursued and NCC recently responded to a DfE consultation regarding revising the historical basis for the national funding formula for HNB; this consultation suggested that Norfolk has been under-funded for a number of years and, even if the proposals are implemented, will continue to be under funded due to a capping system. We have now received the provisional DSG allocations for 2022-23 that includes the outcome of this consultation; unfortunately, for Norfolk the final historical adjustment has been capped at a lower level than the consultation, meaning that level of under-funding for Norfolk continues and is exacerbated.

4.13 Norfolk has been investing significant capital monies in the creation of additional specialist places in existing state-funded schools alongside the building of new special schools and specialist resource base provision. Without this investment, the deficit position would have been significantly higher on the basis that the independent sector continues to expand to as demand continues. Officers have also fed back to the DfE regarding the vital role that capital investment could play in supporting the recovery of the High Needs Block, to enable placements to move from expensive independent provision into maintained / academy / free special schools. Sufficient capital investment has not been forthcoming from central government for many years and whilst there have been recent announcements, these need to be just the starting point if there is to be sufficient supply of state-funded specialist provision to fully meet the place needs of children with high SEND. Additionally, Officers have fed back that it is key that the funding announced is directed to those authorities where it would deliver the biggest benefit.

4.14 The outcome of the national major review into support for children with special educational needs following the implementation of the SEND Reform Act 2014 is currently expected this Autumn, having been previously delayed three times. It is anticipated that this review will deliver significant findings and that these will have financial implications.

4.15 **Provisions included in the table above**

The table above includes forecast provisions of £30.489m comprising:

- £10.0m insurance provision,
- £12.6m landfill provision (this provision is not cash backed),
- £4.887m provisions for bad debts,
- £2.996m business rates appeals provision, and
- a small number of payroll related provisions.

5 Covid-19 financial implications

5.1 Details of central government funding announcements and forecast Covid-19 pressures are set out below.

5.2 Covid-19 funding forecasted to date is as follows:

Table 4a: Covid-19 funding

Funding	Actual/forecast 2021-22 £m
Covid reserves brought forward	
Home to School and College Transport Funding carried forward	0.598
Local Outbreak Control: test and trace service support grant carried forward	1.306
Contain Outbreak Management Fund carried forward	14.389
Community Testing Funding carried forward	0.049
Clinically Extremely Vulnerable Funding carried forward	2.420

Wellbeing for Education Recovery Grant carried forward	0.037
Holiday Activity Fund Grant carried forward	0.018
Norfolk Assistance Scheme Reserve	0.491
Covid-19 Grant (Adults) carried forward	3.437
Use of funding brought forward from 2020-21	**22.745**
COVID-19 MHCLG Grant Tranche 5	18.829
Infection Control Fund	3.860
Infection Control and Testing Fund	4.755
Infection Control, Testing and Vaccination Fund	7.327
Home to School and College Transport Funding	0.245
Contain Outbreak Management Fund	4.859
Wellbeing for Education Recovery Grant	0.125
Covid Winter Grant Scheme	0.645
COVID Local Support Grant	2.579
Adult Social Care Rapid Testing Fund	2.535
Holiday Activity Fund Grant	2.389
Covid-19 Bus Services Support Grant	3.802
Funding for Travel Demand Management	0.117
Fire Home Office Grant	0.192
Hospital Discharge funding	12.706
Sales, fees and charges compensation	1.668
Furlough Income (non-schools)	0.206
Practical Support for Self-Isolation Grant	1.319
Community Testing Funding	0.840
Workforce Recruitment & Retention Fund	2.829
Workforce Recruitment & Retention Fund – Round 2	5.223
Funding forecast in 2021-22	**77.050**
Funding for 2021-22	**99.795**

New / confirmed funding

5.3 The majority of funding above is a continuation of funding streams first received in 2020-21. New funding sources include:

5.4 **Workforce Recruitment and Retention Fund – Round 2:** On 10 December the government set out its Adult Social Care Winter Plan which included a commitment to providing a second round of funding for workforce recruitment and retention to support local authorities recruit and retain sufficient staff over winter, support growth and sustain the existing workforce capacity. Norfolk's share of this funding is £5.223m.

5.5 **Hospital Discharge Funding**: £6.210m agreed funding from Norfolk & Waveney CCG to cover the hospital discharge costs incurred by NCC for Adult Social Care up until 30 September 2021. £478m nationally has been announced by the Government for the second half of the financial year in relation to the Hospital Discharge Programme. For Norfolk and Waveney, we have been allocated £11.169m of funding, with c£6.496m currently aligned to expenditure associated with NCC expenditure. We have very strong indications that this will be the last funding for this national policy. We are therefore working closely with our Health partners to ensure we have a sustainable and effective Hospital Discharge Programme within the reduced resources for 2022/23 onwards.

5.6 An additional element of cost mitigation included in forecast over and underspends is the Government's **Coronavirus Job Retention Scheme**. While the scheme has not been used to duplicate other sources of public funding, such as the Covid-19 support grants, the government has recognised that there are exceptional cases where, for example, Local Authorities have needed to close venues such as museums and registry offices. Claims for the period from April 2021 to the end of September 2021 totalled £0.232m, including £0.025m in respect of schools. The furlough scheme ended on 30 September 2021 and the final claim is being reconciled with a potential £0.035m to be returned to central government.

5.7 **Practical Support for Self-Isolation Grant**: The Council is expecting £1.319m for six months funding from the DHSC to provide practical support for those self-isolating.

Other funding

5.8 **Local government income compensation scheme for lost sales, fees and charges:** MHCLG have confirmed the extension to the Sales, Fees and Charges Scheme, into the first three months of 2021/22. The compensation subject to the same deductions as 2020-21 based on a 5% budget absorption and the 75 pence in every pound of loss thereafter). The Council submitted a claim on 20 October, if paid in full the Council will receive grant income of £1.668m from Government to compensate for lost income.

5.9 **Contain Outbreak Management Fund (COMF):** On 24th December the Council received confirmation that any unspent monies from COMF can be carried forward into the 2022-23 financial year. There is £14.389m carried forward from 2020-21 and an additional £4.859m received in 2021-22 which is being utilised to offset the costs associated with containing the pandemic, vaccination roll-out and enhanced testing facilities across the county.

5.10 **Adult Social Care – Omicron Support Fund (OSF):** On 29th December the government announced a further £60m top-up to local authorities to support adult social care sector and protect those who receive care and their carers from COVID-19 infection. Norfolk's share of this funding is £1.045m.

Covid-19 related cost pressures

5.10 A summary of the forecast Covid-19 related cost pressures are as follows:

Table 4b: Covid-19 cost pressures

Table 4b: Covid-19 cost pressures	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General	Total
	£m	£m	£m	£m	£m	£m	£m	£m
2021-22 Covid-19 cost pressures	**48.202**	**14.584**	**32.823**	**0.000**	**0.000**	**0.751**	**5.978**	**102.338**
Use of funding brought forward from 2020-21	-3.437	-0.653	-18.164	0.000	0.000	0.000	-0.491	**-22.745**
2021-22 Grants and funding	-39.878	-3.020	-11.850	0.000	-0.025	-0.219	-22.057	**-77.050**
2021-22 Covid-19 Funding	**-43.315**	**-3.673**	**-30.015**	**0.000**	**-0.025**	**-0.219**	**-22.548**	**-99.795**
Net pressure	**4.887**	**10.912**	**2.808**	**0.000**	**-0.025**	**0.531**	**-16.570**	**2.543**

The forecast net Covid cost pressure position reflects ongoing pressures and costs throughout 2021-22 resulting in a net forecast Covid cost pressure of £2.543m.

Other pressures

5.11 A particular risk relates to Business Rates and Council Tax income. This has been taken into account during 2021-22 budget setting. To assist future budgeting, the government has allowed Council's to spread their tax deficits over 3 years rather than the usual one year

5.12 The costs and income pressure relating to Covid-19 vary from the overall Council forecast balanced budget position shown in this report. This is due to non-Covid-19 related actions put in place by Chief Officers to mitigate the financial impacts of the pandemic.

6 Budget savings 2021-22 summary

6.1 In setting its 2021-22 Budget, the County Council agreed net savings of £41.179m. Details of all budgeted savings can be found in the 2021-22 Budget Book. A summary of the total savings forecast to be delivered is provided in this section.

6.2 The latest monitoring reflects total forecast savings delivery of £37.019m and a total shortfall of £4.160m (10%) at year end.

6.3 The forecast savings delivery is anticipated as shown in the table below:

Table 5: Analysis of 2021-22 savings forecast

	Adult Social Services	**Children's Services**	**Community and Environmental Services**	**Strategy and Transformation**	**Governance**	**Finance and Commercial Services**	**Finance General**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Budget savings	17.858	11.300	8.288	0.553	0.353	1.927	0.900	**41.179**
Period 8 forecast savings	14.588	10.970	8.288	0.553	0.353	1.367	0.900	**37.019**
Savings shortfall (net)	3.270	0.330	0.000	0.000	0.000	0.560	0.000	**4.160**

Commentary on savings risk areas

6.4 Some saving programmes have highlighted risk areas which will need to be kept under review. Any updates to the forecast delivery of savings will be included in future monitoring to Cabinet.

Adult Social Services

6.5 Adult Social Services are presently forecasting to deliver £14.588m of their £17.858m 2021/22 savings target, but further significant risks exist. The £3.270m non-delivery relates to three savings.

6.6 £2.000m non delivery relates to the Short Term Out of Hospital Offer saving (ASS015) due to the high demand experienced for short term residential care following hospital discharge. The saving was predicated on the reduction of the use of short-term beds and the ability to reduce the length of stay, however due to Covid this has not been possible. Therefore, at Period 8 we continue to declare £2.000m non delivery against this £3.670m saving.

6.7 At Period 8 we are also declaring a shortfall in the Homebased Reablement Saving (ASS001) of £0.870m against a £1.250m target. The Reablement service is currently experiencing considerable capacity issues due to having to ‘hold’ home care packages due to the significant pressures in the market. They also have a number of staff vacancies. Both these factors have meant that the services capacity to accept reablement referrals has substantially reduced. This has resulted in a reduction in the savings that are forecast to be delivered this year.

6.8 The other area at period 8 that we are now declaring as expected not to be delivered is the Digital Sourcing saving (an element of ASC36), £0.400m. Due to the considerable resourcing and Covid pressures on the market, at the moment we are still seeing upward pressures on the price levels the Council is having to pay for care. This is exacerbated by not currently being able to use a Sourcing Tool to support discussions.

6.9 There are other risks to the delivery of savings which may mean in future periods some of the other savings will have adverse forecasts applied to them. As conveyed in the revenue section of this report, Adult Social Services will likely struggle to deliver the previous year's (2020/21) savings shortfall whilst also delivering the present year savings.

Children's Services

6.10 Despite the ongoing pressures being seen by the department, it is still anticipated that the vast majority of Children's Services budgeted savings, which lie primarily within the transformation programme, will be delivered in 2021-22 based upon the latest analysis available. The small under-delivery, £0.330m (less than 3% of the overall savings), is due to the impact of the pandemic upon foster carer recruitment for the enhanced fostering transformation project. It is anticipated that the overall savings will be delivered over the lifetime of the project, which spans multiple financial years, but that there will be slippage in this year.

6.11 The forecast continues to assume that savings will be delivered during the remainder of the financial year; significant deviation from these plans could result in an increase to the forecast. Therefore, expected delivery of savings will continue to be kept under close review.

6.12 As advised elsewhere in this report, there are significant stresses within the system due to the ongoing impact of the pandemic that are diverting resources away from the transformation programme, as well as pressures within the market that means it is more challenging to secure the right provision, in the right place, at the right time and at the right cost; all of which are essential to deliver many elements of the transformation programme.

6.13 Other significant influences that are beyond the Council's control continue to make delivery of the transformation programme (and, therefore, savings) difficult considering the ongoing recovery work, ongoing direct Covid-related impacts including self-isolation of staff, increases in demand seen and further waves. Therefore, expected delivery of savings will continue to be kept under close review.

Finance and Commercial Services

6.14 £0.560m non delivery relates to Corporate Property Team savings (P&R027/P&R058/P&R060). Savings have to date been absorbed / delivered through one-off measures but following a detailed review of previously identified savings from 2016, particularly around commercialisation of elements, these are no longer felt to be achievable. A number of the initiatives have been market tested and evaluated and do not produce a significant return or pose a financial / reputational risk to NCC. The non-delivery of savings in 2021-22 has been reflected in the monitoring position and is proposed to be addressed as part of the 2022-23 Budget

2022-23 to 2024-25 savings

6.15 Budget setting in 2021-22 saw the approval of £2.245m savings for 2022-23, £1.600m for 2023-24 and £2.500m savings for 2024-25. Any impact on the deliverability of these savings, including any 2021-22 savings that are permanently undeliverable, will be considered as part of the budget setting process for 2022-26.

Revenue Annex 1

Forecast revenue outturn

Revenue outturn by service

The forecast net balanced budget is a result of a range of underlying forecast over and underspends which are listed below.

Revenue budget outturn by service – detail

Adult Social Services	**Revised Budget**	**Overspend**	**Under spend**	**Forecast net spend**
		£m	**£m**	
Purchase of Care		1.249		
Commissioned Services			-0.050	
Community Social Work			-0.190	
Business Development			-0.108	
Early Help & Prevention			-0.665	
Community Health & Social Care			-0.255	
Management, Finance & HR		8.919		
Use of Business Risk Reserve			-8.900	
Forecast over / (under) spends		**10.168**	**-10.168**	
Net total	**252.635**		**0**	**252.635**
The underlying over and underspends above excludes the planned use of ASC reserves built into the 2021-22 budget				
Children's Services				
Social Care		7.840		
Learning and Inclusion		4.460		
Commissioning, Partnerships and Resources			-1.785	
Use of Children's Services Business Risk Reserves			-4.000	
Use of Transport Equalisation Risk Reserves			-1.285	
Use of anticipated MHCLG Loss of Fees and Charges Income			-0.180	
Forecast over / (under) spends		**12.300**	**-7.250**	
Net total	**178.886**		**5.050**	**183.936**
Community and Environmental Services				
Museums – Forecast Loss of income		0.699		
Libraries Loss of income		0.208		
On-street Parking income		0.400		
Use of Business risk reserve			-1.307	
Forecast over / (Under) spend		**1.307**	**-1.307**	
Net total	**157.889**		**0**	**157.889**

	Revised Budget	Overspend	Under spend	Forecast net spend
Strategy and Transformation				
Net underspends			-0.221	
Human Resources use of reserves for COVID and other cost pressures		0.364		
Other cost pressures		0.008		
Use of Business Risk Reserve			-0.151	
Forecast over / (under) spend		**0.372**	**-0.372**	
Net Total	**8.601**		**0**	**8.601**
Governance				
Election and coroners costs		0.858		
Net underspends			-0.019	
Use of Business Risk Reserve			-0.171	
Use of Election Costs reserves			-0.668	
Forecast over / (under) spend		**0.858**	**-0.858**	
Net Total	**1.865**		**0**	**1.865**
Finance and Commercial Services				
COVID 19 – Loss of income, extra expenditure		0.294		
Cost pressures in Property and Finance		0.854		
Net underspends			-0.173	
Use of Business Risk Reserves			-0.975	
Forecast over / (under) spend		**1.148**	**-1.148**	
Net Total	**32.388**		**0**	**32.388**
Finance General				
Covid-19 additional costs		1.979		
Travel Rights Grant income received			-0.726	
Members travel and allowances			-0.084	
Pension AVC Salary Sacrifice scheme			-0.113	
Interest on balances			-0.718	
Interest receivable			-0.532	
Minimum Revenue Provision			-4.405	
Other cost pressures and underspends			-0.451	
Forecast over / (under) spend		**1.979**	**-7.029**	
Net total	**-193.170**		**-5.050**	**-198.220**
TOTAL	**439.094**			**439.094**

Revenue Annex 2 – Dedicated Schools Grant Reserve

Dedicated schools grant	**Reserve as at 31 Mar 21**	Revised Budget (A)	**Budgeted Reserve as at 31 Mar 22**	Forecast Spend (B)	(Over) / under spend A-B	Forecast Reserve as at 31 Mar 22
High Needs Block		8.635		-22.527	-13.892	
Increase in net deficit to be carried forward		-8.635				
Forecast (over) / under spend				**-22.527**	**-13.892**	
Net deficit (DSG Reserve)	**-31.797**		**-40.432**			**-54.324**

Revenue Annex 3

Impact of Covid-19 – forecast cost pressures

Forecast cost pressures summarised in paragraph 5 of the main report are as follows:

	2021-22 Forecast £m
<u>**Identified / forecast costs**</u>	
Adult Social Care	
Support for people experiencing domestic abuse	0.050
Provider support payments to cover liquidity/sustainability issues and any additional costs where not specifically related to a person's changing care needs	1.500
Savings Risk Mitigation and Covid Recovery	4.051
Weekend or Overtime staff costs	0.180
Additional Capacity	1.121
Adult Social Care remote working costs	0.075
Adult Social Care Voluntary Sector	0.016
Loss of income - Day Care and Residential contributions	1.639
Hospital Discharge Programme	13.041
Full use of Infection Control funding	11.082
Full use of Adult Social Care Rapid Testing Fund	6.950
Full use of Vaccination Funding	0.445
Full use of Workforce Recruitment and Retention Fund	8.052
Adult Social Care Total	**48.202**
Children's Services	
Loss of income - Children's Services	1.080
Maintaining Early Year's Provision	0.139
Safeguarding campaign	0.030
Additional social care placement costs, including impact of market supply pressures as well as additional numbers of placements	8.962
Delayed transformation savings	0.330
Additional staff costs	0.028
Additional frontline agency costs	0.500
Children's Services remote working costs	0.015
Additional social worker training	0.075
Holiday Activity Fund	2.421
Full use of Home to School and College Transport Funding	0.843
Full use of Wellbeing for Education Return Grant	0.162
Children's Services Total	**14.585**
Community and Environmental Services	
Customer Services additional Covid expenditure	0.005
Additional Resilience costs	0.162
Highways additional COVID costs from 3rd party contractor work	0.054
Public Transport - Covid Bus Services Support Grant	3.802
Public Transport – Funding for Travel Demand Management	0.117
Loss of income: Libraries	0.416
Loss of income: Museums	1.120
Loss of income: Recreation and Sport	0.005

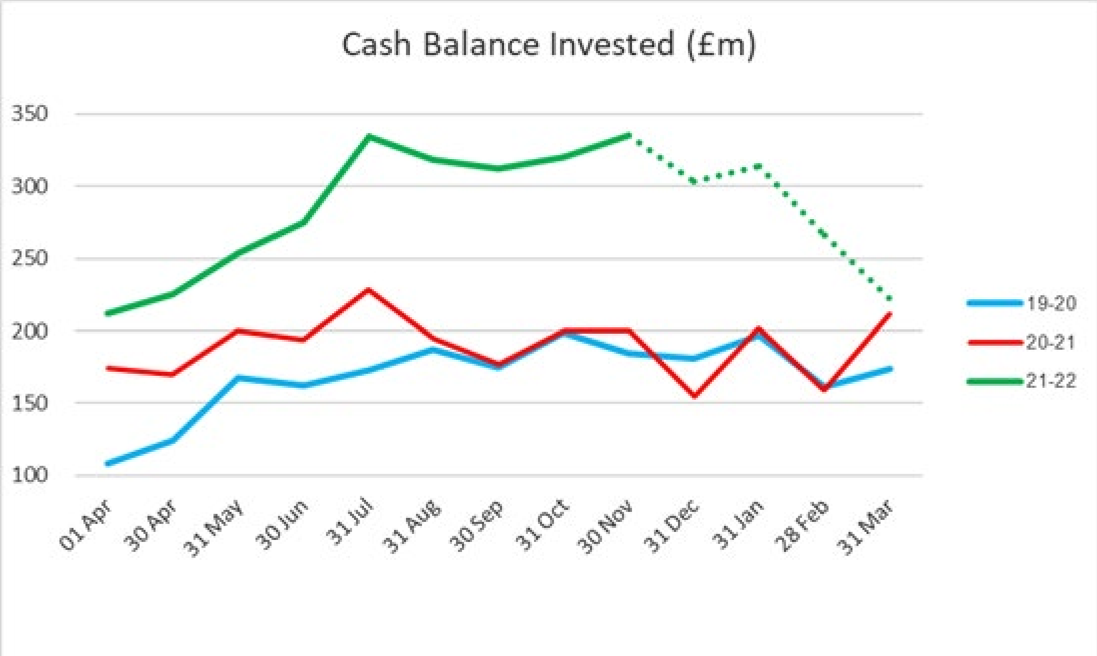
	2021-22 Forecast £m
Loss of income: Adult Education	0.170
Loss of income: Customer Service Centre	0.007
Loss of income: Planning Services	0.027
Loss of income: Public Transport	0.187
Loss of income: Records Office	0.005
Loss of income: CES including On-street Parking	0.500
Additional / redeployed Libraries staff	0.166
Additional / redeployed Museums staff	0.128
Additional / redeployed Records Office staff	0.005
Additional Covid Resilience/Consulting Costs	0.235
Additional COVID expenditure within Growth & Infrastructure	0.089
CES remote working costs	0.018
CES property costs	0.028
Public Health expenditure	0.200
Full use of Fire Home Office Grant	0.192
Full use of Local Outbreak Control: Test and Trace service support grant	1.306
Full use of Contain Outbreak Management Fund grant	19.248
Full use of Community Testing funding	0.890
Full use of Clinically Extremely Vulnerable funding	3.740
Community and Environmental Services Total	**32.822**
Strategy and Transformation	
Strategy and Transformation Total	**0.000**
Governance	
Governance Total	**0.000**
Finance and Commercial Services	
Covid response costs - redeployed staff, property costs (FCS)	0.238
Loss of income across Finance and Commercial Services including IMT Services to Schools, Property and Car Park income	0.513
Finance and Commercial Services Total	**0.751**
Finance General	
Covid response costs - redeployed staff, property costs	1.220
Additional / redeployed IMT staff	0.025
IMT - Infrastructure - Extra Telephony costs associated with WFH	0.086
Temporary mortuary costs	0.178
Corporate procurement of PPE	0.024
Distribution hub - Site costs	0.370
Extension of Norfolk Assistance Scheme (NAS)	0.491
Kit for digitally disadvantaged children	0.184
IMT Guided Learning	0.176
Use of COVID Local Support Grant	2.579
Use of COVID Winter Grant Scheme funding	0.645
Finance General Total	**5.978**
Covid-19 financial pressures Norfolk County Council total	**102.338**

Appendix 2: 2021-22 Balance Sheet Finance Monitoring Report Month 6

1 Treasury management summary

1.1 The corporate treasury management function ensures the efficient management of all the authority's cash balances. The graph below shows the level of cash balances over the last two financial years to March 2021, and projections to March 2022.

Chart 2: Treasury Cash Balances



1.2 The Council has borrowed a further £10m at the end of November to take advantage of the further dip in long term borrowing interest rates. The borrowing is on a maturity basis to fund the capital borrowing requirement as follows:

Amount borrowed	Date of transaction	Maturity date	Interest rate
£5m	26 November 2021	1 March 2068	1.50%
£5m	26 November 2021	1 March 2067	1.51%

1.3 The Council has healthy cash balances for the immediate future and the year to date borrowing of £110m has reduced the Council's exposure to potential future interest rate rises and secured a £0.718m saving on interest payable this year. The Council intends to continue pursuing this strategy of long term borrowing secured at fixed rates below a 1.85% trigger point.

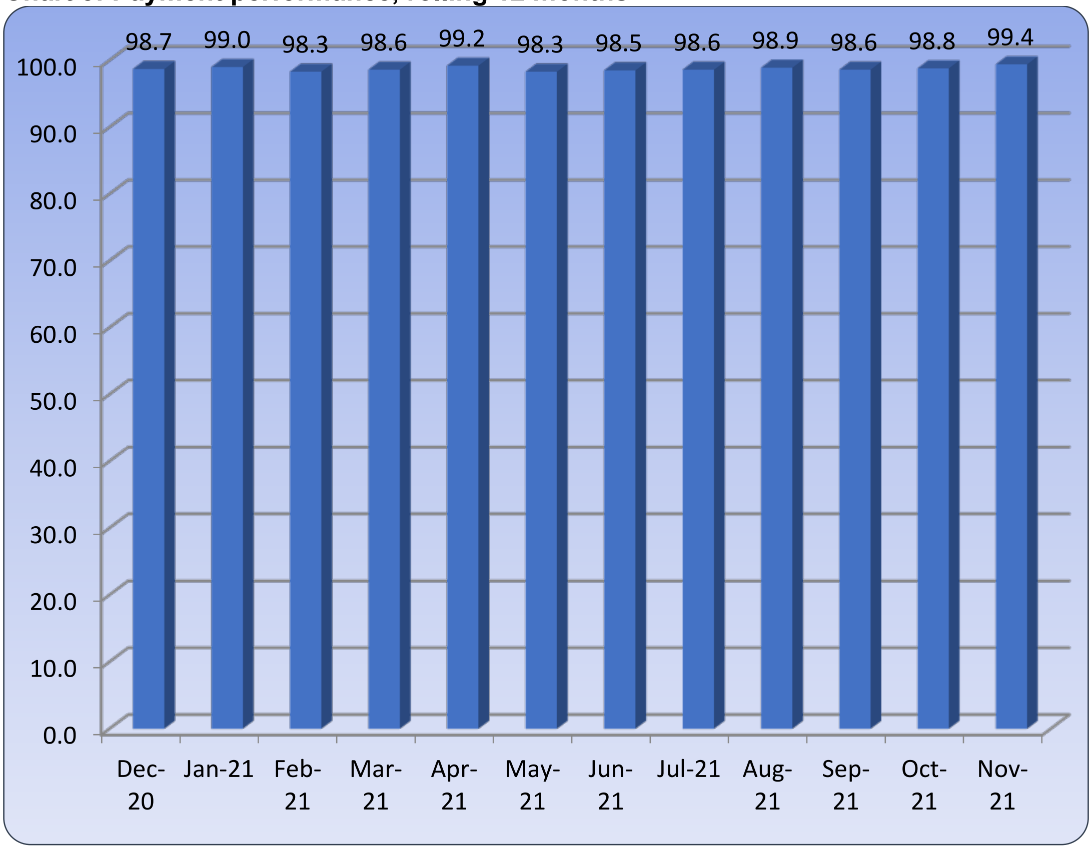
1.4 The Council's Treasury Strategy assumes as much as £80m may be borrowed in 2021-22, plus £30m deferred from 2020-21. The forecast cash flows takes into account the full £110m borrowed to date and current capital programme forecast resulting in a closing cash balance of approximately £222m

1.5 PWLB and commercial borrowing for capital purposes was £855.324m at the end of November 2021. The associated annual interest payable on existing borrowing is £30.913m.

2 Payment performance

2.1 This chart shows the percentage of invoices that were paid by the authority within 30 days of such invoices being received. Some 470,000 invoices are paid annually. 99.4% were paid on time in November 21 against a target of 98%. The percentage has remained above the target of 98% in the last 12 months.

Chart 3: Payment performance, rolling 12 months



Note: The figures include an allowance for disputes/exclusions.

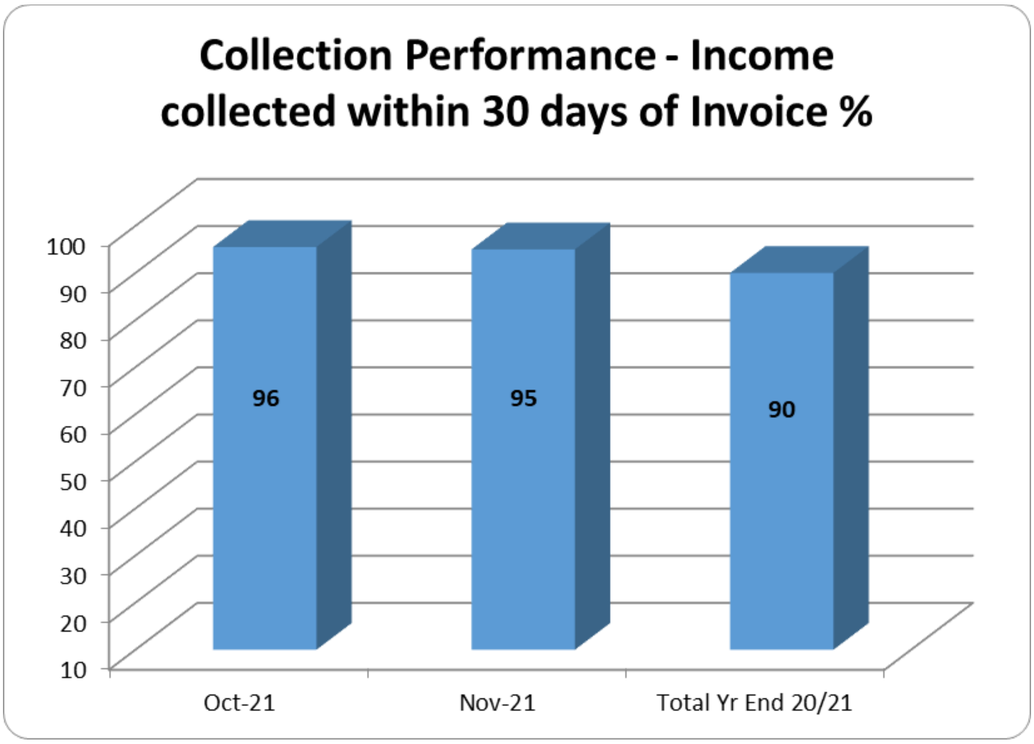
3 Debt recovery

3.1 **Introduction**: In 2020-21 the County Council raised over 135,100 invoices for statutory and non-statutory services. These invoices totalled in excess of £1.7bn. Through 2020-21 90.1% of all invoiced income was collected within 30 days of issuing an invoice, with 97.5% collected within 180 days.

Debt collection performance measures – latest available data

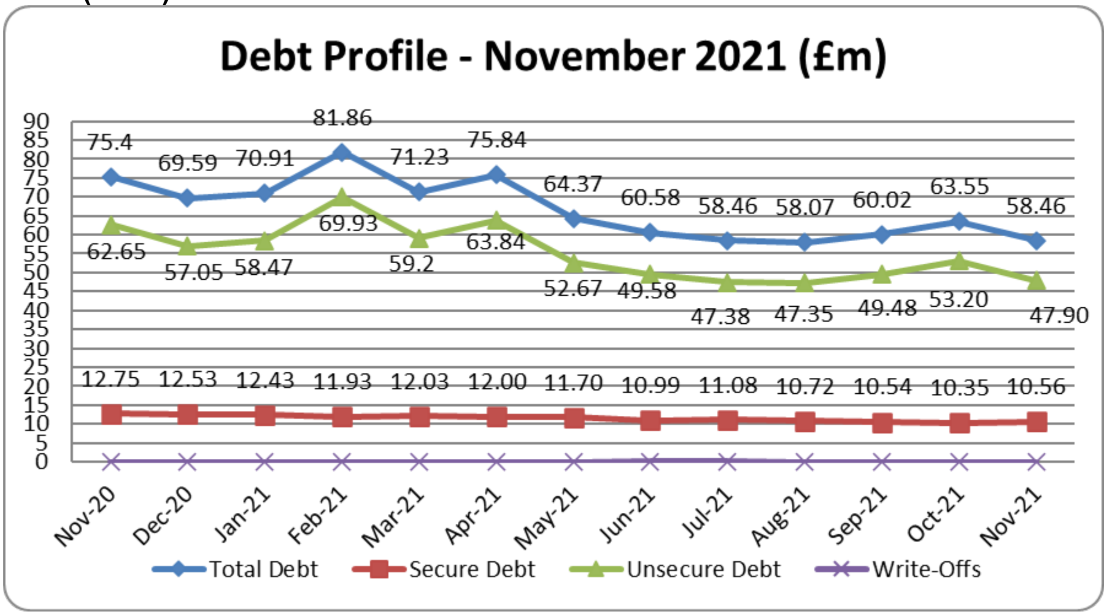
3.2 The proportion of invoiced income collected within 30 days for invoices raised in the previous month – measured by value – was 95% in November 2021.

Latest Collection Performance



3.3 The value of outstanding debt is continuously monitored, and recovery procedures are in place to ensure that action is taken to recover all money due to Norfolk County Council. The level of debt is shown in the following graph:

Debt Profile (Total)



3.4 The overall level of unsecure debt decreased by £5.3m in November 2021. Of the £47.9m unsecure debt at the end of November 21; £10.3m is under 30 days. The largest area of unsecure debt relates to charges for social care, £37.2m, of which £6.71m is under 30 days and £13.38m is debt with the CCG's for shared care, Better Care Pooled Fund, continuing care and free nursing care.

3.5 Secured debts amount to £10.56m as at 30 November 21. Within this total £3.55m relates to estate finalisation where the client has died, and the estate is in the hands of the executors.

3.6 **Debt write-offs**: In accordance with Financial Regulations and Financial Procedures, Cabinet is required to approve the write-off of debts over £10,000. The Executive Director of Finance and Commercial Services approves the write-off of all debts up to £10,000.

3.7 Service departments are responsible for funding their debt write-offs. Before writing off any debt all appropriate credit control procedures are followed.

3.8 For the period 1 April 2021 to 30 November 2021, 151 debts less than £10,000 were approved to be written off following approval from the Executive Director of Finance and Commercial Services. These debts totalled £135,069.60.

3.9 Of the £135k debts written off 26 debts were over £500, totalling £53,373.24. No debts over £10,000 have been approved for write-off since 1 April 2021.

Appendix 3: 2021-22 Capital Finance Monitoring Report

Report by the Executive Director of Finance and Commercial Services

1 Capital Programme 2021-25

1.1 On 22 February 2021, the County Council agreed a 2021-22 capital programme of £281.594m with a further £256.066m allocated to future years', giving a total of £537.660m.

1.2 Additional re-profiling from 2020-21 resulted in an overall capital programme at 1 April 2021 of £661m. Further in-year adjustments have resulted in the capital programme shown below:

Table 1: Capital Programme budget

	2021-22 budget	Future years
	£m	£m
New schemes approved February 2021	33.687	68.781
Previously approved schemes brought forward	247.907	187.285
Totals in 2021-25+ Budget Book (total £537.660m)	**281.594**	**256.066**
Schemes re-profiled after budget setting	95.379	
New schemes approved after budget setting	1.249	
Other adjustments after budget setting including new grants	20.489	6.363
Revised opening capital programme (total £661.140m)	**398.711**	**262.429**
Re-profiling since start of year	-148.815	148.815
Norwich Western Link (approved 7th June 21)	12.296	174.543
Other movements including new grants and approved schemes	76.755	26.617
Total capital programme budgets (total £951.351)	**338.947**	**612.404**

Note: this table and the tables below contain rounding differences

1.3 The total capital programme budget has reduced by £1.373m compared to P7 (£952.724) due to:

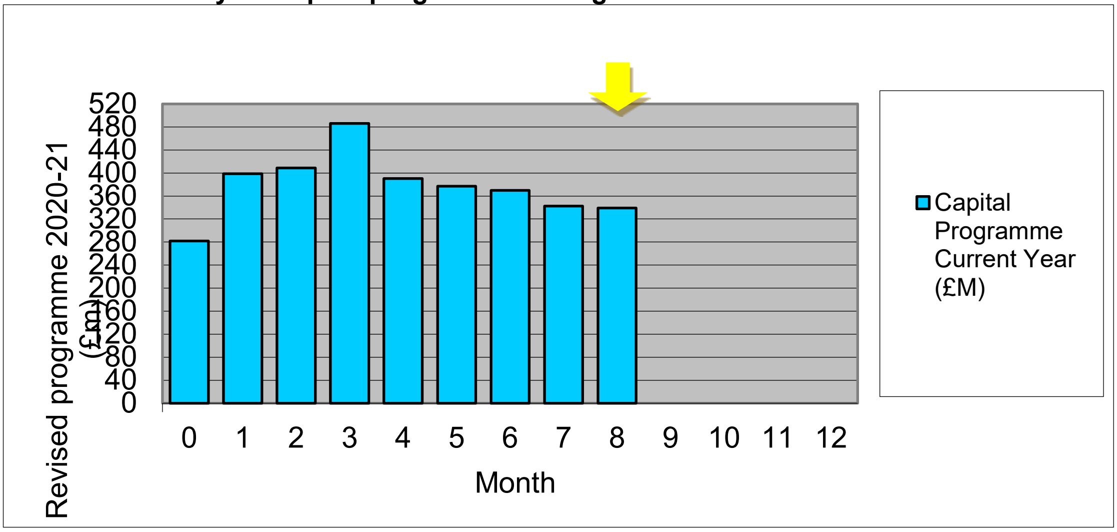
- £7.274m reduction in the Highways unallocated grant funds following the review of forecasts for Department for Transport (DfT) funded projects, offset by
- £5.288m Department for Education (DfE) allocation of capital maintenance grant for 2021-22 for schools
- increase of £0.601m Bradwell/Holt Developer Contribution from Childrens' Services
- Other minor adjustments to various project budgets totalling a £0.012m increase to reflect year to date spend and external contributions

1.4 Following a review of forecasts, £3.794m has been brought forward from future years to 2021-22 budget bringing the total budget reprofiled this year to £148.815m. The majority of the reprofiling (£3.739m) relates to Highways schemes. A full breakdown of these movements in capital budget are available in Capital Annex 1 below.

Changes to the Capital Programme

1.5 The following chart shows changes to the 2021-22 capital programme through the year.

Chart 1: Current year capital programme through 2021-22



1.6 Month "0" shows the 2021-22 capital programme at the time of budget approval, with schemes reprofiled after budget setting shown in month 1, followed by the most up to date programme. The current year programme will change as additional funding is secured, and when schemes are re-profiled to future years as timing becomes more certain.

1.7 The current year's capital budget is as follows:

Table 2: Service capital budgets and movements 2021-22

Service	Opening programme	Previous report	Reprofiling since previous report	Other Changes since previous report	2021-22 latest Capital Budget
	£m	£m	£m	£m	£m
Children's Services	133.879	-69.367	2.750	-0.004	67.258
Adult Social Care	14.888	-0.217	0.000	0.000	14.671
Community & Environmental Services	162.948	13.501	1.045	-7.293	170.201
Finance & Commercial Services	86.914	-0.281	0.000	0.034	86.667
Governance	0.082	0.068	0.000	0.000	0.150
Total	**398.711**	**-56.296**	**3.795**	**-7.263**	**338.947**
		342.415		**-3.468**	

Note: this table may contain rounding differences.

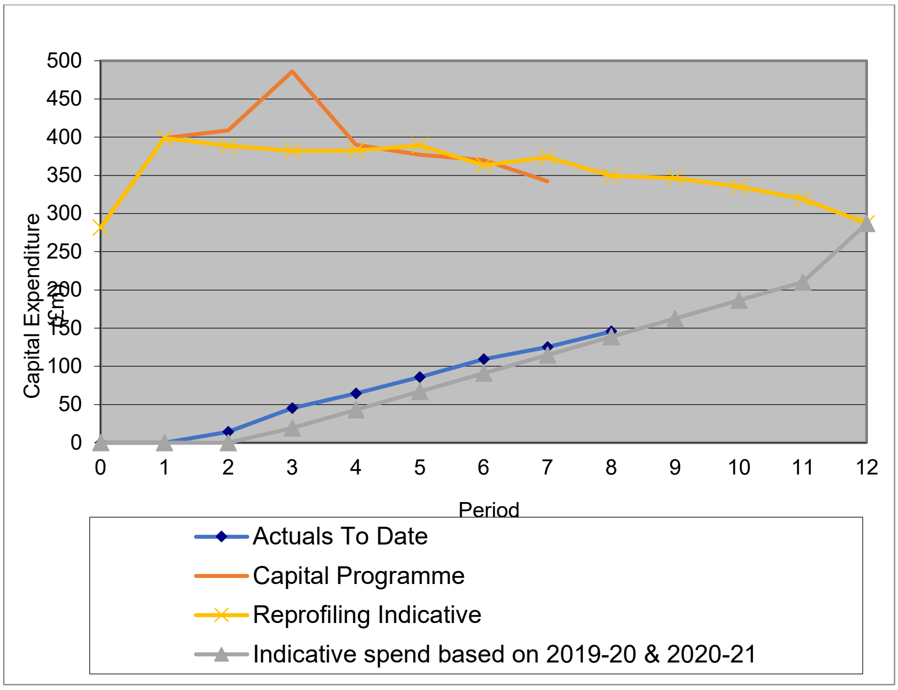
1.8 The revised programme for future years (2022-23 to 2024-25 and beyond) is as follows:

Table 3: Capital programme future years 2022+

Service	Previously reported future programme	Reprofiling since previous report	Other Changes since previous report	2022+ Future Capital Budget
	£m	£m	£m	£m
Children's Services	194.415	-2.750	5.889	197.554
Adult Social Care	57.098	0.000	0.000	57.098
Community & Environmental Services	318.301	-1.044	0.000	317.257
Finance & Commercial Services	40.213	0.000	0.000	40.213
Governance	0.282	0.000	0.000	0.282
Total	**610.309**	**-3.794**	**5.889**	**612.404**

Note: this table contains rounding differences

1.9 The graph below shows the movement on the current year capital budget and year to date capital expenditure:



The graph shows that actual year to date capital spend is ahead of the opening forecast, which was based on the opening capital programme and an indicative calculation based on previous years' expenditure. It also shows that budgets are being re-profiled to future years as the progress on projects becomes clearer. As a result, capital expenditure of approximately £286.9m is expected to take place in 2021-22.

2 Financing the capital programme

2.1 Funding for the capital programme comes primarily from grants and contributions provided by central government and prudential borrowing. These are supplemented by capital receipts, developer contributions, and contributions from revenue budgets and reserves.

Table 4: Financing of the capital programme

Funding stream	**2021-22 Programme**	**Future Years Forecast**
	£m	**£m**
Prudential Borrowing	163.406	372.431
Use of Capital Receipts		
Revenue & Reserves	0.235	-
Grants and Contributions:		
DfE	27.256	49.050
DfT	107.858	161.886
DoH	9.352	0.173
MHCLG	0.139	-
DCMS	5.175	-
DEFRA	2.000	-
Developer Contributions	9.042	22.733
Other Local Authorities	0.458	0.036
Local Enterprise Partnership	1.034	
Community Infrastructure Levy	3.050	2.888
National Lottery	4.638	3.182
Commercial Contributions	4.490	
Business rates pool fund		
Other	0.815	0.026
Total capital programme	**338.947**	**612.404**

Note: this table may contain rounding differences

2.2 For the purposes of the table above, it is assumed that all capital receipts will be applied directly to the re-payment of debt and transformation projects, rather than being applied to fund capital expenditure. Any proposals to utilise capital receipts to fund in-year capital expenditure are recommended to Cabinet for approval (see section 3 below)

2.3 Developer contributions are funding held in relation to planning applications. Section 106 (Town and Country Planning Act 1990) contributions are held in relation to specific projects: primarily schools, with smaller amounts for libraries and highways. The majority of highways developer contributions are a result of section 278 agreements (Highways Act 1980).

3 Capital Receipts

3.1 The Council's property portfolio is constantly reviewed to ensure assets are only held where necessary so that capital receipts or rental income can be generated. This in turn reduces revenue costs of the operational property portfolio.

3.2 The capital programme, approved in February 2021, gave the best estimate at that time of the value of properties available for disposal in the four years to 2024-25, totalling £20.4m.

Table 5a: Disposals capital programme forecast

Financial Year	Property sales forecast £m
2021-22	10.6
2022-23	5.7
2023-24	3.9
2024-25	0.2
	20.4

The timing of future year sales is the most optimistic case and may slip into future years if sales completions are delayed.

3.3 The revised schedule for current year disposals is as follows:

Table 5b: Capital receipts and forecast use current financial year £m

Capital receipts 2021-22	**£m**
Capital receipts reserve brought forward	6.449
Loan repayments – subsidiaries forecast for year	0.787
Loan repayments – LIF loan repayments to date	0.358
Capital receipts to date	
Sale of Hopton Land to Repton	2.862
Other Capital receipts in year	2.887
Capital Receipts forecasted for asset disposals subject to contract	1.330
Secured capital receipts to date	**14.673**
Potential current year farms sales	0.085
Potential current year non-farms sales	0.610
Potential development property sales	0.250
Potential capital receipts	**0.945**
Forecast available capital receipts	**15.618**
Forecast use of capital receipts	
Budget 2021-22 to repay debt	2.000
Maximum flexible use of capital receipts to support transformation costs	3.000
Norwich Western Link Reserve	5.061
Total forecast use of capital receipts	**10.061**

3.4 As can be seen from this table, enough capital receipts have been secured to support the approved 2021-22 revenue budget. Considering delays anticipated in January to March 2022, the potential capital receipts anticipated for 2021-22 has been reduced by £2.65m and moved into 2022-23.

3.5 Further sales will contribute to the capital receipts reserve which can be used to reduce the external borrowing requirement, fund debt repayments, flexible use of capital receipts or capital investment.

3.6 2021-22 is the final year when capital receipts can be utilised to support transformation costs. Table 5b includes £3m earmarked for this - £1m to ASC and £2m to Children's Services.

4 New capital budget proposals

4.1 The additions to the capital budget for November 2021 include the following:

- £5.288m allocation of 2022-23 Capital Maintenance grant from DfE
- £0.601m section 106 contributions from the developer for the Holt and Bradwell sites
- £0.015 increase to the S106 contributions for Swaffham Library

4.2 The breakdown of the sources of funding is set out below in Capital Annex 1.

4.3 The Household Waste Recycling Centre schemes are overspent by £2.565m as at November 21 and is partially offset by underspends of £0.440m on other waste management projects. Therefore, Cabinet is asked to approve additional funding of £2.125m to cover additional costs on the Norwich North and Norwich South Recycling centres schemes. The schemes have been delivered at a time of significant challenge throughout the Covid-19 pandemic.

The schemes were disrupted due to Covid-19 with increased material costs and availability impacting on the delivery of the schemes. There have also been additional costs of delivering the access road for Norwich North which was completed during some very challenging weather conditions.

Capital Annex 1 - changes to capital programme since last Cabinet

Service	Project	Funding Type	2021-22 Change (£m)	2021-22 REPROFILE	22-23+ Change (£m)	22-23+ REPROFILE	Reason
Children's Services							
EC4822	Capital Maintenance	DfE Grant			5.288		21/22 Capital allocation
EC3827/EC3848	Holt/Bradwell S106 pot	Developer contribution			0.601		S106 funding received for Bradwell and Holt
ECAPFM/AA	School based projects	Misc	-0.004				Academy Refunds - Gt Dunham
EC3812	Watton S106	Developer Contribution		0.090		-0.090	Reprofiled for allocation
EC4344	Fen Rivers Ph2, former St Edmunds	NCC Borrowing		-0.100		0.100	Reprofiled to cover defects in next year
		DfE Grants		-0.200		0.200	
EC4596	AC - Gayton Primary	DfE Grants		2.200		-2.200	Funding moved back to 21/22 as per latest cost report
EC4695	Basic need	DfE Grants		0.934		-0.934	Funding moved back for allocation to Gayton
EC4724	AC - Arden Grove SRB	NCC Borrowing		0.100		-0.100	Funding moved back to cover in year expenditure
EC4750	HARNESSING TECHNOLOGY	DfE Grants		0.005		-0.005	
EC4822	Condition Funding	DfE Grants		-0.130		0.130	Reprofile unallocated pot
EC4927	FN - Fred Nicholson Modular	NCC Borrowing		-0.150		0.150	Reprofile to cover defects
Total Children's Services			**-0.004**	**2.750**	**5.889**	**-2.750**	
Ec Development							
PU2918	GY O&M Campus	NCC Funding		-1.000		1.000	Reprofile as per latest expectations
Fire							
CF0221	Equalities Improvements to on call fire stations	NCC Funding	-0.034				Budget moved to CPT
CF0506	Fire vehicle replacement program.	NCC Funding		-1.478		1.478	Budget reprofiled due to delay in Chassis delivery
Libraries							
LL1040	Library Building Improvements	NCC Funding		-0.218		0.218	Reprofile
LL0815	S106 North of Norwich Road, Swaffham. SWA	Developer contribution	0.015				S106 income
LL0694 - LL0804	Dereham & Wretham	External	0.000	0.001		-0.001	Reprofile
Highways							
	Various	NCC Borrowing	0.000	3.739		-3.739	Reprofile budgets according to latest forecast
	Unallocated pot	External	-7.274				Unallocated pot reduced as per latest forecast
Total CES			**-7.292**	**1.045**	**0.000**	**-1.045**	
Property - Fire							
CA2284	NFRS - Replacement of Training Towers (20/21)		0.034				Transferred from fire to fund additional electrical works on various towers
Total Finance			**0.034**	**0.000**	**0.000**	**0.000**	
Total			**-7.262**	**3.794**	**5.889**	**-3.794**	

Cabinet

Item No: 16

Decision making report title: 2022-23 Revenue Budget and Medium Term Financial Strategy 2022-26

Date of meeting: 31 January 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: 26 February 2021

Introduction from Cabinet Member

The five interlinked priorities set out in the new *Better Together, For Norfolk* strategy lie at the heart of Norfolk County Council's proposed 2022-23 Budget. These key priorities – a vibrant and sustainable economy; better opportunities for children and young people; healthy, fulfilling and independent lives; strong, engaged and inclusive communities; and a greener, more resilient future – are clearly embedded in the proposed spending priorities within this Budget. In this way, the Budget can be seen as an evolution of the current year's plans, with a sharp focus on delivering the Council's ambitions for the county, its people, communities, and businesses. The Budget provides the resources necessary for the Council to continue to provide the services which give children and young people the best start in life, support vulnerable and older people, maintain and develop our highways and transport network, provide library, waste disposal and fire services, and work in partnership to grow the economy.

Moving into 2022-23, the Council continues to face unprecedented cost pressures and material uncertainty about the wider financial operating environment. COVID-19, and its legacy, represents a significant challenge for service delivery and public finances as the Council works to rebuild and revitalise the County. Concurrently, some of the main challenges faced before COVID-19 are still present, or have been exacerbated, including population changes, social, economic and health inequalities, rising demand for services and support, workforce challenges in key sectors such as the care market, government policy changes, funding reductions and the impact of continued financial constraints.

In this context, the 2022-23 Budget has been developed to address the multiple impacts of rising budget pressures, challenges in delivering saving proposals, uncertainty over income streams including Government funding, and the financial challenges associated with the recovery following COVID-19. It is therefore noteworthy that a robust and balanced budget can be proposed based on a council tax increase of 2.99% as detailed within this report. The Council has a statutory requirement to set a balanced Revenue Budget. Accordingly, Norfolk County Council is due to agree its budget for 2022-23, and Medium Term Financial Strategy to 2025-26, on 21 February 2022. The proposed 2022-23 Budget sees the Council making a further significant investment in maintaining levels of service delivery, and proposes that a robust, balanced budget can be set based on an increase of 2.99% increase in Council Tax for the forthcoming year, leading to an increase in the overall Net Revenue budget of £25.231m to £464.325m.

Looking ahead, the budget gap for 2023-24 identified in the updated Medium Term Financial Strategy is materially higher than the gap closed for this year's Budget. Simultaneously, there is major uncertainty linked to Government's plans to reform local government funding during 2022 (for 2023-24) and linked to the delivery of the levelling up agenda. While the Council's past success in delivering a balanced budget, coupled with a robust budget planning approach, provides a solid platform for development, it is prudent to begin planning for 2023-24 as early as possible.

Cabinet recognised this in November 2021, when it agreed to undertake a full review of how the Council operates to deliver its future services and strategy. This work has commenced with an initial assessment of organisational structures and ways of working, with recommendations to be provided about how to take cost out of the organisation whilst safeguarding the stability and sustainability of services, and building capability to continue to transform how services are delivered within a context of more collaborative working across the Norfolk system of public services. While it would be too early to build robust savings into the Medium Term Financial Strategy, the potential savings opportunity is estimated to be in the order of £10-15m for 2023-24, which will make a material contribution to closing the forecast gap. The proposed 2022-23 Budget and MTFS also includes a percentage of anticipated savings set out in the ASSD Service Review – Transformation and Prevention in Adult Social Care recently approved by Cabinet; the recognition of subsequent benefits, once this plan is fully developed, and change being delivered will be another key element of the 2023-24 Budget.

Reflecting these considerations, this report proposes a Budget planning cycle for 2023-24 commencing in April 2022 and incorporating a full review of how the Council operates to deliver its future services and strategy. As part of this, a thorough interrogation of identified future cost pressures will also be required. It is particularly important to recognise that the 2022-23 position has been supported through significant one-off measures including use of reserves, which will represent a major challenge to be addressed in future years.

As part of the 2022-23 Budget process, Departments have developed, reviewed and advised on budget plans for their service areas, taking into account the overall planning context as set out by the Cabinet through the year. In view of the significant impact of

COVID-19 on all local authority finances, and the wider uncertainty around finances, in order to develop the 2022-23 Budget, the Council has:

- reviewed performance in the delivery of savings during 2021-22;
- considered the over and underspend positions within the current year, 2021-22, including the extent to which these have been driven by one off and exceptional items;
- considered the resources available to support the delivery of services in 2022-23 and the remainder of the medium term financial strategy period;
- considered the provision of short-term and one-off funding by Government to meet COVID-19 expenditure, and the extent to which associated cost pressures will extend into the next financial year;
- considered the implications of Government's wider (non-COVID-19) funding announcements as part of the Spending Review and provisional Settlement;
- developed new savings proposals for 2022-23 and beyond;
- considered the need for further investment to support service delivery; and
- re-assessed the deliverability and timing of existing planned savings for 2022-23 onwards.

The proposals set out in these reports will enable the Council to close the previously identified gap for 2022-23, as well as addressing the significant additional pressures which have emerged through the budget setting process. The gap has been driven principally by increasing levels of demand, demographic changes, inflationary and market pressures, and statutory changes (some of which are linked in part to COVID-19), as well as the cessation of short term exceptional COVID-19 support funding.

The 2022-23 Budget provides for the Council to make further significant investment, while addressing continuing severe pressure on services, including:

- Adults: £35.478m of growth pressure (including for the National Living Wage), against planned savings of £10.465m.
- Children's: £23.244m of growth pressure, against planned savings of £12.088m.
- Community and Environmental Services: £10.053m of growth pressure, against planned savings of £3.496m.
- Significantly, these investments are supported by one-off Corporate provision from reserves of £18.000m in 2022-23.

Overall, the Budget therefore includes service growth pressures of over £68m, representing a continued sustained and significant investment in maintaining and strengthening the Council's key services.

The 2022-23 Budget has been prepared using planning assumptions based on information from the Spending Review announced 27 October 2021 and the provisional Settlement 2022-23 announced 16 December 2021 in order to inform the financial and planning context for the County Council for 2022-23. At this stage, there remains scope for change to budget assumptions linked to final District Council forecasts of council tax and business rates due in late January, and in the final Settlement expected in early February 2022. In this context, the appended reports summarise the saving proposals for 2022-23 the proposed cash limited revenue budget based on all current proposals and identified pressures, and the level of council tax. A separate report on the agenda details the proposed capital programme.

Also appended is the feedback received to consultation on a proposal for an increase in the level of council tax and Adult Social Care precept for 2022-23 (consultation was undertaken based on a proposed increase of 2.99% overall), a summary of wider comments received on the Council's saving proposals, and the findings and mitigating actions proposed from equality impact assessments.

The information in this report and its appendices is intended to enable Cabinet to consider how proposals contribute to delivering an overall balanced budget for the whole Council, and take a considered view of all relevant factors to inform budget proposals for 2022-23 and the financial strategy to 2025-26, in order to recommend these to County Council when it meets on 21 February 2022 to agree the final budget and Medium Term Financial Strategy for 2022-26.

Taking into account the Council's overall budgetary position, consultation responses, Cabinet's objectives for the Budget, and the recommendations of the Executive Director of Finance and Commercial Services, this report has been prepared on the basis of an increase in general council tax of 1.99% and two options for the Adult Social Care precept in 2022-23, either 1.00% or 2.00% giving a total council tax increase of either 2.99% or 3.99%. These would be within the provisional referendum thresholds outlined by the Government at the time of the Spending Review and in the provisional Settlement.

Executive Summary

Appended to this report are a set of papers which support the Council's Revenue Budget decisions for 2022-23.

- Appendix 1: Norfolk County Council Revenue Budget 2022-23
- Appendix 2: Medium Term Financial Strategy 2022-23 to 2025-26
- Appendix 3: Statement on the Adequacy of Provisions and Reserves 2022-23 to 2025-26
- Appendix 4: Statement on the Robustness of Estimates 2022-23 to 2025-26
- Appendix 5: Findings of Public Consultation
- Appendix 6: Equality Impact Assessment

Collectively, these papers provide an overview of the Council's strategic and financial planning for 2022-23 to 2025-26 and set out the detailed information to support Cabinet's Revenue Budget and council tax recommendations to the County Council, including the Executive Director of Finance and Commercial Services' (s151 Officer's) statutory assessment of the robustness of the overall budget. In particular, the papers:

- explain the background to planning for the 2022-23 Revenue Budget, including the wider funding context for the County Council;

- set out the growth and savings proposals for budget planning in both the 2022-23 Revenue Budget and the Medium Term Financial Strategy (MTFS) for 2023-24 to 2025-26;
- present two options for the overall level of council tax in 2022-23 – either 2.99% or 3.99%, setting out the implications of these for the MTFS position;
- set out forecasts of the level of reserves and provisions across the life of the MTFS;
- provide the Executive Director of Finance and Commercial Services' view on the robustness of the estimates used in the preparation of the 2022-23 Budget; and
- outline the findings of public consultation and equality impact assessment, along with proposed mitigations.

Recommendations:

1) **To consider the statements regarding the uncertain planning environment, robustness of budget estimates, assumptions and risks relating to the 2022-23 budget, and authorise the Executive Director of Finance and Commercial Services, in consultation with the Leader of the Council and the Cabinet Member for Finance, to make any changes required to reflect Final Local Government Finance Settlement information (if available), or changes in council tax and business rates forecasts from District Councils, in order to maintain a balanced budget position for presentation to Full Council. In recognition of the significant budget gap forecast for 2023-24, and to enable a final balanced Budget position to be recommended to County Council, Cabinet is asked to agree the following principles:**

   a) **that any additional resources which become available will be used to phase the use of one-off funding over 2022-23 and 2023-24, or**
   b) **that any income shortfall will be addressed from the Corporate Business Risk Reserve (to the extent possible).**

2) **To review the findings of public consultation as set out in Section 14 of Appendix 1 and in full in Appendix 5, and consider these when recommending the budget changes required to deliver a balanced budget as set out in Appendix 1.**

3) **To consider and comment on the findings of equality impact assessments, as set out in Appendix 6 to this report, and in doing so, note the Council's duty under the Equality Act 2010 to have 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 persons who share a relevant protected characteristic and persons who do not share it; and**
   - **Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

4) To note that the Council has responded to the consultation undertaken on the Provisional Local Government Settlement for 2022-23 as detailed in Section 3 of Appendix 1.

5) To note that the Council has agreed to establish a Business Rates Pool for 2022-23 on the terms previously reported to Cabinet in November 2021 and as set out in Section 6 of Appendix 1.

6) To agree to recommend to County Council:

a) The level of risk and budget assumptions set out in the Robustness of Estimates report (Appendix 4), which underpin the revenue and capital budget decisions and planning for 2022-26.
b) The general principle of seeking to increase general fund balances as part of closing the 2021-22 accounts and that in 2022-23 any further additional resources which become available during the year should be added to the general fund balance wherever possible.
c) The findings of public consultation (Appendix 5), which should be considered when agreeing the 2022-23 Budget (Appendix 1).
d) To note the advice of the Executive Director of Finance and Commercial Services (Section 151 Officer), in Section 5 of Appendix 1, on the financial impact of an increase in council tax and the sustainability of the Council's medium term position, and that

EITHER:

i) as recommended by the Executive Director of Finance and Commercial Services, the Council's 2022-23 Budget will include a general council tax increase of 1.99% and a 2.00% increase in the Adult Social Care precept (including the deferred element of the 2021-22 Adult Social Care precept), an overall increase of 3.99% (shown in Section 5 of Appendix 1), resulting in an overall County Council Net Revenue Budget of £468.824m for 2022-23, including budget increases of £93.653m and budget decreases of -£63.924m as set out in Table 13 of Appendix 1, and the actions required to deliver the proposed savings, subject to any changes required in line with recommendation 1 above to enable a balanced budget to be proposed. This would result in a budget gap of £50.740m to be addressed for 2023-24, and £89.191m over the life of the Medium Term Financial Strategy.

OR:

ii) the Council's 2022-23 Budget will include a general council tax increase of 1.99% and a 1.00% increase in the Adult Social Care precept (being the deferred element of the 2021-22 Adult Social Care precept), an overall increase of 2.99% (shown in Section 5 of Appendix 1), resulting in an overall County Council Net Revenue Budget of £464.325m for 2022-23, including budget increases of £89.154m and budget decreases of -£63.924m as set out in Table 13 of Appendix 1,

and the actions required to deliver the proposed savings, subject to any changes required in line with recommendation 1 above to enable a balanced budget to be proposed. This would result in a budget gap of £59.920m to be addressed for 2023-24, and £94.255m over the life of the Medium Term Financial Strategy.

e) The budget proposals set out for 2023-24 to 2025-26, including authorising Executive Directors to take the action required to deliver budget savings for 2023-24 to 2025-26 as appropriate.

f) With regard to the future years, to undertake a full review of how the Council operates to deliver its future services and strategy in view of the significant budget gap to be addressed for 2023-24 as set out in Section 4 of Appendix 1, and that further plans to meet the remaining budget shortfalls in the period 2023-24 to 2025-26 are developed and brought back to Cabinet during 2022-23.

g) Noting Government's historic assumptions that local authorities will raise the maximum council tax available to them, and that the final level of council tax for future years is subject to Member decisions annually (informed by any referendum principles defined by the Government), to confirm, or otherwise, the assumptions set out in the Medium Term Financial Strategy (MTFS Table 4 in Appendix 2) that the Council's budget planning for 2023-24 onwards will include for planning purposes:

i) general council tax increases of 1.99%;

ii) Adult Social Care precept increases of 1.00%; and

iii) 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), the Section 151 Officer would recommend the Council take full advantage of any flexibility in view of the overall financial position.

h) That the Executive Director of Finance and Commercial Services be authorised to transfer from the County Fund to the Salaries and General Accounts all sums necessary in respect of revenue and capital expenditure provided in the 2022-23 Budget, to make payments, to raise and repay loans, and to invest funds.

i) To agree the Medium Term Financial Strategy 2022-26 as set out in Appendix 2, including the two policy objectives to be achieved:

i) Revenue: To identify further funding or savings for 2023-24 to 2025-26 to produce a balanced budget in all years 2022-26 in accordance with the timetable set out in the Revenue Budget report (Section 4 of Appendix 1).

ii) Capital: To provide a framework for identifying and prioritising capital requirements and proposals to ensure that all capital investment is targeted at meeting the Council's priorities.

j) The mitigating actions proposed in the equality impact assessments (Section 6 of Appendix 6).

k) Note the planned reduction in non-schools earmarked and general reserves of 55.67% over five years, from £136.590m (March 2021) to £60.547m (March 2026) (Section 6 of Appendix 3);
l) Note the policy on reserves and provisions in Section 3 of Appendix 3;
m) Agree, based on current planning assumptions and risk forecasts set out in Section 5 of Appendix 3:

i) for 2022-23, a minimum level of general balances of £23.268m, and
ii) a forecast minimum level for planning purposes of
- **2023-24, £24.018m;**
- **2024-25, £25.018m; and**
- **2025-26, £26.018m.**

as part of the consideration of the budget plans for 2022-26 and supporting these budget recommendations;

n) Agree the use of non-school Earmarked Reserves, as set out in Section 6 of Appendix 3.

1. Background and Purpose

1.1. Norfolk County Council's robust and well-established approach to medium term service and financial planning is based on the preparation of a rolling Medium Term Financial Strategy (MTFS), with an annual budget agreed each year.

1.2. The County Council agreed the 2021-22 Budget and MTFS to 2024-25 at its meeting 22 February 2021. Cabinet has since received reports through the year on the emerging 2022-23 Budget position and related matters. This report now sets out the final 2022-23 Budget proposals and associated MTFS to 2025-26 for Cabinet consideration and recommendation to Full Council. The report brings together a range of information to support Cabinet's consideration of how the proposals contribute to delivering an overall balanced budget for the whole Council, and all relevant factors to inform recommendations. To enable discussion of the budget position it:

- Summarises details of Cabinet decisions to date;
- Provides a summary of announcements made at the Spending Review 2021, Autumn Budget, and the Provisional Local Government Finance Settlement for 2022-23.
- Summarises the latest position in relation to some of the significant uncertainties facing local government finances as a result of COVID-19 and other issues.
- Sets out details of risks to the MTFS position for 2022-23 onwards.
- Provides an overview of some of the key issues facing services in relation to their financial strategy, pressures, risks and uncertainties and details the saving proposals identified by each Service in order to contribute to setting a balanced Budget for 2022-23.

- Details the outcomes of Service Department and Corporate planning, the input from Scrutiny Committee and Select Committees during the year, and the results of public consultation and equality impact assessments.

1.3. During the budget setting process, Scrutiny Committee has considered the development of the budget. The Council's three Select Committees have also received reports on the broad approach to developing budget proposals for the services within their remit at meetings held in July, and detailed proposals at meetings in November. Select Committee comments on the Budget process are set out in Section 11.

2. Proposals

2.1. This report and its appendices now set out the latest information on the financial and planning context for the County Council for 2022-23 to 2025-26. They summarise the pressures, changes and savings proposals for 2022-23 for all Departments, in order to present the proposed cash limited revenue budget of £464.325m (2.99%) or £468.824m (3.99%) The Budget report to Cabinet presents two options for the level of council tax, alongside the Executive Director of Finance and Commercial Services' advice about the implications of each option for the robustness of the Council's MTFS position. Whichever option is ultimately adopted, the work undertaken through the 2022-23 budget setting process has enabled the identification of robust savings and the proposed Budget continues the approach of previous years, reflecting significant investment into key service areas in order to address the cost pressures they face. In aggregate the proposed changes are expected to enable the Council to set a realistic, deliverable and balanced budget for 2022-23. Norfolk County Council is due to agree its new Budget and Medium Term Financial Strategy for 2022-23 to 2025-26 on 21 February 2022.

3. Impact of the Proposals

3.1. The recommendations set out in this report are intended to enable Cabinet to recommend to Full Council a balanced budget and the level of council tax for 2022-23. The proposals, in line with our ambitions, will impact upon the nature and type of services provided by the Council, as well as delivering transformation to underlying Council structures and operating models. In particular, they will:

- provide for growth and investment in key services, and the implementation of budget savings across Council departments, which will help to shape service and financial activity for the year to come;
- position the Council to respond positively to announcements made in the Spending Review 2021 and Provisional Settlement for 2022-23;
- contribute to the Council setting a balanced budget for 2022-23;
- inform future development of the 2023-24 budget and the MTFS beyond 2025-26; and
- provide the framework for the Council to prepare for potentially significant funding reform planned by Government for 2023-24, including (potentially)

the Fair Funding Review, the implications of the Government's emerging social care reform plans, and future funding levels as a whole by establishing a robust baseline.

3.2. Success in operating within the approved budget for the year and the achievement of identified savings will both be monitored throughout the year and reported to Cabinet as part of regular financial reporting. The budget setting process for 2023-24 will also be reported to Cabinet in line with the timetable set out in the appended papers.

4. Evidence and Reasons for Decision

4.1. The County Council continues to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. Government announcements, including funding allocations for 2022-23 have informed financial planning assumptions, but concerns remain about ongoing COVID-19 costs, and the costs associated with reforms to social care in 2022-23 and beyond. The Council's MTFS planning builds on the position agreed in February 2021 and this has been continually updated as more reliable information about cost pressures and funding impacts has emerged through the process.

4.2. The full suite of information and evidence to support the Council's 2022-23 budget proposals is laid out in the appended papers. The Cabinet needs to recommend a budget in order for the Council to fulfil the legal requirement to set a balanced budget for 2022-23 and determine the level of council tax for the year. The need to identify savings is driven by both service cost pressures, and the wider funding position of local government as set out elsewhere in the appended papers.

4.3. The proposals in this report are informed by the Council's constitution, local government legislation, best practice recommendations for financial and strategic planning including the CIPFA Financial Management Code, and feedback from residents and other stakeholders via the public consultation on the 2022-23 Budget as detailed within this report. The proposals in the report reflect a prudent response to the challenges and uncertainties present in the 2022-23 planning process and ultimately will support the Council to agree a robust budget for the year.

5. Alternative Options

5.1. The papers appended to this report represent the culmination of the process to develop detailed budgets and savings proposals for 2022-23 to be recommended to Full Council and therefore forms a key part of the framework for developing the annual budget. At this stage no proposals have been agreed, meaning that a range of alternative options remain open.

5.2. In particular, there are a number of areas where Cabinet could choose to consider different parameters for both the Budget and associated recommendations to Full Council, such as:

- Varying the level of council tax and/or Adult Social Care precept for 2022-23, cognisant of the referendum principles for the year, and the implications for the level of savings to be found and the overall budget position;
- Considering alternative saving proposals, taking into account the time constraints required to develop proposals, undertake public consultation (where necessary), and meet statutory deadlines for the setting of council tax.
- Changing other assumptions within the MTFS (including reducing assumptions about budget pressures or varying the level of council tax) and therefore altering the level of savings required in future years.

The deliverability of the overall budget and saving proposals is kept under review by the Section 151 Officer in order to advise on final budget setting proposals. Final decisions on the Budget need to be taken by the County Council in February 2022 informed by final Local Government Finance Settlement figures, forecasts supplied by District Councils, and the findings of EQIA and public consultation activity.

6. Financial Implications

6.1. Financial implications are discussed throughout the report. The budget papers appended to this report set out details of proposals which will contribute to the Council's long-term financial sustainability and enable the setting of a balanced Budget for 2022-23. This includes the level of council tax for the year, and the savings which will need to be delivered by each department, subject to formal approval by Full Council in February 2022.If ultimately approved in the Budget, the proposals in this paper will require departments to deliver further significant savings.

6.2. The Council is legally required to set a balanced Budget annually and should plan to achieve this using a prudent set of assumptions. In the event that additional budget pressures, or any removal of savings for 2022-23 were identified by Cabinet or Full Council, there would be a requirement to identify equivalent further savings or increased income for 2022-23 to maintain a balanced Budget position.

6.3. A number of significant financial implications have been described in this report and the supporting papers. As highlighted in the report and appendices, there has been a high level of uncertainty throughout the budget process about both the impact of the Local Government Finance Settlement for 2022-23 and other Government decisions. The provisional Settlement was announced 16 December 2021, but final figures remain to be confirmed in January or February. The implications of changes for future years, now expected to be implemented in 2023-24 (including a longer term funding settlement, and funding reforms potentially including the long-delayed Fair Funding Review), remain the subject of very considerable uncertainty and although they have been reflected as far as possible in the Council's 2022-23 planning processes, these impacts will need to be refined as further information is made available by Government.

6.4. The Government's decisions about Council funding in 2023-24 will be hugely significant. The continuing course of the economy's pandemic recovery, annual Government budgets, local government funding reform and others may all offer opportunities to adequately fund local authorities to provide vital services and contribute towards the national recovery. While initial indications are that the recently announced Social Care funding reform may not represent the panacea which might have been hoped for, further details and implications remain to be fully understood. 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 in future years. Fundamentally there remains a critical need for a larger quantum of funding to be provided to local government to provide a sustainable level of funding for future years.

7. Resource Implications

7.1. **Staff:** A number of the specific proposals set out in this report have various staffing implications and staff consultation will therefore need to be undertaken as appropriate as the proposals are further developed and implemented following approval by the County Council.

7.2. **Property:** The budget will have various property implications including the further disposal and rationalisation of certain properties. Consultation and engagement will therefore need to be undertaken as appropriate as the proposals are further progressed through to implementation following approval by the County Council. In addition, existing saving plans include activities linked to property budgets. Some assumptions around levels of capital receipts to be achieved in the 2021-22 Budget have been removed for 2022-23, although £1m of transformation activity within Adult Social Care (funded from flexible use of capital receipts) is expected to continue[1].

7.3. **IT:** A number of the specific proposals set out in this report will have various IT implications, including the development, implementation and exploitation of new systems and approaches, which contribute to Smarter Working and transformational activity across the organisation. In particular savings for 2022-23 and beyond include significant savings to be delivered through the implementation of the HR and Finance System replacement project. Existing saving plans include activities linked to IMT budgets.

8. Other Implications

[1] In February 2021, Government announced a three-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery. Further details on the extension have not yet been provided.

8.1. **Legal Implications:** None specifically identified. This report forms part of the process to enable the Council to set a legal and balanced budget for 2022-23. Specific legal considerations apply to the requirements around the setting of council tax and undertaking public consultation and these are addressed within the appended papers.

8.2. **Human Rights implications:** No specific human rights implications have been identified.

8.3. **Data Protection Impact Assessments (DPIA):** None.

8.4. **Health and Safety implications (where appropriate):** None.

8.5. **Sustainability implications (where appropriate):** At its meeting 15 April 2019, the County Council recognised the serious impact of climate change globally and the need for urgent action, and committed to cutting down unnecessary resource use and waste, reducing its impact on the world, and shaping a more efficient, sustainable and competitive economy. Following this, on 25 November 2019, the County Council approved an Environmental Policy.

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. The MTFS currently assumes that cost pressures and capital schemes to achieve 2030 carbon neutrality detailed in the Environmental Policy are sufficient, however as set out in the report "*Natural Norfolk: Progress on delivering the Environmental Policy*" presented to Cabinet in November 2021, proposals to support the Council's move towards decarbonisation will have financial implications for the County Council. Therefore as far as possible, any cost pressures linked to environmental policy and carbon reduction activities are reflected in the Budget and Medium Term Financial Strategy presented to Cabinet in January 2022.

Individual proposals within the 2022-23 Budget may also have an impact on the environmental sustainability of the County Council, particularly proposals for ongoing provision of additional resources to respond to flooding, and those relating to embedding changes in ways of working (smarter working) – such as increased remote working, better utilisation of our property estate, measures intended to promote reduced and greener business mileage (including promoting improved travel choices, better use of technology and flexible working approaches), and digitisation of paper, print, and physical record storage (with associated reductions in courier activity). In line with updates to the Council's Financial Regulations made in November 2021, where individual budget proposals relate to (re)procurement activity, the council will also review contracts as they become due for renewal, both to identify opportunities for direct carbon reduction and with regard to any indirect impacts of the supply chain.

Sustainability issues in relation to any new 2022-23 budget proposals will need to be further considered once initiatives are finalised as part of budget setting in February 2022.

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

9. Equality Impact Assessment (EqIA)

9.1. When exercising public functions, the Council must give due regard to the Public Sector Equality Duty.

9.2. Equality and rural impact assessments have therefore been carried out on all new proposals within the budget for 2022-23, and the proposal to increase council tax and the Adult Social Care precept. The assessments are set out in Appendix 6.

9.3. As in previous years, the findings of public consultation (set out in Appendix 5) are part of the core evidence base informing the equality and rural assessments, and must be read alongside Appendix 6.

9.4. Based on the evidence available, it is possible to conclude that the majority of proposals will likely have no disproportionate adverse impact on people with protected characteristics. Many of the proposals will likely have a positive impact on people with protected characteristics. This is largely due to the fact that the proposals are designed to promote greater independence, choice and dignity for service users, giving them more flexibility and control over their lives. These are priorities routinely highlighted as vital by the public in consultation.

9.5. The Cabinet is therefore advised to take these impacts into account when deciding whether or not the proposals should go ahead, in addition to the mitigating actions recommended.

9.6. Some of the mitigating actions will address the detrimental impacts identified in this report, but it is not possible to address all the impacts.

9.7. In consequence, therefore, the task for the Cabinet is to consider the various impacts set out in Appendix 6, alongside the many other factors to be taken into account to achieve a balanced budget that focuses the Council’s resources where they are most needed.

9.8. It is important to note that the assessments only consider the impact of the Council’s budget proposals for this year. For obvious reasons, they do not detail the various positive impacts of the Council’s day-to-day services on people with protected characteristics and in rural areas – such as the proposed programme of capital investment for 2022-2023; promoting independence for disabled and older people; supporting children and families to achieve the best possible outcomes; keeping vulnerable adults and children safe, and lobbying nationally on the big issues for residents and businesses.

9.9. Equality issues in relation to brought forward saving proposals were considered in the Equality Impact Assessment of the 2021-22 Budget.

9.10. The equality impact assessment of the Council's resilience and recovery planning for COVID-19 can be found here.

10. Risk Implications/Assessment

10.1. A number of significant risks have been identified throughout the papers appended to this report. Uncertainties remain which could have an impact on the 2022-23 Budget. These include:

- 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, including the financial impact of any future lockdowns
    - future pressures on income particularly in relation to business rates and council tax
    - the implications of any measures implemented by Government to restore the national finances in the medium to longer term
- 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. In particular, it is 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. There remains a specific risk in relation to longer term reform of local government funding and the potential Fair Funding Review, which are both now expected to impact on 2023-24 budget setting, 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.
    - linked to this are risks around delivery of reforms to local government funding including actions to deliver "Levelling Up", the Fair Funding Review, Adult Social Care funding reform, reforms to the Business Rates system, and changes to other funding streams including the New Homes Bonus
    - Further decisions about Local Government reorganisation.

10.2. At the time of preparing budget papers, the final Local Government Finance Settlement for 2022-23 remains to be confirmed and the overall level of government funding for next year therefore remains an area of limited risk. Subject to the final details of the Local Government Finance Settlement and any other associated announcements, there may be a need for further actions to be taken in response to maintain a balanced budget position for 2022-23, and this position will need to be kept under careful review throughout the remainder of the budget setting process.

10.3. 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 – The potential risk of failure to manage significant reductions in local and national income streams.
- RM006 – The potential risk of failure to deliver our services within the resources available for the period 2021-22 to the end of 2023-24.
- RM022b – Implications of Brexit for a) external funding and b) Norfolk businesses
- RM023 - Lack of clarity on sustainable long-term funding approach for adult social services at a time of increasing demographic pressures and growing complexity of need.
- RM031 – NCC Funded Children's Services Overspend

10.4. Further details of all corporate risks, including those outlined above, can be found in Appendix C of the September 2021 *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.

10.5. The Council is currently in the process of implementing a new HR and Finance System (MyOracle), following approval of the business case presented in May 2019. The current budget makes provision for the revenue and capital costs associated with the system, which is expected to deliver some savings during 2022-23, with full benefits achieved from 2023-24, based on implementation in April 2022. The Budget incorporates anticipated savings across various services from 2022-23 onwards, which assist in closing the budget gap for next year and mitigate the MTFS gap position in future years. The assumed level of annual savings in the original business case was £3m. The effective delivery of this programme may therefore have implications for the 2022-23 Budget and future years both in terms of (1) the level of savings assumed within the MTFS and (2) the underlying impact of a new system on the budget setting process. The latest details about the progress of this major project are provided in the *MyOracle programme update* report to Corporate Select Committee in November 2021.

10.6. High level risks associated with budget proposals are described as part of the report on the Robustness of Estimates. The Robustness of Estimates and the Statement on the Adequacy of Provisions and Reserves also set out financial risks that have been identified as part of the assessment of the level of reserves and provisions in order to evaluate the minimum level of general balances. In setting the Budget, the Council can accept different level of risks, for example, minimising risk through investment in services, reducing higher risk savings, or putting in place additional reserves for specific risks. The robustness of the budget estimates are evaluated, setting out budget assumptions and areas of risk, to enable Members to consider the assumptions and risks that will underpin further decisions for agreeing the budget and level of general balances. The assumptions set out in the Robustness of Estimates report directly impact on the risk assessment of the level of general balances.

10.7. Executive Directors have responsibility for managing their budgets within the amounts approved by County Council. Executive Directors will therefore take measures throughout the year to identify, and then reduce or eliminate, potential overspends.

11. Select Committee comments

11.1. Following feedback on the 2021-22 process, as part of the development of the 2022-23 Budget, Select Committees have had two opportunities to consider and provide input to the Council's budget setting. In July 2021, Select Committees discussed the broad strategic approach to budget setting for the services within their remit, and then in November 2021 had an opportunity to comment on the detailed proposals for the 2022-23 Budget being taken forward for public consultation.

11.2. As part of their review of proposals in November, Select Committees considered the following points:

- Corporate Select Committee considered the implications of the Government Spending Review announcements, the funding challenges facing the Council, and the associated savings required. The Committee discussed specific proposals and commented on the need for a review and transformation of the delivery of services and functions. The Committee noted the key issues for the budget proposals for the services within its remit, and the requirement for a further £5m savings to be found across the Council.
- Infrastructure and Development Select Committee considered the proposals for services within its remit and highlighted that increased income did not play a large role in the potential savings for 2022-23, although there were some proposals in this area. The Committee considered that many of the services within the Committee's remit could increase their income (for example museums and adult learning) but recognised that it had been a difficult two years and in the short term this could be challenging.
- People and Communities Select Committee discussed the Government's approach to addressing the issue of Adult Social Care funding, the Council's

plans for the Adult Social Care precept in 2022-23, and the apportionment of saving targets within the Council. The Committee also considered and commented on the budget proposals for the services within its remit.

11.3. Full details of Select Committee discussions can be found within the meeting minutes.

12. Recommendations

12.1. Cabinet is recommended:

1) **To consider the statements regarding the uncertain planning environment, robustness of budget estimates, assumptions and risks relating to the 2022-23 budget, and authorise the Executive Director of Finance and Commercial Services, in consultation with the Leader of the Council and the Cabinet Member for Finance, to make any changes required to reflect Final Local Government Finance Settlement information (if available), or changes in council tax and business rates forecasts from District Councils, in order to maintain a balanced budget position for presentation to Full Council. In recognition of the significant budget gap forecast for 2023-24, and to enable a final balanced Budget position to be recommended to County Council, Cabinet is asked to agree the following principles:**

   a) **that any additional resources which become available will be used to phase the use of one-off funding over 2022-23 and 2023-24, or**
   b) **that any income shortfall will be addressed from the Corporate Business Risk Reserve (to the extent possible).**

2) **To review the findings of public consultation as set out in Section 14 of Appendix 1 and in full in Appendix 5, and consider these when recommending the budget changes required to deliver a balanced budget as set out in Appendix 1.**

3) **To consider and comment on the findings of equality impact assessments, as set out in Appendix 6 to this report, and in doing so, note the Council's duty under the Equality Act 2010 to have 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 persons who share a relevant protected characteristic and persons who do not share it; and**
   - **Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**

4) **To note that the Council has responded to the consultation undertaken on the Provisional Local Government Settlement for 2022-23 as detailed in Section 3 of Appendix 1.**

5) **To note that the Council has agreed to establish a Business Rates Pool for 2022-23 on the terms previously reported to Cabinet in November 2021 and as set out in Section 6 of Appendix 1.**

6) **To agree to recommend to County Council:**

   a) **The level of risk and budget assumptions set out in the Robustness of Estimates report (Appendix 4), which underpin the revenue and capital budget decisions and planning for 2022-26.**
   b) **The general principle of seeking to increase general fund balances as part of closing the 2021-22 accounts and that in 2022-23 any further additional resources which become available during the year should be added to the general fund balance wherever possible.**
   c) **The findings of public consultation (Appendix 5), which should be considered when agreeing the 2022-23 Budget (Appendix 1).**
   d) **To note the advice of the Executive Director of Finance and Commercial Services (Section 151 Officer), in Section 5 of Appendix 1, on the financial impact of an increase in council tax and the sustainability of the Council's medium term position, and that**

   EITHER:

   i) **as recommended by the Executive Director of Finance and Commercial Services, the Council's 2022-23 Budget will include a general council tax increase of 1.99% and a 2.00% increase in the Adult Social Care precept (including the deferred element of the 2021-22 Adult Social Care precept), an overall increase of 3.99% (shown in Section 5 of Appendix 1), resulting in an overall County Council Net Revenue Budget of £468.824m for 2022-23, including budget increases of £93.653m and budget decreases of -£63.924m as set out in Table 13 of Appendix 1, and the actions required to deliver the proposed savings, subject to any changes required in line with recommendation 1 above to enable a balanced budget to be proposed. This would result in a budget gap of £50.740m to be addressed for 2023-24, and £89.191m over the life of the Medium Term Financial Strategy.**

   OR:

   ii) **the Council's 2022-23 Budget will include a general council tax increase of 1.99% and a 1.00% increase in the Adult Social Care precept (being the deferred element of the 2021-22 Adult Social Care precept), an overall increase of 2.99% (shown in Section 5 of Appendix 1), resulting in an overall County Council Net Revenue Budget of £464.325m for 2022-23, including budget increases of £89.154m and budget decreases of -£63.924m as set out in Table 13 of Appendix 1, and the actions required to deliver the proposed savings, subject to any changes required in line with recommendation 1 above to enable a balanced budget to be proposed. This would result in a budget gap** of £59.920m to be addressed for 2023-24, and £94.255m over the life of the Medium Term Financial Strategy.

e) **The budget proposals set out for 2023-24 to 2025-26, including authorising Executive Directors to take the action required to deliver budget savings for 2023-24 to 2025-26 as appropriate.**
f) **With regard to the future years, to undertake a full review of how the Council operates to deliver its future services and strategy in view of the significant budget gap to be addressed for 2023-24 as set out in Section 4 of Appendix 1, and that further plans to meet the remaining budget shortfalls in the period 2023-24 to 2025-26 are developed and brought back to Cabinet during 2022-23.**
g) **Noting Government's historic assumptions that local authorities will raise the maximum council tax available to them, and that the final level of council tax for future years is subject to Member decisions annually (informed by any referendum principles defined by the Government), to confirm, or otherwise, the assumptions set out in the Medium Term Financial Strategy (MTFS Table 4 in Appendix 2) that the Council's budget planning for 2023-24 onwards will include for planning purposes:**

   i) **general council tax increases of 1.99%;**
   ii) **Adult Social Care precept increases of 1.00%; and**
   iii) **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), the Section 151 Officer would recommend the Council take full advantage of any flexibility in view of the overall financial position.**
h) **That the Executive Director of Finance and Commercial Services be authorised to transfer from the County Fund to the Salaries and General Accounts all sums necessary in respect of revenue and capital expenditure provided in the 2022-23 Budget, to make payments, to raise and repay loans, and to invest funds.**
i) **To agree the Medium Term Financial Strategy 2022-26 as set out in Appendix 2, including the two policy objectives to be achieved:**

   i) **Revenue: To identify further funding or savings for 2023-24 to 2025-26 to produce a balanced budget in all years 2022-26 in accordance with the timetable set out in the Revenue Budget report (Section 4 of Appendix 1).**
   ii) **Capital: To provide a framework for identifying and prioritising capital requirements and proposals to ensure that all capital investment is targeted at meeting the Council's priorities.**

j) **The mitigating actions proposed in the equality impact assessments (Section 6 of Appendix 6).**
k) **Note the planned reduction in non-schools earmarked and general reserves of 55.67% over five years, from £136.590m (March 2021) to £60.547m (March 2026) (Section 6 of Appendix 3);**
l) **Note the policy on reserves and provisions in Section 3 of Appendix 3;**

m) **Agree, based on current planning assumptions and risk forecasts set out in [Section 5 of Appendix 3]:**

   i) **for 2022-23, a minimum level of general balances of £23.268m, and**
   ii) **a forecast minimum level for planning purposes of**
      - **2023-24, £24.018m;**
      - **2024-25, £25.018m; and**
      - **2025-26, £26.018m.**

   as part of the consideration of the budget plans for 2022-26 and supporting these budget recommendations;

n) **Agree the use of non-school Earmarked Reserves, as set out in Section 6 of Appendix 3.**

13. Background Papers

13.1. Background papers for this report are listed below:

Norfolk County Council Revenue and Capital Budget 2021-22 to 2024-25, County Council 22/02/2021, agenda item 5
Finance Monitoring Report 2020-21 Outturn, Cabinet, 07/06/2021, agenda item 13
Strategic and Financial Planning 2022-23, Cabinet, 05/07/2021, agenda item 17
Risk Management report, Cabinet, 06/09/2021, agenda item 14
Strategic and Financial Planning 2022-23, Cabinet, 08/11/2021, agenda item 17
Business Rates Pool – Annual Report 2020-21 and Pooling Decision 2022-23, Cabinet, 08/11/2021, agenda item 15
Strategic and Financial Planning 2022-23 reports to November 2021 Select Committees:

- Corporate Select Committee
- Infrastructure and Development Select Committee
- People and Communities Select Committee

Finance Monitoring Report 2021-22 P8, Cabinet, 31/01/2022 (on this agenda)
Budget Book 2021-25

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Norfolk County Council
Revenue Budget 2021-22

1. Introduction

1.1. The proposed Revenue Budget for 2022-23 is the culmination of an extensive programme of work through the course of the current financial year to validate unavoidable cost pressures, model changes in funding, and identify saving options. This process has been completed, once again, in the context of considerable uncertainty about the wider financial environment for local authorities. At both a national and local level, Government has been working to respond to the continuing impact of the COVID-19 pandemic, which has brought with it additional costs, reduced income and significant challenges to the delivery of savings.

1.2. While the Settlement funding provided in 2021-22 and 2022-23 (provisional) has begun to reverse the trend of year-on-year funding cuts for local government, it still falls a long way short of reversing the sustained level of reductions experienced since 2010-11. Simultaneously, cost pressures are increasing on many of the Council's services. For example, last year alone, extra demands on children's services and adult's social care services arising from circumstances outside of the Council's control – such as inflation, and changes in Norfolk's population profile – cost another £28.837m. Dealing with ongoing spending pressures and funding reductions of this scale requires the Council to keep its business and operations under constant review, and to continually seek to deliver services in the most effective way possible, for the lowest cost. This imperative, alongside the Council's refreshed vision and strategy, *Better Together, for Norfolk*, have informed the preparation of the Council's 2022-23 Budget and Medium Term Financial Strategy (MTFS).

1.3. Work through the course of 2021-22 has enabled the Council to prepare a robust, balanced Budget for 2022-23 as set out within this report. The proposals for 2022-23 close the budget gap of £39.037m identified in the 2021 Medium Term Financial Strategy and support the continued investment in key services. The Budget includes two options in relation to council tax increases for Cabinet to consider for recommendation to County Council; either a 3.99% increase in council tax or a 2.99% increase. Both options will enable a balanced 2022-23 position to be established, however the higher 3.99% increase supports a substantially more robust position for 2023-24 and is therefore the recommendation of the Section 151 Officer.

1.4. The latest estimate of the Council's overall budget position for 2022-23 as a result of the matters set out in this report, and other emerging issues, is detailed in the remainder of this paper. In line with the Financial Regulations and associated Budget Protocol, it is possible that the position will need to be updated between Cabinet and the County Council meeting in February to incorporate any final Settlement information and also to reflect any final changes to District Council business rates and council tax forecasts due at the end of January. It is proposed that any adjustments required are handled on the following basis:

a) that any additional resources which become available will be used to phase the use of one-off funding over 2022-23 and 2023-24, or
b) that any income shortfall will be addressed from the Corporate Business Risk Reserve (to the extent possible).

2. Strategic Context

2.1. Twenty months into the Coronavirus pandemic, Norfolk finds itself facing another difficult winter with many of the usual pressures exacerbated by the pandemic. Currently, case numbers throughout the United Kingdom have reached successive highs; with particular concern attributed to the latest variant, Omicron, and the pressure it places on the NHS as well as other public services. Additional new restrictions have not yet been implemented, but further economic uncertainty is likely.

2.2. The economic downturn caused by COVID-19 caused widespread impacts. The economy made a strong recovery during 2021, getting close to pre-pandemic levels by September 2021 (although the rate of recovery has slowed in recent months), and Gross Domestic Product (GDP) is forecast to fully recover to pre-pandemic levels around the turn of the year. However, of more significant economic concern is the rise in inflation over the second half of 2021 which has seen rates of inflation more than double since July, to 5.4% (December 2021), as well as the ongoing disruption to supply chains, along with global shortages of key goods. Inflation in particular, has a significant impact on the Council's budget especially through commissioned services.

2.3. The Council has also seen increasing demand for some of our key services, which will be made worse by the impacts of coronavirus on our residents, especially those that are vulnerable. In particular, we have seen increased spending on social care services mainly due to additional complexity of cases following the pandemic and hospital discharges, and an increased rate of referrals into Children's Services.

2.4. Despite these challenges, Norfolk has taken the opportunity to learn valuable lessons from the pandemic and begin shaping its recovery. On 29 November 2021, Full Council adopted the refreshed strategy "*Better Together, For Norfolk*" which builds on leadership's ambitions for the county, but with a sharper focus on key priorities identified by residents and partners over the course of 2021. The refreshed strategy seeks to mitigate the significant impact of the past twenty months, both in terms of the changes to the lives of individuals but also in the ways in which Norfolk County Council works.

2.5. 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.

2.6. A clear ambition for optimal service delivery is being set with the development of a Corporate Delivery Plan which outlines the key activities the Council will take to deliver its refreshed strategy and track its progress in doing so. This will ensure that Norfolk County Council is taking clear actions to deliver on the key priorities outlined above and provides a single point of reference for a whole-council view of the key activities. While the Corporate Delivery Plan will not be an exhaustive list of all the council does, it will provide a clear sense of how the organisation responds to changes in its operating environment to deliver significant activities successfully. The plan will also focus on operational effectiveness, looking at innovation in the Council's assets such as property, technology, and its workforce.

2.7. Local government does not operate in a vacuum, and the Council has been live to policy changes from Government, which are anticipated in the refreshed strategy. Although the Levelling Up White Paper has not yet been published, Norfolk County Council has sought to define what levelling up means for Norfolk. The Council's focus will be on how to best deliver those levelling up ambitions for Norfolk, and the possibility of a "County Deal" for Norfolk to help unlock opportunity for the County. The Council is committed to ensuring that Norfolk claims its fair share of investment to drive growth and prosperity in our local economy, and that it is not left behind.

2.8. The Health and Social Care White Paper; *People at the Heart of Care*, has made provision for a £5.4 billion settlement over the next three years by way of the Health and Social Care Levy, £3.6bn of this will make its way to local authorities, such as Norfolk. While the funding is a welcome building block to begin transforming this essential service, it will not remedy all the issues facing the sector, especially relating to the workforce and pay. The Health and Care Bill also brings the opportunity to shape a joined-up health, wellbeing, and social care system. Work is underway on the creation of an Integrated Care System (expected in July 2022), with county-level leadership and place-based partnerships working to tackle the wider determinants of health. We will welcome further discussions with Government to find much-needed solutions and eagerly await the publication of the Integration White Paper, expected early 2022.

2.9. The Council continues to face a highly uncertain medium term financial position. A one-year settlement has been announced for 2022-23, effectively the fourth consecutive one-year settlement. In this the government has set out that the objective is to give priority to "stability in the immediate term", with a more fundamental review of local government funding starting in 2022. This means the Council cannot make medium term financial plans with certainty, but still needs to make some difficult decisions in the short-to medium-term based on likely scenarios, while maintaining a longer-term view of what is best for the county. In this cost-challenged environment, Norfolk County Council will continue to pursue opportunities to draw down additional funding from central Government, as well as to work more closely and efficiently with partners to ensure the best possible value for money in every area of spend. There are significant opportunities to work better together and we need to seize those opportunities to deliver on residents' priorities and help secure a better future for Norfolk.

3. Financial Context

3.1. The budget setting process for 2022-23 has, once again, been undertaken in a context of considerable uncertainty. In particular, the ongoing impact of the COVID-19 pandemic has had a significant impact and makes financial forecasting more challenging. However, a second fundamental issue has once again been the delays to major reforms to local government finance including the Fair Funding Review, Business Rates Reform, and Social Care funding reform. The Government has provided a degree of clarity on the prospects for some of these during 2021-22, but much remains uncertain. In particular, as referenced above, the Government has confirmed that it intends to proceed with some form of local government finance reform to be implemented for 2023-24. However it is unclear to what extent this will draw on existing Fair Funding Review plans (from 2019) or will start with a "blank slate". In relation to Social Care, Government has set out its plans, but much of the detail remains to be confirmed and there is widespread concern that the level of funding being made available to support proposed changes will prove to be inadequate. Finally plans for business rates reform (and specifically increased local retention of business rates) have been put on hold and Government has outlined that it is "*not moving precipitately in that direction*."[2]

3.2. It was of particular disappointment that although the Chancellor announced the outcomes of a multi-year Spending Review alongside the Autumn Budget 2021[3] on 27 October 2021, this was not ultimately translated into a multi-year Settlement for local government.

3.3. The Government has also published the [Build Back Better plan for health and social care](https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care)[4] including a £36bn funding commitment shared between both systems across the UK over three years starting in 2022-23. This represents

[2] https://committees.parliament.uk/oralevidence/2980/html/
[3] https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents
[4] https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care

£12bn per year for three years for Health and Care to be funded by 1.25% increases in National Insurance (which is ultimately to become a “Health and Care levy”), and dividend tax from April 2022. In the short (and potentially longer) term, most of the funding will go to the NHS but £5.4bn over the three years has been committed for social care to fund reforms. However following the provisional Settlement it appears that much of the additional funding is being held back centrally at this stage. Government intends to consult on funding distribution and charging reforms. In spite of these recent announcements, significant uncertainty remains, particularly around the longer term share of funding between social care and health. Significantly, the Build Back Better plan set out that Government expects that “*demographic and unit cost pressures*” will be met “*through council tax, social care precept, and long-term efficiencies.*” This is a key issue which requires funding, and each year broadly represents an £18-20m cost pressure for Norfolk. The adequacy of the funding available to meet pressures is therefore highly uncertain.

3.4. The **Provisional Local Government Settlement** for 2022-23 was announced via a written ministerial statement[5] on 16 December 2021. The statement sets out a priority to “*provide stability*” and ensure “*local government has the resources it needs to support the most vulnerable through adult and children’s social care*,” with a more fundamental review of local government funding starting in 2022. The statement includes the following key points:

- Funding announcement for **one year only** (2022-23).
- Broadly a roll-over of main funding elements.
- No additional COVID funding for 2022-23.
- Additional funding for 2022-23 via increased social care grant and a **one-off** “Services Grant” un-ringfenced for core services.
- Council tax referendum principles as per the Spending Review.
- An intention to “*update the system*” and **undertake funding reform for 2023-24**.
- Confirmation of the Norfolk Business Rate Pool for 2022-23 (see section 6 of this report).
- A four week consultation on the Provisional Settlement.

3.5. The Provisional Settlement[6] sets out the following Core Spending Power figures:

[5] https://questions-statements.parliament.uk/written-statements/detail/2021-12-16/hcws510
[6] https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2022-to-2023

Table 1: Provisional Settlement Core Spending Power for Norfolk County Council

	2021-22	2022-23	Change
	£m	£m	£m
Settlement Funding Assessment	194.679	195.903	1.224
Compensation for under-indexing the business rates multiplier	8.077	12.737	4.660
Council Tax Requirement excluding parish precepts *(government assumption)*[7]	442.861	467.126	24.265
Improved Better Care Fund	38.454	39.617	1.163
New Homes Bonus	2.269	1.833	-0.436
Rural Services Delivery Grant	4.178	4.178	0.000
Social Care Grant	30.342	41.494	11.152
Market Sustainability and Fair Cost of Care Fund	0.000	2.821	2.821
2022-23 Services Grant	0.000	10.687	10.687
Core Spending Power	**720.860**	**776.396**	**55.536**
Change %			*7.7%*

3.6. It is important to note that almost half the increase in core spending power is driven by assumed council tax increases. 5% of the total £55.5m cash increase (£2.8m) is in fact provided by the Market Sustainability and Fair Cost of Care Fund, which is for a new burden. The remainder largely represents additional funding via Social Care Grant and a new (one-off) “Services Grant” – funded from the £1.6bn announced at the Spending Review (£1.5bn after a top slice for some specific funding announcements). These uplifts will be required to meet 2022-23 budget pressures. From the national £1.5bn announced at the Spending Round 2021, £70m will be used to apply inflation to Revenue Support Grant, £636m for additional social care grants, and £822m for the new Services Grant. This means only 42% of the £1.5bn has been allocated to social care. The proportion allocated to social care (compared to all services) has meant allocations towards the lower end of estimates which might have otherwise been expected for upper tier authorities.

3.7. Additional funding for Social Care reform (Market Sustainability and Fair Cost of Care) will come with additional burdens as set out in the grant conditions[8].

3.8. As had been widely anticipated, the Provisional Settlement provided figures for one year (2022-23) only. The written statement indicates that the Department for Levelling Up, Housing and Communities (DLUHC) intends to deliver some form of funding reform (potentially taking forward the Fair Funding Review) for 2023-24 and states “*Government is committed to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs*

[7] This figure represents the Government assumption for council tax in the provisional settlement, rather than the County Council’s actual proposed budget.
[8] https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023/market-sustainability-and-fair-cost-of-care-fund-purpose-and-conditions-2022-to-2023

and resources." This is reinforced by the fact that the "Services Grant" is one-off and "*will be excluded from potential transitional protections*." The implications of this for Norfolk, and of wider funding reform, remain to be seen and will be dependent on Government policy objectives. As previously proposed, the Fair Funding Review was anticipated to be broadly neutral or positive for Norfolk, however whether this remains the case for future reforms will not be known until Government provides further details. It is likely that Government would bring forward consultation in spring 2022.

3.9. The settlement announcement confirmed a number of key elements of funding for the 2022-23 Budget, however there remain several areas of uncertainty and it is likely that further details will emerge. As it stands the following remain unconfirmed:

- Public Health Grant
- Other specific grant funding including funding within Adult Social Services (e.g. Deprivation of Liberties) and Children's Services (Troubled Families and Adoption Support Fund).

3.10. DLUHC has (as usual) undertaken a consultation on the Provisional Settlement[9] The consultation closed 13 January 2022 and the Council has submitted a response which broadly welcomed the Government's aspiration to provide stability for 2022-23, but also setting out a number of specific concerns including:

- Highlighting that Government needs to tackle some of the underlying issues identified including the pressing matter of DSG deficits and the need for truly comprehensive reform of social care funding.
- Calling on Government to progress the proposed reform of the funding system for 2023-24 at pace to both provide early certainty about funding to enable effective local authority budget setting and also to deliver a simplified and genuinely fair funding system which allocates resources according to need.
- Reiterating that Government should look to provide an adequate quantum of funding and long term certainty to ensure that sufficient, sustainable resources are available to sustain essential local services into the future.

3.11. In overall terms, the Provisional Settlement broadly delivered the expected funding changes following announcements at the Spending Review / Budget 2021. **However, the implications of the one-off nature of the new "Services Grant" would be to increase the gap forecast for 2023-24, except that the Council's planning assumption is that some form of transitional funding would mitigate any such cliff edge in 2023-24**. Nevertheless, the overall sustainability of the 2023-24 position will ultimately be highly dependent on the delivery of the fair funding / funding reform process for 2023-24.

[9] https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2022-to-2023-consultation/provisional-local-government-finance-settlement-2022-to-2023-consultation

3.12. Government decisions about allocation of the £1.6bn additional funding per year have resulted in an increase towards the lower end that might have been anticipated, due to the proportions allocated between all services and social care. It remains to be seen how any transitional arrangements deploy available funding to move toward allocations based on revised needs assessment in 2023-24. The detail of the Provisional Settlement announcements have been analysed and incorporated in Budget planning for January Cabinet. District forecasts for council tax and business rates remain to be confirmed (due 31 January 2022) although latest estimates have been incorporated in planning. There remains potential for some change between the Provisional and Final Settlement (although material changes are unlikely).

4. Proposed Revenue Budget 2022-23

4.1. Budget planning for 2022-23 was undertaken in line with the following overarching timetable. In November, Cabinet agreed that it would be necessary to undertake a full review of how the Council operates to deliver its future services and strategy in view of the significant budget gap to be addressed for 2023-24. This is reflected in Cabinet's proposed recommendations to Council and the draft timetable below outlines how this process can be incorporated as part of the development of further plans to meet the remaining budget shortfalls in the period 2023-24 to 2025-26.

4.2. In November 2021, Cabinet agreed to undertake a full review of how the Council operates to deliver its future services and strategy. This work has commenced with an initial assessment of organisational structures and ways of working, with recommendations to be provided about how to take cost out of the organisation whilst safeguarding the stability and sustainability of services, and building capability to continue to transform how services are delivered within a context of more collaborative working across the Norfolk system of public services. The review will establish key facts about existing organisational arrangements and assess the effectiveness of these in terms of productivity and cost. This work is currently in progress and while it would be too early to build robust savings into the Medium Term Financial Strategy, the potential savings opportunity is estimated to be in the order of £10-15m for 2023-24. Validating and refining this estimate will be a key part of the development of the 2023-24 Budget and will support the delivery of the organisational review set out in recommendation 6(f).

Table 2 Budget planning timetable 2022-23 and proposed 2023-24

Activity/Milestone	Time frame
Cabinet review of the financial planning position for 2022-26 – including formal allocation of targets	5 July 2021
Select Committee input to 2022-23 Budget development	12, 14, 16 July 2021
Scrutiny Committee input to 2022-23 Budget development	21 July 2021

Activity/Milestone	**Time frame**
Review of budget pressures and development of detailed savings proposals 2022-26 incorporating: • Budget Challenge 1 (July) – outline proposals • Budget Challenge 2 (early September) – detailed proposals • Budget Challenge 3 (December) – supplementary proposals	July - December 2021
Spending Review 2021 and Autumn Budget announcement	27 October 2021
Cabinet considers full savings proposals and agrees proposals for public consultation	8 November 2021
Select Committee comments on 2022-23 saving proposals	15, 17, 19 November 2021
Scrutiny Committee 2022-23 Budget scrutiny	24 November 2021
Public consultation on 2022-23 Budget and council tax and Adult Social Care precept options	25 November to 30 December 2021
Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements*	16 December 2021
Confirmation of District council tax base and business rate forecasts	31 January 2022
Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees revenue budget and capital programme recommendations to County Council	31 January 2022
Final Local Government Finance Settlement*	TBC January / February 2022
Scrutiny Committee 2022-23 Budget scrutiny	16 February 2022
County Council agrees Medium Term Financial Strategy 2022-23 to 2025-26, revenue budget, capital programme and level of council tax for 2022-23	21 February 2022
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	TBC w/c 23 May 2022
Review of budget pressures and development of budget strategy and detailed savings proposals 2023-27 incorporating: • Budget Challenge 1 (early May) – context / strategy / approach / outline proposals including transformation • Budget Challenge 2 (early June) – detailed proposals • Budget Challenge 3 (early September) – final proposals	April to December 2022
Fair Funding Review / DLUHC reform of Local Government funding	*Early 2022*
Cabinet agree strategic budget approach and any initial proposals for summer consultation	TBC 4 July 2022
Scrutiny Committee	TBC 20 July

Activity/Milestone	Time frame
Summer consultation activity – service priorities, transformation, approach and early saving proposals	Late July / August(?) 2022
Cabinet approve final proposals for public consultation	TBC 3 October 2022
Scrutiny Committee	TBC 20 October 2022
Public consultation on 2023-24 Budget proposals, council tax and adult social care precept	Late October to mid December?
Select Committee input to development of 2023-24 Budget – comments on specific proposals	TBC w/c 14 November 2022
Government Autumn Budget	*TBC October 2022*
Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements (outcomes of Fair Funding Review?)	*TBC December 2022*
Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees revenue budget and capital programme recommendations to County Council	TBC 30 January 2023
Confirmation of District Council tax base and Business Rate forecasts	31 January 2023
Final Local Government Finance Settlement	*TBC January / February 2022*
Scrutiny Committee 2023-24 Budget scrutiny	TBC 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	TBC 21 February 2023

Assumed Government activity and timescales

4.3. The current year's Budget and Medium Term Financial Strategy (MTFS) for the period 2021-22 to 2024-25 was agreed 22 February 2021 including £47.524m of planned savings and with a remaining shortfall of £91.876m, needing to be addressed in the period 2022-25. The MTFS provided the starting point for the Council's 2022-23 Budget planning activity. Full details of cost pressures assumed in the council's MTFS are set out in the Budget Book 2021-25.[10] In developing the 2022-23 Budget, Cabinet next considered the MTFS position in July 2021, which represented the starting point to inform wider budget setting work across the organisation. At that time, the report identified an updated forecast gap of £108.643m for the period to 2025-26 including an unchanged indicative gap of £39.037m for 2022-23. Following consideration of the report, Cabinet agreed an allocation of savings targets to departments.

4.4. The latest information about the Council's 2021-22 financial position is set out in the Financial Monitoring report elsewhere on the agenda (Period 8 as reported at January 2022). The Council's overarching budget planning for 2022-23 is based on the assumption that a balanced 2021-22 outturn position

[10] https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/budget-book-2021-25.pdf

is delivered (i.e. that in aggregate savings are achieved as planned and there are no overall overspends). Where possible, ongoing pressures and non-delivery of savings identified within the forecast 2021-22 position have been provided for as detailed later in this paper. In particular the non-delivery of savings in 2021-22 has been considered as part of the 2022-23 budget process with mitigating actions in place as set out elsewhere in this report and in financial monitoring.

4.5. In the normal course of budget development, the Council would consider an update on financial planning in September, and then the detail of service department proposals to close the budget gap in October. However, because of the uncertainties this year over local government funding, support for adult social care and other pressures, the Council felt it prudent to wait until the Government provided a clearer view of the context for financial planning before publishing its own budget proposals. The Chancellor subsequently outlined details of the Spending Review and Autumn Budget 2021 on 27 October. These announcements informed a report on Strategic and Financial Planning which Cabinet considered in November 2021. In November, Cabinet agreed:

- to direct Executive Directors to seek to identify further recurrent savings of £5.000m for 2022-23. The outcomes of this process are detailed within this report and incorporated, where appropriate, in the proposed MTFS;
- to agree to undertake a full review of how the Council operates to deliver its future services and strategy. Further proposals about how this could be progressed as part of development of the 2023-24 Budget are set out in this report;
- to begin public consultation on a proposed council tax and Adult Social Care (ASC) precept increase of 2.99%. In 2022-23, the Council has the scope within Government's referendum thresholds to increase the combined council tax and ASC precept by 3.99% due to the decision to defer 1.00% of the ASC precept from 2021-22; and
- to undertake general budget consultation to provide the opportunity for the public to comment more generally on the Council's new proposals for 2022-23 onwards as identified in November.

4.6. As set out in Section 3 above, the Spending Review 2021 provided some indications of the medium term financial envelope within which local authorities will operate, but the Provisional Local Government Finance Settlement itself only set out funding allocations for one year. The failure to publish medium term funding forecasts is disappointing and impacts on the Council's ability to plan over the longer term but is understandable in the context of the Government's intention to progress Local Government funding reform for 2023-24. However, the absence of any detail at this stage about the likely terms of reference for this funding review only serves to add further uncertainty to the Council's planning and associated forecasts.

4.7. Announcements in the provisional Settlement were broadly in line with overall planning assumptions. The provisional Settlement enables the Council to prepare a balanced 2022-23 Budget but is not sufficient to balance over the life of the MTFS. The Council therefore continues to expect to need to draw on its earmarked reserves over the period covered by the MTFS. Some contributions into reserves will be made but this mainly reflects the timing of spend funded from specific grants. Current planning does not include any draw on the Council's general balances, which are planned to be maintained at the minimum level of at least 5% of the net revenue budget. The use of reserves is also in part a reflection of the various severe cost pressures and challenges in achieving planned savings, which the council faces across almost all service areas. It is important to recognise that as a result, the council is **not** in a position to be able to remove or reverse any of the saving proposals agreed as part of the 2021-22 budget, including those savings which are due for implementation during 2022-23, beyond those set out later in this report.

4.8. The Revenue Budget proposals set out in this document form a suite of proposals which will enable the County Council to set a balanced Budget for 2022-23. As such, **recommendations to add growth items, amend or remove proposed savings, or otherwise change the budget proposals, will require Cabinet (or ultimately, County Council) to identify offsetting saving proposals or equivalent reductions in planned expenditure**.

4.9. The Executive Director of Finance and Commercial Services is required to comment on the robustness of budget proposals, and the estimates upon which the budget is based, as part of the annual budget-setting process. This assessment is set out in the Statement on the Robustness of Estimates 2022-23 (Appendix 4)). The budget position and associated assumptions are kept under continuous review. The latest financial planning position and details of all Service Department savings proposals are therefore set out for Cabinet to consider in this report prior to budget-setting by County Council in February 2022.

4.10. **Subject to decisions about the level of council tax increase for 2022-23, the overall net budget proposed for 2022-23 is either £464.325m (2.99%) or £468.824m (3.99%).** The provisional Local Government Finance Settlement for 2022-23 was published 16 December 2021 but remains to be confirmed in January 2022 and therefore amendments may be required to reflect any changes. In particular, the Government has indicated that compensation for under-indexing the business rates multiplier will be adjusted to RPI in the final settlement (CPI in provisional settlement). This will deliver additional income, based on RPI being higher than CPI. Other material adjustments in the Final Settlement are not anticipated.

4.11. Table 3 below summarises the overall proposed final budget for 2022-23, including the cash limited budgets by service. Details of the proposed changes for each service are shown in Sections 8 to 13. The structure of the budget is based on the current Service Departments within the organisational framework.

4.12. The net budget reflects the council tax requirement only, that is, the amount to be funded by council taxpayers. All income from the Business Rates

Retention Scheme is accounted for as council income. The net budget also includes current information received from the District Councils on their respective council tax base, Collection Funds and expected Business Rates.

4.13. At the time of preparing this report in early January 2022, estimates of business rates collection, and the impact of Districts' council tax decisions are not fully known and therefore may change prior to reporting to County Council. In addition, the Local Government Finance Settlement is also not finalised and so the proposed 2022-23 Budget may need to be altered to reflect any changes to government funding amounts for 2022-23 following the final Settlement publication, expected to be announced at the end of January or early February 2022. Likewise, final changes to the District Councils' collection funds and the final Business Rates position will not be confirmed until the end of January and may alter the proposed 2022-23 Budget.

4.14. In relation to council tax, if the County Council agrees to increase council tax by:

- 2.99% overall (1.99% in relation to general council tax and 1.00% for the Adult Social Care precept), this would generate £13.415m additional funding in 2022-23.
- 3.99% overall (1.99% in relation to general council tax and 2.00% for the Adult Social Care precept), this would generate £17.915m additional funding in 2022-23.

4.15. Further details about council tax are included within Section 5 of this report.

4.16. Service and budget planning for 2022-23 has been based on a number of assumptions about changes in core government funding, which remain to be confirmed. The details of all such assumptions and the remaining key risks are set out later in this section of the report. The policy and position of the Council's reserves and balances is set out in Appendix 3 and recommends a minimum level of general balances, reflecting budget risks and uncertainty around future government funding.

4.17. Cabinet is asked to recommend to County Council the 2022-23 Budget proposals, subject to any changes they may have. The proposed overall budget is shown in the table below and detailed in the remainder of this report.

Table 3: Net Revenue Budget

Service Department	2021-22 Base Budget	Budget increases - cost pressures	Budget decreases - savings	2022-23 Recommended Budget before funding and cost neutral changes	Net funding changes	Net cost neutral changes	2022-23 Recommended Net Budget
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Adult Social Services	252.550	35.478	-10.465	**277.563**	-15.136	0.757	263.184
Children's Services	178.886	23.244	-12.088	**190.042**	0.000	-0.977	189.065
Community and Environmental Services	158.307	10.053	-3.496	**164.864**	0.000	1.298	166.162
Strategy and Transformation	8.422	0.422	-0.439	**8.405**	0.000	0.354	8.759
Governance	1.904	0.302	-0.200	**2.006**	0.000	-0.046	1.960
Finance and Commercial Services	32.235	2.520	0.134	**34.888**	0.000	-1.465	33.424
Finance General with 2.99%	-193.210	-22.166	-1.880	**-217.257**	18.948	0.079	-198.230
Total with 2.99%	**439.094**	**49.853**	**-28.434**	**460.513**	**3.812**	**0.000**	**464.325**
Finance General with 3.99%	-193.210	-17.667	-1.880	**-212.758**	18.948	0.079	**-193.731**
Total with 3.99%	**439.094**	**54.352**	**-28.434**	**465.012**	**3.812**	**0.000**	**468.824**

Note: Tables throughout the budget reports are rounded to the nearest £0.001m and therefore may not sum exactly.

4.18. Any new budget pressures, changes to planned savings, or removal of proposals will require alternative savings to be identified by the relevant Service Department in order to maintain a balanced budget position.

4.19. Note:

- Budget increases of £49.853m (2.99%) or £54.353m (3.99%) include £23.144m inflationary pressures, £15.559m legislative pressures, £27.025m of demand and demographic pressures and -£15.875m (2.99%) / -£11.376m (3.99%) of pressures arising from policy decisions (including removal of one-off corporate provision made for COVID-19 pressures in 2021-22). See detailed Service Budgets in Sections 8 to 13.
- Details of £28.434m savings are also shown within the relevant Service Department in Sections 8 to 13. Of the budget savings, £4.482m relate to one-off savings in 2022-23, which will result in a pressure in subsequent years. These are detailed in Table 5 below. The budget also includes one-off use of reserves (included in Table 5) and detailed in the Reserves and Balances report (Appendix 3).
- The net funding decrease of £3.812m includes £30.836m funding increases and £34.649m funding decreases as shown in Table 4.
- Further details of the £4.653m of cost neutral changes are provided in the detailed Service Budgets in Sections 8 to 13.
- The change in the net revenue budget between 2021-22 and 2022-23 is £25.231m (2.99%) or £29.730m (3.99%). The breakdown of this is set out in Table 6 below.

Table 4: Breakdown of net funding changes

	2022-23 £m
Funding increases	
Extended Rights to Free Travel Grant	-0.575
Additional 2022-23 "Services Grant" one-off (share of £1.5bn pa SR21 announcement)	-10.687
Rebase Business Rates budget	-3.214
New Social Care Reform grant	-2.821
Change in Revenue Support Grant	-1.224
Additional Social Care Grant	-11.152
iBCF inflationary uplift	-1.163
Total funding increases	**-30.836**
Funding decreases	
New Homes Bonus Grant	0.436
Local Council Tax Support Grant	7.512
One-off release of Covid funding Tranche 4 carried forward for 2021-22 pressures	5.608
One-off Business Rates reserve use	2.265
COVID-19 Grant 2021-22 (Tranche 5)	18.829
Total funding decreases	**34.649**
Net funding changes	**3.812**

Table 5: One-off savings and use of reserves

		2022-23
Department	**Saving**	**£m**
ASS	One-off release of ASC reserves to offset budget pressures.	-3.000
CES	Fixed Penalty Notices. One-off income from fines if utilities and other companies do not comply with the roadwork permits they have been issued.	-0.050
CES	Fines for overrunning roadworks. One-off income from fines if utilities and other companies do not comply with the roadwork permits they have been issued	-0.350
CES	Remove CES ICT reserve	-0.085
S&T	Insight & Analytics budget saving and additional income. One-off saving by delaying recruitment and seeking alternative sources of funding for currently vacant posts.	-0.097
S&T	One-off use of Strategy and Transformation reserves	-0.050
GOV	Use of Governance reserves. One-off release of reserves	-0.100
FG	One off release from Organisational Change Fund	-0.750
		-4.482

4.20. Note:

- These figures exclude funding increases (base adjustments), such as from the improved Better Care Fund and social care funding, and cost neutral changes. A summary is provided within Table 13 and details provided within Table 27 to Table 33.
- The Budget and Medium Term Financial Strategy (MTFS) includes the one-off use of resources such as the use of Public Health Reserves to deliver public health outcomes and which will result in future budget pressures. The implications of one-off funding are discussed in further detail throughout these reports and particularly within the MTFS (Appendix 2).

Table 6: Change in Net Revenue Budget 2021-22 to 2022-23

	£m 2.99% increase	£m 3.99% increase
Budgeted council tax 2021-22	439.094	439.094
Increase due to:		
Tax base change (increase 4,160 Band D equivalent)	6.128	6.128
General council tax increase	8.944	8.944
Adult Social Care precept	4.472	8.971
Forecast increase in Collection Fund[11]	5.688	5.688
Budgeted council tax 2022-23	**464.325**	**468.824**

4.21. The table below sets out a summary of the savings proposals for 2022-23 to 2025-26. The Council has identified a net £26.189m of new savings proposals in this budget round to help enable the Council to set a balanced budget for 2022-23. Since reporting proposed savings for public consultation to Cabinet in November 2021, a number of additional proposals have been identified, and some savings, including plans brought forward from previous years, have been removed or the saving value has been reassessed. Further details of all the savings within 2022-23 planning can be found in the detailed Service Budgets in Sections 8 to 13.

Table 7: Summary of recurring net budget savings by Department

	2022-23 Saving £m	2023-24 Saving £m	2024-25 Saving £m	2025-26 Saving £m	Total Saving £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**
Grand Total	**-28.434**	**-9.159**	**-8.200**	**0.000**	**-45.793**

[11] The Collection Fund position in 2021-22 reflected a material movement from a surplus position in the 2020-21 Budget to a deficit position for 2021-22, due to the impact of the COVID-19 pandemic on council tax collections in 2020-21. Government made provision to mandate that any deficit arising in 2020-21 must be phased over a three year period. The movement forecast for 2022-23 reflects an improved Collection Fund position, and reflects the deficit phasing form 2020-21. Apart from Norwich City Council, all Norfolk districts forecast a surplus position on the Collection Fund as set out in Table 21/Table 22 of this report.

4.22. As in previous years, budget planning across the Council has also included work to review in detail the deliverability of planned savings and to understand service pressures. Following this activity, the 2022-23 Budget sees further investment in essential services through both the removal of previously planned savings and recognition of budget overspend pressures. The changes to previously agreed savings proposed in this report contribute to ensuring that the 2022-23 Budget will be both robust and deliverable. The net saving position above reflects the removal or delay of £1.596m of saving proposals brought forward from previous budget rounds.

4.23. Details of the key elements of the Council's proposed revenue budget are set out here.

Income

4.24. The Council has four main funding streams:

- Business Rates Retention Scheme (including Revenue Support Grant)
- Council Tax
- Specific Grants
- Fees and Charges

4.25. The main issues in relation to each of these are as follows:

1. **Business Rates Retention Scheme**
The provisional Local Government Funding Settlement in December 2021 set out details of the Council's Settlement Funding Assessment (SFA) allocations for 2022-23, which include the authority's Revenue Support Grant (RSG) and business rates baseline funding level which were in line with the estimates made based on the information provided at the Spending Review 2021.

The business rates baseline within SFA is normally uprated annually in line with CPI (previously RPI up to 2017-18). For 2022-23, the Government has announced that the Business Rate multiplier will again be frozen. The real terms increase which would normally be expected will instead be provided via a Section 31 grant. Until recently, in order to ensure that local government spending was within the national departmental expenditure limits, after taking into account the business rates baseline funding, RSG has been used as a balancing figure and subsequently was reducing year on year in line with the Government's deficit reduction plan. Planned reductions in RSG have given rise to a "negative RSG adjustment" for some local authorities since 2019-20 (Norfolk was not affected), which the Government has decided to continue to eliminate. RSG is being uplifted in line with CPI for 2022-23.

The tables below show the breakdown of the 2022-23 Settlement Funding Assessment compared to the 2021-22 allocations, and the component elements. In overall terms, the provisional Settlement shows an increase of

£1.2m or 0.6% to core government funding compared to the 2021-22 actual amounts, although this does not reflect the Section 31 grant. It should be noted these figures remain subject to confirmation in the final Settlement in January 2022.

Table 8: Provisional Settlement Funding Assessment changes

	2021-22 Actual	2022-23 Provisional	% Change (2021-22 actual to 2022-23 provisional)
	£m	£m	%
Upper-tier funding within Baseline Funding Level	147.134	147.134	0.00%
Fire and Rescue within Baseline Funding Level	7.884	7.884	0.00%
Total Baseline Funding Level	**155.019**	**155.019**	**0.00%**
Upper-tier funding within RSG	35.553	36.628	3.02%
Fire and Rescue within RSG	4.107	4.232	3.02%
Total Revenue Support Grant	**39.660**	**40.860**[12]	**3.02%**
Total Settlement Funding Assessment	**194.679**	**195.879**	**0.62%**

Table 9: Breakdown of Provisional Settlement Funding Assessment

	2021-22 Actual	2022-23 Provisional	Change (2021-22 actual to 2022-23 provisional)
	£m	£m	£m
Settlement Funding Assessment	**194.679**	**195.903**	**1.224**
Notional breakdown:			
Revenue Support Grant	39.660	40.885	**1.224**
Business Rates Baseline	155.019	155.019	**0.000**
Via: Top-up	*127.897*	*127.897*	**0.000**
Retained Rates	*27.122*	*27.122*	**0.000**

2. **Council Tax**
The level of council tax remains a matter for local councils and the four options open to the Council are to:

[12] RSG figures stated in Table 7 exclude the grants rolled in at the provisional Settlement and therefore do not equal to the total RSG and SFA figures shown in Table 8.

- Decrease council tax;
- Freeze council tax;
- Increase council tax below the council tax referenda limits; or
- Increase council tax above the council tax referenda limits and undertake a council tax referendum within Norfolk.

These budget papers have been prepared on the basis of two options:

- **Either** a 1.99% increase in general (basic) council tax and a 2.00% increase in the Adult Social Care precept (including 1.00% deferred from 2021-22). This **3.99%** increase generates £17.915m and results in total council tax of £468.824m for the year.
- **Or** a 1.99% increase in general (basic) council tax and a 1.00% increase in the Adult Social Care precept (being the 1.00% deferred from 2021-22). This **2.99%** increase generates £13.415m and results in total council tax of £464.325m for the year.

The Council has previously opted to raise council tax including the adult social care precept as shown below:

Table 10: Previous council tax increases

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
General increase	1.99%	1.80%	2.99%	2.99%	1.99%	1.99%
ASC precept increase	2.00%	3.00%	3.00%	0.00%[13]	2.00%	2.00%[14]
Total increase	**3.99%**	**4.80%**	**5.99%**	**2.99%**	**3.99%**	**3.99%**

The Government's assumptions within the settlement about local authorities' abilities to raise council tax continue to mean that any decision to raise council tax by less than the Government's inflation assumptions, result in underfunding of the Council compared to Government's expectations as expressed within the "core spending power" position.

3. **Other Income**

A table on total Government grant funding is shown below, with further details provided in the Medium Term Financial Strategy (Appendix 2).

[13] No increase available as maximum 8% taken in period 2016-17 to 2018-19.
[14] Maximum 3% available, 1% deferred to 2022-23.

Table 11: List of key grants and funding

	2021-22	2022-23	2023-24	2024-25	2025-26
	Budget	**Estimated**	**Estimated**	**Estimated**	**Estimated**
	£m	**£m**	**£m**	**£m**	**£m**
Un-ring-fenced					
Business Rates	164.780	167.756	167.756	167.756	167.756
Revenue Support Grant	39.660	40.885	40.885	40.885	40.885
Rural Services Delivery Grant	4.178	4.178	4.178	4.178	4.178
Social Care Grant	30.342	30.342	30.342	30.342	30.342
NEW 2022-23 Social Care Grant	n/a	11.152	11.152	11.152	11.152
NEW Social Care Reform Grant	n/a	2.821	22.821	32.821	32.821
NEW 2022-23 Services Grant	n/a	10.687	0.000	0.000	0.000
New Homes Bonus	2.269	1.833	0.000	0.000	0.000
School Improvement Monitoring and Brokering Grant	0.657	0.657	0.657	0.657	0.657
Fire Pension Grant	1.629	1.629	1.629	1.629	1.629
Fire Revenue	1.047	1.047	1.047	1.047	1.047
Inshore Fisheries	0.152	0.152	0.152	0.152	0.152
Local reform and community voices	0.599	0.599	0.599	0.599	0.599
Social Care in Prisons	0.345	0.345	0.345	0.345	0.345
War Pensions Scheme Disregard	0.248	0.248	0.248	0.248	0.248
Extended rights to free travel (Local Services Support Grant)	1.222	1.222	1.222	1.222	1.222
PFI Revenue Grant (streetlights and schools)	7.905	7.905	7.905	7.905	7.905
Independent Living Fund Grant	1.379	1.379	1.379	1.379	1.379
Improved Better Care Fund	38.454	39.617	39.617	39.617	39.617
Ring-fenced					
Public Health	41.107	41.107	41.107	41.107	41.107
Dedicated Schools Grant	699.382	711.193	711.193	711.193	711.193
Pupil Premium Grant	33.861	33.861	33.861	33.861	33.861
Locally collected tax (forecasts)					
Either: Council tax (assuming increase **2.99%** 2022-23, 2.99% 2023-24, 2024-25, 2025-26)	439.094	464.325	482.992	500.328	520.440
Or: Council tax (assuming increase **3.99%** 2022-23, 2.99% 2023-24, 2024-25, 2025-26)	439.094	468.824	487.672	505.196	525.504
Pooled funding					
NHS Funding (incl. Better Care Fund)	69.120	69.120	69.120	69.120	69.120
COVID-19 funding					
COVID-19 Grant	18.829	n/a	n/a	n/a	n/a
Local council tax support grant	7.512	n/a	n/a	n/a	n/a
Local tax income guarantee	1.233	n/a	n/a	n/a	n/a

4. **Fees and Charges**

4.26. Fees and charges are an important source of income, and the Council charges for some discretionary services. Inflationary increases to fees and charges have been included within the budget where appropriate.

Expenditure – underlying trends

4.27. The aim of the budget planning process is to prepare a robust budget that supports the Council's priority areas, protects and develops services, but is affordable within the available levels of funding. The major cost drivers affecting Norfolk County Council that have been incorporated into the 2022-23 budget plans are:

1. **Price inflation**
   A significant proportion of the Council's services continues to be delivered externally to the County Council – through partners, private sector contracts, and via the council's own companies (including Norse). This means that contractual arrangements are a key driver of the Council's cost pressures. A significant proportion of the Council's spend is via third party contracts and the effective management of these contracts to ensure both value for money and proper standards of service, is critical. While difficult to identify separately, inflationary price rises are being driven by a range of factors including the Covid-19 pandemic and wider changes in the economy.

2. **Demographics**
   Demand for services continues to rise, both through the age profile of the county, wider population changes and through changes to need, such as increasing complexity partially as a result of medical advancements and economic changes. Preventative strategies are in place and, wherever possible, continue to be developed, but these alone will not be sufficient to stem the growth in levels of demand. Budget savings designed to reduce the impact of growth are shown separately. In children's social care, the national picture, driven in part by the pandemic, shows a significant rise in demand both in terms of numbers and complexity of need, and thus cost. There is significant uncertainty about the impacts of reforms to Adult Social Care arrangements which could also give rise to a significant increase in demand for the Council to arrange care services.

3. **Pay award and the National Living Wage**
   The annual pay award and National Living Wage increases in 2022-23 for both the Council's directly employed staff and contracted services are an important cost driver. At the time of preparing the 2022-23 Budget, the 2021-22 pay award remains unconfirmed, although employers have made a final offer of 1.75%. No announcements about negotiations for 2022-23 pay awards have been made, although there is likely to be significant upward pressure on pay given wider inflation rates. The Budget makes

contingency provision for a pay award of up to 3% for all staff. The pay award remains subject to confirmation at this point.

4. **Ongoing costs of COVID-19 pandemic**
Beyond the more generalised impact of COVID-19 on wider costs (for example via higher inflation), additional costs are continuing to be experienced across a range of Council services. Some of these costs, for example outbreak management activities, are anticipated to continue to be met via specific Government funding in 2022-23. However, in a number of other areas, such as social care, exceptional and other costs of responding to the COVID-19 pandemic (whether short or long term) will need to be met within existing Council budgets.

5. **Increased costs of borrowing**
Increased costs are anticipated from 2022-23 in line with borrowing forecast to be undertaken in 2021-22 and 2022-23, with an element of contingency for possible interest rate growth and any additional borrowing for cash flow or capital purposes. The Council continues to seek to minimise borrowing costs, including by assessing alternative sources of borrowing, and accessing lower rates for infrastructure investment where possible.

4.28. The Capital Programme will be funded from external capital grants, prudential borrowing, revenue budgets and/or reserves. The majority of schemes have historically been funded from capital grants received from central government departments. The largest capital grants are from the Department for Transport and the Department for Education, and this is reflected in the balance of the programme. Capital receipts can only be used to fund capital expenditure (which in turn reduces the future revenue impact of borrowing), to repay debt, or (as a result of additional flexibilities from the 2015 Spending Review) to support the revenue costs of transformation projects as set out in the Capital Programme report elsewhere on the agenda. At the time of preparing this report, Government had indicated that it plans to extend the capital receipts flexibility for a further three years from 2022-23, however this has not been formally confirmed. In addition, proposed changes to the capital framework for local government may have an impact on the Council's previous planning assumptions. Proposals for 2022-23 therefore do not include any planned use of capital receipts for debt repayment.

4.29. Subject to the timing of borrowing and the application of the Minimum Revenue Provision (MRP) policy, the future annual revenue cost of prudential borrowing can be significant (as much as 7% of the amount borrowed based on a typical asset life). The amount and timing of these costs is reflected in the revenue budgets where appropriate and in particular assumes additional borrowing for future years. Separate reports to Cabinet, elsewhere on this agenda, set out the detail of the Treasury Management Strategy and the Capital Strategy including the 2022-26+ programme and funding plans.

4.30. Financial planning assumptions for future years take account of the latest monitoring position for 2021-22, as reported to Cabinet elsewhere on this agenda. Further details of the financial planning context are set out in the Medium Term Financial Strategy 2022-26.

4.31. The Statement on the Robustness of Estimates 2022-26 (Appendix 4) sets out the Executive Director of Finance and Commercial Services' (Section 151 Officer) view 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. The factors and budget assumptions used in developing the 2022-26 budget estimates are set out as part of that judgement. The level of reserves has been analysed in terms of risk and is reported to Cabinet as part of these budget papers. The recommended level of general balances is £23.268 for 2022-23. Provision has been made within the 2022-23 position to increase the General Fund to contribute to maintaining a target balance of at least 5% of the net revenue budget in future years. There may also be some opportunity to increase general reserves as part of the closure of 2021-22 accounts. The Medium Term Financial Strategy 2022-26 assumes that general balances will remain at or above the recommended level.

Expenditure and savings – proposals

4.32. Table 27 to Table 33 set out in detail the proposed cash limited budget for all Service Departments for 2022-23, and the medium term financial plans for 2023-24 to 2025-26. These are based on the identified pressures and proposed budget savings shown in the table below. Cost neutral adjustments are also reflected within the Service Department budgets.

4.33. As previously set out, significant uncertainty remains around the following areas:

- District council tax and business rate forecasts are not finalised, these remain subject to change until final forecasts are received at the end of January.
- The provisional Local Government Finance Settlement was published on 16 December, but the final settlement is not expected to be confirmed until the end of January 2022.
- The ongoing impact of COVID-19.

4.34. Any changes arising following Cabinet recommendations, or as a result of these uncertainties, will be reported to Full Council for decisions as appropriate and in line with the Budget Protocol.

4.35. The table below provides a summary of the changes in budget planning from the February 2021 MTFS to the current position across the four years of the 2022-26 MTFS.

Table 12: Budget planning position 2022-23 to 2025-26 – changes from the 2021-22 MTFS position

	2022-23	2023-24	2024-25	2025-26	Total
	£m	£m	£m	£m	£m
Medium Term Financial Strategy 2021-25					
Cost pressures and funding decreases					
Economic and inflationary pressures	18.899	19.028	19.500	0.000	**57.427**
Legislative requirements	8.472	8.699	7.010	0.000	**24.181**
Demand and demographic pressures	11.380	11.980	11.000	0.000	**34.360**
NCC policy decisions	-16.313	5.065	3.011	0.000	**-8.236**
Funding decreases	35.726	0.856	0.000	0.000	**36.582**
Total cost pressures and funding decreases	**58.164**	**45.629**	**40.521**	**0.000**	**144.314**
Council tax					
Collection Fund	-1.360	-1.762	-0.645	0.000	**-3.767**
Council tax increase % (including 1% ASC precept deferred to 2022-23)	-13.308	-9.190	-9.467	0.000	**-31.965**
Tax base increase	-2.214	-3.438	-4.710	0.000	**-10.362**
Total change in council tax income	**-16.882**	**-14.390**	**-14.822**	**0.000**	**-46.094**
Savings and funding increases					
Adult Social Services	4.275	2.000	0.000	0.000	**6.275**
Children's Services	-6.900	-3.500	-2.500	0.000	**-12.900**
Community and Environmental Services	-0.466	0.000	0.000	0.000	**-0.466**
Strategy and Transformation	-0.180	0.000	0.000	0.000	**-0.180**
Governance	0.000	0.000	0.000	0.000	**0.000**
Finance and Commercial Services	0.026	-0.100	0.000	0.000	**-0.074**
Finance General	1.000	0.000	0.000	0.000	**1.000**
Sub-total savings	**-2.245**	**-1.600**	**-2.500**	**0.000**	**-6.345**
Funding increases	0.000	0.000	0.000	0.000	**0.000**
Total savings and funding increases	**-2.245**	**-1.600**	**-2.500**	**0.000**	**-6.345**
Original gap at MTFS 2021-22 to 2024-25 (Surplus)/Deficit	**39.037**	**29.638**	**23.199**	**0.000**	**91.875**
Extend MTFS assumptions for 2025-26					
Economic and inflationary pressures	0.000	0.000	0.000	20.260	**20.260**
Legislative requirements	0.000	0.000	0.000	0.000	**0.000**
Demand and demographic pressures	0.000	0.000	0.000	11.000	**11.000**
NCC policy decisions	0.000	0.000	0.000	0.111	**0.111**
Council tax increase % (1.99%)	0.000	0.000	0.000	-9.752	**-9.752**
Tax base increase (1.5%)	0.000	0.000	0.000	-4.852	**-4.852**

	2022-23	2023-24	2024-25	2025-26	Total
	£m	**£m**	**£m**	**£m**	**£m**
MTFS Gap 2021-22 to 2025-26 (Surplus)/Deficit reported July Cabinet	**39.037**	**29.638**	**23.199**	**16.767**	**108.643**
New cost pressures, funding decreases and changes to MTFS assumptions for 2022-26					
Economic and inflationary pressures					
All services: Revised economic and inflationary pressures	1.455	2.095	2.317	1.557	**7.424**
All services: National Insurance / Health and Social Care Levy 1.25%	2.790	0.000	0.000	0.000	**2.790**
Legislative requirements					
Adult Social Care: Market pressures and cost of care, including National Living Wage uplift	2.500	0.000	0.000	0.000	**2.500**
Adult Social Care: Market pressures and cost of care met from New Social Care reform grant funding	2.821	7.626	0.000	0.000	**10.447**
Fire Service: Cost pressures including new burdens, statutory training, USAR, ill health contributions to Home Office fire pension account, offset by reduction in pension pressures	0.620	-0.100	-0.250	-0.200	**0.070**
Community and Environmental Services: Increased fuel costs for construction vehicles (use of red diesel no longer permitted)	0.110	0.000	0.000	0.000	**0.110**
Community and Environmental Services: Maintenance and Environmental Management plan implementation for capital schemes	0.400	0.000	0.000	0.000	**0.400**
Community and Environmental Services (Trading Standards): The Botulinum Toxin and Cosmetic Fillers (Children) Act 2021 - new burdens	0.024	0.000	0.000	0.000	**0.024**
Community and Environmental Services (Trading Standards): The Food Information (Amendment) (England) Regulations 2019 (“Natasha’s Law”) - new burdens	0.012	0.000	0.000	0.000	**0.012**
SEND Assessments (Educational Psychology service)	0.600	0.000	0.000	0.000	**0.600**
Demand and demographic pressures					
Adult Social Care: Revise future year demographic pressures (leap year impact)	0.000	0.000	0.000	0.600	**0.600**
Adult Social Care: Autism Care and Assessment capacity	0.300	0.000	0.000	0.000	**0.300**
Children's Services: Social care demographic growth	7.900	1.000	0.000	0.000	**8.900**
Children's Services: Social care demographic growth - COVID-19	3.000	4.000	4.000	0.000	**11.000**
Children's Services: Home to School Transport demographic growth	4.325	3.000	2.000	0.000	**9.325**
Community and Environmental Services (Trading Standards): Additional capacity and resilience requirements (growth in demand for services)	0.070	0.000	0.000	0.000	**0.070**

	2022-23	2023-24	2024-25	2025-26	Total
	£m	£m	£m	£m	£m
Community and Environmental Services (Highways): Future maintenance costs of other new infrastructure assets	0.050	0.050	0.050	0.050	**0.200**
Community and Environmental Services (Highways): Contractual future maintenance costs of Great Yarmouth 3rd river crossing	0.000	1.240	0.000	0.000	**1.240**
NCC policy decisions					
Adult Social Care: recurrent pressures arising from 2021-22 ASC service delivery	8.000	0.000	0.000	0.000	**8.000**
Adult Social Care: additional cost pressures within iBCF 2022-23	1.163	0.000	0.000	0.000	**1.163**
Adult Social Care: Revenue pressure due to transformation activity no longer funded by capital (subject to Government policy decisions)	0.000	0.000	0.000	0.000	**0.000**
Adult Social Care: Emerging cost pressures for social care demography and market pressures in 2023-24	0.000	7.000	0.000	0.000	**7.000**
Children's Services: Removal of budget provision for transformation activity (£12m funding)	0.000	0.000	0.000	-2.000	**-2.000**
Children's Services: Re-profile recruitment and retention investment offset by agency cost reductions (impact of COVID)	0.610	-0.070	-0.440	-0.100	**0.000**
Community and Environmental Services: Pressures on CES income budgets including library fine income due to changes in policy (including removal of overdue library charges for children and young people [Cabinet 08/03/2021])	0.100	0.144	0.000	0.000	**0.244**
Community and Environmental Services: Library revenue pressures - Sinking Fund (Millennium Library from 2022-23)	0.022	0.000	0.000	0.000	**0.022**
Community and Environmental Services: Additional Commitment to Norfolk Association of Local Councils (NALC)	0.010	0.000	0.000	0.000	**0.010**
Community and Environmental Services: Provision of ongoing revenue budget for flood mitigation activities from 2022-23	1.120	0.000	0.000	0.000	**1.120**
Community and Environmental Services: Highways additional cost pressures including A143/A12 link road scheme, Norwich basic maintenance	0.065	0.000	0.000	0.000	**0.065**
Community and Environmental Services: Bridges team - additional revenue costs arising from audit recommendations	0.250	0.000	0.000	0.000	**0.250**
Community and Environmental Services: Reverse EDT050 (2019-20 saving) linked to management of on street parking which has not been possible to implement as originally planned	0.500	0.000	0.000	0.000	**0.500**
Community and Environmental Services: Fire Service - Cost pressures including additional costs for Leadership / Talent / Succession, FBT maintenance, fire station	0.285	0.000	0.000	0.000	**0.285**

	2022-23	2023-24	2024-25	2025-26	Total
	£m	£m	£m	£m	£m
cleaning, Fire Behaviour Training: Variable Supplies Costs, Licence East Coast and Scottow rental costs					
Community and Environmental Services: Growth and Development - Costs associated with strategic transport work, such as Transport East and East-West Rail Consortium memberships	0.039	0.000	0.000	0.000	**0.039**
Community and Environmental Services: Growth and Development - Strategic Ambitions reserve funding	0.079	0.000	0.000	0.000	**0.079**
Community and Environmental Services: Growth and Development - One-off funding for local implementation plans arising from the Local Transport Plan adopted by Full Council 29 November 2021	0.215	-0.215	0.000	0.000	**0.000**
Community and Environmental Services: Growth and Development - Enterprise Zone income to reserve for capital projects under MOU	0.110	0.000	0.000	0.000	**0.110**
Community and Environmental Services: Growth and Development - Upfront investment for project / scheme development - to be met from 2020-21 Business Rates Pool funds for 2022-23 to 2024-25	0.000	0.000	0.000	0.250	**0.250**
Community and Environmental Services: Customer Services - unwinding of capitalisation of staff now undertaking "business as usual" activity, pressure for additional capacity required to expand web and online service offer, and pressure for fulfilment team central costs of post operations	0.375	0.000	0.000	0.000	**0.375**
Community and Environmental Services: Emerging cost pressures across all services in 2023-24	0.000	3.000	0.000	0.000	**3.000**
Strategy and Transformation: Delivery of Apprenticeship Strategy 2020-2023 [Cabinet 06/09/2021]	0.115	0.000	0.000	0.000	**0.115**
Governance: Adjustment to 2025-26 Coroners' budget pressure brought forward	0.000	0.000	0.000	0.007	**0.007**
Finance and Commercial Services (IMT): Increased Microsoft support costs	0.085	0.000	0.000	0.000	**0.085**
Finance and Commercial Services (CPT): Recurrent cost pressures from 21-22 activity levels	1.558	0.000	0.000	0.000	**1.558**
Finance and Commercial Services (CPT): Remote working costs - provision of adjustable desks and chairs following DSE assessment	0.100	0.000	0.000	0.000	**0.100**
Finance General: Reduction in income following Norwich Airport Industrial Estate disposal [Cabinet 05/07/2021]	0.367	0.000	0.000	0.000	**0.367**
Finance General: Reduced ESPO dividend income due to impact of COVID	0.120	0.060	0.000	0.000	**0.180**
Finance General: Provision for specific contractual and other risk pressures identified for 2022-23	0.750	0.000	0.000	0.000	**0.750**
Finance General: Reduce and phase General Fund contribution over three years to maintain target balance of 5%	-1.000	0.250	0.250	0.000	**-0.500**
Finance General: Minimum Revenue Provision	0.000	3.000	0.000	0.000	**3.000**

	2022-23	2023-24	2024-25	2025-26	Total
	£m	£m	£m	£m	£m
Finance General: Remove assumptions about application of capital receipts for repayment of debt due to change in Government policy	3.400	0.000	0.000	0.000	**3.400**
Finance General: One-off application of 2021-22 underspends carried forward to support revenue budget pressures across all services	-18.000	18.000	0.000	0.000	**0.000**
Net new savings and funding increases for 2022-26					
Savings					
Adult Social Services	-14.740	-6.175	-5.700	0.000	**-26.615**
Children's Services	-5.188	-1.400	0.000	0.000	**-6.588**
Community and Environmental Services	-3.030	-0.236	0.000	0.000	**-3.266**
Strategy and Transformation	-0.259	0.102	0.000	0.000	**-0.157**
Governance	-0.200	0.100	0.000	0.000	**-0.100**
Finance and Commercial Services	0.108	-0.200	0.000	0.000	**-0.092**
Finance General	-2.880	0.250	0.000	0.000	**-2.630**
Funding increases					
Provisional Settlement: Additional year of New Homes Bonus Grant	-1.027	1.027	0.000	0.000	**0.000**
Provisional Settlement: NEW (one-off) 2022-23 "Services Grant" (share of £1.5bn announced at Spending Review 2021)	-10.687	10.687	0.000	0.000	**0.000**
Provisional Settlement: NEW (ongoing) Social Care Grant (share of £1.5bn announced at Spending Review 2021)	-11.152	0.000	0.000	0.000	**-11.152**
Provisional Settlement: NEW Social Care Reform grant (share of National Insurance / Health and Social Care levy for 2022-23 to 2024-25)	-2.821	-7.626	0.000	0.000	**-10.447**
Business rates 2021-22	-3.214	0.000	0.000	0.000	**-3.214**
Provisional Settlement: iBCF inflationary uplift 2022-23	-1.163	0.000	0.000	0.000	**-1.163**
Provisional Settlement: Revenue Support Grant inflationary uplift 2022-23	-1.224	0.000	0.000	0.000	**-1.224**
Adjustment to budgeted Extended Rights to Free Travel grant to reflect actual funding level	-0.625	-0.050	0.000	0.000	**-0.675**
NCC assumption for transitional funding arrangements in 2023-24 Fair Funding Review	0.000	-12.000	0.000	0.000	**-12.000**
Gap before council tax changes	**8.349**	**64.197**	**25.427**	**16.931**	**114.904**
Recommendation 6)d)i) 3.99% increase for 2022-23					
Finance General: Phase one-off application of 2021-22 underspends carried forward to support revenue budget pressures across all services	4.499	-8.998	4.499	0.000	**0.000**
Council tax changes 2022-23					
Collection Fund	-4.328	1.683	2.645	0.000	**0.000**

	2022-23	2023-24	2024-25	2025-26	Total
	£m	**£m**	**£m**	**£m**	**£m**
Council tax increase % (+1% ASC from 2022-23)	-4.529	-4.806	-4.999	-5.200	**-19.534**
Tax base increase	-3.992	-1.335	-0.347	-0.505	**-6.179**
Final gap for 2022-23 MTFS	**0.000**	**50.740**	**27.224**	**11.227**	**89.191**
Recommendation 6)d)ii) 2.99% increase for 2022-23					
Council tax changes 2022-23					
Collection Fund	-4.328	1.683	2.645	0.000	**0.000**
Council tax increase % (+1% ASC from 2023-24)	-0.030	-4.670	-4.858	-5.053	**-14.611**
Tax base increase	-3.992	-1.290	-0.301	-0.456	**-6.038**
Final gap for 2022-23 MTFS	**0.000**	**59.920**	**22.913**	**11.422**	**94.255**
Difference in gap between 2.99% and 3.99%	**0.000**	**-9.179**	**4.311**	**-0.196**	**-5.064**

4.36. Reflecting these proposed adjustments, the resulting budgets for the period of the MTFS are shown below.

Table 13: Summary Net Budget Changes 2022-23

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General 2.99%	Norfolk County Council 2.99%	Finance General 3.99%	Norfolk County Council 3.99%
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Base Budget 2021-22	252.550	178.886	158.307	8.422	1.904	32.235	-193.210	**439.094**	-193.210	**439.094**
Growth										
Economic and inflationary	8.100	4.679	4.789	0.307	0.171	1.294	3.805	**23.144**	3.805	**23.144**
Legislative requirements	11.816	0.600	2.066	0.000	0.000	0.000	1.077	**15.559**	1.077	**15.559**
Demand and demographic	6.400	18.725	1.820	0.000	0.080	0.000	0.000	**27.025**	0.000	**27.025**
Policy decisions	9.163	-0.760	1.378	0.115	0.051	1.226	-27.049	**-15.875**	-22.549	**-11.376**
Funding reductions	0.000	0.000	0.000	0.000	0.000	0.000	34.649	**34.649**	34.649	**34.649**
Cost neutral increases	0.757	0.098	1.985	0.354	0.000	0.160	1.299	**4.653**	1.299	**4.653**
Total budget increase	**36.235**	**23.342**	**12.037**	**0.776**	**0.302**	**2.680**	**13.781**	**89.154**	**18.281**	**93.653**
Reductions										
Total savings	-10.465	-12.088	-3.496	-0.439	-0.200	0.134	-1.880	**-28.434**	-1.880	**-28.434**
Funding increases	-15.136	0.000	0.000	0.000	0.000	0.000	-15.701	**-30.836**	-15.701	**-30.836**
Cost neutral decreases	0.000	-1.075	-0.687	0.000	-0.046	-1.625	-1.220	**-4.653**	-1.220	**-4.653**
Total budget decrease	**-25.601**	**-13.163**	**-4.182**	**-0.439**	**-0.246**	**-1.491**	**-18.801**	**-63.924**	**-18.801**	**-63.924**
Base Budget 2022-23	**263.184**	**189.065**	**166.162**	**8.759**	**1.960**	**33.424**	**-198.230**	**464.325**	**-193.731**	**468.824**

	Norfolk County Council 2.99%	Norfolk County Council 3.99%
Funded by: Council tax	-462.404	-466.903
Collection Fund surplus	-1.921	-1.921
	-464.325	**-468.824**
2022-23 Budget Gap	0.000	0.000

Table 14: Summary Net Budget Changes 2023-24

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General 2.99%	Norfolk County Council 2.99%	Finance General 3.99%	Norfolk County Council 3.99%
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Base Budget 2022-23	263.184	189.065	166.162	8.759	1.960	33.424	-198.230	**464.325**	-193.731	**468.824**
Growth										
Economic and inflationary	8.319	4.953	5.051	0.354	0.070	1.479	0.899	**21.123**	0.899	**21.123**
Legislative requirements	14.354	0.000	-0.190	0.000	0.000	0.000	2.061	**16.225**	2.061	**16.225**
Demand and demographic	6.700	11.500	2.990	0.000	0.080	0.000	0.000	**21.270**	0.000	**21.270**
Policy decisions	7.000	-0.960	2.929	0.000	0.105	-0.052	27.212	**36.234**	18.214	**27.236**
Funding reductions	0.000	0.000	0.000	0.000	0.000	0.000	1.833	**1.833**	1.833	**1.833**
Cost neutral increases	0.000	0.000	0.000	0.000	0.000	0.000	0.050	**0.050**	0.050	**0.050**
Total budget increase	**36.373**	**15.493**	**10.780**	**0.354**	**0.255**	**1.426**	**32.055**	**96.735**	**23.057**	**87.737**
Reductions										
Total savings	-4.175	-4.900	-0.236	0.102	0.100	-0.300	0.250	**-9.159**	0.250	**-9.159**
Funding increases	-7.626	0.000	0.000	0.000	0.000	0.000	-1.313	**-8.940**	-1.313	**-8.940**
Cost neutral decreases	0.000	-0.050	0.000	0.000	0.000	0.000	0.000	**-0.050**	0.000	**-0.050**
Total budget decrease	**-11.801**	**-4.950**	**-0.236**	**0.102**	**0.100**	**-0.300**	**-1.063**	**-18.149**	**-1.063**	**-18.149**
Base Budget 2023-24	**287.756**	**199.608**	**176.706**	**9.215**	**2.315**	**34.550**	**-167.238**	**542.912**	**-171.737**	**538.413**

	Norfolk County Council 2.99%	Norfolk County Council 3.99%
Funded by: Council tax	-480.992	-485.672
Collection Fund surplus	-2.000	-2.000
	-482.992	**-487.672**
2022-23 Budget Gap	0.000	0.000
2023-24 Budget Gap	59.920	50.740

Table 15: Summary Net Budget Changes 2024-25)

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General 2.99%	Norfolk County Council 2.99%	Finance General 3.99%	Norfolk County Council 3.99%
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Base Budget 2023-24	287.756	199.608	176.706	9.215	2.315	34.550	-167.238	**542.912**	-171.737	**538.413**
Growth										
Economic and inflationary	8.433	5.068	5.319	0.367	0.075	1.544	1.012	**21.817**	1.012	**21.817**
Legislative requirements	7.010	0.000	-0.250	0.000	0.000	0.000	0.000	**6.760**	0.000	**6.760**
Demand and demographic	5.500	9.500	2.050	0.000	0.000	0.000	0.000	**17.050**	0.000	**17.050**
Policy decisions	0.000	-0.540	0.000	0.000	0.111	0.000	3.250	**2.821**	7.749	**7.320**
Funding reductions	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Cost neutral increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Total budget increase	**20.943**	**14.028**	**7.119**	**0.367**	**0.186**	**1.544**	**4.262**	**48.448**	**8.761**	**52.948**
Reductions										
Total savings	-5.700	-2.500	0.000	0.000	0.000	0.000	0.000	**-8.200**	0.000	**-8.200**
Funding increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Cost neutral decreases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Total budget decrease	**-5.700**	**-2.500**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**-8.200**	**0.000**	**-8.200**
Base Budget 2024-25	**302.998**	**211.136**	**183.824**	**9.583**	**2.501**	**36.094**	**-162.976**	**583.160**	**-162.976**	**583.160**
Funded by: Council tax								-500.328		-505.196
Collection Fund surplus								0.000		0.000
								-500.328		**-505.196**
2022-23 Budget Gap								0.000		0.000
2023-24 Budget Gap								59.920		50.740
2024-25 Budget Gap								22.913		27.224

Table 16: Summary Net Budget Changes 2025-26

	Adult Social Services	Children's Services	Community and Environmental Services	Strategy and Transformation	Governance	Finance and Commercial Services	Finance General 2.99%	Norfolk County Council 2.99%	Finance General 3.99%	Norfolk County Council 3.99%
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Base Budget 2024-25	302.998	211.136	183.824	9.583	2.501	36.094	-162.976	**583.160**	-162.976	**583.160**
Growth										
Economic and inflationary	8.433	5.068	5.319	0.367	0.075	1.544	1.012	**21.817**	1.012	**21.817**
Legislative requirements	0.000	0.000	-0.200	0.000	0.000	0.000	0.000	**-0.200**	0.000	**-0.200**
Demand and demographic	6.100	3.500	2.050	0.000	0.000	0.000	0.000	**11.650**	0.000	**11.650**
Policy decisions	0.000	-0.100	0.000	0.000	0.118	0.000	-2.000	**-1.982**	-2.000	**-1.982**
Funding reductions	0.000	0.000	0.250	0.000	0.000	0.000	0.000	**0.250**	0.000	**0.250**
Cost neutral increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Total budget increase	**14.533**	**8.468**	**7.419**	**0.367**	**0.193**	**1.544**	**-0.988**	**31.535**	**-0.988**	**31.535**
Reductions										
Total savings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Funding increases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Cost neutral decreases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Total budget decrease	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Base Budget 2025-26	**317.531**	**219.603**	**191.243**	**9.950**	**2.694**	**37.639**	**-163.965**	**614.695**	**-163.965**	**614.695**

	Norfolk County Council 2.99%	Norfolk County Council 3.99%
Funded by: Council tax	-520.440	-525.504
Collection Fund surplus	0.000	0.000
	-520.440	**-525.504**
2022-23 Budget Gap	0.000	0.000
2023-24 Budget Gap	59.920	50.740
2024-25 Budget Gap	22.913	27.224
2025-26 Budget Gap	11.422	11.227

4.37. In setting the annual budget, Section 25 of the Local Government Finance Act 2003 requires the Executive Director of Finance and Commercial Services (Section 151 Officer, S151) to report to members on the robustness of budget estimates and the adequacy of proposed financial reserves. This informs the development of a robust and deliverable budget for 2022-23. The Executive Director of Finance and Commercial Services' judgement on the robustness of the 2022-23 Budget is set out in Appendix 4, and will be substantially based upon the following considerations:

Changes in budget planning

- Significant service pressures, totalling over £68m, which have been identified for 2022-23 and been incorporated into the Budget in February after being reviewed and validated.
- New saving proposals totalling £26.189m
- Review and validation of the deliverability of previously planned saving programmes has been undertaken so that changes can be reflected in final budget setting for 2022-23. Any saving proposals which are now judged to be at risk of either non-delivery or delay have been removed or delayed as appropriate from 2022-23 and future years.
- Options to reduce the level of reliance on capital receipts and one-off measures across the life of the MTFS have been identified and reflected in planning where possible.
- Budget planning reflects final changes to inflation forecasts for 2022-23, however it should be noted that inflation figures are estimates only for future years and these will continue to change.

Assumptions and Risks

- The Budget assumes that all the savings proposed and included for 2021-22 can be successfully achieved.
- The latest information about the 2021-22 budget monitoring position is set out in the Financial Monitoring report elsewhere on the agenda. A number of the issues identified in the 2021-22 position are provided for in the pressures included in the 2022-23 Budget, however, save where they have been specifically mitigated within the budget process, the underlying assumption for budget setting is that the 2021-22 Budget is delivered (i.e. that all savings are achieved as planned and there are no significant unfunded overspends). This effectively assumes that any "unmitigated" non delivery of savings from 2021-22 can be made up during 2022-23.
- The Chancellor's Spending Review and Budget 2021 announcements, as confirmed in the provisional Settlement, are expected to provide additional resources in 2022-23 beyond the level assumed in the February 2021 MTFS. These represent both funding for core serves and specific funding for social care. Further details are provided in Section 3. This additional funding will enable a number of the pressures identified in the Budget process to be mitigated to ensure a robust position can be established for 2022-23. Assumptions have also been made that elements of funding will continue in

2023-24 and beyond, but the settlement is also clear that some are one-off in nature. The Council has assumed that transitional arrangements will "smooth" some of the impact of such funding changes but details of any proposed approach remain to be announced by Government. The short-term nature of the settlement announcement (for 2022-23 only, in spite of a multi-year Spending Review) means that risks remain around the provision of this funding in future years and therefore a material impact and potential cliff-edge may emerge in 2023-24 if these assumptions have to be subsequently reversed. Finally, the trajectory for local authority funding implied by both the Spending Review and settlement is for only very limited increases in core ongoing funding in 2023-24 and beyond. Government continues to make assumptions about council tax increases which effectively transfer the burden of funding services to Norfolk taxpayers. As set out elsewhere in these papers, details of the final Local Government Finance Settlement remain to be confirmed although significant changes are considered unlikely.

- Council tax increases are recommended as set out elsewhere in these papers. The assumed council tax increases are subject to Full Council's decisions on the levels of council tax, which will be made before the start of each financial year. In future years there will be an opportunity to consider the required level of council tax and Adult Social Care precept in light of any future Government announcements relating to the Fair Funding Review and Comprehensive Spending Review. However, it is currently the view of the Executive Director of Finance and Commercial Services that the pressures within the current budget planning position are such that the Council will have very limited opportunity to vary these assumptions, and **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.
- In addition to an annual increase in the level of council tax, the **budget assumes annual tax base increases of 1.38% in 2022-23 and 1.00% for 2023-24 and subsequent years**. If these do not occur, the budget gap would be increased, but equally, additional growth would reduce the gap. This position reflects the broad Norfolk trends experienced in recent years (with the exception of the impact of COVID-19 in 2021-22) in relation to the overall tax base level. It should be noted that council tax forecasts from District Councils for tax base and collection fund have not yet been finalised and updated information will be provided at the end of January 2022.
- The 2022-23 Budget makes a general contingency provision for a pay award of up to 3%. However, at the time of preparing this report, the pay award for the 2021-22 financial year has not yet been agreed, and unions have not yet submitted a claim for 2022-23. In broad terms, every 1% pay increase represents an additional £2.5m pressure to the Council.
- Pay inflation from 2023-24 onwards is assumed and included in budget planning at 3% per year, broadly reflecting national pressures and expected increases to the level of the minimum wage / national living wage, however increases may also have further implications for some of the lower points on the Council's

current salary scales and this will need to be refined as pay negotiations progress.

- The assumed use of one-off funding including reserves within savings proposals. Significantly the 2022-23 Budget assumes that £18.000m can be deployed in year to meet identified service pressures. **The use of one-off resources contributes materially to the scale of the budget gap to be addressed in 2023-24**.
- Assumptions have been made in relation to the **allocation of the new 2022-23 Social Care grant which sees the grant being fully aligned to Adult Social Services**. It is a key concern that no inflationary or other uplift in this funding appears to be provided for. In addition, it has been assumed that new funding for Social Care via the National Insurance uplift in 2022-23 can be applied to meet costs associated with market pressures and the fee uplift. In relation to future years it is unclear whether the additional funding being provided will be adequate to meet cost pressures associated with planned reforms to Adult Social Care.
- As a result of the December 2020 Judicial Review into the Council's charging policy relating to Adult Social Care, the Council's Cabinet in January 2021 agreed to make an interim amendment to the charging policy for non-residential care for people of working age, setting a minimum income guarantee of £165 per week, and using discretion to disregard the enhanced daily living allowance element of Personal Independence Payment. The Council's financial planning for 2022-26 continues to reflect the financial implications of this decision. Government announcements indicate that the minimum income guarantee is likely to be increased by inflation from April 2022 and wider charging policy reforms will be undertaken nationally as part of the reform of Adult Social Care. These changes will be fully reflected in the MTFS as the detail becomes clearer. There is a risk that the Adults Business Risk Reserve may also be required to fund new pressures in 2022-23 linked to the non-delivery of savings and / or other pressures, however the timing of any such issues and whether these would attract funding from Government is currently unclear.
- Transformational change and growth pressures forecast in Children's Services relating to vulnerable children and families, and home to school transport, can be delivered within the funding allocated.
- The High Needs Block overspend and brought forward DSG deficit position can be treated in line with the accounting treatment proposed by Government and as such places no pressure on the local authority budget (as discussed in more detail below).
- The Council submitted a disapplication request in respect of the Dedicated Schools Grant (DSG) for 2022-23 for 1% transfer in addition to the 0.5% transfer from the Schools Block (SB) to the High Needs Block (HNB) agreed by Schools Forum on 17 November 2021. The Council is awaiting notification from the Secretary of State as to whether the request has been accepted or declined. At present the DSG Management Plan assumes that the request will be accepted. If this is not the case, the in-year forecast pressure for 2022-23 and cumulative deficit anticipated by the end of 2022-23 will increase by £5.686m. The DSG deficit arises from the historic underfunding of the HNB, which supports high needs places in state special schools, independent schools, and Alternative

Provision (AP). A recent consultation from the Department for Education (DfE) regarding the funding formula evidenced that Norfolk continues to be under funded due to a capping system in place. Norfolk is currently carrying an outstanding DSG deficit from previous financial years, with a forecast £54.324m cumulative deficit forecast for the end of 2021-22. On the basis of the accounting treatment introduced in 2020[15] by the Government:

- the DSG is a ring-fenced specific grant separate from the general funding of Local Authorities (LAs);
- any deficit an authority may have on its DSG account is expected to be carried forward and is not required to be covered by the authority's general reserves;
- the deficit should be repaid through future years' DSG income.

There is no easy solution to these funding challenges, and the system overall lacks sufficient funding to meet the needs of all pupils, given the increasing complexity of needs for significant numbers. Future uncertainty in relation to the National Special Educational Needs and Disability (SEND) Review and future DSG funding makes it extremely difficult for both schools and the Council to plan ahead and to understand the implications of any decisions made. Nevertheless, the Council recognises that the needs of current students must be considered alongside the offer for the future, and it is critical that mainstream schools have the funding locally to invest in creative solutions to achieve increased inclusivity. Removing funding from the mainstream schools (Schools Block) risks escalation of need that cannot be met at a lower level driving more pupils into high needs provision that is significantly more expensive. However, the revised terms and conditions of the DSG left the Council with little choice but to apply for an increased block transfer. The Council recognises the pressures on schools' budgets and the desire of schools to receive the maximum funding possible directly into their budgets via the funding formula, and that maximising funding in schools may support increased inclusivity and reduced escalation of needs. However, the Council must weigh this up against the current and forecast levels of DSG deficit and be responsible in considering how the deficit can be repaid from within the DSG in future years, as required by the regulations. The Council is required to have a plan in place for the management of the DSG where it is in a deficit position. Norfolk's plan has been shared with the DfE as well as with Norfolk Schools Forum on a regular basis, and the latest version is included in the Dedicated Schools Grant Budget report elsewhere on this agenda.

It should be noted that the Council's SEND and Alternative Provision (AP) transformation programme is expected to deliver significant savings, which are shown in the table below:

Table 17: Forecast SEND and AP transformation programme savings

	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m

[15] https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2019-to-2020/dedicated-schools-grant-conditions-of-grant-2019-to-2020#accounting

Savings (iterative)	-3.474	-6.389	-6.248	-3.299	-2.369
Savings (cumulative in-year)	-4.847	-11.235	-17.484	-20.783	-23.152
Savings (cumulative total)	-6.219	-17.455	-34.938	-55.721	-78.873

Lower delivery of savings, or growth above budgeted levels (as has been seen over the last 12 months), could result in an increase to the cumulative deficit forecast in the DSG recovery plan.

The demand that the Council is anticipating outstrips supply in future years, based upon the trends seen since the policy changes made in the SEND Reform Act. The Council is of the view that the funding for the High Needs Block has not kept pace with the financial impact of these policy changes (including the emphasis upon parental choice) and, based upon current projections, the significant capital investment and transformation programme that is underway will not be sufficient to sustainably balance the DSG. To be able to properly meet the needs of Norfolk's population, the Council is of the view that central government needs to allocate both sufficient revenue funding and capital funding, with the capital funding sufficient to both maintain the condition of existing maintained special schools, but also to expand provision (similar to capital grant allocations for mainstream schools).

The accounting treatment for DSG cumulative deficits diverges from normal accounting practice and allows councils to carry a negative balance on these reserves. This treatment is being dictated by Government but will need to be kept under review as it potentially remains a significant issue for Norfolk County Council and will result in a material deficit balance in the Council's Statement of Accounts until the DSG recovery plan has been delivered.

- There are financial risks linked to the Council's ambitious net zero carbon emissions target which is set out within the Environment Policy adopted by the County Council in 2019-20. This aims to achieve carbon neutrality by 2030. The Budget assumes that cost pressures and capital schemes to achieve 2030 carbon neutrality linked to the Environmental Policy are sufficient.
- Pressures forecast within waste and highways budgets can be accommodated within the additional funding allocations. There is an ongoing risk in relation to potential pressures within the County Council's waste budgets which relates to the overall waste volumes. There are a number of factors that impact on waste volumes such as effects of the general economy, changing working routines, consumer confidence and behaviours and weather patterns. There have been significant increases in waste volumes over the last year, largely driven by greater numbers of people working from home and changes in consumer behaviours. These factors remain highly uncertain and could impact on waste volumes significantly. As a consequence of Covid-19 the County Council's waste services have experienced a surge in the volumes of waste, recycling and garden waste. This increase in materials being generated by households is being experienced nationwide and is mainly due to changes in householder behaviours in response to Covid-19 regulations, combined with the effect of many shifting to working from home. The waste levels managed by the County Council for the full 2021-22 financial year are currently projected to be around 3% or 7,000 tonnes more than allowed for, with the amount of recycling and

garden waste collected by District Councils, which the County Council contributes to the cost of dealing with, currently expected to be around the levels allowed for. During 2022-23 these levels of increases in waste, recycling and garden waste are expected to be sustained, due to an expected prolonged effect of Covid-19 on householder behaviours. However, although in the longer term these effects are expected to reduce it is also expected that many will retain some work from home habits, such that levels of both waste and recycling in the longer term will remain at levels several thousand tonnes a year higher than the pre-Covid-19 levels.

- Winter Hardship Funds were provided to upper tier local authorities to support families and adults struggling financially as a result of the covid pandemic. This was bolstered in October 2021 with a new Household Support Fund to support "the final stages of recovery," alongside other funding in place to help vulnerable households and individuals. Government has provided welcome funding to date but there remains therefore a risk that need will continue for an extended or ongoing period and that local authorities will be expected to meet this demand without further additional resources.
- On 27 October 2021, the Government announced[16] National Living Wage increases which will come into effect from April 2022. These reflect a significant 6.6% increase from £8.91 to £9.50 for workers aged over 23. This level of material increase in the National Living Wage is allowed for in the Council's own pay scales, but it will be challenging in the medium term if this level of increase is sustained. It will also have implications for some of our third party providers, particularly in respect of Adult Social Care, as discussed in further detail in the Fee Levels for Adult Social Care Providers 2022-23 report to Cabinet elsewhere on this agenda. The Council's fee uplift is set at a level intended to enable providers to offer pay at National Living Wage rates but this represents a major financial pressure for the Council – in broad terms, every penny increase in the National Living Wage rate represents a pressure of approximately £0.200m for Adult Social Care. In summary, increases to meet the National Living Wage pay rates have been provided for within 2022-23 budget plans, but future increases will put significant pressure on the medium term position.
- The new HR and Finance System can be implemented as currently planned from April 2022 in order to deliver savings from 2022-23 and within the budgetary provision now made for revenue and capital costs. Further details are set out in the Capital Programme elsewhere on the agenda.

4.38. The S151 Officer has considered the **adequacy of the overall general fund balance**, as well as the need for providing a general contingency amount within the revenue budget. This assessment is informed by the increasing level of the Council's net budget, uncertainty about business rates income, Government funding, the impact and economic uncertainty linked to the COVID-19 pandemic, and the Council's overall value for money position. In broad terms, the general fund balance provides for around 18 days of the Council's net budget activity. While recognising the changing picture, and increasing levels of risk, the proposed revenue budget for 2022-23 is based on increasing general balances to £23.268m. This position acknowledges the

[16] https://www.gov.uk/government/publications/minimum-wage-rates-for-2022

significant pressures within the revenue budget and also takes into account the fact that specific earmarked reserves have been established which will help to address pressures and risks in 2022-23. Having regard to the reserves and balances risk assessment, the S151 Officer further continues to recommend a principle of seeking to increase general fund balances and that any additional resources which become available during 2022-23 from (but not limited to) the following sources, should be added to the general fund balance wherever possible:

- in year revenue underspends as reported through the monthly revenue monitor to Cabinet or at year end;
- one off revenue funds which become available such as one-off unbudgeted income;
- any other resources which become available on an unforeseen or unbudgeted basis.

4.39. Taking these issues into account, and in line with Cabinet decisions in November 2021, it is the recommendation of the Section 151 Officer that early planning is undertaken in respect of 2023-24 and the scope to address pressures within the constraints of the overall budget should be reviewed in the round during 2022-23. This should be informed by, but cannot be contingent upon, the progress of any local government funding reform brought forward for 2023-24. It may be that further specific details of the longer term funding allocations for the Council are not known until late in 2022-23. **In this context it will be essential that the Council is able to produce a realistic plan for reducing the budget requirement in future years through the early identification of saving proposals for 2023-24, or the mitigation of currently identified pressures**, and that all proposals are considered in the context of the significant budget gap identified for that year. The proposed timetable for 2023-24 Budget setting in Table 2 reflects these considerations.

5. Council tax

5.1. The level of council tax and Adult Social Care (ASC) precept is set annually by Members in the context of thresholds determined by Government. Legislation requires that any council tax increase in excess of a limit / threshold determined by the Secretary of State for Levelling Up, Housing and Communities and approved by the House of Commons, must be decided by local voters, who, through a local referendum, will be able to approve or veto the proposed increase. The threshold for 2022-23 has been provisionally announced as 3% **plus** any deferred amount of ASC precept available from 2021-22. For Norfolk County Council in 2022-23 this equates to 2% for general council tax and 2% for the Adult Social Care precept, a referendum threshold of 4%. At the Spending Review 2021, the Government also confirmed its intention to set a threshold of 3% (2% general and 1% ASC precept) for 2023-24 and 2024-25. The threshold is normally finalised annually alongside the Final Local Government Finance Settlement. The principles as currently set out would not provide scope for any unused 2022-23 ASC precept to be carried forward to 2023-24, i.e. if not taken in 2022-23 that discretion will be lost.

5.2. The MTFS approved by Members in February 2021 assumed a 1.99% increase in council tax for 2022-23 and subsequent years, plus a 1.00% increase in the Adult Social Care precept for 2022-23 (deferred from 2021-22). In November, Cabinet agreed to undertake consultation on a proposed increase in council tax of 2.99% (in line with the February MTFS). **Having reviewed the latest financial position and the underlying Budget proposals for 2022-23, the Section 151 Officer recommends that Members adopt the maximum council tax increase available within the referendum threshold, plus the deferred amount of ASC precept from 2021-22, an overall increase of 3.99% for 2022-23**. The table below sets out the additional income available from an increase of 3.99% compared to an increase of 2.99%.

Table 18: Forecast additional income from council tax increase in 2022-23

	2022-23 £m	**2022-23 £m**	**Difference £m**
	2.99% increase (per November Cabinet)	**3.99% increase (Section 151 Officer recommendation)**	**1.00%**
General council tax	-8.944	-8.944	0.000
Adult Social Care precept	-4.472	-8.971	-4.499
Total	**-13.415**	**-17.915**	**-4.499**

5.3. The increase in council tax contributes to closing the 2022-23 budget gap and mitigating the gap in future years. **An overall council tax increase of 3.99% would enable a substantially more robust budget for 2022-23 and in particular helps to support a sustainable position over the Medium Term Financial Strategy period**. An increase of 2.99% would enable a balanced 2022-23 Budget to be agreed, but will require significantly greater reliance on one-off resources during the year which would in turn result in a materially higher gap to be addressed for 2023-24. **A 2.99% increase would require early Member decisions to be made during 2022-23 to support the following year's budget process and in particular would require circa £9m of additional savings to be found for 2023-24, when compared to a 3.99% increase**.

5.4. The referendum threshold of 3% (plus any deferred ASC precept available) is intended by Government to allow local authorities to raise additional resources to meet increased costs within social care and also across wider services. The chart below illustrates how historic and planned council tax increases compare with the level it would have been if CPI increases had been applied since 2010-11. Excluding the effect of the Adult Social Care precept, general council tax remains substantially lower than it would otherwise have been. This is reflective of the Government's policy of encouraging councils to limit council tax increases in the period to 2015-16, prior to the more recent policy of assuming that local authorities will raise the maximum council tax available. Comparison of changes in the County Council's band D council tax indicates that most upper tier shire counties have made similar decisions in recent years in relation to the level of council tax increase to apply.

Chart 1: Actual council tax levels compared to theoretical CPI increases

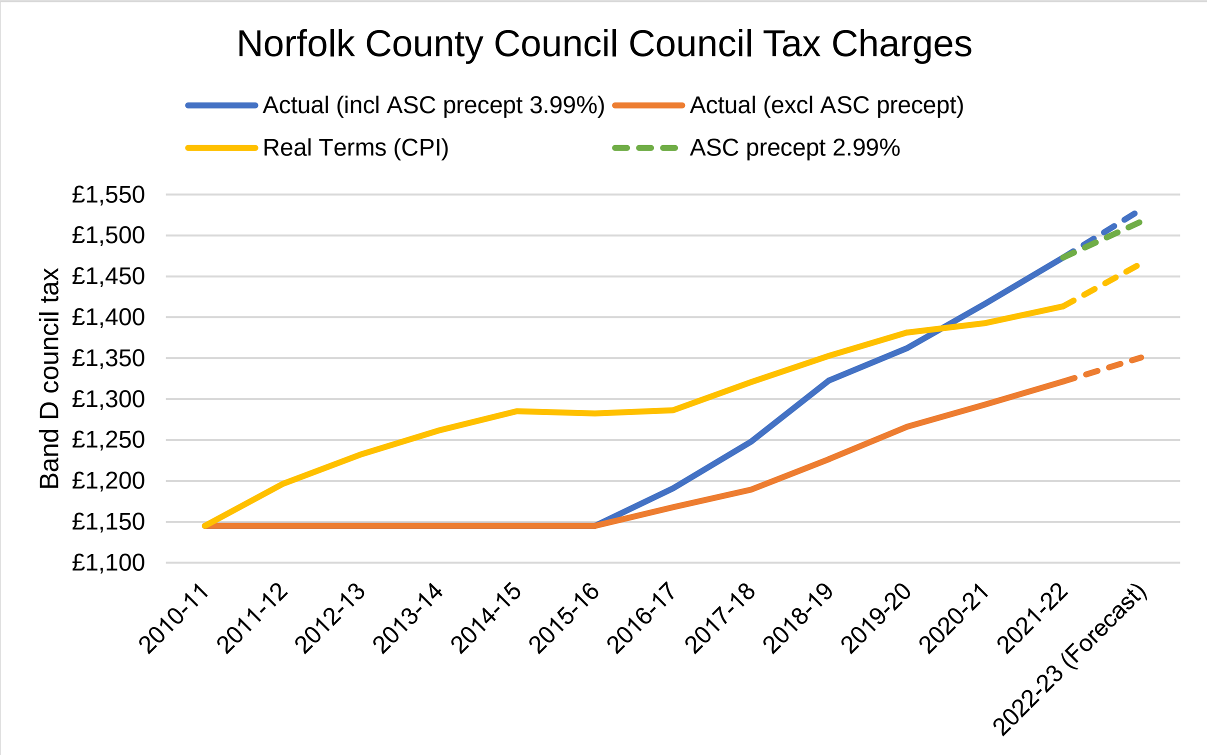
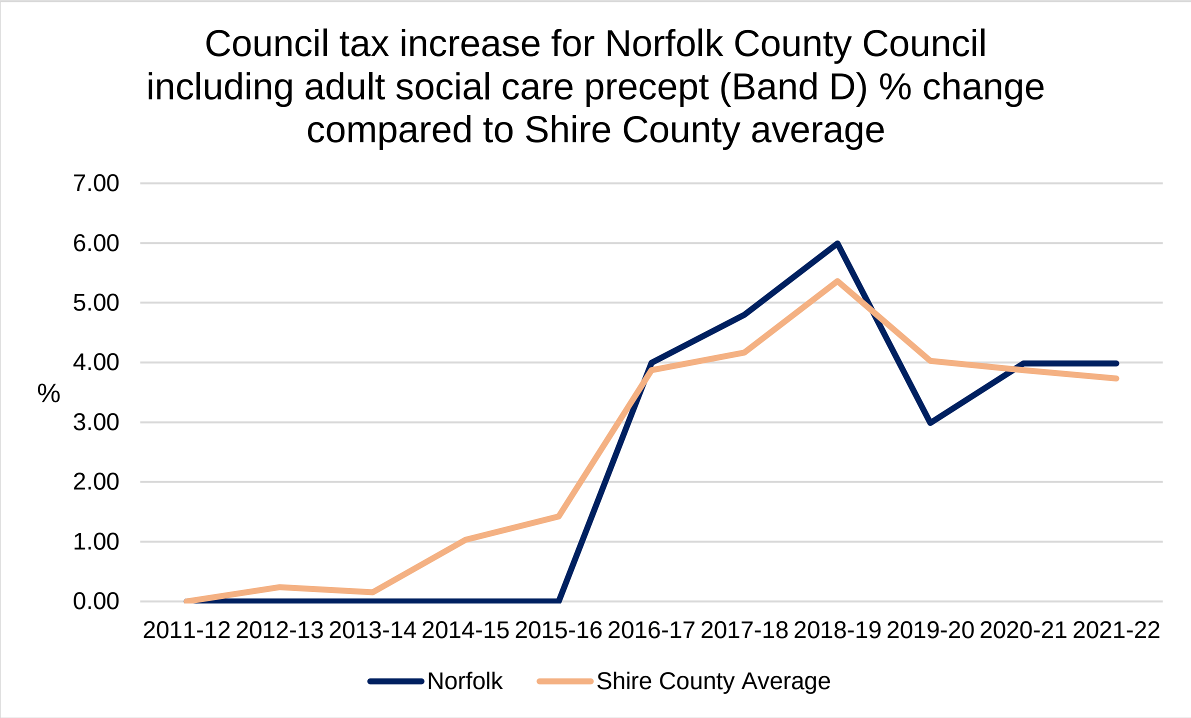


Chart 2: Norfolk County Council council tax increases compared to average for shire counties

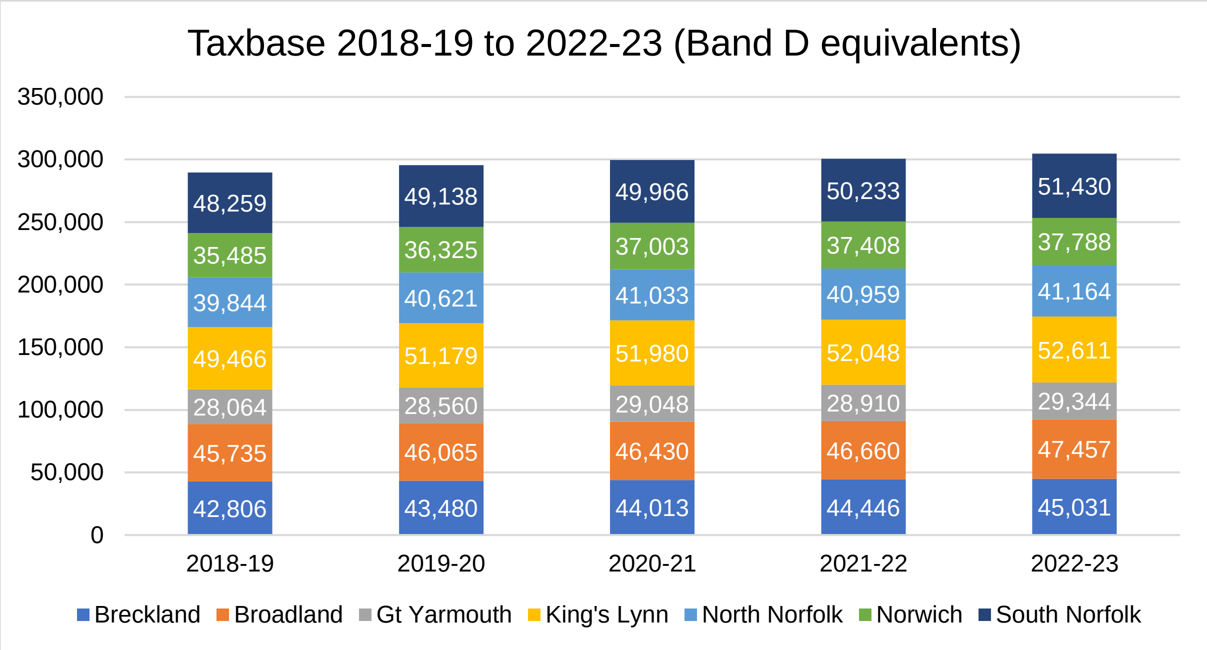


5.5. The Government will examine council tax increases and budget increases when final decisions have been made throughout the country. County Councils are required by regulations to declare their level of council tax precept by the end of February.

5.6. The council is required to state its council tax / precept as an amount for an average Band D property, together with information on the other valuation bands i.e. Bands A to H. Band D properties had a value in April 1991 of over £68,000 and up to £88,000.

5.7. To calculate the level of the County Council's council tax / precept, District Councils supply information on the number of properties in each of their areas. This information also includes estimated losses in council tax / precept collection and any deficits or surpluses on District Council collection funds. Current forecasts suggest that between 2016-17 and 2022-23, Norfolk will have experienced average growth in the tax base of 1.55% per year. However, the level of growth forecast for 2022-23 is slightly lower than this, at 1.38%, although showing a strong recovery from the level projected in 2021-22, which was impacted by COVID-19. The chart below shows the tax base for each district since 2016-17.

Chart 3 Norfolk Band D equivalent tax base 2016-17 to 2022-23 (forecast)



5.8. As set out in Table 10, the Council has utilised the flexibility provided by Government in 2016-17 for authorities with Adult Social Care responsibilities to increase their council tax by 8% more than the core referendum principle over the period 2016-17 to 2019-20, on the basis that the additional precept raised is allocated to Adult Social Care. The Government then offered a further flexibility to increase the Adult Social Care precept by 2% in 2020-21, which the Council also opted to raise. In respect of 2021-22, the Government confirmed the option to raise the Adult Social Care precept by up to 3%, but with the possibility for some or all of this increase to be deferred (to 2022-23). The Council subsequently agreed that the Adult Social Care precept should be increased by 2% in 2021-22 with a further 1% increase deferred to 2022-23. This decision was taken in recognition of the cumulative impact of council tax increases. For 2022-23 Government has confirmed an ASC precept of 1% plus any deferred element from 2021-22. This report presents Cabinet with two options for the increase in council tax for 2022-23, either 2.99% or 3.99%. This reflects the views of the Section 151 officer that:

- a robust budget can be proposed for 2022-23 based on either a 1.00% or a 2.00% Adult Social Care precept increase, however an increase of 2.00% will **enable a substantially more robust** medium term position and reduces the material budget gap forecast for 2023-24;
- it remains critical to secure available increases in the Adult Social Care precept within the base budget to provide additional resources to meet Adult Social Care pressures. The deferral 1% of the Adult Social Care precept from 2021-22 provided an opportunity to do this, but needs to be capitalised on in 2022-23 by taking the full precept increase now available. Doing so will enable demographic and other pressures within the Adult Social Care budget to be met in 2022-23 and beyond;

- the Government continues with its general assumption that councils will increase council tax at the referendum limit, make use of the flexibility to raise a social care precept where available, and will benefit from ongoing levels of council tax base growth. Failure to raise council tax in line with the Government's assumptions would lead to the Council experiencing a different change in spending power than the Government forecasts. In addition, a decision not to maximise locally available resources makes the Council's position more difficult when calling for additional funding from Government.
- in "*Build Back Better: Our Plan for Health and Social Care*"[17], the Government has clearly set out its expectation that "*demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies*." The nature and level of pressures within the system, and the achievability of further long term efficiencies in the context of more than ten years of budget savings, mean that meeting this expectation will be extremely challenging (and not achievable in the medium term) if the Council fails to raise the maximum available ASC precept.
- the pressures within the current budget planning position are such that, unless mitigated by additional savings or government funding, the Executive Director of Finance and Commercial Services considers that the Council will have very limited opportunity to vary these assumptions, and 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 levels of emerging service pressures balanced against saving proposals identified;
    - consideration of the robustness of the Council's overall 2022-23 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,
    - reliance on one-off measures to support the 2022-23 Budget which will need to be addressed in 2023-24.
    - the considerable remaining uncertainty around risks, funding and cost pressures in 2023-24 and beyond.

5.9. In the context of the above, a fundamental review of how the Council operates (with resultant savings) would have a bearing on the above advice if it enhanced the robustness of the Council's MTFS. In other words, an ASC precept increase of 1% in 2022-23 could be made more robust if supported, as it is, by a commitment and plan for early identification and implementation of material ongoing savings for 2023-24. The precise final level of any change in council tax will be confirmed in February 2022 and is subject to Member decision making annually.

[17] https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care/build-back-better-our-plan-for-health-and-social-care#our-plan-for-adult-social-care-in-England

5.10. Under the Local Government Finance Act 1992, the Section 151 Officer is required to provide confirmation to Government that the adult social care precept is used to fund Adult Social Care. This must be done within seven days of the Council setting its budget and council tax for 2022-23.

5.11. Details of the findings of public consultation on the level of council tax are set out in Appendix 5 to inform decisions about budget recommendations to County Council.

Implications of council tax proposals

5.12. The table below sets out the current proposals within the MTFS and reflected within this report.

Table 19: Proposed Council Tax assumptions in MTFS

	2021-22	2022-23	2023-24	2024-25	2025-26
General council tax	1.99%	1.99%	1.99%	1.99%	1.99%
Adult Social Care precept	2.00%	1.00% or 2.00%	1.00%	1.00%	1.00%
Total increase	**3.99%**	**2.99% or 3.99%**	**2.99%**	**2.99%**	**2.99%**

5.13. Taking into account the findings of consultation set out elsewhere in this report, Cabinet is asked to consider and confirm, or otherwise, the assumption that the Council's 2022-23 budget will include:

- **Either** a 1.99% increase in general (basic) council tax and a 2.00% increase in the Adult Social Care precept (including 1.00% deferred from 2021-22) as recommended by the Executive Director of Finance and Commercial Services (Section 151 Officer).
- **Or** a 1.99% increase in general (basic) council tax and a 1.00% increase in the Adult Social Care precept (being the 1.00% deferred from 2021-22).

5.14. This will need to be considered at the County Council meeting on 21 February 2022.

5.15. For planning purposes, from 2023-24 the Medium Term Financial Strategy assumes increases of general council tax of 1.99%, and increases of 1.00% in the Adult Social Care precept, reflecting thresholds set out at the Spending Review 2021. If the referendum threshold were increased in 2023-24 and subsequent years 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 advantage of this flexibility in view of the Council's overall financial position.

5.16. The calculation of total payments of either £464.325m (2.99%) or £468.824m (3.99%) due to be collected from District Councils in 2022-23 based on a council tax increase as set out, together with the instalment dates and the council tax level for each valuation band A to H is set out below.

5.17. The Council is also required to authorise the Executive Director of Finance and Commercial Services to transfer from the County Fund to the Salaries and General Accounts, all sums necessary in respect of revenue and capital expenditure provided in the 2022-23 budget in order that he can make payments, raise and repay loans, and invest funds.

Council tax precept 2022-23

5.18. The number of properties, in each council tax band and in each district is converted into 'Band D' equivalent properties to provide the council tax base. The number of properties in each district is shown below.

5.19. The council tax base is then multiplied by the 'Band D' amount to calculate the council tax income (the precept). The precept generated in each district is shown below.

Table 20: Council tax precept 2022-23

	2.99% £m	**3.99% £m**
Precept Charge on District Councils	462.404	466.903
Plus:		
Estimated Surplus / (Deficit) on District Council Collection Funds etc.	1.921	1.921
Total payments due from District Councils (2022-23 Council Tax Requirement)	**464.325**	**468.824**
Council Tax for an average Band "D" Property in 2022-23	£1,516.95	£1,531.71
Council Tax for an average Band "B" Property in 2022-23	£1,179.85	£1,191.33

Table 21: Total payments to be collected from District Council in 2022-23 (2.99%)

District Council	Tax Base	Collection Fund Surplus / (Deficit)	Precept at 2.99%	Total Payments Due
	(a)	(b)	(c)	(d)
		£	£	£
Breckland	45,031.40	£160,729	£68,310,382	£68,471,112
Broadland	47,457.00	£644,468	£71,989,896	£72,634,364
Great Yarmouth	29,344.00	£270,711	£44,513,381	£44,784,092
King’s Lynn and West Norfolk	52,610.50	£395,325	£79,807,498	£80,202,823
North Norfolk	41,163.98	£24,642	£62,443,699	£62,468,341
Norwich	37,788.00	£1,990	£57,322,507	£57,324,497
South Norfolk	51,430.00	£423,073	£78,016,739	£78,439,812
Total	**304,824.88**	**£1,920,938**	**£462,404,102**	**£464,325,040**

Table 22: Total payments to be collected from District Council in 2022-23 (3.99%)

District Council	Tax Base	Collection Fund Surplus / (Deficit)	Precept at 3.99%	Total Payments Due
	(a)	(b)	(c)	(d)
		£	£	£
Breckland	45,031.40	£160,729	£68,975,046	£69,135,775
Broadland	47,457.00	£644,468	£72,690,361	£73,334,829
Great Yarmouth	29,344.00	£270,711	£44,946,498	£45,217,209
King’s Lynn and West Norfolk	52,610.50	£395,325	£80,584,029	£80,979,354
North Norfolk	41,163.98	£24,642	£63,051,280	£63,075,922
Norwich	37,788.00	£1,990	£57,880,257	£57,882,247
South Norfolk	51,430.00	£423,073	£78,775,845	£79,198,918
Total	**304,824.88**	**£1,920,938**	**£466,903,317**	**£468,824,255**

Council tax collection

5.20. The precept (column (c) above) for 2022-23 will be collected in 12 instalments from the District Council Collection Funds, as follows:

Table 23: 2022-23 precept instalments

Payment	Date	%
1	29 April 2022	8%
2	19 May 2022	9%
3	20 June 2022	9%
4	19 July 2022	9%
5	19 August 2022	9%
6	19 September 2022	9%
7	19 October 2022	9%
8	21 November 2022	9%
9	19 December 2022	9%
10	19 January 2023	9%
11	20 February 2023	3%
12	20 March 2023	8%
		100%

5.21. Where a surplus on collection of 2021-22 council tax (column (b) above) has been estimated, the District Council concerned will pay to the County Council its proportion of the sum by ten equal instalments, as an addition to the May 2022 to February 2023 precept payments.

5.22. Where a deficit on collection of 2021-22 council tax (column (b) above) has been estimated, the District Council concerned will receive from the County Council its proportion of the sum by ten equal instalments, as a reduction to the May 2022 to February 2023 precept payments.

2022-23 council tax bands

5.23. In accordance with Section 40 of the Local Government Finance Act 1992, the County Council amount of the council tax for each valuation band be as follows:

Table 24: Norfolk County Council 2022-23 council tax bands

Band	Either 2.99% £	Or 3.99% £
A	1,011.30	1,021.14
B	1,179.85	1,191.33
C	1,348.40	1,361.52
D	1,516.95	1,531.71
E	1,854.05	1,872.09
F	2,191.15	2,212.47
G	2,528.25	2,552.85
H	3,033.90	3,063.42

6. Business rate pool 2022-23

6.1. Between 2013-14 and 2020-21 Norfolk County Council participated in a Business Rate Pool (Pilot in 2019-20) with other Norfolk Local Authorities. Taking into account the level of risk attached to pooling in 2021-22 as a result of the significant impact of COVID-19 on business rates, Norfolk Leaders agreed to withdraw from pooling in 2021-22.

6.2. The opportunity for pooling was reviewed for 2022-23 and full details were presented to Cabinet in November in the report *Business Rates Pool – Annual Report 2020-21 and Pooling Decision 2022-23*[18]. In November, Cabinet endorsed the proposed application and governance arrangements for the 2022-23 Norfolk Business Rates Pool. As part of the provisional Settlement announced 16 December, Government has confirmed its intention to designate Norfolk County Council and all Norfolk Districts as a Pool on the terms requested. Any prospective member of the Pool had until 13 January 2022 to indicate to Government that they wished to withdraw. No prospective member of the Pool has done so, and it is therefore anticipated that Government will confirm the Norfolk Pool for 2022-23 at the Final Settlement announcement. The 2022-23 Pool is expected (based on current forecasts) to deliver additional one-off revenue Budget resources to Norfolk County Council of approximately £2.6m. These funds would be available for use, at the Council's discretion, from 2023-24 and could potentially be used to support / mitigate the 2023-24 Budget gap

6.3. Cabinet is asked to note the expected establishment of the 2022-23 Pool, and the resources which are forecast to be available to the Council in future budget years.

7. Service strategy and new saving proposals for 2022-23

7.1. Total saving proposals for this year's budget process total £45.793m, of which £28.434m relate to 2022-23 as shown in the table below.

[18] Business Rates Pool – Annual Report 2020-21 and Pooling Decision 2022-23, Cabinet, 08/11/2021, agenda item 15

Table 25: Summary of MTFS savings proposals for 2022-23 to 2025-26

	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	Total £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**
Total savings target	**-28.434**	**-9.159**	**-8.200**	**0.000**	**-45.793**

7.2. The following sections of the Budget report set out details of the financial and savings strategy for each Department, along with details of the new savings proposals for 2022-23. These have been subject to consultation and further validation work to ensure that they are robust and deliverable prior to being included in the Budget presented to Cabinet for recommendation to Full Council for consideration in February 2022. No final decisions on the implementation of savings will be made until February 2022 when the County Council considers the Cabinet’s proposed Budget for 2022-23, including the findings of public consultation and equality impact assessments.

7.3. As part of the 2022-23 Budget setting process, the County Council undertook a further round of savings development in December 2021 to identify an additional £5m of savings to support the 2022-23 Budget and following decisions by Cabinet in November 2021. This process resulted in further savings totalling £5.130m for 2022-23 being proposed. These have been incorporated within the budget proposals set out in these reports.

7.4. If following agreement of the 2022-23 Budget it subsequently becomes apparent (once the Council starts to implement the proposals) that any Budget proposals impact on the delivery of services, then the Council would carry out detailed consultation on those during 2022-23 prior to the proposals being implemented. Equality impact assessments would also be undertaken as required. If necessary, this process will enable Cabinet to make a decision on whether or not to implement proposals, taking into account the findings of consultation and EQIA. In the event that any savings cannot be delivered in the year, or shortfall on savings delivery were to arise due to the timing of implementation, it is proposed that these would be mitigated to the extent possible via service Business Risk Reserves in the first instance.

7.5. Details of Service Budgets and savings currently included within them are set out in Sections 8 to 13.

8. 2022-23 Budget proposals - Adult Social Services

Service Strategy and context

National Context

8.1. Nationally Adult Social Care is undertaking the largest policy change since the introduction of the Care Act in 2014. In September 2021, Government produced its Build Back Better plan for Health and Social Care which outlined the launching of some fundamental and ambitious policy reforms. This was shortly followed by its December 2021, White Paper "People at the Heart of Care" that provided an additional layer of detail on the first major steps towards delivering this significant and important reform. The national vision for Adult Social Care is underpinned by three key objectives and set out that government wants to make sure people:

a) have the choice, control and support they need to live independent lives,
b) can access outstanding quality, as well as, tailored care and support,
c) find adult social care fair and accessible.

8.2. The details provided in the White Paper are a beginning of the reform, with a White Paper on Integration due to be published shortly. It is welcome to have a 10-year vision for Adult Social Care to put alongside the NHS Plan, and our own strategy, Better Together for Norfolk. The vision reaffirms the Care Act as the cornerstone of how we operate, but also calls for reform and innovations with a strong emphasis on developing change with people with lived experience.

8.3. Within the two documents described above, Government declares that, funded through a new Health and Care levy, it will invest £5.4bn over the next 3 years. This funding will be introduced to fund policy linked to the delivery of transformation that will:

a) introduce a cap on personal care costs [from October 2023];
b) provide financial assistance to those without substantial assets;
c) deliver wider support for the social care system, particularly our brilliant social care staff; and
d) improve the integration of health and social care systems.

8.4. Whilst we await further specifics in relation to conditions and allocations of the funding towards the reforms, the following has been released either through the above White Paper or the more recent Local Government Finance Settlement.

8.4.1. £3.6 billion to pay for the cap on care costs, the extension to means test (£2.2bn) and support progress towards local authorities paying a fair cost of care which together will remove unpredictable care costs (£1.4bn).

8.4.2. £1.7bn to improve Social Care across England, including:

- At least £300 million to integrate housing into local health and care strategies
- At least £150 million of additional funding to drive greater adoption of technology and achieve widespread digitisation
- At least £500 million towards the Social Care workforce
- Up to £25m to support unpaid carers
- £30 million to help local areas innovate around the support and care they provide in new and different ways
- A new national website with at least £5m to pilot new ways of helping people understand and access care
- More than £70 million to increase the support offer across adult social care to improve the delivery of care and support services

8.5. Of the £1.4bn towards paying a "fair cost of care", only £162m is available in 2022/23, with £600m for each of the remaining years. This fund called "Market Sustainability and Fair Cost of Care" will provide Norfolk with £2.8m (of the £162m nationally) of additional funding in the next financial year. Further details of this funding are included on the ASC Fee uplift paper elsewhere on the agenda.

Local Context

8.6. The Better Together, for Norfolk Council strategy creates 5 clear priorities. The Adult Social Care strategy underpinning the departments delivery of these priorities is called Promoting Independence: Living Well and Changing Lives. For Norfolk, our vision for Adult Social Care is to "support people to be independent, resilient and well".

Promoting Independence: Living Well and Changing Lives

8.7. Promoting Independence: Living Well and Changing Lives represents the second phase of our strategy and has 8 core ambitions:

- **Prevention and early help** – a clear strategy, targeted interventions and a re-purposed 'front door' which put people and their family carers at the heart.

- **Integrated Health and Social Care Offer** – integrated health and social care offer in each locality to help people retain independence
- **Living Well social work** – being led by people who direct their own choices, addressing holding lists, reviews and practice quality
- **A stable, modern care market** where 85% of providers are good or outstanding
- A step change in **housing choices** for older people and disabled people and through our building programme
- **Transformation of the Norse Care estate** to match market needs and ensure it remains a leader in the sector
- Driving the **'Eight technologies that will change the face of health and social care'**
- **Workforce Development** – Developing skills and capacity in social care and the care market

8.8. Each of these ambitions is crucial in delivering Adult Social Care not just in a sustainable way, or a way that offers value for money, but one that is progressive and puts prevention at the heart of the offer.

8.9. Whilst much of the last 18 months have been managing the pandemic, we do hope to enter a recovery phase whereby we begin to accelerate our transformation. We have recently secured a delivery partner to help us with this journey. As the National policy picture is overlayed with detailed guidance, we believe we are in a strong position to deliver the national change whilst not limiting our ability to listen locally.

Service financial strategy and savings proposals 2022-23

Financial Strategy

8.10. The Adult Social Care financial strategy is firmly intertwined with both the services vision "to support people to be independent, resilient and well", as well as the departments Promoting Independence strategy. To date, Promoting Independence has largely focused on managing demand. Through a changed model of social work, investment in reablement and assistive technology, we have slowed the rate of admissions to residential care for all ages, bringing the council closer in line with its family group, and achieving £61m of savings over the last 5 years. Looking ahead these gains will be sustained through a step change in prevention, based on risk stratification, and targeted interventions to address known life risks, and a re-purposed 'front door' for adults. Alongside this, we will continue to lead and shape independent providers to develop choices for people at all stages of life – disabled people who want to leave the family home, people who want support at home which fits their lives, people who want access to training, learning and employment. Looking forward, Promoting Independence phase two is about Living Well and Changing Lives.

8.11. We know our Promoting Independence approach has helped, and will continue to help, the service to deliver the significant financial savings needed to continue to meet the increasing demands for social care across Norfolk.

Within the overall strategy, our specific financial strategy for achieving savings and financial sustainability is focussed on:

- **Investing in early intervention and targeted prevention:** Using specific services and being responsive and proactive in order to prevent need or prevent the escalation of need to keep people independent for longer.
- **Focusing and building upon people's strengths:** Investing in excellent social work and therapy which focuses on people's strengths and helps people regain and retain independence, and reduces, prevents and delays the need for formal social care
- **Provide services that focus on the future potential of the person:** Commissioning services which enable and re-able people so they achieve and maintain as much independence as they can and reducing the amount of formal social care they need
- **Driving housing solutions**: Stimulating a market to provide alternative choices to permanent residential and nursing care; including focusing on wider housing options alongside care, for older and younger adults
- **A prosperous care economy:** Leading and developing the care market for social care so that it can offer people choice from a collective of good quality providers, within an efficient, stable and sustainable care economy, whose ambitions aligns with those of Promoting Independence.
- **A healthy Integrated Care System:** Working with health partners in a refreshed Integrated Health and Care system, that seeks to reduce system demand, whilst also focusing on improving long term health and care outcomes for the people of Norfolk. This includes both the alignment to localised Primary Care but also an efficient and sustainable system of supporting people upon leaving hospital and into the community.
- **Digital by default**: Seeking innovation and creating a culture that strives to embrace the efficiencies afforded by technology, when suitable, without losing the focus on the customer.
- **Maximising value for money:** Continuing to get the basics right by using our resources to their full extent, questioning and challenging ourselves in areas of improvement, reducing inefficiencies and strengthening the contract management of our commissioned contracts to ensure we both get, and utilise, what we are paying for.

8.12. More so than ever, our strategy focuses our work alongside our partners in supporting thriving local communities and within micro economies. Both internally, with the Council's service departments, and externally with Norfolk Councils, health partners, voluntary sector and private partners, we work to improve the infrastructure that enables and promotes jobs, education, housing, health and wellbeing. Our integrated arrangements with our Health colleagues allow us to jointly pursue models of health and care that build upon a person's strengths, abilities and support networks (current or potential). With our joint 'home first' culture, we continue to recognise the importance, and stability, of a person's home, whether it's a person's ability to stay there, or return there, should they require the support of Norfolk's Health and Social Care system.

8.13. We are proud of how Norfolk's care market has responded to the recent challenges we have all faced. During the last 18 months we have worked closely with the care market, and its care association, to ensure a consistency of safe and quality provision of care. We know Norfolk, like many Local Authority areas, is presently suffering some capacity shortages in certain critical care markets. It therefore remains one of our key priorities to support the sustainability of Norfolk's care market, including helping the market to respond to the changes to demand that the pandemic has created and helping to ensure that care workers are properly rewarded for the work they do.

8.14. In recognising the requirement to undertake focussed transformation, whilst also maintaining a level of stability, the Adult Social Care section of the MTFS provides net investment to the sector. It recognises core financial pressures and risks, such as the Care Market or increasing demography and complexity of need. At the same time is allows us to deliver the early financial benefits associated with the second phase of our transformation.

Savings Proposals

8.15. As referred to above, our 2022-23 savings proposals are a continuation, and evolution, of our existing Promoting Independence strategy into a secondary phase. Within this we propose to:

- Continue to build and realise the financial benefits of 2800 new units of Independent Living (Extra Care) housing, moving into the 3rd year of our 10 year, £29m capital programme
- Continue to drive forward our new sister housing programme for younger adults that will offer homes to people to prevent them living in residential care before they truly need it.
- Continue to work with our Norse Care provider of Residential and Housing with Care to transform the services we commission and they provide
- Continue to work more proactively with people by focusing on early help and prevention, and seek to have a stronger connection to local communities that enhances how we support people when they first contact us. As per the 12th January 2022 Cabinet report, we will work with a Strategic Change Partner, Newton Europe, to drive forward the transformation of our prevention and early help offer.
- Continue to work closely with people with Mental Health and Learning Disabilities to reshape our services, and review their care needs, in order to enable them to lead the lives they want to live and live-in places they can call home.
- Work with the NHS to provide shared, and equitably funded, services when its appropriate to do so.
- Increasing the scale to which we provide Direct Payments, where its an appropriate choice in meeting needs and is cost effective to do so.

- Use the talent and skills of our therapists to review existing, or potential, care packages, that require the attendance of two care workers, to see if opportunities exist to support the care provider and enable the care package to be delivered with only one carer.

Key issues and risks

8.16. Whilst considered a robust budget, the Adult Social Care service does have some underlying risks and issues that need to be considered within the context of the budget. The following are not considered to be an exhaustive list of these risks.

Recovery Readiness

8.17. The pandemic has had a material impact to ASC, both the people who access services and those that provide these services. Much of the capacity in the department has had to be prioritised to maintaining service capacity and ensuring people are kept safe. This has meant that we are seeing a creation of backlogs typified by holding lists, interim care lists and overdue reviews.

8.18. For the ASC element of the MTFS to be delivered we will need to be able to transition to a recovery phase that begins to move us beyond managing crisis, to one that allows us to manage the afore mentioned backlog and relaunch our Promoting Independence strategy that will deliver change. The timing and capability to make this shift is in some part dependent on the external factor related to the enduring impact of the pandemic.

Market Stability

8.19. Each year the Council spends over £330m in buying thousands of care packages from our local care market. Section 5 of the Care Act (2014): "Promoting diversity and quality in provision of service" outlines a Local Authorities duties in regards to local care markets. In particular, *"A local authority must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market".* In achieving this a Local Authority must effectively shape local care markets and commission care that:

- Focuses on outcomes and wellbeing
- Promotes a quality services
- Is sustainable and offers value for money services
- Offers choice through a wider array of diverse providers
- Has been co-produced with the people who wish to access these services

8.20. It is therefore vital that these markets to which we shape are sustainable and prosperous. The ASC Fee uplift paper also on this agenda describes a market picture of relatively poor quality (as assessed by the Care Quality

Commission and compared to other Local Authority regions) and a degree of risk of instability. Whilst our MTFS provides for a significant investment in these markets for 22/23, there is a risk that it is not sufficient to enable providers to attract high quality labour in sufficient quantities.

Hospital Discharge

8.21. As part of the Health and Care response to the pandemic, hospital discharge, and in particular discharge to assess, has become a central feature of the national recruitment to ensure acute capacity is sufficient to manage both those most unwell from Covid-19 but also a recovery of delayed elective procedures.

8.22. During the last two financial years, this has meant that social care demand driven from acute hospitals has risen dramatically. This has created more demand for our care market to support but also, we are told by our providers, people who are more unwell and therefore more complex to support. Furthermore, the government offer has been to offer people “up to 4 weeks” of non-chargeable care to facilitate timely discharge.

8.23. Financially Government has provided funding to Health and Care systems in the form of ringfenced grants that have been managed by local Clinical Commissioning Groups. The Council has in the current year attracted £13m of funding to compensate for the additional costs of this programme. As it currently stands, the ringfenced grant is to cease and local systems will need to resolve the funding of this programme within the wider funding available to Health. At present we continue to have local discussions about the future sustainability of this programme but don’t have the confidence that would be associated with a distinct and known grant.

Workforce

8.24. Workforce shortages in the delivery of care are now becoming more widely understood nationally. The ability to deliver Adult Social Care will be contingent on solving these shortages and is in part are large part of the risk referred to under market stability. The lesser talked about risk is the emerging shortage of qualified social care practitioner (qualified Social Workers).

8.25. In Norfolk we have seen both high levels of vacancies related to Social Workers and indeed a high level of turnover. Whilst we are doing a lot of work to both attract workers to Norfolk, retain our existing staff and “grow our own” new practitioners, it is still a very challenging staff position.

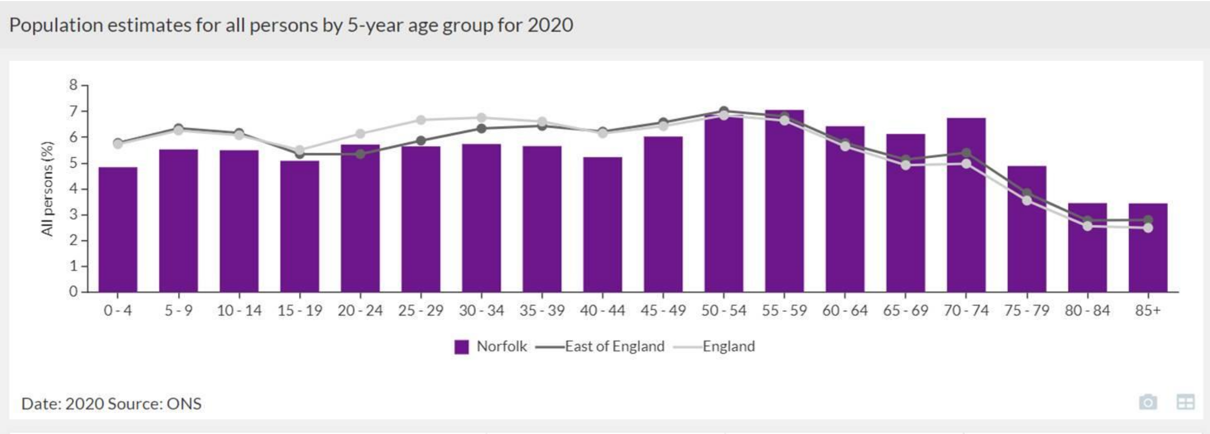
8.26. Simply put without sufficient high quality, experienced, professionally qualified staff our MTFS will not work over the longer term.

Demand

8.27. Each year in the MTFS includes funding towards an underlying growth in our demand, either characterised by increased volume or an increasing complexity of the support required.

8.28. It is widely recognised, and indicated by both the following Norfolk Insight graphics and Institute of Public Care population projections, that the demography of Norfolk represents a higher proportion of Adults over the age of 65 than both the East of England and National averages.

Chart 4: Population estimates by age, 2020 and 2040



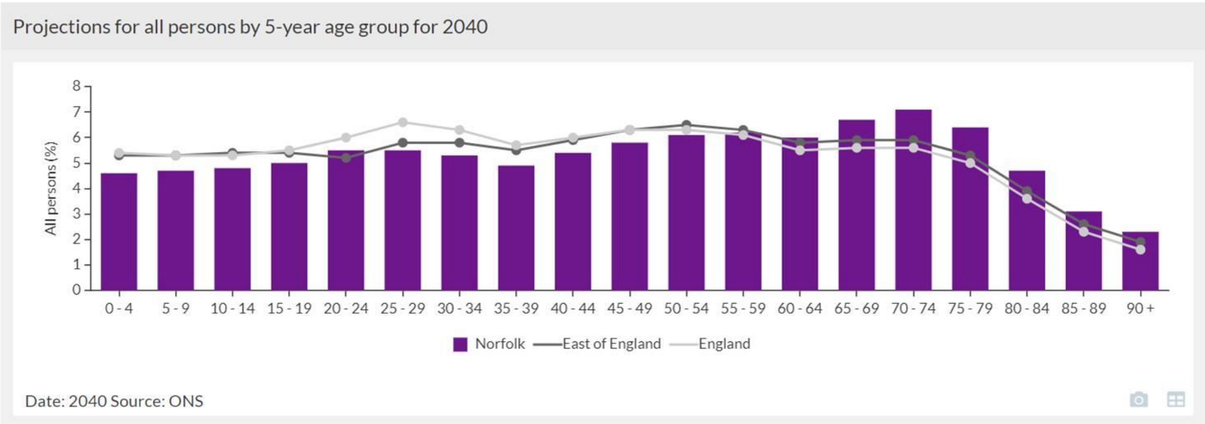


Table 26: Population aged 65 and over, projected to 2024

Population aged 65 and over, projected to 2024	2020	2021	2022	2023	2024
Norfolk: People aged 65-69	56,300	56,600	57,400	58,300	59,500
Norfolk: People aged 70-74	62,000	61,800	58,100	56,300	55,700
Norfolk: People aged 75-79	44,600	47,300	52,600	55,100	55,900
Norfolk: People aged 80-84	31,700	31,700	32,300	33,500	35,400

Norfolk: People aged 85-89	19,800	20,200	20,700	21,400	21,900
Norfolk: People aged 90 and over	11,700	11,900	12,200	12,300	12,500
Norfolk: Total population 65 and over	**226,100**	**229,500**	**233,300**	**236,900**	**240,900**

www.poppi.org.uk version 14.0 (Institute of Public Care)

8.29. At the same time, we know that improvements in our Health and Care services means that people are now more likely to live longer with the most complex of disabilities. This is of course a most welcome improvement but does mean that the underlying demand for our services continues to grow year on year. Equally, the social care support people with the most complex needs require continues to rise with underlying complexity of care increasing year on year.

8.30. There is a risk that the impact of the pandemic will have created latent demand that will materialise over the life of the MTFS and render the funding insufficient to meeting this need.

Reform

8.31. As referred to in this paper, over the period of the MTFS a significant level of policy reform for ASC will need to be delivered. Whilst a level of information on these changes is beginning to be released, it is not complete and final. Changes associated with charging for social care (capped personal care contributions and changes to the means test thresholds) and the drive towards a "fair price for care" will likely have significant financial implications for all Local Authorities.

8.32. National level sums of funding associated with a breakdown of the £5.4bn have begun to be surfaced around implementing these changes but for most they are not down to a local level. When combining the shortage of implementation detail and absence of local funding allocations, it is difficult to presently conclude that there will or will not be sufficient funding to deliver and sustain the policy changes.

Adult Social Services proposed budget 2022-23

Table 27: Detailed budget change forecast Adult Social Services 2022-26

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	OPENING BUDGET	**252.550**	**263.184**	**287.756**	**302.998**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% for 22-23 to 25-26 (22-23 held centrally)	0.015	1.886	1.897	1.897

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	Basic Inflation - Prices	6.491	6.433	6.535	6.535
	Pay Award 2021-22 (£250 A-F Reversal)	-0.148	0.000	0.000	0.000
	Pay Award 2021-22 (1.75%/2.75% A)	1.099	0.000	0.000	0.000
	NI 2022-23 1.25% Increase	0.643	0.000	0.000	0.000
	Legislative Requirements				
	Pay and Price Market Pressures	8.995	6.728	7.010	0.000
	New Social Care reform pressures funding - cost of care	2.821	7.626	0.000	0.000
	Demand / Demographic				
	Demographic growth	6.100	6.100	6.100	6.100
	Leap year pressure in Adult Social Care	0.000	0.600	-0.600	0.000
	Autism Care and Assessment capacity	0.300	0.000	0.000	0.000
	NCC Policy				
	Recurrent pressures arising from 2020-21 service delivery	-3.674	0.000	0.000	0.000
	Emerging cost pressures for social care demography and market pressures in 2023-24	0.000	7.000	0.000	0.000
	Recurrent pressures arising from 2021-22 ASC service delivery	8.000	0.000	0.000	0.000
	One off use of Adults reserves to address recurrent 2020-21 pressures	3.674	0.000	0.000	0.000
	iBCF - 2022-23 Other spend adjustment	1.163	0.000	0.000	0.000
	iBCF - 2021-24 Other spend adjustment	-1.814	0.000	0.000	0.000
	iBCF - 2021-24 Reserve usage adjustment	1.814	0.000	0.000	0.000
		35.478	**36.373**	**20.943**	**14.533**
	SAVINGS				
ASS015	Revising the short term out of hospital offer - We want to review what our offer is – as part of a health and social care intermediate care offer. This will allow us to focus more resources on home first services, including greater therapy input, and moving away from a reliance on short-term beds.	2.000	2.000	0.000	0.000
ASS017	Introduce more individual service funds as an alternative to commissioned care for some people, to give them more control and choice over their care - This gives people the opportunity to choose a provider and work with that provider to arrange services and support. Similar to a direct payment, but the individual does not have to manage the money as the provider does it for them.	-0.200	0.000	0.000	0.000
ASS019	Reducing the amount we have set aside to cover potential bad debts. (One-off benefit).	1.000	0.000	0.000	0.000
ASS020	Releasing amounts previously carried forward in one-off reserves. (One-off benefit).	0.475	0.000	0.000	0.000
ASS024	Contract renegotiation - Ensuring the requirements of commissioners are reflected in the Norsecare contract.	-1.000	0.000	0.000	0.000
ASS026	BC3 - Use of Business Risk Reserve (one-off)	2.000	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
ASS027	Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC044: Extra care housing programme - delivering savings by building 2,800 units of extra care housing for older adults.	-0.090	-0.475	-1.100	0.000
ASS028	Delivering a saving through an accelerated Supported Housing Programme. Providing 183 units of supported housing for younger adults over a three year period, which is expected to increase independence and help in fewer people needing to be supported early in residential care.	-0.900	-0.700	0.000	0.000
ASS029	Recognising additional benefits from our existing savings programme. Linked to existing saving ASC024: Contract renegotiation, ensuring the requirements of commissioners are reflected in the Norsecare contract. Future years of existing programme to transform the Norse Care Older People Residential and Housing with Care estate.	-1.000	0.000	0.000	0.000
ASS030	Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC018: Working with our partners to reshape our approach to supporting people on their initial contact with Adult Social Care (the "Front Door"). We will review our process and how we support people early on in the social care pathway and help their care needs before they escalate.	-2.000	-4.500	-4.000	0.000
ASS031	Improving market utilisation and delivering efficiencies. Strengthening our contract and performance management by getting better value for money in services we purchase by targeting the funding we have available to us.	-2.000	-1.500	-0.500	0.000
ASS032	Learning Disabilities transformation. Continued implementation of Norfolk's Learning Disability strategy. This sees the continued development of more choices and alternatives to residential care and access to community based activities.	-2.500	-1.500	0.000	0.000
ASS033	Mental Health Care Model Review. Seeking to improve the independence of those people supported with Mental Health conditions by reviewing their care packages and exploring the potential for alternative housing tenure. This will be done in partnership with health to ensure the balance of care between health and social care is appropriate.	-0.250	0.000	0.000	0.000
ASS034	Expansion of Self Directed Support. Delivering a saving by utilising more Direct Payments rather than commissioned services, particularly when Direct Payments offer individuals more choice and are cost effective.	-0.300	-0.100	-0.100	0.000
ASS035	Use of ASC reserves. One-off release of reserves to offset budget pressures.	-3.000	3.000	0.000	0.000
ASS036	Bad debt reduction. Increased recovery of debt leading to less bad debt write-off.	-0.300	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
ASS037	Recruitment and Retention Strategy. Delivering a saving by having a targeted approach to recruitment and retention.	-0.100	0.000	0.000	0.000
ASS038	Double up care reviews. Using therapists to lead reviews on care packages requiring two carers to attend, in order to consider alternatives to having two carers on site.	-0.200	-0.200	0.000	0.000
ASS039	A strategic refocus of NCC's investment in Intermediate Care Services	-2.100	-0.200	0.000	0.000
		-10.465	**-4.175**	**-5.700**	**0.000**
	BASE ADJUSTMENTS				
	Additional Social Care Grant (share of £1.5bn pa SR21 announcement)	-11.152	0.000	0.000	0.000
	New Social Care Reform grant	-2.821	-7.626	0.000	0.000
	iBCF inflationary uplift 2022-23	-1.163	0.000	0.000	0.000
		-15.136	**-7.626**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	0.756	0.000	0.000	0.000
	REFCUS	0.001	0.000	0.000	0.000
		0.757	**0.000**	**0.000**	**0.000**
	NET BUDGET	**263.184**	**287.756**	**302.998**	**317.531**

9. 2022-23 Budget proposals – Children's Services

Financial Strategy

9.1. Children's Services core strategy and transformation approach is working; our success in keeping families together and reducing numbers in care has delivered significant financial benefits to the County Council (avoided cost pressures and savings) alongside improved outcomes for children and families. Therefore, our core approach remains unchanged and, despite the ongoing and considerable uncertainty still being faced, the service continues to project benefits from existing schemes and major new schemes, such as New Roads, in the same strategic areas. Specifically, these are:

- Inclusion;
- Prevention and Early Intervention;
- Quality of Practice;
- Edge of Care and Alternatives to Care; and
- Re-shaping the care and specialist support market.

9.2. However, Children's Services continues to operate in a challenging context; high levels of need across numerous areas of service continues to be experienced and, in particular, in relation to children with special educational needs and children at risk of harm. The service also continues to respond to newer issues within society, and the range of responsibilities for the department continues to widen to tackle issues such child sexual and criminal exploitation and the threat of radicalisation.

9.3. Key financial drivers experienced by the service are:

- Market forces, beyond the Council's control, are significantly impacting our ability to purchase the right placements at the right cost;
- An unhelpfully rigid approach from the regulator (Ofsted) - challenging care settings in a way which makes them unwilling to work with young people with complex needs or drives a demand for very large packages of additional support;
- An unprecedented worsening of emotional wellbeing and mental health amongst children, young people and parents;
- A significant rise in 'extra familial harm', including county lines and exploitation of young people
- An underlying trend of increasing special educational needs and disabilities, including some children with complex disabilities surviving into later childhood as a result of medical advances
- An additional strain on families as a result of the pandemic and hidden harm with families locked down together

9.4. We know that the pandemic has had a significant impact on children, families as well as our services and those of our partners. Norfolk has seen a persistent increase in demand for Family Support resulting from the impact of the pandemic, which has placed those teams under significant pressure. More recently, we have also seen a small increase in the number of children looked after and increase in the cost of care for children over recent months, with the longer-term impact of the pandemic beginning to be seen. The situation remains highly uncertain and, whilst attempts have been made to financially plan for these circumstances, the situation is fluid and is likely to continue to be so into 2022-23.

9.5. Additionally, a range of other, less obvious, impacts on demand have been identified, including hidden need, trauma, and economic factors. Sadly we are now seeing nationally harm which occurred behind closed doors coming to light with several tragic cases across the Country and overall increases in need in many areas of the children's system. Some key external markets are also under major strain, for example transport, early years, the voluntary sector as well as care. This includes some specialist provision from external providers that has been reduced during the pandemic and, in some cases, on an ongoing basis, to ensure that they are 'COVID secure.' That, alongside lengthy absences from school-based educational provision, may result in additional demand.

9.6. As a result of the pandemic, the expectations upon the Council with respect to its leadership role within the whole education sector in Norfolk has significantly changed. This has led to staff being redeployed to support the significantly increased workload, with major disruption to the normal work of some staff. It is still not clear what the Government's expectations are of local authorities with respect to support and leadership to the education sector in the medium-to-long-term, and so a 'watching brief' will be kept.

9.7. The core strategy and transformation approach is an ongoing programme of work for the service with work ongoing to enable the identification of further new initiatives that could deliver substantial transformation. The service has continued to drive this work forward, including increasing strategic partnership working that is generating and driving system change in Norfolk that, as the County Council alone, could not be delivered.

9.8. The services' core financial strategy for achieving savings is on an invest to save basis that aligns with this strategic approach, enabling the service to respond to the changing needs within communities and the current and future financial challenges by developing innovative new approaches, in particular:

- Prevention, early intervention and effective social care – investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care;
- Alternatives to care – investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises; and
- Transforming the care market and creating the capacity that we need – creating and commissioning new care models for children in care – achieving better outcomes and lower costs.

9.9. In recent years, the service has been supported to invest in staffing to enable transformation of services. The people who deliver our services to children and families are the most important asset that the service has, whether these be directly employed staff or indirectly employed through partners and commissioned providers. Having the right people in the right roles delivers the outcomes needed for Norfolk's children whilst also delivery good value for money. That said, where appropriate, technology and automation are being exploited to delivery committed efficiency savings.

9.10. Whilst improving outcomes for children and families, this approach has helped the service to limit the pressures being faced by the Council as a result of increasing levels and complexity of need through the delivery of financial savings aligned with the service's strategy, with c.£18m of recurrent budget savings expected to be delivered since 2018-19 by the end of 2021-22, with the projected benefit having already exceeded the investment. Successes include:

- New 'Front Door' – Children's Advice and Duty Service – so the right cases go into case-holding teams;
- Family Values – In-House Fostering Recruitment and Service Redesign – reducing reliance on external fostering agencies;
- In-House Semi-Independent Provision Phase 1 – reducing reliance on residential and external provision;
- Enhanced Fostering Phase 1 – reducing reliance on residential care;
- Stronger Families Therapeutic Service – edge of care support;
- Unaccompanied Asylum Seeking Young People team – tailored support for vulnerable cohort;
- Family Group Conference team and Family Networking Approach – building resilience;
- Education Health and Care Plan (EHCP) Process Review – new approach to EHCPs to deliver timeliness and quality;
- Pre-proceedings work – successful work with and before Family Court, reducing legal costs;
- Valuing Care – new needs framework driving smarter commissioning;
- Social Care Operating Model Phases 1 and 2 – keeping families together; and
- Target Youth Support Service – dedicated response for young people at risk of exploitation.
- New Roads hubs – new approach to achieve good and improving outcomes at lower long-term cost for the children with the most complex needs

Specific Funding

9.11. Supporting Families funding – The Government previously announced on 5 January 2020 that they were continuing the £165m funding for 2020-21 to continue the Troubled Families programme for an additional year (originally set to run for 5 years from 2015 to 2020). The funding is made up of various elements including a payment by results amount that is driven by the number of families supported in the programme. Delivery of these results is through social care staff embedded in the social care operating model as part of their core offer. It was announced as part of the provisional settlement in December 2020 that the £165m funding will be extended for another additional year, 2021-22. However, no specific details of Norfolk's funding have yet been provided, leaving a risk that actual funding received is insufficient to meet existing commitments.

9.12. It had previously been announced that the Adoption Fund would end at the end of 2020-21, and the risk of the loss of funding had been raised in previous reports. In December 2020, it was announced that the Adoption Fund would continue for another year, but no further funding announcement has been provided in relation to the 2022-23 financial year, leaving a risk that either funding is not received or actual funding received is insufficient to meet existing commitments.

9.13. Late on in the budget planning process, the DfE launched a short consultation on changes to the way that School Improvement Monitoring and Brokering Grant that proposed a phased removal of the grant over the course of 2022-23, following which all council school improvement activity, including core improvement activities, would be funded via de-delegation, with any non-statutory services that councils choose to continue to offer either provided on a traded basis or also funded through de-delegation. Despite concerns raised by Councils and the maintained sector, it has been announced that the proposed withdrawal will be implemented with 50% reduction in 2022-23 and full removal for 2023-24. Due to the timing of the consultation, it has not been possible to fully work through the implications of this decision given the important nature of the services currently offered to schools and the implication that withdrawing services may have upon the children of Norfolk. Equally there has not been sufficient time to fully consider the alternative options available and how to mitigate the implications to enable the Council to be able to request de-delegation for 2022-23, particularly given that some services, along with existing LA funds, are available to all schools regardless as to whether they are maintained or academies.

Ongoing COVID-19 Impact and Context

9.14. The pandemic continues to have a significant impact on Children's Services both in terms of demand for services as well as the impact upon staffing availability of both NCC staff and those of commissioned services or partner organisations, such as health services. Front-line staff are continuing to work with children, young people and families face-to-face wherever appropriate.

9.15. During the 2021-22 financial year, the department has seen both increased demand for services, particularly with an increasing complexity of need that may well be, at least partially due, to the medium-term impacts of successive lockdowns upon families, children and young people. The persistent increase in demand for Family Support services seen during the first year of the pandemic has continued and in particular we are seeing significant rises in the number of young people whose emotional wellbeing has been impacted negatively.

9.16. During the 2020-21 financial year the trend of declining numbers of children looked after continued, but this trend was initially reversed at the start of the 2021-22 financial year when there was an increase in the number of children looked after, particularly adolescents, and this has been combined with shortage of provision within the market. Market forces have resulted in significant increases in unit costs, with private providers able to increase charges due to the competition for placements between local authorities. During the latter part of the current financial year, there are early signs of possible reductions to the number of children looked after, though the average unit costs remain high as there is no sign of improvement in supply in the market.

9.17. Other local authorities have seen significant increases in the numbers of children looked after throughout the pandemic, and the challenges of supply within the market are a national issue. Children's Services works as part of a wider system with many partners, including health services and education providers / schools. Like Children's Services, many of these partners have seen increasing pressures from the pandemic continue, and these added to a system that was already under stress. There is an ongoing risk that those stresses and pressures from partners will have a knock-on impact to the service due to needs appearing elsewhere in the system with alternative presentations, for example the lack of availability of specialist mental health provision for parents or adolescents can lead to family breakdown and demand for social care.

9.18. Despite the ongoing impact of the pandemic, the department's Transformation Programme has continued. Whilst not facing the level of disruption and delay seen in the first six months of 2020-21, the programme continues to negotiate the day-to-day impact to the department to ensure that transformative activities continue and savings committed to in the Medium Term Financial Strategy for the department can be delivered. Recent external research looking at the national picture of Children's Services suggests that Norfolk has been 'bucking' the trend as a result of the work of the programme.

9.19. In a best-case scenario, the number of children in care will fall in line with the recent data, but it is likely that the average costs will remain high for a period of time until the market resets itself or there is alternative intervention, such as from the Government. Many other authorities are projecting significant rises over an extended period. The work of the transformation programme in relation to supply of placements will support local reshaping of the market that will, hopefully, enable Norfolk to mitigate the worst of the impact of the market forces.

9.20. As the initial year of the pandemic progressed, Children's Services identified a range of other, less obvious, impacts on demand – including hidden need, trauma, and economic factors. It is hard to know what the experiences of children will have been during lockdown and how that will play out in the medium to longer term. Some of the impacts of these experiences are being seen in the demand for statutory social care services and Family Support services referred to above. Additionally, some key external markets continue to be under major strain, for example transport (resulting in increased costs), early years, the voluntary sector as well as care. The longer-term impact of lengthy absences from school-based educational provision and the missed socialisation for all age ranges of children are still to be seen and may result in additional demand for many years to come.

9.21. Wherever possible, opportunities that have arisen as a result of the pandemic have continued to be sought out and pursued by the department's leadership to ensure that these are built upon to develop improved services and improved working relationships for the future. Key areas are strengthened relationships with the school system, increased family resilience and family networking for many, increased responsiveness to meet families' needs at times better for them through increased flexible working arrangements, and virtual working unlocking creative practice.

Saving proposals 2022-23

9.22. Children's Services saving proposals for 2022-23 are extensions of our existing programme of work, complementing, and in addition to, the savings already within the 2021-24 MTFS. The proposals comprise of individual but related projects that, together, will continue to deliver significant transformation needed to provide financial sustainability as well as to deliver financial savings:

Prevention, early intervention and effective social care:

- Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.
- To date, this investment has enabled an increase in permanent social care staff and, thus, a reduction in the usage of agency staff. The ongoing anticipated financial benefit has been reflected in the MTFS for future years.
- For 2022-23, the additional saving reflects: an expansion of support to mothers with the aim of supporting them to make alternative choices to reduce the number of repeat removals required; further development of the workforce to gain specialist social care housing knowledge to ensure housing support is provided at the right time by the right people; expansion of existing Support for Success teams to ensure sufficient capacity to work with newly accommodated children and young people can return home or have placements stabilised; redesigning support for children with disabilities to deliver more effective care and support and helping more families to stay together through reducing escalation of need and families reaching crisis point, thus avoiding children coming into care and costly

placements and support; and, further reduction in legal costs reflecting the reduced activity due to earlier intervention and more effective practice.

Alternatives to care:

- Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.
- Through the transformation programme to date, the Council has already invested in Stronger Families (social impact bond), which has delivered significant financial benefits, and New Roads, whose projected financial benefits are already built in to the MTFS.
- For 2022-23, the additional savings reflect the expansion of the Norfolk Assisted Boarding Programme offer, which is a scheme that Norfolk led the way with nationally, that has been evaluated both to provide significant benefits to the educational outcomes of each young person as well as keeping families together and significantly reducing costs for NCC

Transforming the care market and creating the capacity that we need:

- Creating and commissioning new care models for children in care – achieving better outcomes and lower costs. We are continuing the transformation of the care market to keep children and young people who require placements close to home and based in Norfolk wherever possible and appropriate to do so.
- Through the transformation programme to date, the Council has made capital and revenue investment in a range new provision, including the semi-independent accommodation and solo / dual placements, with financial benefits already delivered and built into the MTFS for future years.
- For 2022-23, the additional savings reflect: development, in conjunction with health partners, of edge of mental health in-patient provision to support, in a therapeutic way, young people to step down from, or avoid, hospital stays and / or expensive, external placements / support, which leads to better outcomes for young people whilst also providing cost savings; review of our strategic commissioning approach to expand existing transformation delivery and the robustness of our negotiations; and, enhanced review process for Special Guardianship allowances.

Inclusion:

- The Council has significantly invested capital monies in the development of additional places in existing special schools, new special schools that are being built, and expanding specialist resource base provision throughout the County. This provision will enable more children and young people with Special Educational Needs to access appropriate provision closer to home and in the state sector, which will significantly reduce the pressures on the Dedicated Schools Grant forecast if we 'do nothing'. Additionally, investment in the support in mainstream schools is intended to reduce the escalation of needs enabling more children and young people to remain in the mainstream sector where it is appropriate for them to do so.

- Linked to this investment we are, and will continue, to deliver savings in relation to the home to school transport costs associated with long journeys for children with Special Educational Needs and Alternative Provision requirements.
- For 2022-23, we are proposing additional home to school transport savings that expand upon those already in the MTFS and, in particular, will be delivered through promoting a wider range of opportunities for home to school travel, focus on tightening controls and ensuring good financial grip.

9.23. In addition to the core financial strategy, we also continue to have a major focus on modernisation, efficiency and capturing the financial benefits of smarter working opportunities. Our 2022-23 budget proposals include:

Smarter Working

- Rationalisation and relocation of office accommodation: The office accommodation needs of the department are being reviewed in light of smarter working (accelerated by the COVID-19 pandemic and enabled through use of IT) with the view to rationalising accommodation whilst still meeting ongoing service needs.
- We are developing a Building Assets Strategy to deliver savings from reduced spend on leases and associated revenue costs; this proposal is focussed on a review of current Children's Services occupied buildings, to reduce usage or release space that is no longer required. Test and learn pilots will inform future requirements, along with engaging with partners to establish their future plans and explore co-location opportunities
- We have also continued modernisation through a shift to different ways of working: ongoing departmental review of posts to ensure no duplication of activity, reducing the quantity of archive storage required, and reducing mobile phone requirements through the Bring Your Own Device project (this is an extension to the original proposal in the October 2021 Cabinet paper based upon updated information regarding opportunities for efficiencies that were available).

9.24. In addition to increasing the Smarter Working savings target in response to the request for additional savings, our 2022-23 budget proposals include:

- Resizing of the Community Fund associated with the Early Childhood and Family Service to reflect a more accurate understanding of the level of demand (the criteria for accessing the funding will not be amended);
- A further review of Special Guardianship Order spend through ensuring policy and practice is in line with best practice and national guidance.

9.25. As we work through the budget setting process, the department continues to focus upon potential transformation within our overall strategy, as described above, that could maximise outcomes for children and young people, whilst mitigating the challenges resulting from the pandemic and also delivering financial benefits to alleviate the pressures facing the County Council.

Risks

9.26. Whilst we are seeing some medium-term financial impacts of the pandemic and the budget looks to mitigate these where possible, it remains unclear precisely what the longer-term financial impacts will be of the COVID-19 pandemic. What is clear is that some very significant financial risks associated with the pandemic continue to exist in terms of the long-term design of some services, in relation to joint working, public expectations, levels of demand, and the underlying cost base.

9.27. The level of pressures included in the Children's Services budget for future years attempts to reflect the high-level expectations regarding the medium-to-longer-term demand. However, the last 18 months has shown that it is difficult to predict these with certainty and, therefore, risks within Children's Services remain that include the potential for additional cost pressures linked to surges in demand, particularly in relation to looked after children. In addition, there is a risk that the wider operating environment has shifted, which may put pressure on assumptions about trading with schools.

9.28. Some specific risks that should be noted are:

- **Pandemic economic and societal impact leading changes in market forces**
  Increasing cost pressures have been seen throughout the external markets that Children's Services deals within including transport providers and social care placement provision. Some providers have contracted, such as reduced numbers of taxi drivers, or exited the market, such as coach company closures, during the pandemic for various economic and societal reasons, such as seeking more secure income streams, or a different lifestyle being sought. These impacts have has resulted in demand exceeding supply, leading to unexpected cost increases, and there is a risk that such patterns continue or other, unexpected, trends emerge in the medium-to-longer-term;

- **Surges in demand leading to additional cost pressures**
  Demand surges, either due to delayed demand from 2020-21 or increased need following the impact of the pandemic, could be seen in 2021-22 and beyond. It could take time for this demand to materialise, but initial increases are evident in demand for Family Support services who are under significant pressure already. This appears to be due to a new cohort of children and families who are using these services due to a combination of increased strains on families and a reduction in the availability of universal support networks as a result of the pandemic. Such demand could lead to increasing requirement for staffing resource on a medium-to-longer-term basis, such as additional Family Support services and / or investment in tier 2, and / or additional placement and support costs, to ensure that the right outcomes for children and families are achieved;

- **Impact upon the transformation programme of the ongoing pandemic response**
  The need for key officers and the service to focus on significant time and resource to the changing and ongoing pandemic response could exacerbate delays that have already been seen during 2021-22;

- **Pandemic economic and societal impact leading to staffing instability**
  The pandemic has resulted in many individuals reflecting upon their lives and considering changing roles or careers who previously had not been anticipating this, whilst others may have put on hold such plans. There have always been challenges filling some roles and the longer the current conditions exist, there is a risk that these challenges are exacerbated. Conversely, as the pandemic ends and restrictions lift, there is a risk of quick and significant changes in the workforce that could risk staffing stability and recruitment and retention work from the previous years;

- **Provider market instability leading to key provider failure**
  The economic conditions of the pandemic have left many businesses with financial pressures, despite ongoing contracts and access, where applicable, to government support. Whilst Children's services will always bear the risk of the failure of a significant provider, this risk has increased in the current climate. The implications could be increased, unforeseen costs and / or diversion of key resources to ensure continuity of provision;

- **Impact of current economic and societal conditions on the VCSE sector**
  A significant portion of Children's Services commissioned provision is through the VCSE sector, with the sector also providing a significant proportion of universal services. Many VCSE organisations, whose financial positions may well have been fragile prior to the pandemic, have been negatively affected by their reduced ability to fundraise as a result of the pandemic combined with increased demand for services. Financial failure of these organisations could lead to increased costs to Children's Services either through additional funding required to maintain provision or through having to fund alternatives;

- **Demand for SEND home to school transport**
  Recent increases in demand for SEND home to school transport provision has mirrored increasing demand for special school and specialist resource base provision. Additional resources are allocated in this budget to reflect this situation, but there remains a risk that demand will exceed the financial resources available;

- **Longevity of the pandemic leading to excessive strain on families caring for a child with significant additional needs and / or disabilities**
  The majority of families have found the pandemic causing strain upon their relationships and ability to cope with the stresses of life, and families who are caring for a child with significant additional needs and / or disabilities are likely to have seen this effect magnified given the reduced services

available to support them with their caring roles, such as short-breaks provision, periods of reduced schooling, and friends and family networks of support. Many families have had the resilience to cope during the early stages of the pandemic, but as the disruption continues over a longer period of time, there is the increased risk of family break-down and, subsequently, increased demand for services;

- **Shift in the wider operating environment, particularly in relation to schools and the role of local authorities**
  There is a risk that the wider operating environment has substantially and irreversibly shifted as a result of the expectations upon local authorities by central government in terms of supporting the whole school sector (academy and independent schools, as well as locally maintained schools). This support has continued to be welcomed by schools locally, but there is not sustainable medium-to-long-term resources currently available. If these additional expectations continue post pandemic, then there will be an increased pressure on funding for staffing resources to be able to deliver this level of support, and it may continue to impact upon our ability to trade successfully in some areas, where the net income contributes to supporting our core Learning and Inclusion infrastructure.

Children's Services proposed budget 2022-23

Table 28: Detailed budget change forecast Children's Services 2022-26

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	OPENING BUDGET	**178.886**	**189.065**	**199.608**	**211.136**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% for 22-23 to 25-26 (22-23 held centrally)	0.008	2.837	2.909	2.909
	Basic Inflation - Prices	2.162	2.116	2.159	2.159
	Pay Award 2021-22 (£250 A-F Reversal)	-0.130	0.000	0.000	0.000
	Pay Award 2021-22 (1.75%/2.75% A)	1.646	0.000	0.000	0.000
	NI 2022-23 1.25% Increase	0.993	0.000	0.000	0.000
	Legislative Requirements				
	SEND Assessments (Educational Psychology service)	0.600	0.000	0.000	0.000
	NCC Policy				
	Recruitment and retention investment offset by Agency reduction	0.000	-0.610	-0.540	-0.100
	New operating model investment	-0.760	-0.350	0.000	0.000
	Demand / Demographic				
	Social care: demographic and demand growth	10.900	4.000	3.000	3.000
	Social care: additional growth due to medium term impact COVID-19	3.000	4.000	4.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	Home to School Transport: demographic growth	4.825	3.500	2.500	0.500
		23.244	**15.493**	**14.028**	**8.468**
	SAVINGS				
CHS001	Prevention, early intervention and effective social care – Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.	-1.000	0.000	0.000	0.000
CHS002	Alternatives to care – Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.	0.100	0.000	0.000	0.000
CHS003	Transforming the care market and creating the capacity that we need – Creating and commissioning new care models for children in care – achieving better outcomes and lower costs.	-3.500	0.000	0.000	0.000
CHS002	Expansion of 2019-20 CHS002: Alternatives to care (No Wrong Door) - Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.	-4.400	-3.500	-2.500	0.000
CHS003	Expansion of 2019-20 CHS003: Transforming the care market and creating the capacity that we need - Creating and commissioning new care models for children in care – achieving better outcomes and lower costs.	-0.100	0.000	0.000	0.000
CHS010	BC3 - 2021-22 NWD transformation contribution capitalisation	1.000	0.000	0.000	0.000
CHS011	2021-22 transformation capitalisation	1.000	0.000	0.000	0.000
CHS001	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS001: Prevention, early intervention and effective social care – Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.	-1.775	-0.900	0.000	0.000
CHS002	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS002: Alternatives to care – Investing in a range of new services which offer alternatives to care using enhanced therapeutic interventions, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.	-0.500	-0.250	0.000	0.000
CHS003	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS003: Transforming the care market and creating the capacity that we need – Creating and commissioning new care models for	-0.775	-0.250	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	children in care – achieving better outcomes and lower costs.				
CHS007	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2021-22 saving CHS007: Inclusion (Home to School Transport) by finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements. We will reduce transport costs associated with long journeys and ensure that children are supported towards more independent travel where appropriate.	-1.200	0.000	0.000	0.000
CHS008	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2021-22 saving CHS008: Smarter Working – continued modernisation through a shift to different ways of working (accelerated by COVID-19 and enabled through use of IT) to deliver savings from reduced spend on leases and associated revenue costs, ongoing departmental review of posts to ensure no duplication of activity, reducing the quantity of archive storage required, and reducing mobile phone requirements through the Bring Your Own Device project.	-0.388	0.000	0.000	0.000
CHS012	Further review of Special Guardianship Order spend through ensuring policy and practice is in line with best practice and national guidance	-0.450	0.000	0.000	0.000
CHS013	Reduce the Early Childhood and Family Service Community Fund budget to match the level of demand - During pandemic there has been significant development of grassroots community offer. Change is related to more accurate understanding of budget as we come out of pandemic	-0.100	0.000	0.000	0.000
		-12.088	**-4.900**	**-2.500**	**0.000**
	BASE ADJUSTMENTS				
		0.000	**0.000**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	0.098	0.000	0.000	0.000
	Debt management transfer	-0.004	0.000	0.000	0.000
	FG to CS Extended Rights to Free Travel grant	-1.071	-0.050	0.000	0.000
		-0.977	**-0.050**	**0.000**	**0.000**
	NET BUDGET	**189.065**	**199.608**	**211.136**	**219.603**

10. 2022-23 Budget proposals – Community and Environmental Services

Financial Strategy

10.1. Community and Environmental Services (CES) has responsibility for the delivery of a wide range of services; there is no hierarchy as each area has a vital role to play in achieving better outcomes for Norfolk and we have a key role to play in supporting the delivery of the Better Together, for Norfolk strategy.

10.2. Our services are delivered across the county in the heart of local communities. The common factor is that CES services impact on residents, visitors and businesses in Norfolk every day. They are also crucial to the successful recovery from the impacts of Covid-19.

10.3. We play a key role in keeping Norfolk communities safe, healthy and independent; including responding to emergencies, developing skills, tackling social isolation and providing the advice and support people need to stay safe and healthy. There is also a focus on Norfolk as a place, including looking after our unique heritage and environment as well as ensuring that key infrastructure improvements can be delivered.

10.4. We are investing in some key service areas to ensure critical activities to support local communities and businesses can continue to be delivered and developed further:

- Supporting economic bounce-back and growth, including delivery of the Norfolk and Suffolk Renewal Plan and development of the Norfolk Investment Framework.
- Supporting community recovery and development of social infrastructure, including through the Social Infrastructure Fund and Community Renewal Fund.
- Providing the digital and physical infrastructure individuals and businesses in Norfolk need to thrive, including enabling the best possible Broadband infrastructure we can secure for Norfolk.
- Work to reduce our impact on the environment and deliver the action plan supporting the Council's Environmental Policy, including the new Electric Vehicle Strategy.
- Investing in services to help keep Norfolk Communities safe and healthy
- Working with partners and stakeholders to further develop the visitor economy.

10.5. A key part of our strategy for some time has been to reduce our reliance on revenue funding which continuing to make significant investment in key improvements and activities for Norfolk. We have achieved this through successfully securing funding from alternative sources, including grants, competitively bidding for funding and generating income; less than half of the workforce in CES is revenue funded.

Savings proposals 2022-23

10.6. The service continues to look for opportunities to deliver budget savings whilst trying to minimise the impact on vital front line services which local communities, businesses and visitors rely on. The range of services and outcomes means that a single approach would not be beneficial. Instead, CES is focussing on service redesign across the following broad approaches:

- A focus on Core service provision – Protecting, developing and enhancing the core services at the heart of local communities, including those supporting the work to respond to Covid-19 and the bounce-back of the economy.
- Continuing to maximise alternative funding sources, including opportunities to generate income.
- Investing in new facilities and equipment that mean we can be more efficient and reduce our operating costs.
- Smarter Working – Efficiency and cost reduction – this includes putting new ways of working in place for our directly employed workforce, as well as working with our contractors to enable efficiencies from our commissioned services.

Community and Environmental Services proposed budget 2022-23

Table 29: Detailed budget change forecast Community and Environmental Services 2022-26

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	OPENING BUDGET	**158.307**	**166.162**	**176.706**	**183.824**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% for 22-23 to 25-26 (22-23 held centrally)	0.609	2.090	2.152	2.152
	Basic Inflation - Prices	2.787	2.961	3.166	3.166
	Pay Award 2021-22 (£250 A-F Reversal)	-0.131	0.000	0.000	0.000
	Pay Award 2021-22 (1.75%/2.75% A)	0.822	0.000	0.000	0.000
	NI 2022-23 1.25% Increase	0.702	0.000	0.000	0.000
	Legislative Requirements				
	A and B Class signing review pressure	-0.500	0.000	0.000	0.000
	Trading Standards - additional trading standards requirements following Brexit	0.000	-0.090	0.000	0.000
	Fire Pension pressures	0.500	-0.100	-0.250	0.000
	Fire Service - Ill health payment to Home Office fire pension account	0.200	0.000	0.000	-0.200
	Fire Service - National event outcomes	0.050	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	Fire Service - Emerging burdens resulting from National Standards, Legislative Duties and the Reform Agenda	0.420	0.000	0.000	0.000
	Fire Service - Additional costs for statutory training	0.200	0.000	0.000	0.000
	Fire Service - USAR	0.100	0.000	0.000	0.000
	The Botulinum Toxin and Cosmetic Fillers (Children) Act 2021 - new burdens	0.024	0.000	0.000	0.000
	The Food Information (Amendment) (England) Regulations 2019 (otherwise known as “Natasha’s Law”) - new burdens	0.012	0.000	0.000	0.000
	Remove CES highways A and B class signage review pressures	0.500	0.000	0.000	0.000
	Maintenance and Environmental Management plan implementation for capital schemes	0.400	0.000	0.000	0.000
	Increased fuel costs for construction vehicles (use of red diesel no longer permitted)	0.110	0.000	0.000	0.000
	Increased fuel costs for gritting vehicles	0.050	0.000	0.000	0.000
	Demand / Demographic				
	Waste pressure - demand and demographic (tonnage)	1.700	1.700	2.000	2.000
	Trading Standards - Additional capacity and resilience requirements	0.070	0.000	0.000	0.000
	Future maintenance costs of other new infrastructure assets	0.050	0.050	0.050	0.050
	Future maintenance costs of Great Yarmouth 3rd river crossing	0.000	1.240	0.000	0.000
	NCC Policy				
	Emerging cost pressures across all services in 2023-24	0.000	3.000	0.000	0.000
	Growth and Development - One-off funding for local implementation plans arising from the Local Transport Plan adopted by Full Council 29 November 2021	0.215	-0.215	0.000	0.000
	Scottow Enterprise Zone - Pot B income to reserve	0.110	0.000	0.000	0.000
	CES - A143 / A12 link road scheme - landscaping pressures	0.015	0.000	0.000	0.000
	Full mapping and condition survey of cycling infrastructure to enable effective asset management	-0.150	0.000	0.000	0.000
	Planting maintenance in Norwich - for beds on highway. Provision for basic maintenance only.	0.050	0.000	0.000	0.000
	Funding pressure for either additional Inspectors to ensure safety of network or moving towards technological solutions using cameras installed in vehicles	-0.100	0.000	0.000	0.000
	One-off contribution to establish a Flood Reserve	-1.500	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	Permanent provision of flood funding from 2022-23	1.120	0.000	0.000	0.000
	Equality resources	-0.020	0.000	0.000	0.000
	Additional Commitment to NALC	0.010	0.000	0.000	0.000
	Growth and Development - Costs associated with strategic transport work, such as Transport East and East-West Rail Consortium memberships	0.039	0.000	0.000	0.000
	Growth and Development - Strategic Ambitions reserve funding	0.079	0.000	0.000	0.000
	Loss of income from removal of overdue library charges for children and young people [Cabinet 08/03/2021]	0.000	0.044	0.000	0.000
	Other pressure on CES income budgets including other library fine income due to changes in policy	0.100	0.100	0.000	0.000
	Upfront investment for project / scheme development	0.000	0.000	0.000	0.250
EDT050	Reverse EDT050 (2019-20 saving) for improved management of on street parking not deliverable.	0.500	0.000	0.000	0.000
	Customer Services - unwinding of capitalisation of staff now undertaking "business as usual" activity. Includes additional capacity required to expand web and online service offer,	0.300	0.000	0.000	0.000
	Customer services fulfilment team - additional central costs of post operations (should be off-set by savings elsewhere in the organisation)	0.075	0.000	0.000	0.000
	Bridges team - additional revenue costs arising from audit recommendations	0.250	0.000	0.000	0.000
	Fire Service - Leadership / Talent / Succession	0.040	0.000	0.000	0.000
	Fire Service - FBT maintenance	0.025	0.000	0.000	0.000
	Fire Service - Fire station cleaning	0.080	0.000	0.000	0.000
	Fire Service - Scottow rental costs	0.010	0.000	0.000	0.000
	Fire service - Fire Behaviour Training: Variable Supplies Costs	0.030	0.000	0.000	0.000
	Fire Service - Licence East Coast	0.100	0.000	0.000	0.000
		10.053	**10.780**	**7.119**	**7.419**
	SAVINGS				
CMM043	Income generation – Norfolk Museums Service	0.000	-0.400	0.000	0.000
CES001	Additional efficiencies in staffing and operations to progress the Adult Learning service towards its goal of being cost neutral.	-0.140	-0.100	0.000	0.000
CES017	Reviewing the operation of Museum catering facilities to make them more commercial.	0.000	-0.035	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
CES024	One off use of reserves to fund projects budget - Remove the remaining economic projects budget and fund from reserves in 2021-22 (one-off), with the revenue budget reinstated for 2022-23.	0.174	0.000	0.000	0.000
CES042	Reduction in contract spend - Savings from renegotiation of contract rates as part of a package to extend some current Highways contracts	0.030	0.000	0.000	0.000
CES046	BC3 - One-off reduction of the Arts Service budget (Health & Wellbeing)	0.005	0.000	0.000	0.000
CES050	Buying rather than leasing fire service vehicles. This would bring savings while keeping the same number of vehicles on the road. [Fire Engines]	-0.100	0.000	0.000	0.000
CES051	Buying rather than leasing fire service vehicles. This would bring savings while keeping the same number of vehicles on the road.	-0.150	-0.111	0.000	0.000
CES052	Charge for some of the expert planning advice and services we provide. This proposal requires that some of the costs for environment planning advice and information be transferred from the County Council revenue budget to a charge to the planning system. Enacting this change will require engagement with Tier 2 Local Authorities for those planning functions they cover.	-0.075	-0.075	0.000	0.000
CES053	Efficiency savings (Planning Service). A number of small savings from across the department to reflect various changes in processes, practice, and ways of working with no impact on service delivery.	-0.026	0.000	0.000	0.000
CES054	Contract efficiencies. Working with contractors to deliver lower costs from the arrangements at waste transfer stations.	-0.070	0.000	0.000	0.000
CES055	Charges for trade waste disposal. Updating principles for dealing with costs of trade waste collected by some district councils.	-0.025	0.000	0.000	0.000
CES056	Review of estimates for waste budget increases. Budgets can be adjusted to reflect new contracts with a lower unit cost.	-0.150	0.000	0.000	0.000
CES057	Reduce recycling centre management costs. Working with a contractor to deliver lower costs of service delivery.	-0.100	0.000	0.000	0.000
CES058	Two brand new recycling centres will cost less to run. Savings made as the operating costs of the two new recycling centres (Norwich North and Norwich South) will be lower than the existing sites at Mile Cross and Ketteringham.	-0.200	0.000	0.000	0.000
CES059	Identifying contract efficiency savings. Working with highways contractors to	-0.035	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	deliver savings from management overheads.				
CES060	Fixed Penalty Notices. Income from fines if utilities and other companies do not comply with the roadwork permits they have been issued.	-0.050	0.050	0.000	0.000
CES061	Fines for overrunning roadworks. Income from fines if utilities and other companies do not comply with the roadwork permits they have been issued. Section 74 of the New Roads and Street Works Act (NRSWA) allows highway authorities to charge undertakers if street works are unreasonably prolonged i.e. take longer than previously agreed.	-0.350	0.350	0.000	0.000
CES062	Create new streetworks technician post. A new streetworks technician post would help strengthen the team that have oversight of roadworks carried out by utility companies across the county. The role could help bring in additional income by improving the management of temporary traffic orders .	-0.030	0.000	0.000	0.000
CES063	Restructure the highways services team. This would affect the back office team and no redundancies would be expected.	-0.020	0.000	0.000	0.000
CES064	Maximise efficiency of winter gritting by using the latest technology. New navigation systems in all gritters will automatically control salt spread rates to best suit precise locations and conditions.	-0.100	0.000	0.000	0.000
CES065	Increase the Highway Design Team charge rates for work on major infrastructure delivery. This will increase the design team fees charged to internal and external clients and ensure full cost recovery.	-0.150	0.000	0.000	0.000
CES066	Fund part of the Council's economic projects budget from an alternative source. Use the County Council's share of income from existing Enterprise Zone sites within Norfolk to fund economic projects.	-0.089	0.000	0.000	0.000
CES067	New library operations centre to cut costs. The new operations centre at Hethersett provides streamlined distribution and enables efficiencies.	-0.125	0.000	0.000	0.000
CES068	Efficiency savings (Community Information and Learning). A number of small savings from across Adult Learning to reflect various changes in processes, practice, ways of working, and additional external funding, with no impact on service delivery.	-0.090	0.000	0.000	0.000
CES069	Restructure back office support team. Some processes are more efficient and therefore the structure of the team could be amended to reflect that.	-0.069	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
CES070	Reduce software costs. Switching to a new provider of design software will meet required needs while also saving money.	-0.020	0.000	0.000	0.000
CES071	Capitalisation of IT costs to bring revenue savings. Capitalising the cost of some IT systems e.g. those used by highways as part of their work to develop the asset.	-0.080	0.000	0.000	0.000
CES072	Additional Streetworks income. Employing an additional Streetworks Temporary Traffic Regulation Order (TTRO) Officer would result in additional income.	-0.050	0.000	0.000	0.000
CES073	Increase the Infrastructure Projects charge rates for work on major infrastructure delivery. This will increase the design team fees charged to internal and external clients and ensure full cost recovery.	-0.050	0.000	0.000	0.000
CES074	Increased income and lower costs for the street lighting and traffic signals Electrical Services Team. This will see savings achieved from increased recharges and system optimisation / efficiencies. In addition, income would be raised by introducing charging for developer advice.	-0.050	0.000	0.000	0.000
CES075	Increased income and lower costs for the Transport Team. This proposal will see savings achieved from increased recharges and system optimisation / efficiencies achieved through changing the way services are delivered.	-0.075	0.000	0.000	0.000
CES076	Reduced highways equipment costs. Following the transfer to NORSE Highways, we have been able to reduce the cost of equipment.	-0.070	0.000	0.000	0.000
CES077	Income generation from highways assets. Increase income from additional highway advertising and sponsorship sites - for example new signs on verges.	-0.020	0.000	0.000	0.000
CES078	Increased income generation by Trading Standards. Further work to generate income through the metrology service, in addition to the existing income generation targets.	-0.050	0.000	0.000	0.000
CES079	Seeking alternative funding sources for the Library and Information Service. Review of external funding and staff structure options.	-0.090	0.000	0.000	0.000
CES080	Cost Recovery for the American Library: The American Library based in the Millennium Library operates in partnership with the Second Air Division Memorial Trust. This proposal seeks to permanently remove the NCC contribution towards staffing costs and requires third party approval. The library would continue to operate at current levels if agreed.	-0.013	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
CES081	Customer Services efficiency savings. This proposal reflects removing or changing courier arrangements across the Council. The introduction of a new logistics hub means this saving is possible.	-0.015	0.000	0.000	0.000
CES082	Education Library Service: this proposal removes the subsidy to maintain an Education Library Service and would cease the service to schools in its current format.	-0.060	0.000	0.000	0.000
CES083	Review software and rationalise functionality within other existing systems. This proposal will save money by the Council ceasing to use two current systems replacing them with alternative, lower cost solutions.	-0.013	0.000	0.000	0.000
CES084	Restructuring some back office support teams. Savings from increase in manager self-service enabled by the Council's new HR and Finance system (MyOracle), and other changes in ways of working.	-0.069	0.000	0.000	0.000
CES085	Review of Museums budgets to reflect process and ways of working efficiencies. This proposal reflects additional partnership income, plus additional staffing budget savings including vacancy management, with no change in the service delivered.	-0.050	0.000	0.000	0.000
CES086	Income generation by the Norfolk Record Office. This proposal reflects an increase in income through the launch of a new online service for ordering digital images and an anticipated increase in revenue from licenced images following the launch of the 1921 census.	-0.010	0.000	0.000	0.000
CES087	Additional costs for advisory work met through the planning system.	-0.025	0.000	0.000	0.000
CES088	Culture and Heritage (Planning Service). Savings from planning application work being dealt with in house at the County Council.	-0.015	0.000	0.000	0.000
CES089	Reduction in existing budget pressure for Fire Service. This saving reflects a reduction in the anticipated required pension contributions for Fire Service currently provided for in the budget.	-0.050	0.000	0.000	0.000
CES090	Finalising a restructure of the [Fire Service] senior management team and strategic operational command arrangements.	-0.020	0.000	0.000	0.000
CES092	Review of on-street parking operation	-0.155	0.000	0.000	0.000
CES093	Capitalisation of Flood mitigation works	0.000	0.000	0.000	0.000
CES094	Bring forward the reversal of Brexit pressures	-0.090	0.090	0.000	0.000
CES095	Capitalise additional ICT costs but fund from within existing capital allocations rather than increase capital requirement - Yotta	-0.080	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
CES096	Capitalise additional ICT costs but fund from within existing capital allocations rather than increase capital requirement – Arc GIS	0.000	-0.100	0.000	0.000
CES097	Remove CES ICT reserve	-0.085	0.085	0.000	0.000
CES098	Use of Public Health Funding to off-set cost of service delivery - Museums	-0.062	0.000	0.000	0.000
CES099	Tarmac - increased 2021 contract saving over and above £250,000	-0.010	0.010	0.000	0.000
CES100	Norse Highways - increased saving over and above original business plan	-0.075	0.000	0.000	0.000
CES101	Reduced spend on materials fund	-0.005	0.000	0.000	0.000
CES102	Use of Public Health Funding to off-set cost of service delivery - Libraries	-0.055	0.000	0.000	0.000
CES103	Additional income targets within Adult learning	-0.010	0.000	0.000	0.000
CES104	All urban grass cutting to be managed by the county council under a single contract. This would mean ending the current agreement for Breckland District Council to manage urban cutting in that district. Bringing all urban grass cutting under one contract for the county would provide an opportunity to reduce the total cost.	-0.040	0.000	0.000	0.000
		-3.496	**-0.236**	**0.000**	**0.000**
	BASE ADJUSTMENTS				
		0.000	**0.000**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	1.734	0.000	0.000	0.000
	Debt management transfer	-0.013	0.000	0.000	0.000
	CES/S&T/FCS - Salaries - Fire Payroll admin & HR advisors & assistants	-0.260	0.000	0.000	0.000
	CES/S&T/FCS - Salaries - Fire Health & Safety	-0.089	0.000	0.000	0.000
	CES/S&T/FCS - HR for wellbeing	-0.016	0.000	0.000	0.000
	CES/FG - Finance Leases - CF1022 (Fire Vehicles 2010)	0.116	0.000	0.000	0.000
	CES/FG - Finance Leases - CF1064 (Fire Breathing Apparatus 2012)	0.043	0.000	0.000	0.000
	FCS/CES - CPT/Adult Learning	0.008	0.000	0.000	0.000
	FG/CES - Finance Leases - CF1069 (Fire PPE Equipment)	-0.209	0.000	0.000	0.000
	FG/CES - 0.75% Additional Inflation for 2020-21 Salaries (Fire)	0.083	0.000	0.000	0.000
	CES/FCS - ICT lease transfer to KT4300 Fire IMT for licence renewals	-0.100	0.000	0.000	0.000
		1.298	**0.000**	**0.000**	**0.000**
	NET BUDGET	**166.162**	**176.706**	**183.824**	**191.243**

11. 2022-23 Budget proposals – Strategy and Transformation

Service Strategy and context

11.1. The Strategy and Transformation department provides a continuum of services from strategy development, organisational development and upskilling, HR and H&S core services and professional advice, innovation and transformation delivery, insight and performance, strategic communications and resource stewardship.

11.2. The department's key functional areas are Human Resources, Transformation, Communications and Insight & Analytics. As well as providing a service to operational departments they also enable the delivery of change and benefits within those departments.

- A **strategic focus** – to provide advice and to support the political and managerial leadership of the Council in their strategic approach. At a time when resources are stretched, and a number of "unknowns" remain in the financial and government policy space associated with the pandemic, it is essential to have the capability to:
  - look to the future and anticipate change,
  - provide analytical and problem-solving expertise to the executive team and departments
  - offer professional leadership to the organisation and to Norfolk Resilience Forum (NRF) partners in key areas such as strategy, communications and intelligence and analytics, to drive insights and actions.

- A **transformational focus** – to support and enable change and drive innovation, as well as provide capacity and support to services by:
  - defining transformational solutions to strategic problems across all areas of processes, people and systems
  - delivering projects and transformation at pace where required
  - supporting the Council to improve its performance through, governance of all transformation activity through building transformation delivery capability

- A **support service focus** – providing more responsive internal services from all elements of the department to managers and staff while:
  - achieving lower costs through greater use of technology,
  - developing and implementing simpler and more streamlined processes that deliver the desired outcomes
  - building on professional services through heads of profession
  - supporting and driving evidence-based decision making
  - clear concise communications internally and externally to support service provision
  - building the Council's positive reputation for delivery and influence positive behavioural change

Service financial strategy and savings proposals 2022-23

11.3. To ensure best value for money, we continue to investigate and explore opportunities for a coordinated spend approach across the Council in these areas:

- Communications
- Training and development
- Delivery of HR services (Fire, Schools)

11.4. Critical objectives for the year include:

- Create wider organisational capacity and capability in strategy, policy, innovation and operational performance, through enhanced direct support to services and deeper engagement into the organisation
- Develop, implement and embed a new performance management framework
- Increase the provision of insight, accessible information and resources in a timely and meaningful way so as to enable evidence and intelligence led decision-making in the delivery of our services
- Create meaningful conversations with residents, staff, partners and stakeholders to highlight how the Council is bringing positive change
- Continue to deliver the Smarter Working programme and realise benefits across the organisation
- Strengthen the transformation programme's governance framework, ensuring a direct connection to organisational performance and return on investment.
- Build a central transformation delivery capability to assure transformation delivery and ability to respond to an organisational priority.

Key issues and risks

11.5. The MyOracle go live date of April 2022 creates risks to reduce headcount in HR. the continued phasing of MyOracle functionality over 2022 will require continuation of existing systems and current processes into 2022. There is risk to deliver the benefit case for HR in 2022 and the budget saving put forward before timescales were reshaped.

11.6. The demand for insight and reporting continues to increase both in terms of volume and complexity, which reflects NCC's growing maturity in how it values the use of data to understand daily operation and insight to inform decision making. However, the growing demand will require additional analytical resources and a different pan-NCC approach, ensuring the effective and efficient use of analysts.

11.7. The department's strategic approach to developing budget proposals is intended to:

- Work to drive our professional leads model and organisation design, in providing support across the organisation to maximise efficiency, and effectiveness
- Ensure the realisation of benefits identified in the Business Transformation and Smarter Working programmes
- Maximise any saving opportunities arising from changed expectations and working practices as a result of COVID-19
- Provide clarity on HR and H&S core service delivery post MyOracle implementation
- Acknowledge the role of manager capability and capacity in good people practice with reduced HR intervention and advice

11.8. The department responded to the pandemic by providing extra support and services to the wider organisation. The financial impact of this has been expenditure in temporary staff paid through reserves or COMF

11.9. funding if linked to direct public health work.

11.10. The recent continued local and nationally imposed demands that are not able to be funded through covid monies or go beyond the covid funding duration will add to cost pressures and some continuation of reserves support within HR to support recruitment for care support, policy and advice.

11.11. The current proposals of £0.259m are additional to the gross savings of £0.480m previously identified for 2022-23.

Strategy and Transformation proposed budget 2022-23

Table 30: Detailed budget change forecast Strategy and Transformation 2022-26

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	OPENING BUDGET	**8.422**	**8.759**	**9.215**	**9.583**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% for 22-23 to 25-26 (22-23 held centrally)	0.002	0.352	0.365	0.365
	Basic Inflation - Prices	0.002	0.002	0.002	0.002
	Pay Award 2021-22 (£250 A-F Reversal)	-0.010	0.000	0.000	0.000
	Pay Award 2021-22 (1.75%/2.75% A)	0.193	0.000	0.000	0.000
	NI 2022-23 1.25% Increase	0.119	0.000	0.000	0.000
	Demand / Demographic				
		0.000	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	NCC Policy				
	Delivery of Apprenticeship Strategy 2020-2023 [Cabinet 06/09/2021]	0.115	0.000	0.000	0.000
		0.422	**0.354**	**0.367**	**0.367**
	SAVINGS				
SGD009	Professional Lead and Career Family Model - Implementation of the Professional Lead and Career Family Model across the Insight and Analytics (I&A), Communications, and Strategy capability across the organisation.	-0.200	0.000	0.000	0.000
SGD014	BC3 - One-off release of Strategy and Governance reserves	0.300	0.000	0.000	0.000
SGD015	BC3 - HR & Finance System - Benefits realisation from HR & Finance System replacement in HR&OD - Benefits realisation work is still underway to quantify value of saving, but current forecast reflects savings of £0.280m in 2022-23	-0.280	0.000	0.000	0.000
S&T001	Reduction in HR budgets. Savings to be delivered through a range of measures including efficiency savings arising from the new HR and Finance system (MyOracle). Approach will include revised service delivery model and savings from central rationalisation of HR functions (Fire HR transfer into central HR budget), as well as savings from reduced mileage, printing etc as a result of new ways of working.	-0.150	0.000	0.000	0.000
S&T002	Insight & Analytics budget saving and additional income. Deliver a saving by delaying recruitment and seeking alternative sources of funding for currently vacant posts.	-0.097	0.097	0.000	0.000
S&T003	One off use of Strategy and Transformation reserves.	-0.050	0.050	0.000	0.000
S&T004	Reduction in Transformation budgets. Deliver a saving from a reduction in advertising posts and external fees.	-0.010	0.000	0.000	0.000
S&T005	National Insurance savings on employee support schemes - invest to save approach based on promoting uptake of salary sacrifice arrangements to deliver Employer's NI savings	-0.060	-0.045	0.000	0.000
	Reverse prior year saving P&R099 - Savings including use of one-off reserves in 2018-19	0.108	0.000	0.000	0.000
		-0.439	**0.102**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	CES/S&T/FCS - Salaries - Fire HR advisors & assistants and Health & Safety	0.289	0.000	0.000	0.000
	CES/S&T/FCS - HR for wellbeing	0.016	0.000	0.000	0.000
	GOV/S&T - Budget transfer from Dem Services to S&T. 1xG Grade. Pro rata 1st Aug-31Mar22	0.022	0.000	0.000	0.000
	GOV/S&T - Transfer 1FTE D grade BSO, effective 21st June 21	0.024	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	FG/S&T Top-up Grade D BSO funding from Dem Services to grade E	0.003	0.000	0.000	0.000
		0.354	**0.000**	**0.000**	**0.000**
	NET BUDGET	**8.759**	**9.215**	**9.583**	**9.950**

12. 2022-23 Budget proposals – Governance

Service Strategy and context

12.1. The Governance department brings together Democratic Services, Regulatory Services and Legal Services, which support the Council to be an effective organisation, ensuring there is strong governance that keeps the organisation safe and legally sound supporting elected members to shape and deliver the Council's key priorities. The department provides:

- A governance focus - to ensure the organisation is safe, compliant and governed effectively and with strategic focus and purpose, with strong stewardship / control systems and processes, joining up across the local government system.
- An income generating focus – to create value for NCC through maximising the opportunities provided through public service provision, for genuine fee earning activities which don't deviate from, but enhance, our statutory purpose and core offer. The Governance department as a whole relies heavily on income, particularly Nplaw and Registrars, so proposals to review headcount need to take into account the potential for fee earning.
- Essential face to face public services
- Quality legal services to external partners and NCC departments

Service financial strategy and savings proposals 2022-23

12.2. Priorities for the following year include:

- Developing better systems, processes and online resources which support self-service and improve access for the public, councillors and colleagues.
- Delivering regulatory services which are business-like and joined up, making a positive contribution to the Council's priorities
- Developing a team of well trained, effective, flexible staff who are responsive to the changing needs of our customers.
- Reviewing existing arrangements with districts to ensure that the agreement continues to operate fairly and to the benefit of all
- Pursuing opportunities to increase external legal work to increase trading surplus to be contributed to Council front line services
- Making better use of technology to further improve legal support to customers and continue move away from paper-based systems

Key issues and risks

- The Medical Examiner service has an expanded remit from April 2022 to also investigate community deaths. From experience we expect this will increase Coroner referrals and cases with associated workload pressures.
- Fewer available Pathologists, caused by retirement and exacerbated by the low statutory fee paid, is creating a delay to post-mortems. This necessitates increased use of agency Pathologists at a higher cost.

- Changes were made in 2021 to the legal processes for Church of England weddings. Registrars are now required undertake new statutory duties making a significant new administrative burden which has been partially absorbed in 2021 by extra Covid-funded staff who will finish in March 2022.
- Democratic Services continues, with fewer people to undertake the work, to provide extensive research and detailed briefings in support of some committees; this high level of service cannot be sustained after April 2022.

12.3. Strong governance keeps the organisation safe and legally sound and supports elected members to shape and deliver the Council's key priorities. The department's strategic approach to developing budget proposals is intended to:

- Ensure that we keep the organisation safe and legal as efficiently and effectively as possible
- Balance opportunities to maximise income for genuine fee earning services against cost savings, without deviating from our core service offering
- Maximise any saving opportunities arising from changed expectations and working practices as a result of COVID-19

12.4. The pandemic financial impact within the department has mainly related to extra expenditure on temporary staff. Any further local or nationally imposed demands that are not able to be funded through covid monies or go beyond the covid funding duration would add to the service risks and cost pressures highlighted above.

Governance proposed budget 2022-23

Table 31: Detailed budget change forecast Governance 2022-26

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	OPENING BUDGET	**1.904**	**1.960**	**2.315**	**2.501**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% for 22-23 to 25-26 (22-23 held centrally)	0.001	0.111	0.118	0.118
	Basic Inflation - Prices	-0.041	-0.042	-0.043	-0.043
	Pay Award 2021-22 (£250 A-F Reversal)	-0.015	0.000	0.000	0.000
	Pay Award 2021-22 (1.75%/2.75% A)	0.141	0.000	0.000	0.000
	NI 2022-23 1.25% Increase	0.085	0.000	0.000	0.000
	Demand / Demographic				
	Coroners - additional cost for storing bodies	0.080	0.080	0.000	0.000
	NCC Policy				
	Coroners Officers administrative team (12 FTE) transfer from Police	0.051	0.105	0.111	0.118

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
		0.302	**0.255**	**0.186**	**0.193**
	SAVINGS				
GOV001	Efficiency savings. Implementing Smarter Working practices across Nplaw, including moving from paper based bundles to electronic bundles, which reduces core costs.	-0.080	0.000	0.000	0.000
GOV002	Reduction in Monitoring Officer budget. Remove capacity from Monitoring Officer budget.	-0.023	0.000	0.000	0.000
GOV003	Reduction in Governance budgets. Saving to be delivered from reducing training and removing Governance estate and site management budgets.	-0.009	0.000	0.000	0.000
GOV004	Reduction in Governance budgets. Saving to be delivered by reducing Governance budget for rents and hire, while retaining the Coroner's budget for inquests that cannot be accommodated at County Hall.	-0.013	0.000	0.000	0.000
GOV005	Use of Governance reserves. One-off release of reserves to offset budget pressures following review of all reserves held.	-0.100	0.100	0.000	0.000
GOV006	Income generation. Recognising the potential for growth in Nplaw, including external income generation.	-0.010	0.000	0.000	0.000
GOV008	Reduction of the Elections budget (KA0200)	-0.020	0.000	0.000	0.000
GOV009	New improved contract management on Coroners Fees and Charges (KA0150)	-0.040	0.000	0.000	0.000
	Reverse prior year savings (various) not deliverable on ongoing basis	0.095	0.000	0.000	0.000
		-0.200	**0.100**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	GOV/S&T - Budget transfer from Dem Serv to S&T. Part of G grade post. Pro rata 1st Aug-31Mar22	-0.022	0.000	0.000	0.000
	GOV/S&T - Transfer 1FTE D grade BSO effective 21st June 21	-0.024	0.000	0.000	0.000
		-0.046	**0.000**	**0.000**	**0.000**
	NET BUDGET	**1.960**	**2.315**	**2.501**	**2.694**

13. 2022-23 Budget proposals – Finance and Commercial Services / Finance General

Service Strategy and context

13.1. Finance and Commercial Services provides capacity to enable the Council to act swiftly, innovatively and effectively in the context of rapid change. The Department is focused on delivering the following key objectives:

- Enhancing financial performance;
- Supporting and training service managers;
- Effective management of property assets to make best use and maximise the return on investments;
- Efficient and effective contract management;
- Providing information which supports good decision making;
- Reducing the costs of our services whilst improving their effectiveness, utilising new technology and implementing smarter ways of working; and
- Rolling out technological infrastructure, improving customer service and saving money.

Service financial strategy and savings proposals 2022-23

13.2. The key objectives set out above have informed the Department's approach to identifying budget proposals which minimise the impact on front line services. Saving plans for 2022-23 are therefore focussed on achieving efficiencies and improvements, including realising the benefits of the HR and Finance System replacement over the next two financial years, and achieving savings from greater integration of activities within IMT. Alongside this, the Department is seeking to maximise income, for example from the Corporate Property Estate.

Key issues and risks

13.3. The Department is directly managing, and supporting the wider Council with a number of key issues and risks:

- Supporting the response to COVID-19 including directly through Finance Exchequer Services activities;
- Providing and managing resilient IT infrastructure to support staff at all NCC sites and working remotely;
- Delivering major procurements;
- Rationalising and achieving best value from the Council's property portfolio;
- Supporting the Council to set and deliver services within planned budgets;
- Supporting the wider organisation to engage with funding reform and ensuring the Council's needs are understood by Government;

Finance and Commercial Services proposed budget 2022-23

Table 32: Detailed budget change forecast Finance and Commercial Services 2022-26

Ref		Final Budget change forecast 2022-26 2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
	OPENING BUDGET	**32.235**	**33.424**	**34.550**	**36.094**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3% for 22-23 to 25-26 (22-23 held centrally)	0.004	0.729	0.745	0.745
	Basic Inflation - Prices	0.685	0.750	0.800	0.800
	Pay Award 2021-22 (£250 A-F Reversal)	-0.049	0.000	0.000	0.000
	Pay Award 2021-22 (1.75%/2.75% A)	0.410	0.000	0.000	0.000
	NI 2022-23 1.25% Increase	0.243	0.000	0.000	0.000
	NCC Policy				
	Revenue pressure for HR and Finance System replacement	-0.360	-0.052	0.000	0.000
	Library revenue pressures - Sinking Fund (Forum 2022-23)	0.022	0.000	0.000	0.000
	Remote working costs - provision of adjustable desks and chairs following DSE assessment	0.100	0.000	0.000	0.000
	Increased Microsoft support costs	0.085	0.000	0.000	0.000
	Removal of one-off property cost pressures from 2021-22 budgeting	-0.178	0.000	0.000	0.000
	Property - recurrent cost pressures from 21-22 activity levels	1.558	0.000	0.000	0.000
		2.520	**1.426**	**1.544**	**1.544**
	SAVINGS				
FCS011	One-off use of reserves - One-off savings and use of reserves within Budgeting and Financial Management.	0.255	0.000	0.000	0.000
FCS014	Benefits realisation from the HR & Finance System replacement project in Finance Exchequer Services - Benefits realisation work is still underway to quantify value of saving from the HR & Finance System replacement, but current forecast reflects savings of £0.4m in 2022-23 which will be delivered by a combination of reduction in posts and changes to licence costs. Expected full year effect of the project being implemented is currently estimated as a further £0.1m from 2023-24.	-0.400	-0.100	0.000	0.000
FCS016	One-off saving from release of reserves.	0.372	0.000	0.000	0.000
FCS017	BC3 - Budgeting and Accounting one-off use of Finance Org Change reserve.	0.157	0.000	0.000	0.000
FCS018	Benefits realisation from the HR & Finance system replacement (MyOracle) project. Recognising efficiency and other savings to be achieved within Budgeting and Accounting service from 2023-24.	0.000	-0.200	0.000	0.000
FCS019	Operational efficiencies generated from greater integration of functions and teams within IMT	-0.050	0.000	0.000	0.000
FCS020	Income from letting of underutilised element of NCC estate to a commercial tenant	-0.200	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
		0.134	**-0.300**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	-1.614	0.000	0.000	0.000
	Debt management transfer	-0.002	0.000	0.000	0.000
	CES/S&T/FCS - Salaries - Fire Payroll admin	0.060	0.000	0.000	0.000
	FCS/CES - Adult Learning - Corporate Property	-0.008	0.000	0.000	0.000
	CES/FCS - ICT lease transfer to KT4300 Fire IMT for licence renewals	0.100	0.000	0.000	0.000
		-1.465	**0.000**	**0.000**	**0.000**
	NET BUDGET	**33.424**	**34.550**	**36.094**	**37.639**

Finance General proposed budget 2022-23

13.4. Finance General is a corporate budget, which includes council wide expenditure and income. This is a net income budget as total income exceeds total expenditure. A net income budget is shown as a negative figure.

13.5. Finance General includes employee related costs such as corporate pension payments due to changes following the actuarial valuation of the pension fund. Pension deficit recovery is identified as a cash sum and is budgeted for in Finance General. Other expenditure includes redundancy and pension payments arising from organisational review; grant payments; audit fees; member allowances; and capital financing costs. Income includes funding through the Business Rates Retention System; interest from investments; and depreciation on capital from services.

Table 33: Detailed budget change forecast Finance General 2022-26 (2.99%)

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	OPENING BUDGET	**-193.210**	**-198.230**	**-167.238**	**-162.976**
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay	0.584	0.851	0.962	0.962
	Basic Inflation - Prices	0.047	0.048	0.050	0.050
	Pay Award 2021-22 (£250 A-F Reversal)	-0.001	0.000	0.000	0.000
	Pay Award 2021-22 (1.75%/2.75% A)	-4.312	0.000	0.000	0.000
	NI 2022-23 1.25% Increase	0.004	0.000	0.000	0.000
	Pay Award 2022-23 (3%)	7.484	0.000	0.000	0.000
	Legislative Requirements				

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	NCC Pensions valuation 31 March 2019 for 2020-21 to 2022-23	0.168	1.152	0.000	0.000
	Other Pensions valuation 31 March 2019 for 2020-21 to 2022-23	0.848	0.848	0.000	0.000
	Environment Agency Levy increase	0.050	0.050	0.000	0.000
	Increased IFCA Precept	0.011	0.011	0.000	0.000
	NCC Policy				
	Minimum Revenue Provision	3.000	6.000	3.000	0.000
	Remove assumptions about application of capital receipts for repayment of debt	3.400	0.000	0.000	0.000
	Increased Treasury Management costs	1.643	2.902	0.000	0.000
	Children's transformation provision removal	0.000	0.000	0.000	-2.000
	Provision to increase General Fund level to maintain at target 5% net Budget	0.500	0.250	0.250	0.000
	Provision for COVID pressures including Adults (centrally held)	-18.829	0.000	0.000	0.000
	One-off application of 2021-22 underspends carried forward to support revenue budget pressures across all services	-18.000	18.000	0.000	0.000
	Provision for specific contractual and other risk pressures identified for 2022-23	0.750	0.000	0.000	0.000
	Reduced ESPO dividend income	0.120	0.060	0.000	0.000
	Reduction in income following Norwich Airport Industrial Estate disposal [Cabinet 05/07/2021]	0.367	0.000	0.000	0.000
		-22.166	**30.172**	**4.262**	**-0.988**
	SAVINGS				
FIN001	One off release of Organisational Change Fund - Underlying annual budget provision for organisational change and redundancy costs is £2.7m (2019-20). Assessment of amount required to be held against organisational need, experience of actual costs incurred, and the likely organisational and staffing impact of emerging saving proposals for 2021-22, indicate that it would be possible to continue release £0.500m from this budget on the same basis as 2020-21. This reflects a delay of cost pressure for 2021-22 to 2022-23.	0.500	0.000	0.000	0.000
FIN002	Insurance review (One-off use of reserves) - Review of Insurance reserves, claims and risks allows £0.500m to be released on a one-off basis.	0.500	0.000	0.000	0.000
FIN005	One off release from Organisational Change Fund. Annual budget provision is made for organisational change and redundancy costs. An assessment of the amount required to be held against organisational need(s), experience of actual costs incurred, and the likely organisational and staffing impact of emerging saving proposals for 2022-23, indicate that it would be possible to release £0.750m from this budget on a one-off basis.	-0.750	0.750	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m
FIN006	Reduce budgetary provision for grants to other public bodies. Reducing the budget held corporately to support partnership work with other public bodies following a review of recent funding needs.	-0.300	0.000	0.000	0.000
FIN007	Review of employer pension pressure provision. Revising the budget provided to reflect the actuarial valuation of the pension fund and the level of lump sum payment required 2022-23.	-1.000	0.000	0.000	0.000
FIN008	Review of treasury management requirements. Review of borrowing needs and interest rates will enable a saving to be delivered from interest payable budgets.	-0.500	0.000	0.000	0.000
FIN009	Reduction in budget required for members travel expenses due to adoption of smarter working approaches	-0.050	0.000	0.000	0.000
FIN010	Additional saving from review of treasury management requirements. Latest borrowing undertaken, with review of borrowing needs and interest rates, will enable a further saving to be delivered from interest budgets.	-0.280	-0.500	0.000	0.000
		-1.880	**0.250**	**0.000**	**0.000**
	BASE ADJUSTMENTS				
	New Homes Bonus Grant	0.436	1.833	0.000	0.000
	Change in Revenue Support Grant	-1.224	0.000	0.000	0.000
	Local Council Tax Support Grant	7.512	0.000	0.000	0.000
	Additional 2022-23 "Services Grant" one-off (share of £1.5bn pa SR21 announcement)	-10.687	10.687	0.000	0.000
	NCC assumptions for transitional arrangements in 2023-24 Fair Funding Review	0.000	-12.000	0.000	0.000
	Extended Rights to Free Travel Grant	-0.575	0.000	0.000	0.000
	One-off release of Covid funding Tranche 4 carried forward for 2021-22 pressures	5.608	0.000	0.000	0.000
	One-off Business Rates reserve use	2.265	0.000	0.000	0.000
	Rebase Business Rates budget	-3.214	0.000	0.000	0.000
	COVID-19 Grant 2021-22 (Tranche 5)	18.829	0.000	0.000	0.000
		18.948	**0.520**	**0.000**	**0.000**
	COST NEUTRAL ADJUSTMENTS				
	Depreciation transfer	-0.975	0.000	0.000	0.000
	Debt management transfer	0.019	0.000	0.000	0.000
	CES/FG - Finance Leases - CF1022 (Fire Vehicles 2010)	-0.116	0.000	0.000	0.000
	CES/FG - Finance Leases - CF1064 (Fire Breathing Apparatus 2012)	-0.043	0.000	0.000	0.000
	FG/CES - Finance Leases - CF1069 (Fire PPE Equipment)	0.209	0.000	0.000	0.000
	FG to CS Extended Rights to Free Travel grant	1.071	0.050	0.000	0.000
	FG/CES - 0.75% Additional Inflation for 2020-21 Salaries (Fire)	-0.083	0.000	0.000	0.000
	FG/S&T Top-up Grade D BSO funding from Dem Services to grade E	-0.003	0.000	0.000	0.000

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
		0.079	**0.050**	**0.000**	**0.000**
	NET BUDGET	**-198.230**	**-167.238**	**-162.976**	**-163.965**

Table 34: Detailed budget change forecast Finance General 2022-26 (3.99%)

Ref		Final Budget change forecast 2022-26			
		2022-23	2023-24	2024-25	2025-26
		£m	£m	£m	£m
	OPENING BUDGET	-193.210	-193.731	-171.737	-162.976
	3.99% Adjustment: Phase one-off application of 2021-22 underspends carried forward to support revenue budget pressures across all services	4.499	-8.998	4.499	0.000
	All other adjustments (as per 2.99% model)	-5.020	30.992	4.262	-0.988
	NET BUDGET with 3.99% council tax 2022-23	**-193.731**	**-171.737**	**-162.976**	**-163.965**

14. Public consultation

14.1. Under Section 3(2) of the Local Government Act 1999, authorities are under a duty to consult representatives of a wide range of local people when making decisions relating to local services. This includes council taxpayers, those who use or are likely to use services provided by the authority, and other stakeholders or interested parties. There is also a common law duty of fairness which requires that consultation should take place at a time when proposals are at a formative stage; should be based on sufficient information to allow those consulted to give intelligent consideration of options; should give adequate time for consideration and response and that consultation responses should be conscientiously taken into account in the final decision.

14.2. For the 2022-23 Budget the Council has consulted on proposals to:

- increase council tax by 1.99%; and
- increase the Adult Social Care precept by 1.00%.

14.3. The Council also invited comments on the approach to budget savings or any of the individual proposals themselves. No specific proposals were anticipated to have an impact on service delivery.

14.4. The approach to consultation involved:

- Consultation took place between 25 November 2021 and 30 December 2021 with consultation feedback available for Cabinet in January 2022;
- Proposals were published and consulted on via the council's consultation hub, Citizen Space:

https://norfolk.citizenspace.com/consultation/budget-consultation-2022-23/;

- Letters were sent to key partners, stakeholders and parish/town councils;
- Parish councils were invited to attend a Zoom-platform webinar hosted in conjunction with the Norfolk Association of Local Councils (NALC);
- Consultation documents were made available in large print and easy read as standard, and other formats on request;
- The Council made every effort to find out the views of people who may be affected by the proposals and carry out impact assessments;
- Opportunities for people to have their say on budget proposals, council tax and precept were promoted through Your Norfolk Extra email, the Norfolk Resident's Panel, news releases, online publications, council website and multiple social media channels;
- Opportunities for council staff to have their say on budget proposals were promoted by Member briefings, management briefings, intranet/newsletters, Friday Takeaway and other cascades and channels as available; and
- Every response has been read in detail and analysed to identify the range of people's opinions, any repeated or consistently expressed views, and the anticipated impact of proposals on people's lives.

14.5. It should be noted that the consultation did not cover the proposals brought forward in the third round of savings development, in December 2021 as described in paragraph 7.3. Details of the savings arising from this exercise are also set out in Section 7. Those considered to be efficiency type savings which will not impact on front line service delivery (and therefore would not require public consultation) have been included in the proposed 2022-23 Budget.

Your views on our budget consultation 2022-23: consultation feedback

14.6. We received 248 responses in total. The great majority of responses have come from individuals or family representatives amongst the general public (92.34%); with a relatively balanced gender mix, the majority of respondents aged 45+, 80% of respondents declaring themselves White British, and 22% with a disability. Three town/parish councillors, two voluntary groups, and ten employees responded directly.

14.7. The feedback in relation to each section of the consultation is as follows:

COUNCIL TAX (proposal to increase NCC's share of the general council tax by 1.99% in 2022-23):

- We received 248 responses to this section with a slight skew to agreement – just under half (118) either agreed (68) or strongly agreed (50) with this proposal. 41% (101) either disagreed (29) or strongly disagreed (72); whilst 27 were neutral and 2 stated that they did not know.

- Agreement tends to be underpinned by belief that the increase is necessary even if challenging or unwelcome, services are vital and should be protected
- Disagreement tends to be attributed to the increase being unaffordable with the cost of living increasing and/or related financial anxieties, that too much is already being paid in tax, that the Council and services need to be more efficient, that central Government should be providing more money.
- Other prominent themes (of many) include:
  - generally supportive and regarding as a way forward to balance finances;
  - more information needed about our savings proposals; and
  - that COVID-19 impacts mean services need to be maintained.

ADULT SOCIAL CARE PRECEPT (proposal to increase the adult social care precept by 1% in 2022-23):

- We received 246 responses to this section with a slight skew to agreement – just over half (137) either agreed (70) or strongly agreed (67) with this proposal. Around a third (89) either disagreed (37) or strongly disagreed (52); whilst 20 were neutral.
- Agreement tends to be underpinned by belief adult social services and should be protected and that the increase is necessary, that people who work in care should be paid more.
- Disagreement tends to be attributed to opposition to tax rises to fund the adult social care precept, suggestions to find more savings, criticism about the tax system in general.
- Other prominent themes (of many) include criticism of the tax system in general and how the Government should be provide more information about the future of adult social care. There was feedback to suggest that we could go further the adult social care precept could be raised higher than 1.00%.

14.8. A full summary of the consultation feedback on the proposals above can be seen at Appendix 5. This also includes a summary of the comments that people made in respect of our overall approach to budget in departments and specific budget proposals.

15. Representatives of non-domestic rate payers

15.1. The Council has a statutory duty under Section 65 of the Local Government Finance Act 1992 to consult with representatives of non-domestic ratepayers. In December 2021, a package of material including a summary of key issues relating to the 2022-23 Budget was circulated to representatives of the business sector via the Chambers of Commerce and the Norwich Business Improvement District, with feedback and questions invited to HaveYourSay@Norfolk.gov.uk. Representatives were provided with a summary of the financial challenges facing the Council in 2022-23, and an overview of the proposals for budgets.

16. Capital programme

16.1. A summary of the proposed Capital Programme is set out in the separate Capital Programme report elsewhere on this agenda. Where relevant the implications of capital proposals, including the required level of Minimum Revenue Provision (MRP) budget, have been reflected within the proposed Revenue Budget.

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

17.1. 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).

17.2. 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 is set out in full in the Statement on the Robustness of Estimates 2022-23 to 2025-26 (Appendix 4).

17.3. At this closing stage of the budget setting process, and with reference to the new saving proposals developed for 2022-23 and set out in this report, the assessment by the Executive Director of Finance and Commercial Services in relation to this duty is that a balanced budget can be proposed for 2022-23. This reflects the following key considerations and assumptions:

- The new savings proposals developed to date for 2022-23, alongside the £5m additional savings identified for Cabinet in January 2022, contribute to establishing a solid foundation for the development of a robust budget in future years, but a number of key risks remain.
- The current monitoring position for 2021-22 indicates a balanced position by the end of the financial year. This will allow £18m of one-off resources held as a contingency pressure to be released so that they would therefore become available to support the 2022-23 Budget.
- Initial forecasts from District Councils suggest that the council tax base and collection position has proven more resilient that previously forecast and has provided additional funding which has assisted in closing the 2022-23 gap.

- Having regard to the Local Government Finance Settlement and prospects for 2023-24 funding, the Executive Director of Finance and Commercial Services consider that while a balanced budget for 2022-23 can be set with an council tax increase of 2.99%, a more sustainable Medium Term Financial Strategy will require an increase in line with the maximum referendum threshold of 2% in core council tax, 1% Adult Social Care Precept (2022-23), and the deferred 1% increase in Adult Social Care precept, or material additional deliverable, recurrent savings for 2023-24.
- Significant risks therefore remain around the scale of the likely gap for 2023-24 and future years, subject to the level of one-off options required to balance the 2022-23 budget.
- The assessment of the robustness of the Budget remains highly sensitive to the detail of Government decisions about funding made at future Spending Reviews and Budgets and also the progress of Local Government Finance reforms.

17.4. In addition to the above, this judgement takes into account the fact that significant emerging pressures have been included in the final Budget proposals in February 2022 where they have been shown to be appropriate, but risks remain around a number of other areas:

- Pressures within adults and children's social care including growth in demand, additional cost of purchasing care provision and delays in delivery of savings (in part linked to COVID-19 impacts);
- Risks linked to hospital discharge activities for which funding is only confirmed until March 2022;
- Potential cost pressures linked to Government social care reforms;
- Other demographic pressures including home to school transport;
- Impact of policy decisions
- Property cost pressures in particular ongoing PPE warehouse costs;
- Government funding ceasing;
- Pressures linked to the National Living Wage;
- Exceptional inflation pressures including for energy, fuel, and utilities; and
- Other decisions with cost implications, legislative and other changes.

17.5. Further risks are also emerging around the long term economic impacts of issues including the COVID-19 pandemic. Similarly, any disruption to the food supply chain could result in additional costs related to the need to provide support to vulnerable members of society. Children's services, in both social care and education (particularly the High Needs Block), continue to be under very significant stress. There remains a risk, as previously highlighted to Cabinet, that many of these pressures continue to increase in the medium-term partly as a result of additional needs driven by the impacts of COVID-19.

17.6. Taking the above into account, the Executive Director of Finance and Commercial Services' current advice is also that the Council needs 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 an early and thorough process to identify deliverable recurrent savings for 2023-24. The overall Budget position will need to be kept under review as budget planning progresses, informed by consideration of the adequacy of the overall General Fund balance, the need for a general contingency amount within the revenue budget, uncertainty about Government funding, and the further implications of Brexit, COVID-19, and the Council's wider value for money position. Due to the size of the budget gap, this is likely to necessitate a series of savings reports to Cabinet through the year, in order to ensure that a sufficient quantum of savings are delivered from the beginning of 2023-24.

17.7. As in previous years, the 2022-23 Budget has been 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.

17.8. The code builds on elements of other CIPFA codes and in particular has clear links with The Prudential Code for Capital Finance, the Treasury Management in the Public Sector Code of Practice and the Code of Practice on Local Authority Accounting in the United Kingdom. The code is based on the following principles:

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

17.9. Details of how the Council considers it achieves compliance with the FM Code are set out in the table below.

Table 35: Assessment of compliance with Financial Management Code

Section	Statement	Summary of assessment of compliance
1	**The responsibilities of the Chief Finance Officer and Leadership Team**	
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	Executive Directors keep their services under continuous review and seek to achieve value for money. The requirement to deliver savings as part of the annual budget setting process helps to ensure that a focus on value for money is maintained. Various sources of benchmarking are used by different teams and services where appropriate across the organisation. A scheme of delegation has been imbedded into the monthly financial monitoring and annual budget setting process. As part of the annual audit of the Council's Statement of Accounts, the External Auditors consider the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.[19] No issues have been identified as part of this exercise.
B	The authority complies with the *CIPFA statement on the role of the Chief Finance Officer in local government*	The Executive Director of Finance and Commercial Services is CCAB qualified and complies with CPD requirements. Financial Regulations clearly set out the role and responsibilities of the Executive Director of Finance and Commercial Services including requirements of Section 151 of the Local Government Act 1972, and the Council's compliance with the CIPFA Statement on the Role of the CFO in Local Government[20].
2	**Governance and financial management style**	
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.	The authority has a clear framework for governance and internal control. The Accounts and Audit (England) Regulations 2015 (as amended by The Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404)) require the Council to conduct a review of the effectiveness of its system of internal control at least once a year. The Chief Internal Auditor reviews the effectiveness of the system of internal control throughout the year and reports annually to the Audit Committee. As part of the production of the Annual Governance Statement[21] which accompanies the Statement of Accounts, Executive Directors complete an Annual Positive Assurance Statement and supporting departmental assurance table. Action plans are put in place where any strengthening may be required. The Council's Financial Regulations establish the role and responsibilities of the Executive Director of Finance and Commercial Services and explain how these interact with responsibilities of

[19] https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/statement-of-accounts
[20] https://www.cipfa.org/policy-and-guidance/reports/the-role-of-the-chief-financial-officer-in-local-authorities
[21] https://www.norfolk.gov.uk/-/media/norfolk/downloads/what-we-do-and-how-we-work/budget-and-council-tax/statement-of-accounts/annual-governance-statement-2020-to-21.pdf

Section	Statement	Summary of assessment of compliance
		Members, other Executive Directors, and officers. Executive Directors have responsibility for managing their budgets within the amounts approved by County Council. They have been charged with reviewing all their cost centres to ensure that, where an overspend is identified, action is taken to ensure that a balanced budget will be achieved over the course of the year.
D	The authority applies the CIPFA / SOLACE *Delivering Good Governance in Local Government: Framework* (2016).	The Council has approved and adopted a Code of Corporate Governance consistent with the principles of the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014). The authority seeks to apply the principles, behaviours and actions set out in the Framework within its own governance arrangements, including the Financial Regulations which form part of the County Council Constitution. These are supported by the Financial Procedures which are more detailed. This is further supported through regular reporting to the Audit Committee (including high priority findings) and the development of the Internal Audit Strategy.
E	The financial management style of the authority supports financial sustainability.	Financial Regulations and Budget reports collectively set out the Council's approach to prudent, sustainable financial planning and the Executive Director of Finance and Commercial Services' role in commenting on the robustness of estimates, and duties under section 114 of the Local Government Finance Act 1988. A balanced revenue Budget is prepared annually and Members have historically taken decisions on available council tax increases which ensure future sustainability. The Medium Term Financial Strategy also considers a longer term horizon. The wider financial management style of the authority supports financial sustainability in that reports taken to Cabinet have to consider and document the financial implications of any material decision taken. Cabinet regularly receive financial monitoring and forecasts. Managers are encouraged to enhance their financial literacy through a suite of online training and support from finance professionals.
3	**Medium to long-term financial management**	
F	The authority has carried out a credible and transparent financial resilience assessment.	The Council underwent a Local Government Association Corporate Peer Review / Challenge in October 2019[22], which included consideration of financial planning and viability. Findings included that the "*council has successfully addressed the financial challenge to date in balancing its budget. In meeting this challenge, the authority has demonstrated both a prudent approach and a willingness to take difficult decisions.*" The authority undertakes an annual resilience review, as part of the budget setting process, including a sensitivity analysis.

[22] Plan to develop Peer Challenge Recommendations into Action Plan, (Item 16), Cabinet, 2 December 2019

Section	Statement	Summary of assessment of compliance
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	The authority has a robust understanding of the risks to its financial sustainability and reports regularly to Corporate Board, Cabinet and other relevant committees to highlight the impact of these in relation to short, medium and long term decision making. Issues relating to long term financial sustainability are considered in detail in the annual Budget setting reports to Cabinet and County Council, and are regularly articulated to Government via consultation responses and other engagement. The Council has considered its position as evidenced in CIPFA's Financial Resilience Index, which provides a tool for recognising potential signs of risk to councils' financial stability and can be used to assess the organisation's position relative to its peers.
H	The authority complies with the CIPFA *Prudential Code for Capital Finance in Local Authorities*	Norfolk County Council prepares and publishes an annual Capital Strategy as part of the budget setting process, covering four years. This is summarised in the MTFS and published alongside the revenue budget papers. The authority has a set of prudential indicators included within the Treasury Management Strategy, in line with the Prudential Code and has suitable mechanisms in place for monitoring performance against those set.
I	The authority has a rolling multi year medium-term financial plan consistent with sustainable service plans.	Annually produced, rolling four-year medium term financial strategy which also looks at the longer term (10 years) to establish potential risks and sensitivities within the budget setting process. Annual Budget sets out links to annual Service Committee Plans. Annual Strategic Planning activity also makes the link between budget-setting and the Council's wider strategy and transformation activity within Service Departments. The Budget Book also details budgets to a lower level of analysis and incorporates planned savings etc.
4	**The annual budget**	
J	The authority complies with its statutory obligations in respect of the budget setting process.	The authority is aware of its statutory obligations in respect of the budget setting process and sets a balanced budget for the current year within the required timeframe. The proposals set out within this report will enable the Council to set a balanced budget for the forthcoming year.
K	The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	The adequacy of reserves and provisions budget report includes details of the earmarked reserves held, explains the purpose of each reserve, the estimated opening balances for the year, details of planned additions/withdrawals and the estimated closing balances. Information and details of the assumptions used to support the Executive Director of Finance and Commercial Services' statement on the Robustness of the Estimates (budget report) provides assurances to Members prior to recommending and agreeing the revenue and capital budgets and plans.
5	**Stakeholder engagement and business cases**	
L	The authority has engaged where appropriate with key	The authority knows who the key stakeholders are and has processes in place to ensure they are engaged with throughout the year, and as

Section	Statement	Summary of assessment of compliance
	stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	part of the annual budget setting process. The effectiveness of this engagement is kept under review to ensure improvements can be made where necessary. Further details about the approach to engagement are provided within this report and Appendix 5
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions	The capital prioritisation process is set out in the annual Capital Programme. Significant decisions are subject to review of business case and approval by Members in line with Financial Regulations. A Capital Programme Quarterly Review Board has been established to co-ordinate and provide oversight of the Council's overall capital programme. It is led by the Cabinet Member for Finance and attended by officer representatives from each major service. The board provides a forum to discuss, co-ordinate and, if necessary, prioritise new schemes to be added to the programme, as well as on-going schemes.
6	**Performance monitoring**	
N	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	The Council produces regular revenue finance monitoring reports for members, based on forecasting by budget holders which is considered by senior managers. Reporting includes details of the monthly monitoring position against the budget, forecasts general balances and reserves for the end of the financial year, and highlights any other pertinent information relating to the overall financial position of the council. These reports also detail relevant service specific financial and operational issues. Financial information is also aligned with and reported alongside corporately significant vital signs, which provide details of the Council's current performance towards achieving its strategic outcomes. Vital signs support the Council to review current performance, validate the actions being taken to address gaps in performance and identify further opportunities for improvement
O	The leadership team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability.	The authority routinely monitors and reports the material elements of the balance sheet that may give indications of a departure from financial plans.
7	**External financial reporting**	
P	The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.	The role of the Executive Director of Finance and Commercial Services is set out within the Financial Regulations. The statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom. Statements in Statement of Accounts confirm compliance.

Section	Statement	Summary of assessment of compliance
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	Outturn figures are presented as part of the monthly financial monitoring and forecasting process, so shape strategic decisions going forward. The final outturn is presented within the Statement of Accounts along with supporting narrative. These figures then form a part of the decision making within the following year's annual budget setting process.

18. Summary

18.1. The proposals set out within this report represent a prudent, robust Budget for 2022-23, which is aligned to the delivery of the Council's priorities as set out in its strategy. The Budget provides for identified cost pressures across all services in order to establish a foundation for the development of a balanced MTFS position. However, material risks and significant uncertainties remain for 2023-24 as described in the report, and an early and granular process will be required to support the preparation of a balanced 2023-24 position.

Norfolk County Council
Medium Term Financial Strategy 2022-26

1. Introduction

1.1. The Medium Term Financial Strategy (MTFS) 2022-26 replaces the Medium Term Financial Strategy 2021-25. The council faces continued uncertainty about the impact of COVID-19, longer term funding allocations, and Government plans for both the funding system for the future, and the role and operating context of local authorities, and therefore the Medium Term Financial Strategy will need to remain flexible to adapt to changing circumstances.

1.2. The Council's refreshed vision and strategy*, Better Together, For Norfolk* have informed the development of the MTFS. This builds on our previous plan and sharpens our focus for the next four years to support recovery and renewal.

1.3. The Council continues to deal with the service and financial implications of the COVID-19 pandemic. It remains to be seen precisely what the longer term impact of COVID-19 will be on local government cost pressures, but it is certainly likely to have a sustained impact on the Medium Term Financial Strategy going forward.

1.4. Despite the announcement of the four year spending review, following publication of a one year Local Government Finance Settlement for 2022-23, the financial implications for Local Government for the latter three years of the MTFS (2023-26) are largely unknown, and therefore remain subject to considerable change and uncertainty. Initial assessments show a particularly challenging financial landscape in 2023-24. the budget gap is materially higher than the gap closed for this year's Budget. Simultaneously, there is major uncertainty linked to Government's plans to reform local government funding during 2022 (for 2023-24) and linked to the delivery of the levelling up agenda.

1.5. A range of issues are at this stage unknown with the potential to have a material impact on the level of resources available to Norfolk County Council to deliver services in the future. It therefore remains the case that it will be critical to bring forward balanced, sustainable budget proposals which will enable the Council to continue to deliver the key services which are relied on by all Norfolk's people, businesses and visitors.

1.6. In the context of this uncertainty, the MTFS sets out the latest available information about national and local factors which are likely to impact upon budget planning decisions. The MTFS has been produced in the context of the CIPFA Financial Management Code. The MTFS forms a key part of the council's financial management approach and supports the identification and management of the key risks to the council's financial sustainability. As such it details funding changes and explains the strategy for how the council intends to manage these, to make transformative change, and plan new initiatives, while continuing to meet its statutory responsibilities in the medium term.

1.7. As detailed more fully in the Revenue Budget paper, the funding of social care remains a major issue for the County Council. Pressures are being experienced in key areas, with increased spending on social care services mainly due to additional complexity of cases following the pandemic and hospital discharges, and an increased rate of referrals into Children's Services.

1.8. Alongside the ongoing impact from changes such as the National Living Wage and the new Health and Social Care Levy (a 1.25% National Insurance increase), these and other pressures continue to give rise to significant additional costs for the organisation and have contributed to a budget deficit forecast in the later years of this financial strategy. As a result, the council will need to develop early and robust responses, including significant further realistic and deliverable savings plans, during future budget planning rounds.

2. National Factors

Coronavirus Pandemic

2.1. The COVID-19 pandemic and the public health measures taken to contain it have delivered one of the largest shocks to the UK economy and public finances in recent history.

2.2. Risks around COVID-19 and the budgetary impacts have been reported to Cabinet as part of financial monitoring through 2021-22 and are specifically set out within the budget reports presented to Cabinet in January 2022. COVID-19 continues to place a very significant strain on local authorities (and their budgets), and whilst it is particularly welcome that Government has now confirmed that unspent 2021-22 Containment Outbreak Management Fund (COMF) funding can be carried forward to 2022-23, it is of concern that no further funding has been announced for 2022-23.

2.3. The impact of COVID-19 encompasses both the immediate, short term effects (for example service delivery challenges and increased costs linked to the current high levels of infection), but also the longer term impact anticipated on both the underlying cost base, and levels of demand for many of the Council's services and represents a key area of risk.

2.4. Some of the main issues we faced before Covid-19 have been exacerbated including population changes, social, economic and health inequalities, rising demand for services and support, workforce challenges in key sectors such as the care market, and planned national living wage increases.

2.5. Whilst the country moves into a process of recovery, challenges arising from COVID-19 continue, and responding to this effectively and helping individuals, communities, and businesses to recover is critical. Data from the ONS shows that as of November 2021 (latest release 14/01/22) Gross Domestic Product (GDP) has, for the first time, risen by 0.7% above where it was pre pandemic

(February 2020) before the main impacts of Coronavirus pandemic were seen.[23]

Government funding

2.6. During the previous multi-year settlement, in 2021-22, and in the current year 2022-23, the level of, and uncertainty around, **one-off funding allocations** have been a significant issue for local authority planning. While this is of course understandable as part of the unprecedented response to COVID, over the course of the preceding four-year settlement, councils saw additional allocations for a range of funding including the improved Better Care Fund, Rural Services Delivery Grant, and various social care grants.

2.7. This additional funding was clearly welcome and has supported the County Council to set a balanced budget, however it is important to recognise that these announcements have a substantial impact on longer term planning and lead to increased uncertainty from year to year. In some cases, additional funding has not been announced until very late in the budget-setting process, which does not lend itself to effective service planning. The one-off or time limited nature of some of this funding also means that it is not prudent to include it within base budgets, but in areas such as social care, the additional activities which the funding supports cannot in all cases simply be “switched off”.

2.8. The delays to the **Fair Funding Review**, while clearly unsurprising in the circumstances, are disappointing as it appeared that the direction of travel was generally favourable for upper tier shire authorities. The Council continues to lobby the government to ask that the Fair Funding Review be concluded to provide an adequate overall quantum of funding for local government within the system, update the relative needs formula, and fully recognise the costs associated with rurality and sparsity.

2.9. Settlement funding information is rarely provided in sufficient time for local authorities to meaningfully consider it and develop a response. The 2022-23 Provisional Settlement was announced 16 December 2021 (and for 2021-22, on 17 December 2020). This is hugely disappointing considering the Ministry’s previous acceptance of the recommendations of the Hudson Review[24] that the settlement should be published around 6 December. Setting the dates for the settlement announcements in advance, and crucially then adhering to them, would be of enormous benefit to local authority planning.

2.10. Looking beyond the immediate impacts of coronavirus, the overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. Local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, unfunded burdens such as the National Living

[23] GDP monthly estimate, UK - Office for National Statistics (ons.gov.uk)
[24] Local government finance: review of governance and processes - GOV.UK (www.gov.uk)

Wage, and the needs of vulnerable social care users becoming increasingly complex.

2.11. Children's services, in both social care and education (particularly the High Needs Block), are also under very significant stress. This pressure is anticipated to increase in the medium-term as a result of additional needs driven by effects of COVID-19 and the associated lockdowns and restrictions. Other services such as transport, planning, environment, and trading standards have been subject to significant restrictions which have also seen increasing pressure placed on discretionary and preventative services.

European Union withdrawal / Brexit

2.12. The implications of leaving the EU for the County Council's service delivery and finances, as well as for the local economy more widely are only just emerging, the most notable impacts have been workforce shortages within key sectors such as the care market. The Office for Budget Responsibility (OBR) set out the broad range of impacts being seen in the UK within their executive summary of the Economic and Fiscal Outlook October 2021[25] "…*supply bottlenecks have been exacerbated by changes in the migration and trading regimes following Brexit. Energy prices have soared, labour shortages have emerged in some occupations, and there have been blockages in some supply chains. These can be expected to hold back output growth in the coming quarters, while raising prices and putting pressure on wages*."

The process of leaving the EU and impact upon European programmes in which Norfolk County Council is involved

2.13. Until December 2020, there had been continuing uncertainty around the process and terms upon which the Britain would leave the EU.

2.14. The decision to leave the EU taken in June 2016 will have a long-term impact on the European funding available to the county. It also creates a potential workforce risk, as the nature of any immigration policy decided after leaving the EU may result in issues for the care and agricultural sectors.

2.15. Norfolk County Council and "Norfolk plc" has historically benefited from European programmes and we have built up substantial expertise in designing, managing and delivering European projects and programmes. However, the referendum decision also provided an opportunity to influence alternative future funding schemes to benefit our local area, and the Council has responded to a number of consultations on the UK Shared Prosperity Fund.

2.16. European funding in Norfolk has been spent on a variety of activity such as:

[25] Economic and fiscal outlook October 2021: Executive summary (obr.uk)

- Economic growth and regeneration (for example supporting small businesses to start and grow);
- Skills, worklessness and employment support (for example, supporting unemployed people back into work);
- Environmental protection (for example, support for landowners to create wildlife habitats);
- Research and development (for example, support for universities to undertake research); and
- Agricultural support via the common agricultural policy (for example, subsidies for farmers, and grants for rural economic growth).

2.17. In the immediate period following the EU referendum, activity across the range of EU funded programmes available to Norfolk stalled, awaiting advice from central government on how to proceed. Some development time was lost as applicants waited for further news before taking the decision to apply for EU funds.

2.18. In October 2016, the then Chancellor announced that all EU funded projects contracted before we leave the EU would be honoured in full. This guarantee includes honouring funding for projects which are due to complete in the years following the UK's departure from the EU. The guarantee is subject to projects meeting two criteria: 1) value for money and 2) fit with national priorities; both of which are tested when projects are assessed. This guarantee has now been extended to cover the transition period, so all projects contracted before 31 December 2020 are covered. This is a welcome extension, since it gives the Council additional time to commit the funding allocated, so that businesses and organisations can continue to benefit from EU-funded schemes available in our local area until funding contracts expire.

2.19. The Economic Programmes team have been promoting the EU funding opportunities to potential applicants to maximise drawdown and benefit in Norfolk before we leave the EU and the £9m LEADER programme was fully committed in the summer of 2019, and which has since been extended in Norfolk with the award of unspent funds from government. While our new £3M DRIVE (Delivering Rural Investment and Vital Employment) Programme provides capital grants of £55-£30k to businesses, it cannot help farms to diversify - as LEADER did - so we will seek to target the new Shared Prosperity Fund and other sources (see following paragraph) to address this issue.

2.20. The Government has pledged to replace EU funding with the Shared Prosperity Fund[26] (SPF) and, in the October 2021 Spending Review announced that total SPF allocated funding will be £2.6bn, with £0.4bn and £0.7bn allocated in 2022-23 and 2023-24 respectively, rising to £1.5bn in 2024-25.

2.21. When funding for a national adult numeracy programme ('Multiply'), set to be delivered across the Spending Review period to 2024-25 and funded

[26] https://researchbriefings.files.parliament.uk/documents/CBP-8527/CBP-8527.pdf

through SPF, is taken into account, net SPF resource will be £0.21bn, £0.51bn and £1.31bn for the three years to 2024-45. Assuming an allocation of SPF of 1% to Norfolk in each financial year, total funding receipts for Norfolk-based programmes could be relatively modest:

- 2022-23: £2.140m
- 2023-24: £5.140m
- 2024-25: £13.140m

2.22. Of the £4.8bn Levelling Up Fund, which supports town centre and high street regeneration, local transport projects, and cultural and heritage assets, the Spending Review announced more evenly distributed funding in the Spending period to 2024-25 (between £0.9bn to £1.4bn per annum), representing assumed Norfolk allocations of up to £9m (2022-23) and £14m (2023-25) per year, at 1% of funds.

2.23. The INTERREG France (Channel) England programme which we manage, will continue through to fruition, closing formally in 2025. The Programme remains subject to EU regulations in accordance with the legal framework in place pre-Brexit. There are areas requiring further action where we are working closely with the EU and the UK Government representatives from MHCLG and BEIS to ensure compliance. These include procurement and use of the UK tender platform replacing OJEU and Standard Contractual Clause amendments to ensure data flows freely from the EU to the UK, which will need to be put in place over the next 6 months.

2.24. The European Commission has also confirmed *"that the negative interests charged by the banks are bank charges which are linked to the usual administration of the accounts and therefore […] eligible".* Therefore, as regards **the treatment of such eligible costs**, these costs should be certified under the technical assistance priority axis, applying the corresponding co-financing rate. As in all other cases of eligible bank charges, the expenditure incurred should be supported by appropriate (banking) documents. The programme is calculating the recovery amounts for inclusion in future claims.

Government policy and economy forecasts

2.25. At the time of preparing this Strategy in January 2022, the last major fiscal event was when the Chancellor of the Exchequer, Rishi Sunak, announced the Spending Review and Autumn Budget in October 2021.

2.26. The OBR have published an updated Economic and Fiscal Outlook[27] to set out forecasts for the UK's public finances alongside the Spending Review 2021. The OBR forecast indicated that the UK economy is now expected to grow by 6.5 per cent in 2021 (2.4 percentage points faster than predicted in March), which helps the budget deficit to almost halve to £183 billion in 2021-22 (£51 billion lower than March).

[27] Economic and fiscal outlook – October 2021 (obr.uk)

2.27. Alongside the Autumn Budget and Spending Review[28], in October 2021, the Government published an update to its preferred measure of illustrative core spending power, which suggests that Local Government's core spending power will increase by an average of 3% a year in real terms.

2.28. For Norfolk, almost half the increase in core spending power is driven by assumed council tax increases. The remainder largely represents additional funding via Social Care Grant £11.152m and a new (one-off) "Services Grant" £10.687. A further £2.8m relates to the Market Sustainability and Fair Cost of Care Fund, which is also included as a pressure as it is a new burden.

2.29. The spending review announced a net tax rise amounting to £16.7 billion a year by 2026-27, raised through the introduction of a health and social care levy of 1.25 per cent on employees, employers and the self-employed, which raises £18.2 billion by 2026-27. It is partially offset by tax cuts, mainly the freezing of fuel duty at a cost of £1.6 billion a year. Whilst this raises significant revenues nationally, it has led to an additional ongoing cost pressure for the authority of £2.790m.

2.30. The increase in national revenues raised will result in an increase in public spending amounting to £22.9 billion a year by 2026-27. Made up of a £25.0 billion increase in departmental resource spending and a £3.0 billion boost to universal credit, which is only partly offset by £6.7 billion saved by the temporary move from a triple to double lock for the state pension.

2.31. The Government has also published the Build Back Better plan for health and social care[5] including a £36bn funding commitment shared between both systems across the UK over three years starting in 2022-23. This represents £12bn per year for three years for Health and Care to be funded by 1.25% increases in National Insurance (which is ultimately to become a "Health and Care levy"), and dividend tax from April 2022.

2.32. The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At a meeting on 15 December 2021, the MPC voted to increase the Bank rate by 0.15% to 0.25%[29]. Both investment earnings rates and new borrowing rates remain low by historical standards.

2.33. The twelve-month Consumer Price Inflation (CPI) has increased from 3.1% in September to 5.1% in November 2021 and 5.4% in December 2021[30]. It is expected to remain around 5% through the winter period, and to peak at around 6% in April 2022, due to the delayed impact on utility bills of developments in wholesale gas prices. CPI inflation is expected to fall back in the second half of next year. The level of commissioning undertaken by the

[28] Autumn Budget and Spending Review 2021
[29] Monetary Policy Summary for the Monetary Policy Committee meeting on 15 December 2021 | Bank of England
[30] https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/december2021

council sees a wide range of services being delivered by partners and through private sector contracts. Contractual obligations are often linked with the Consumer Price Index (CPI), meaning these rates will impact on the council's budget setting activity and medium term planning.

2.34. The Government implemented a National Living Wage (NLW) from 2016-17, starting at £7.20. In April 2022 it will be increased to £9.50. The exact level at which the National Living Wage will be set in future years has not been confirmed. Although assumed cost pressures relating to the National Living Wage have been included in budgets, there is a risk these could diverge in future.

3. Local factors

3.1. In responding to these national pressures, Norfolk County Council is operating in the context of significant change in both the scope and scale of public services, while simultaneously absorbing the impact of historic sustained reductions in levels of funding. This pressure on resources has come at a time of increasing levels of demand, and complexity of needs, for many of the services the council provides.

3.2. At the same time as playing its part in delivering the Norfolk response to COVID-19, the council remains focussed on meeting the twin challenges of increasing demand and limited central government funding, whilst minimising the impact on the front-line delivery of services, and delivering the updated strategy Better *Together, for Norfolk*. This Medium Term Financial Strategy has been developed to support this work to ensure that the council's gross budget of £1.5bn is spent to best effect for Norfolk people.

3.3. There are a number of local factors that impact upon services provided or commissioned by Norfolk County Council and therefore affect the budget, yet are (at least in part) outside of the council's control. The most significant of these relate to demographics, the local economy, and ecological pressures.

Demographics

3.4. Norfolk's population is an estimated 914,050 in mid-2020[31] – an increase of around 6,300 on the previous year.

3.5. Over the last five years since mid-2015, Norfolk's population has increased by 3.3% (or around 29,300 people), compared with an increase of 3.2% in the East of England region and 3.2% in England.

3.6. Over the last five years since mid-2015, in terms of broad age groups, numbers of children and young people (aged 0-15) in the county increased by around 5,600 (increase of 3.8% compared with an increase of 4.3% nationally);

[31] ONS mid-2020 population estimates

numbers of working age adults (aged 16-64) increased by around 7,400 (increase of 1.4% compared with an increase of 1.6% nationally); and numbers of older people (aged 65 and over) increased by around 16,200 (increase of 7.8% compared with an increase of 7.7% nationally).

3.7. The estimates for mid-2020 confirm that Norfolk's population has a much older age profile than England as a whole, with 24.7% of Norfolk's population aged 65 and over, compared with 18.5% in England.

3.8. The ONS 2018-based population projections are trend-based[32], and on this basis, Norfolk's overall population is projected to increase from 2018 to 2028 by around 60,600 people– this is an increase of 6.7% which is below the East of England projected increase of 5.0% and the England projected increase of 5.0%.

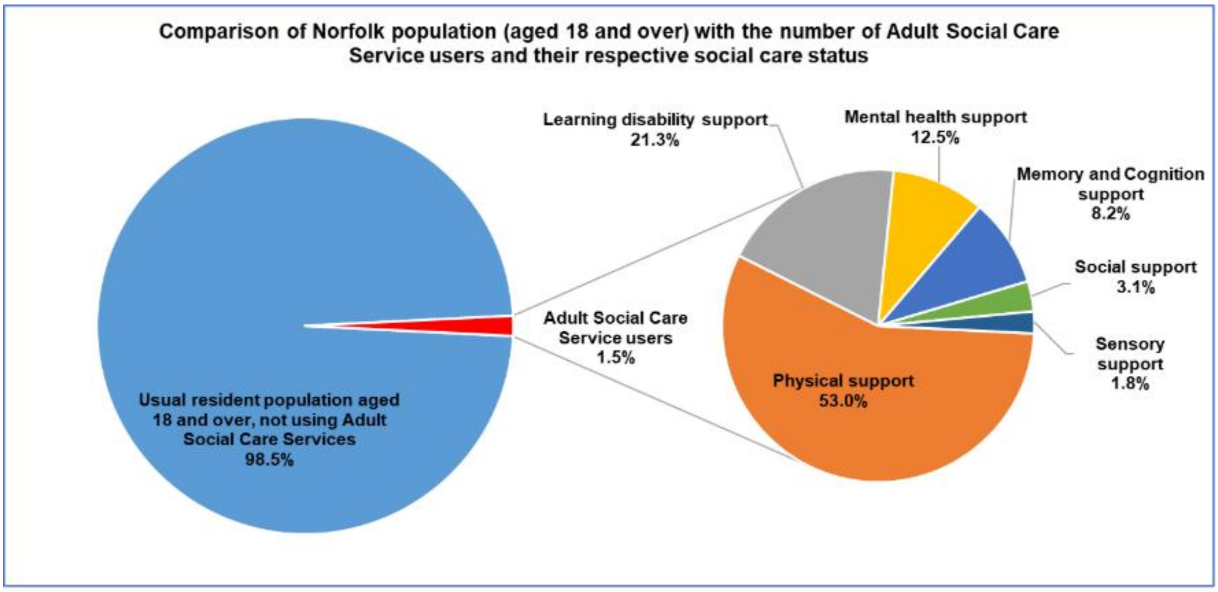
3.9. Norfolk's oldest age groups are projected to grow the quickest over the ten years to 2028, with numbers of 75 to 84-year-olds projected to increase by around 37% and numbers of those aged 85 and over projected to increase by around 24%. This age group is the most likely to require social care, so increases in the size of this older group are likely to have a high impact on the demand for social care services.

3.10. Looking further ahead, there is projected growth from 2018 to 2041 of around 99,500 people in Norfolk – this is an increase of 11.0% which is below the East of England projected increase of 13.6% and above the national projected increase of 10.6%.

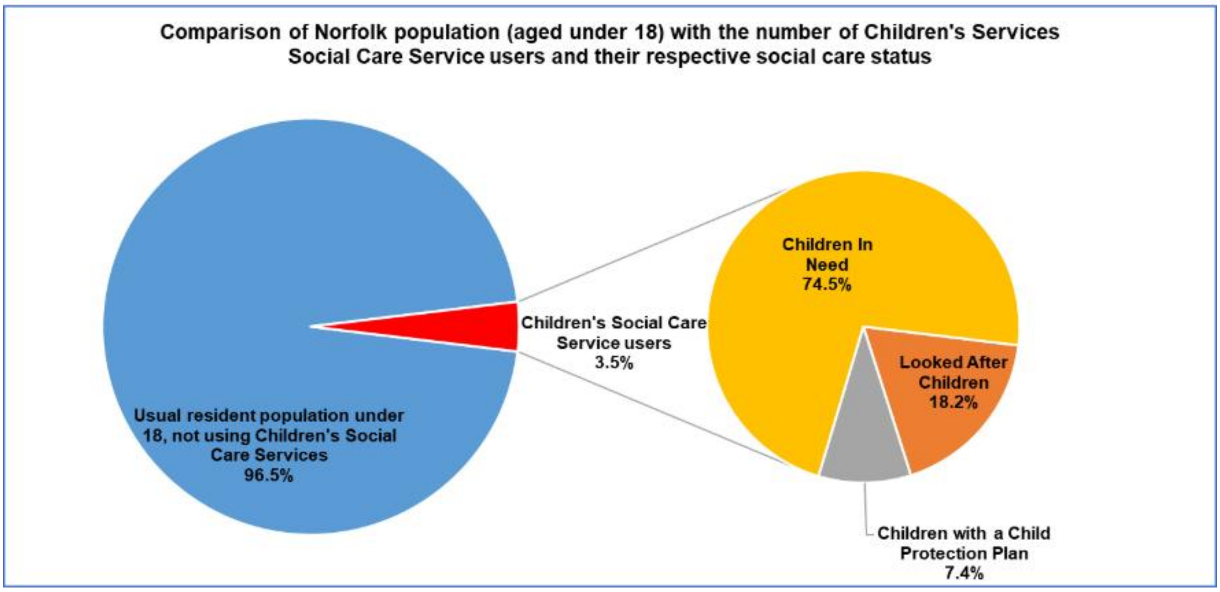
3.11. Further demographic information is provided below, relating to the proportions of adults (aged 18 and over) and children (aged under 18) in Norfolk's population, compared with the proportions who are social care service users, along with their respective social care status.

[32] ONS 2018-based subnational population projections

MTFS Chart 1: Adults demographic information



MTFS Chart 2: Children's demographic information



Population data from mid-2020 ONS estimates; service data all 2020-21.

Social Mobility

3.12. Social mobility is a complex, systemic issue affecting many areas and people in Norfolk. The COVID-19 pandemic has served to further highlight the issue of social mobility and will potentially contribute to worsening some of its impacts in terms of health inequalities, access to education and facilities for learning, employment and the ability engage with new expectations about working remotely. To address social mobility, we want to prevent causes of social and economic exclusion and to foster sustainable, prosperous communities. To do this, we need to work across all our services and at all levels of government, private and third sectors. Fair funding for rural areas is also fundamental to us being able to achieve our ambitions for the people of Norfolk.

3.13. Improving social mobility across all generations will provide more sustainable benefits for growth for Norfolk, as high levels of employment are generally protective against inequalities and cycles of decline in geographic communities.

3.14. Although often perceived as an urban issue, the 2021 social mobility commission report[33] highlighted problems in our rural and coastal areas with 18.4% of the population of Great Yarmouth classified as income deprived[34].

3.15. Social mobility is also linked to inter-related factors such as health and well-being, affordable housing and deprivation. Deprivation trend data shows us that Norfolk has experienced an increase in relative deprivation over time.

3.16. The key issues for Norfolk remain:

- When comparing Indices of Multiple Deprivation (IMD) from 2015 to 2019, there has been a slight relative increase in deprivation. In the 2015 IMD data Norfolk as a whole ranked 88th out of 151 upper tier local authorities, but is now ranked 84th (1 being the most deprived, 151 being the least deprived).
- There are approximately 135,900 people living in the 20% most deprived areas in Norfolk. The areas remain largely urban around Norwich, Great Yarmouth and Kings Lynn, although there are some rural areas in the most 20% deprived.
- Norfolk has an economy somewhat reliant on tourism (which in the short term is being severely impacted by COVID-19 restrictions) and agriculture that means that employment opportunities for residents can be both seasonal and low wage, with limited scope for progression. This particularly impacts rural areas and the coast with over 50% of people on low wages living in rural or coastal areas.
- Average earnings in Norfolk are significantly below national and regional levels.
- Typically, access to services is focused on urban areas as the economic case to deliver to smaller numbers in rural areas is challenging. However, in combination with decreasing access to public transport, it is difficult for residents to access support.
- Currently, Norfolk doesn't have a well-established culture of training at all stages of employment, which impacts on progression within the workplace.
- Access to affordable childcare for low income families is a major barrier to social mobility and removes parents, particularly mothers, from the workplace for long periods of time.

Local Economy

[33] State of the Nation 2020-21: Social Mobility in Great Britain (publishing.service.gov.uk)
[34] Exploring local income deprivation (ons.gov.uk)

3.17. The Council's work to drive economic growth is shaped by the New Anglia Local Enterprise Partnership (NALEP)'s Economic Strategy for Norfolk and Suffolk, which has been refreshed this year now that the impact of the pandemic is becoming clearer. The County Council is working closely with NALEP on the Implementation Plan for the Strategy, which includes a strong focus on securing future funding for the area.

3.18. Section 2.12 onwards provides more detail on the impact of the UK leaving the EU on the economy, as we move to support for economic growth coming from competitive UK-based funds, rather than seven-year EU funding programmes. However, our preparations for this significant transition are covered here:

3.19. In 2021 Government made available the Community Renewal Fund (CRF), to help local areas prepare for the introduction of the UK Shared Prosperity Fund (SPF) in 2022. Norfolk County Council (as the upper tier local authority, required by the Government's process), invited and appraised bids for pilot programmes and feasibility studies, producing a shortlist for Government. Norfolk received funding for 14 projects, valued at £6.55m - the joint highest number of approved projects of any area, the fourth highest amount of funding received in the UK, and 5.2% of all funding allocated in England. Five of the project applications were submitted by Norfolk County Council itself.

3.20. Building on the CRF success, and to further gear up for the introduction of SPF, Cabinet agreed to commission a Norfolk Investment Framework. Growth and Development is working with a wide range of stakeholders to identify countywide investment priorities – particularly those that will help Norfolk to 'build back better' after the pandemic and level the playing field for rural areas like ours. The Framework, which should be ready by April 2022, will allow us to target the full range of funds available with our locally agreed priorities.

3.21. Looking briefly at 2021-22 achievements, our programmes have continued to deliver strongly and to help businesses and people recover from the pandemic:

- The contract to build out the Operations & Maintenance (O&M) campus at Great Yarmouth is due to be awarded in early 2022, with the campus set to set to create 288,700 square foot of lettable space and up to 650 jobs.
- Our €6.7m C-Care project, responding to Covid, secured funding to enable a further 800 businesses to do more business online, via our Go Digital Programme.
- Our Employer Training Incentive Programme (ETIP), supporting businesses to train staff, committed £0.270m of funds, with over £0.168m paid out and 1,296 interventions funded.

- Additional funding was secured for the LEADER programme, which supports farms to diversify into new markets: 18 applications, with a combined ask of £1.079m have been received.
- Delivering Rural Investment for Vital Employment (DRIVE), which supports rural businesses, has funded 15 projects totalling £366k and 17 jobs are contracted to be created.
- To support green growth, the Low Carbon Innovation Fund 2 made 16 investments in 14 businesses in the wider region, valued at £3.5m. These levered £16m of private investment.

3.22. It is also important to note that since the introduction of the Business Rates Retention Scheme in 2013-14, Norfolk has not seen any significant growth or decline in the amount of business rates collected. This is a significant concern for Norfolk for future years, when considering the increasing levels of demand, any move towards Business Rates localisation and the potential changes to Revenue Support Grant. Most significantly, local authorities have relatively limited ability to influence some of the major factors which can impact on the level of business rates collected, including for example the impact of Covid-19 on business rates income.

Adult Social Care: Care Market Workforce

3.23. The high level data for 2020-21 from August 2021 estimated that there were 27,000 jobs in adult social care with a vacancy rate of 8.3% for Norfolk (circa 2,241 vacancies). Consistent with the national figures, the turnover rate of directly employed staff working in the adult social care sector in Norfolk and Suffolk was more than one third leavers over a year, with a significant proportion of staff turnover happening due to people leaving the sector soon after joining, as turnover was highest for those with less than one year of experience. Also, many of those that leave their roles remain within the sector, as on average 66% of recruitment is from within adult social care. Development Skills in Health and Social Care Programme, a £7.580m European Social Fund match funded project delivered by Norfolk and Suffolk County Councils, is being implemented, with a focus on training and enhancing the competencies of the health and social care workforce. The project is aiming to upskill the workforce and to ensure a better quality of care, whilst also contributing through a dedicated mentoring service to increased retention of care staff, which continues to remain a key to achieve a stable care market.

Environment

3.24. The County Council recognised the serious impact of climate change globally and the need for urgent action, and committed to cutting down unnecessary resource use and waste, reducing its impact on the world, and shaping a more efficient, sustainable and competitive economy. Following this, on 25 November 2019, the County Council approved an Environmental Policy, aiming to achieve carbon neutrality/net zero by 2030.

3.25. The MTFS currently assumes that cost pressures and capital schemes detailed in the Environmental Policy are sufficient, however as set out in the report “Natural Norfolk: Progress on delivering the Environmental Policy” presented to Cabinet in November 2021, proposals to support the Council’s move towards decarbonisation will have financial implications for the County Council. Therefore, as far as possible, any cost pressures linked to environmental policy and carbon reduction activities are reflected in the Budget and Medium Term Financial Strategy presented to Cabinet in January 2022.

Ecology: Waste

3.26. The County Council is responsible for dealing with the left over rubbish (residual waste) collected by all local authorities in Norfolk. Increases in households and the effects of economic growth mean that the amount of left over rubbish and the cost of dealing with it are expected to increase significantly. To help mitigate these effects, the aim of the waste service is to reduce the amount of waste, increase reuse and recycling, and reduce unit costs. These objectives require measures to be put in place by all local authorities in Norfolk and they are actively working on this together as the Norfolk Waste Partnership.

3.27. The long term trends for household numbers in Norfolk, as well as effects of the general economy, changing working routines, consumer confidence and behaviours and weather patterns remain uncertain. These variables, as well as things such as service changes by other authorities and changes in legislation, can all have a major effect on the cost of this service, meaning that the suitable approach to managing budgets for this service is to make justifiable and evidence based allowances in medium and longer term plans that are continually subject to review.

Ecology: Flooding

3.28. Norfolk is identified in the Norfolk Local Flood Risk Management Strategy[35] as the area 10th most at risk of local flooding in England. The county has approximately 34,000 properties at flood risk from local sources during a rainfall event with a 1 in 100 annual chance of occurring. These local sources include flooding from surface runoff, groundwater and from over 7,500 km of watercourses within Norfolk. The County Council’s two core aims as Lead Local Flood Authority are to reduce the existing local flood risk for communities and to prevent new development from increasing flood risk. Whilst not directly the authority’s responsibility, the county also has nearly 100 miles of coastline and is vulnerable to tidal inundation and surges.

3.29. In the event of a major flooding incident, it is likely that the council would have recourse to the Bellwin scheme of emergency financial assistance to Local Authorities[36]. This would enable the council to be reimbursed for 100% of

[35] Norfolk Local Flood Risk Management Strategy
[36] Bellwin Scheme thresholds published October 2017
https://www.gov.uk/government/publications/bellwin-scheme-guidance-notes-for-claims

eligible expenditure above a threshold set by the government. The most recently published threshold for Norfolk was £1.164m in 2017-18 (i.e. this is the maximum liability for the County Council in the event of a major incident eligible for support under the Bellwin rules). However, the annual threshold is 0.2% of the net revenue budget for the year. If the scheme is activated more than once during the year, the threshold is compared with the cumulative expenditure.

3.30. Following the flooding events which affected large parts of Norfolk in late December 2020 and January 2021, Cabinet approved changes to the Local Flood Risk Management Strategy and agreed[37] to additional funding to assist with the immediate response, clear up operation and repairs to the existing drainage systems damaged or broken by the floodwater. The required works needed were and continue to be extensive. Flood investigations[38] into the 100+ properties that suffered internal flooding were completed and Flood Investigation Reports published during 2021. These reports identified areas where improvements should be made to reduce the future risk of surface water flooding.

4. Organisational factors

Organisational structure and governance changes

4.1. The County Council is under Conservative control and moved to an Executive Leader and Cabinet governance structure in May 2019. The senior management structure is based on five Executive Directors leading the following directorates: Children's Services; Adult Social Services; Community and Environmental Services; Finance and Commercial Services; and Strategy and Transformation. The Director of Governance leads the Governance Department and also reports to the Head of Paid Service. The statutory Head of Paid Service role is undertaken by the Executive Director of Community and Environmental Services.

4.2. The annual pay award and National Living Wage increases in 2022-23 for both the Council's directly employed staff and contracted services are an important cost driver. At the time of preparing the 2022-23 Budget, the 2021-22 pay award still remains unconfirmed, although employers have made a final offer of 1.75%. No announcements about negotiations for 2022-23 pay awards have been made, although there is likely to be significant upward pressure on pay given wider inflation rates. The Budget makes contingency provision for a pay award of up to 3% for all staff. The pay award remains subject to confirmation at this point.

4.3. The Council's treasury management objectives remain safeguarding the timely repayment of principle and interest, whilst ensuring liquidity for cash flow and the generation of investment yield. The council works closely with its external treasury advisors to determine the criteria for high quality institutions, including

[37] Local Flood Risk Management Strategy Review, Agenda Item 11, Cabinet, 12 January 2021
[38] Flood investigations - Norfolk County Council

high quality banks and financial institutions, and local authorities. The council applies a minimum, acceptable credit-rating criteria to generate a pool of highly creditworthy UK and non-UK counterparties which provides diversification and avoids concentration risk. These are detailed further in the Annual Investment and Treasury Strategy 2022-23 (elsewhere on the agenda).

4.4. The council makes non-treasury investments for policy purposes, for example capital loans to subsidiaries and other companies. These are addressed further in the Annual Investment and Treasury Strategy 2022-23.

The Norfolk and Waveney Integrated Care System (ICS) – formally the Norfolk and Waveney Health and Care Partnership

4.5. Integrated care systems (ICSs) are partnerships that bring together providers and commissioners of NHS services across a geographical area with local authorities and other local partners to collectively plan health and care services to meet the needs of their population. The central aim of ICSs is to integrate care across different organisations and settings, joining up hospital and community-based services, physical and mental health, and health and social care. All parts of England are now covered by one of 42 ICSs

4.6. Norfolk is in one of four ICSs within the Eastern Region, and has agreed three key goals:

1. **To make sure that people can live as healthy a life as possible.** This means preventing avoidable illness and tackling the root causes of poor health. We know the health and wellbeing of people living in some parts of Norfolk and Waveney is significantly poorer – how healthy you are should not depend on where you live. This is something we must change.
2. **To make sure that you only have to tell your story once.** Too often people have to explain to different health and care professionals what has happened in their lives, why they need help, the health conditions they have and which medication they are on. Services have to work better together.
3. **To make Norfolk and Waveney the best place to work in health and care.** Having the best staff, and supporting them to work well together, will improve the working lives of our staff, and mean people get high quality, personalised and compassionate care

4.7. The Norfolk and Waveney ICS will be made up of several elements, including:

- Integrated Care Board
- Integrated Care Partnership
- Provider collaboratives
- Five health and care alliances
- Local health and wellbeing partnerships
- 17 Primary Care Networks

4.8. An ICS will have two named bodies, an **Integrated Care Board (ICB)** and **Integrated Care Partnership (ICP)**:

1. **Integrated Care Board (ICB)** will lead integration within and across the NHS to deliver healthcare, for example taking on health commissioning functions. The board will be the statutory legal entity during 2022-23 which will replace NHS Norfolk and Waveney Clinical Commissioning Group (CCG). This means there will now be one single body organising health services in Norfolk.
2. **Integrated Care Partnership (ICP)** will be responsible for agreeing an integrated care strategy for improving the health care, social care and public health across the whole population. The partnership is expected to be established locally and jointly by the relevant local authorities and the ICB.

4.9. The ICB is responsible for:

- Setting the overall vision, strategy and approving the business plan.
- Holding the executive to account for monitoring the performance of the body against core financial and operational objectives, and providing effective financial stewardship.
- Promoting effective dialogue between the ICB and other partners, including NHS England and Improvement, the ICP, providers, councils, representatives of local communities and people who use services.
- Putting in place effective arrangements for place-based working with partners. Ensuring that the ICB develops arrangements for effective clinical and care professional leadership.
- Creating an organisational culture that encourages and enables system working, building partnerships with people and communities and utilising feedback to improve services.
- Ensuring legal duties are discharged effectively and foster the development of policies, processes and initiatives that promote equality and address health inequalities.
- Ensuring workforce strategies are built on the commitments in the NHS People Plan and People Promise.
- Developing a compassionate and inclusive leadership model.
- Aligning the ICB assets to contribute to population health improvement as anchor institutions.

4.10. The ICP, is a statutory committee, not a statutory body like the ICB. It will be responsible for:

- Being a forum of equal partners, concerned with improving the care, health and wellbeing of all residents from babies and young people, working age adults and older people
- Producing an integrated care strategy reflecting the priorities of all partners, to improve health and care outcomes for which all partners will be accountable

- Playing a critical role in supporting place-based partnerships and coalitions with community partners to help people live more independent, healthier lives for longer
- Improving the wider determinants that drive inequalities including employment, housing, education, environment and reducing offending.

4.11. The Council's Cabinet at its meetings in October 2020 and September 2021 have agreed the Council's leadership role within the ICS.

4.12. Alongside the Council's budget position, wider NHS partners have identified an increasing and underlying recurrent deficit. The ICS has also developed principles for medium to long-term financial planning, that could be congruent with NCC's objective to support a sustainable health and care system, including:

a) working transparently and sharing understanding of financial pressures
b) working collaboratively to identify and deliver efficiency and productivity schemes, with no one party pursuing any scheme that may have a detrimental impact on another party without prior agreement
c) engaging transparently and early in respect of emerging financial plans

4.13. Whilst there are significant opportunities presented by working together on resource allocation, there are also risks that will need to be mitigated. These risks apply to all individual organisations in an ICS. The Norfolk and Waveney Health and Care system is currently operating with a significant financial deficit. The aspiration continues to be work through the financial needs for the system as a whole and developing whole system solution. Critical to the approach will be the overall principle that the Council retains ultimate control and accountability for its budgets and would retain its ability to adjust resource across the county to meet need.

Consultation with citizens and equality and rural impact assessments

4.14. The council has undertaken **public consultation** and produced **equality impact assessments** in relation to the 2022-23 Budget and MTFS proposals. Detailed information about the findings of these are included in the Revenue Budget paper (Appendix 1) and in Appendix 5 and Appendix 6.

Resource plans, funding, service pressures and savings

4.15. The plans and assumptions in the Council's budget and Medium Term Financial Strategy have been reviewed as part of the preparation of the 2022-23 Budget to ensure that they are robust and deliverable. The Executive Director of Finance and Commercial Services' recommendation of a 3.99% council tax increase is made on the basis that this will enable a more robust budget for 2022-23 and for future years, however the outlook for 2023-26 remains extremely challenging.

4.16. Experience of the implementation of savings plans demonstrates that in some cases the cost, complexity and time required to deliver transformational change is likely to be greater than that originally allowed. As a result, the removal or delay of a number of previously agreed savings has been proposed over the life of the MTFS. As set out elsewhere in the report, COVID-19 has had a particular impact on the delivery of savings in the current year 2021-22 and some of this non-delivery has been mitigated within the budget process. Where it has not, this reflects expectations that non-delivery is due to delays in implementing savings and the realisation of these planned savings on a sustainable ongoing basis will be fundamental to the delivery of the 2022-23 Budget. This remains a key risk.

4.17. As set out elsewhere, the Provisional Settlement has provided clarity about funding levels for 2022-23 for local authorities. However, there remains very considerable uncertainty around the final three years of the Medium Term Financial Strategy (2023-26).

4.18. Savings are being delivered through a range of approaches as described in the Service commentary within the Revenue Budget. The table below provides a summary of the savings within current budget planning. Efficiency related savings continue to be targeted as a priority.

MTFS Table 1: Summary of savings in 2022-23 planning

	2022-23	**2023-24**	**2024-25**	**2025-26**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Savings brought forward from 2021-22 MTFS	-2.245	-1.600	-2.500	**0.000**	**-6.345**
Net new savings 2022-23	-26.189	-7.559	-5.700	**0.000**	**-39.448**
Total savings	**-28.434**	**-9.159**	**-8.200**	0.000	**-45.793**

Implications of one-off funding allocations

4.19. Council funding (especially relating to adult social care services) in recent years has predominately been provided on a one-off basis. Whilst the Council has aimed to align one-off funding to one off expenditure, such as invest to save proposals, this is not always possible. In particular, the use of winter funding is targeted at managing demand arising from timely discharge from hospital which predominately reflects recurrent costs. If short-term funding allocations are not made permanent, they will materially increase the pressures arising in future years. This illustrates sharply the case that continues to be made by the Council for a sustainable financial solution for adult social care.

General and Earmarked Reserves and provisions

4.20. General reserves are an essential part of good financial management and are held to ensure that the council can meet unforeseen expenditure and respond to risks and opportunities. The amount of reserves held has been set at a level consistent with the council's risk profile and with the aim that council taxpayers' contributions are not unnecessarily held in provisions or reserves.

4.21. The Technical Support Team at the Society of County Treasurers have analysed reserves held across a number of authorities over five years (2016-17 to 2020-21 where data was available for all 5 years). Their analysis showed that unallocated (general) balances have remained relatively stable over the 5-year period. (SCT members tend to hold general reserves representing less of their Net Revenue Expenditure than other classes of authority – 2.8% in 16-17 rising to 3.4% in 20-21.

4.22. Earmarked Reserves support the Council's planning for future spending commitments. In the current climate of limited resources, the planned use of Earmarked Reserves allows the council to smooth the impact of funding reductions and provides time for the implementation of savings plans. As part of the year-end closure of accounts, a detailed review of the reserves and provisions held by the council is undertaken. The Medium Term Financial Strategy assumes an overall decrease in the level of Earmarked Reserves. Further details of the anticipated use of Earmarked Reserves are included in the Statement on the Adequacy of Provisions and Reserves 2022-26 (Appendix 3).

4.23. When taking decisions on using reserves, it is important to acknowledge that reserves are a one-off source of funding. Once spent, reserves can only be replenished from other sources of funding or reductions in spending. Therefore, reserves do not represent a long term solution to the historic funding reductions and continuing cost pressures facing the council.

5. Local Government Funding

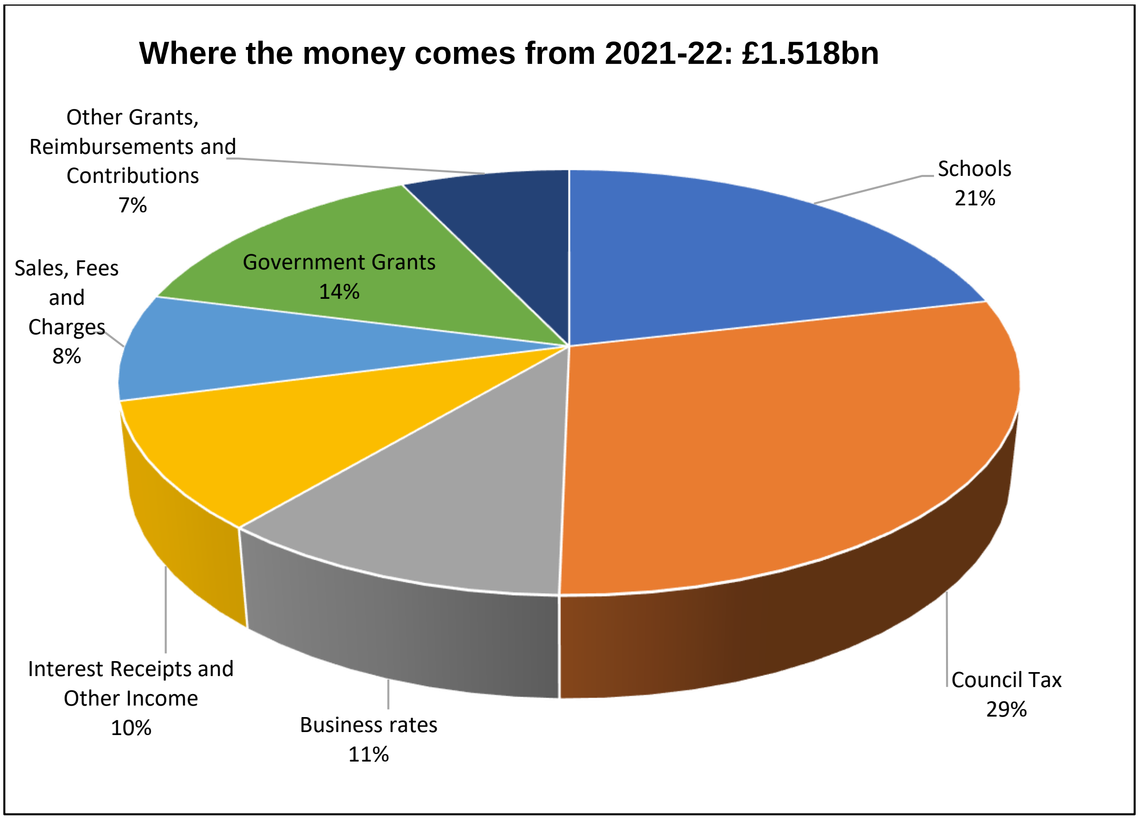
5.1. Local Government funding has three major components:

- money received through **council tax**;
- money received through partial retention of locally generated **Business Rates**; and
- money redistributed by Government in the form of **Revenue Support Grant** (RSG) and **specific grants**.

5.2. Councils also generate income through sales, fees and charges. The breakdown of this **budgeted funding** in 2021-22 is shown in the pie chart below.

5.3. In recent years, the government has provided a larger proportion of funding through one-off specific grants, which makes it increasingly difficult to plan services for the long term. Therefore, the completion of the Fair Funding Review is vital to support delivery of sustainable services.

MTFS Chart 3: Council funding sources 2021-22



Business Rates (11%)

5.4. Since April 2013, councils have no longer received Formula Grant, but instead received funding from a mix of locally retained business rates and government grants that are allocated from centrally retained business rates.

5.5. The introduction of the business rates retention scheme resulted in a direct link between local business rates growth and the amount of money councils have to spend on local people and local services. The scheme provides incentives for local authorities to increase economic growth, through retention of a share of the revenue generated from locally collected business rates. This does not alter the way that business rates are set, and they continue to be set nationally by central government.

5.6. Local authorities benefit from 50% of business rates growth (or indeed suffer the consequences of business rates decline) in their area. The scheme is complex, involving a system of tariffs, top-ups and levies, however, at its simplest, for every £100 change in rates in Norfolk, £50 would go to central government, £40 to the district councils and £10 to Norfolk County Council.

5.7. Baselines are fixed in-between reset periods and only adjusted for inflationary increases to allow local authorities to retain generated growth for a period of time. Upper tier authorities are restricted in gains but also protected from reductions somewhat, as a large proportion of income is received through index linked top-ups.

5.8. Challenges within the current Business Rates scheme include the level of financial risk that councils face due to appeals and business rate avoidance, with little scope for these risks to be managed under the current arrangements. Some councils are of the view that the risks outweigh the rewards available to councils through incentives to grow the local economy. Risks to business rates income are considered to be higher due to the impact of COVID-19 and the level of uncertainty around continued Government support for businesses.

5.9. All local authorities in Norfolk have agreed to establish a Norfolk Business Rates Pool. The Pool allows Norfolk to retain additional business rates funding in the county through retaining levy payments which otherwise would have been paid over to central government.

5.10. In respect of the 2022-23 budget, updated District Council forecasts are being collated and the level of income the Council will receive is not yet confirmed.

Changes to the Business Rates Retention Scheme

5.11. The Government had previously stated that it was committed to increasing local share of business rates retention to 75%. However, recent comments[39] from the new Secretary of State for Levelling Up, Housing and Communities, the Rt Hon Michael Gove, have indicated a change in direction, highlighting the need to take stock of Covid on local authority finances before moving forward with reforms. The Secretary of State particularly cited a tension between the principle of levelling up, and moving to a system whereby 75% of business rates is retained, because this would fail to distribute money to those who need it most, particularly in the wake of covid, which has reinforced some inequalities.

5.12. A key issue for the County Council will be to ensure that reforms going forward include a review of funding needs which accurately captures the pressures faced by Norfolk, particularly in respect of social care, demographic issues, and the specific local pressures arising from sparsity, rurality and social mobility.

Revenue Support Grant (RSG) (3%)

5.13. The amount of funding the council receives is published as the Settlement Funding Assessment. As shown in the table below, in comparison to other councils, Norfolk remains somewhat reliant on Revenue Support Grant (RSG) and therefore cuts to this funding stream have a significant impact on the budget. Following the Provisional Local Government Finance Settlement,

[39] https://committees.parliament.uk/oralevidence/2980/html/

the council's budget planning assumes that RSG is uplifted by 3.09% in 2022-23.

5.14. The table below shows Norfolk's assumed Settlement Funding Assessment, which reflects the actual 2021-22 funding allocations. There is currently no information about Settlement Funding beyond 2022-23 and the MTFS gap assumes this will be unchanged from the assumed 2022-23 allocations.

MTFS Table 2: Settlement Funding Assessment

	2021-22 (comparative)		**2022-23 (assumed)**	
	£m	**%**	**£m**	**%**
Settlement Funding Assessment	194.679	100.0%	195.903	100.0%
Received through:				
Revenue Support Grant	39.660	20.4%	40.885	20.9%
Baseline Funding Level	155.019	79.6%	155.019	79.1%
Via Top-Up	*127.897*		*127.897*	
Retained Rates	*27.122*		*27.122*	

Specific government grants (14%) and schools funding (21%)

5.15. The table below summarises the amount of specific grants due to be received in 2021-22, along with provisional figures for 2022-23. In most cases the allocations for the years beyond 2022-23 have not yet been confirmed by the Government and there is therefore limited information available about amounts beyond next year. Ring-fenced funding below includes funding to schools, over which the County Council has no control.

MTFS Table 3: Grants and Council Tax

	2021-22 Actual (restated comparative) £m	2022-23 Provisional 2.99% Council Tax £m	2022-23 Provisional 3.99% Council Tax £m
Un-ringfenced	267.744	297.332	297.332
Ring-fenced (schools)	733.243	745.054	745.054
Ring-fenced (Public Health)	41.107	41.107	41.107
Emergency Coronavirus funding[40]	27.574	0.000	0.000
Council tax	439.094	464.325	468.824
Local Business Rates	27.122	27.122	27.122

5.16. Details of significant specific grants are set out below:

Ring-fenced grants

5.17. **Public Health** – Public Health grant continued to be ring-fenced grant in 2021-22 for public health services. The Government has not yet confirmed grant allocations for 2022-23 but amount allocated for 2021/22 reflects a reduction of 7.4% in cash terms when compared to 2015-16[41]. Public Health covers a wide range of services that may be provided directly to communities or to other organisations that deliver services supporting the health and wellbeing of our population.

5.18. **Dedicated Schools Grant (DSG)** – Schools funding is provided through the Dedicated Schools Grant (DSG) and other grants. The DSG is allocated to local authorities who then delegate the funding to schools in accordance with the agreed formula allocation. Grants are allocated by local authorities to schools as per the Department of Education (DfE) conditions of grants, which vary depending upon the purpose and aims of the funding. Since 2021-22 the Local Authority has received its DSG allocation based on the new national funding formula. Pupil premium will continue as a separate, ring-fenced grant.

5.19. It is the local authority's decision how the Schools Block is distributed as, at present, there is no requirement upon local authorities to allocate the block as per the national funding formula unit values. However, central government policy indicates a move towards a 'hard' formula in future and, therefore, the implications of this need to be considered by local authorities when determining their local formula. The options for the local formula for Norfolk were co-produced with Norfolk Schools Forum and all schools were consulted on the options available.

[40] Including LCTS Grant and Local Tax Income Guarantee
[41] Public Health Commissioning Intentions - Norfolk County Council

5.20. The Government has announced[42] DSG for 2022-23 totalling £711.193m[43] (2021-22 £699.469m).

5.21. Norfolk is currently carrying an outstanding Dedicated Schools Grant (DSG) deficit from previous financial years, with a forecast £54.324m cumulative deficit forecast for the end of 2021-22. On the basis of the accounting treatment introduced in 2020 by the Government:

- the DSG is a ring-fenced specific grant separate from the general funding of Local Authorities (LAs);
- any deficit an authority may have on its DSG account is expected to be carried forward and is not required to be covered by the authority's general reserves;
- the deficit should be repaid through future years' DSG income.

5.22. **Pupil Premium Grant (PPG)[44]** – 2022-23 allocations have not yet been announced but funding rates for the pupil premium in the financial year 2021 to 2022 were as follows for disadvantaged pupils: primary were allocated £1,345, which is aimed to help primary schools raise attainment and ensure that every child is ready for the move to secondary school. £955 was allocated for disadvantaged pupils: secondary. Disadvantaged pupils are those who have been registered for free school meals at any point in the last six years.

5.23. The pupil premium plus (for children looked after) is £2,345 per pupil. The eligibility for this includes those who have been looked after for one day or more, and (from 2015-16) children who have been adopted from care or have left care under a special guardianship or child arrangement order. Schools receive £2,345 for each eligible pupil adopted from care who has been registered on the school census and the additional funding will enable schools to offer pastoral care as well as raising pupil attainment.

5.24. Children with parents in the armed forces continued to be supported through the service child premium. In 2021-22, the service child premium was £310 per pupil.

5.25. **High Needs Block[45] (HNB) -** High needs funding is intended to provide the most appropriate support package for children and young people (from early years up to aged 25) with special educational needs and disabilities in state special schools, independent schools, and Alternative Provision (AP), taking account of parental and student choice.

5.26. The Council submitted a disapplication request in respect of the Dedicated Schools Grant (DSG) for 2022-23 for 1% transfer in addition to the 0.5% transfer from the Schools Block (SB) to the High Needs Block (HNB) agreed by Schools Forum on 17 November 2021. The Council is awaiting

[42] Norfolk (skillsfunding.service.gov.uk)
[43] DSG total before Academy recoupment, after deductions for national non-domestic rates, and direct funding of high needs places by ESFA
[44] Pupil premium: conditions of grant 2020 to 2021 - GOV.UK (www.gov.uk)
[45] High needs funding arrangements: 2021 to 2022 - GOV.UK (www.gov.uk)

notification from the Secretary of State as to whether the request has been accepted or declined.

5.27. Further details of the HNB impact on the overall Dedicated Schools Grant position are set out in the Revenue Budget report (Appendix 1) and in the Dedicated Schools Grant Budget report elsewhere on the agenda.

Un-ring-fenced grants

5.28. **NHS funding (Better Care Fund[46])** – Since 2015, the Government's aims around integrating health, social care and housing, through the Better Care Fund (BCF), have played a key role in the journey towards person-centred integrated care. This is because these aims have provided a context in which the NHS and local authorities work together, as equal partners, with shared objectives. The plans produced are owned by Health and Wellbeing Boards, representing a single, local plan for the integration of health and social care in all parts of the country.

5.29. **The national conditions (announced October 2021) for the BCF in 2021 to 2022 are:**

- **A jointly agreed plan between local health and social care commissioners, signed off by the Health and Wellbeing Board (HWB)**
- **NHS contribution to Adult Social Care to be maintained in line with the uplift to CCG minimum contributions**
- **Invest in NHS commissioned out of hospital services**
- **A plan for improving outcomes for people being discharged from hospital**

5.30. The BCF is developed alongside CCGs (and District Councils in relation to the effective deployment of disabled facility grant, which is passported in full to District Councils). The service continues to work closely with health partners within the ICS to agree the budget plans reflect priorities within the programme. In 2021/22 NCC led a joint review of the BCF with the CCG in Norfolk to shape a future BCF that further delivers local priorities; acts as a strengthened delivery arm of joint commissioning; and focus' strategy and funding on the most important priorities for integration. A new local set of principles for services in the BCF have also been agreed:

a) **Funding services which move us towards meeting our local and national priorities**
b) **Funding whole services through BCF, to better understand system impact**
c) **Funding services which are meaningfully joint health and social care**

[46] 2021 to 2022 Better Care Fund policy framework - GOV.UK (www.gov.uk)

5.31. We presently await the 2022-23 planning guidance relating to the Better Care Fund (BCF) which should confirm the mandatory minimum contributions from Clinical Commissioning Groups (CCGs) towards the protection of Social Care.

5.32. Disabled Facilities Grant (DFG) allocations are transferred to District Councils through the BCF. This enables Housing Authorities to meet their statutory duty to provide adaptations to the homes of people with disabilities to help them live independently for longer. From 2016-17 the DFG allocations have included amounts to offset the discontinuation of the Social Care Capital Grant. The Spending Review 2020 confirmed that the DFG will also continue and will be worth £573m nationally in 2021-22[47] and set out the planning requirements[48]. Details for 2022-23 have not yet been confirmed.

5.33. **Social Care Grant** – The provisional Settlement confirmed a £636.4m national expansion of this grant, which when added to the sums continued from 2019-20 and 2020-21, takes the total fund to £2.346bn. This provides a further £11.152m for Norfolk, and brings our total grant for 2022-23 to £41.5m (2021-22 £30.342m). This grant is ringfenced towards helping to address cost pressures across both Adults and Children's social care. Nationally, £556.4m of the additional funding has been distributed based on the adult social care relative needs formula and £80m has been used to "equalise" the impact of the distribution of the adult social care council tax precept in 2022-23. This methodology is favourable to Norfolk due to the comparatively lower tax base.

5.34. **Improved Better Care Fund (iBCF)** The grant must only be used for "meeting adult social care needs; reducing pressures on the NHS, including seasonal winter pressures; supporting more people to be discharged from hospital when they are ready; ensuring the social care provider market is supported". As grant recipient, we work with our local Clinical Commissioning Group and providers to ensure the grant conditions are met. In 2019-20 the government announced that the winter pressures funding previously provided as a distinct grant would be rolled into the iBCF. In addition, the governance changed with a requirement to pool this grant alongside the wider Better Care Fund.

5.35. The provisional Settlement in December 2021 announced that the iBCF will be increased by £63m nationally, this will be an inflationary uplift on 2021-22 allocations in line with the September 2020 to September 2021 change in the Consumer Price Index (CPI). This means an increase in Norfolk's **funding of £1.163m in 2022-23**. The Adult Social Care budget reflects the spending plans for the grant.

5.36. **Local Reform and Community Voices grant** – allocations for this grant, which consists of three funding streams (Deprivation of Liberty Safeguards in Hospitals; local Healthwatch funding; and funding for the transfer of

[47] Better Care Fund policy framework 2021 to 2022- GOV.UK (www.gov.uk)
[48] B0898-300921-Better-Care-Fund-Planning-Requirements.pdf (england.nhs.uk)

Independent NHS Complaints Advocacy Service to local authorities) have not been announced for 2022-23 it is therefore assumed that this funding continues in 2022-23 and in future financial years, however if not received, a pressure of £0.599m will arise.

5.37. **Independent Living Fund (ILF)** – the ILF provides support for disabled people with high support needs, to enable them to live in the community rather than in residential care settings. From 1 July 2015 responsibility for supporting ILF users in England passed to local authorities, with associated grant funding being provided. Allocations have not been published for 2022-23. The past allocations have not been published until February and it is therefore assumed that this funding continues in 2022-23 and in future financial years, however if not received, a pressure of £1.379m will arise.

5.38. **Social Care in Prisons grant** – the Social Care Act establishes that local authorities are responsible for assessing and meeting the care and support needs of offenders residing in any prison, approved premises or bail accommodation within its area. This grant is to provide additional funding to undertake this new burden. Allocations have not yet been announced for 2022-23 onwards but it is assumed that the funding continues. If the funding is not received a pressure of £0.345m will arise in Adult Social Care for this and future financial years.

5.39. **War Pensions** – In the 2016 Budget, the government announced that a change would be made to the care and support charging arrangements in England to treat the schemes more consistently. This was done by requiring regular payments made to veterans under the War Pensions Scheme to be disregarded (i.e. not taken into account) when local authorities conduct the Adult Social Care financial assessment. This grant compensates local authorities who lost income from this change in charging policy. Allocations for 2022-23 have not been published and it is therefore assumed that this funding continues in 2022-23 and in future financial years, however if not received, a pressure of £0.248m will arise.

5.40. **New Homes Bonus Funding** – New Homes Bonus (NHB) is a grant paid by central government to local councils for increasing the number of homes and their use. The allocations for 2022-23 will be funded through a £554m top slice of the Revenue Support Grant. The New Homes Bonus is paid for each new home, linked to the national average of the council tax band , originally for a period of six years. As part of the provisional Settlement, the Government has confirmed that the national baseline for housing growth will continue to be 0.4%, effectively reducing the number of eligible properties in the calculation of the grant. The new payments in 2022-23 will not attract any legacy payments, following Government confirmation in February 2021 that it did not intend to reintroduce legacy payments. There is one outstanding round of legacy payments of £221m from the 2019-20 allocation. In two-tier areas, the annual payment will continue to be split: 80% for shire districts and 20% for shire counties. It is unclear whether New Homes Bonus will continue after 2022-23, the Government consulted on the Future of the New Homes Bonus in early 2021 but we are awaiting the outcome. Our NHB allocations have reduced by £0.5m in 2022-23 compared with 2021-22.

5.41. **Rural Services Delivery Grant** – Rural Services Delivery Grant (RSDG) recognises the extra costs of delivering services in rural areas. The provisional Settlement confirmed that 2021-22 allocations of Rural Services Delivery Grant will be rolled forward £85m nationally in 2022-23, given that inflation is currently over 5%, this equates to a real term year on year reduction in grant.

5.42. **One off Services Grant 2022-23 -** This one-off Service Grant is proposed for the local government finance settlement 2022 to 2023 to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government and is worth £10.7m to Norfolk County Council.

<u>COVID funding</u>

5.43. Throughout 2021-22 the Council has received one-off emergency funding in relation to the pandemic to meet the additional costs arising due to COVID-19. No further COVID-19 funding has been announced for 2022-23. The Government has now confirmed that COMF funding can be carried forward to 2022-23.

Council Tax (30%)

5.44. Council tax is a key source of locally raised income. This helps make up the difference between the amount a local authority needs to spend and the amount it receives from other sources, such as business rates, government grants, and fees and charges.

5.45. In 2016-17 the Government introduced a new discretion for local authorities providing adult social care to raise additional council tax as an Adult Social Care precept. This gave authorities the option to raise an additional precept of 2%, on top of their existing discretion to raise council tax within the referendum limit (at the time also 2%). In 2017-18, the Government further extended the flexibility around the Adult Social Care precept, allowing councils to raise it by 3% in 2017-18 and 2018-19, but in this event having no rise permitted in 2019-20. The council took advantage of this flexibility to raise the maximum Adult Social Care precept by 2018-19 meaning no increase was applied in 2019-20. In 2020-21, a further 2% was raised through the Adult Social Care Precept.

5.46. In 2021-22 the Government included within the provisional Local Government Finance Settlement[49] (December 2020), a core council tax referendum principle of up to 2% and an adult social care precept of 3% on top of the core principle, with the opportunity to split this over two years. Members

[49] Provisional local government finance settlement 2021 to 2022: consultation - GOV.UK (www.gov.uk)

chose to split the available 3% adult social care precept increase with 2% applied in 2021-22 and 1% in 2022-23.

5.47. For 2022-23 the Government announced a core council tax referendum principle of 2% and an additional 1% adult social care precept, which could be taken in addition to the deferred element of the 2021-22 amount (1%). Cabinet will recommend the level of council tax increase for 2022-23 to Full Council in February 2022 based on the options and recommendation set out in the Revenue Budget paper.

5.48. Current forecasts suggest that between 2016-17 and 2022-23, Norfolk will have experienced average growth in the tax base of 1.55% per year. However the increase in 2022-23 was lower at 1.38% and projected increases are significantly smaller at 1% for the duration of the current MTFS (2023-26) as shown in **Table 4** below.

MTFS Table 4: Council Tax assumptions

	2022-23	2023-24	2024-25	2025-26
Assumed increase in general council tax	1.99%	1.99%	1.99%	1.99%
Assumed increase in Adult Social Care precept	1.00% or 2.00%	1.00%	1.00%	1.00%
Total assumed council tax increase	**2.99% or 3.99%**	**2.99%**	**2.99%**	**2.99%**
Assumed Council Tax Base	**304,825**	**307,873**	**310,952**	**314,061**
Assumed increase in Council Tax Base (%)	**1.38%**	**1.00%**	**1.00%**	**1.00%**

5.49. It should be noted that in the event of an increase in the referendum limit, or given the scope to further increase the Adult Social Care precept, it is likely that the Section 151 Officer would recommend the maximum available council tax be raised in future years, in view of the council's wider financial position. Further background information about council tax is provided below and in the Revenue Budget report.

Council Tax assumptions within Core Spending Power for 2016-17 onwards

5.50. In 2016-17 the Government introduced a measure of "core spending power", intended to reflect the resources over which councils have discretion. However, in reality, the council has limited discretion over how much to raise council tax, and cannot significantly influence whether businesses pay Business Rates, or the level of allocated central government funding. Core spending power risks painting an unrealistic picture of how well a council might be faring. For example, Norfolk's indicative core spending power has risen from £606.3m in 2015-16 to £776.4m in 2022-23, an increase of £170.1m, however almost all of this increase has been delivered through increased council tax, effectively transferring the burden to local council tax payers. During this time the council has also had to plan to make substantial savings to meet wider cost pressures and reductions in funding and enable the setting of a balanced budget.

5.51. The assessment of core spending power was used in 2016-17 as a mechanism to distribute reductions in Revenue Support Grant for the period up to 2019-20 to ensure that within each tier of Local Government (upper-tier, lower-tier, fire and rescue, and GLA other services), authorities of the same type received the same percentage change in settlement core funding. The inclusion of council tax in this calculation represented a significant change in Government policy. The Spending Review document at the time stated that this was intended to "*rebalance support including to those authorities with social care responsibilities by taking into account the main resources available to councils, including council tax and business rates.*"[50]

5.52. Nonetheless, by previously using core funding as a mechanism for the distribution of funding in the settlement, the Government has effectively assumed that councils will raise council tax at the referendum threshold, will raise the Adult Social Care precept if available, and that historic levels of tax base growth will persist. As a result, any decision to raise council tax by less than the maximum available will lead to underfunding when compared to the Government's expectations, and may make it more difficult to lobby for additional central government funding.

6. Revenue strategy and budget

6.1. The primary objective of the Medium-Term Financial Strategy 2022-26 is to show a balanced four-year position. At present further savings or additional revenue funding need to be identified to meet the significant shortfall shown in the period 2023-24 to 2025-26 below:

[50] *Spending Review and Autumn Statement 2015*, para 1.242, p59, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

MTFS Table 5: Provisional medium term financial forecast budget shortfall (2.99%)

	2022-23	2023-24	2024-25	2025-26
	£m	£m	£m	£m
Additional cost pressures and forecast reduction in Government grant funding	89.154	96.735	48.448	31.535
Forecast council tax increase	-25.231	-18.667	-17.335	-20.113
Identified saving proposals and funding increases	-63.924	-18.149	-8.200	0.000
Budget shortfall	**0.000**	**59.920**	**22.913**	**11.422**

MTFS Table 6: Provisional medium term financial forecast budget shortfall (3.99%)

	2022-23	2023-24	2024-25	2025-26
	£m	£m	£m	£m
Additional cost pressures and forecast reduction in Government grant funding	93.653	87.737	52.948	31.535
Forecast council tax increase	-29.730	-18.848	-17.524	-20.308
Identified saving proposals and funding increases	-63.924	-18.149	-8.200	0.000
Budget shortfall	**0.000**	**50.740**	**27.224**	**11.227**

6.2. The council's revenue budget plans deliver a balanced budget for 2022-23, but a significant shortfall remains in the subsequent years 2023-24 to 2024-25 (an **overall deficit in the Medium Term Financial Strategy of £94.255m (2.99%) or £89.191m (3.99%)**. The gap in 2023-26 is broadly similar to gaps forecast in previous years (2021-25 gap was £91.414m), however the profile of the gap, with a larger deficit in year two, is different. The Medium Term Financial Strategy (MTFS) is intended to aid forward planning and help mitigate financial risk. The detailed timetable for the identification of the required savings and future year budget setting is set out in the Revenue Budget report (Appendix 1).

6.3. Uncertainty remains around several key areas which could impact on the MTFS in future years:

- the level of reliance on one off funding in 2022-23
- uncertainty regarding previous one-off funding beyond 2022-23 and in particular the use of one-off funding to deliver recurrent services.

- pressure on budgets from needs led services, relating to adults and children's social care, where the number of service users and the complexity of need continues to increase.
- the long term impact of the pandemic on social care demand and price of care packages (private funders pay same as councils inflating prices)
- the level of Dedicated Schools Grant funding provided to deliver High Needs Block SEND provision, and the progress in recovering the deficit position on these budgets;
- the impact of the decision to leave the EU on local government funding and the wider economy; supply bottlenecks have been exacerbated by changes in migration and trading regimes following Brexit
- workforce recruitment / retention and shortage of labour in key sectors
- inflation (including energy and fuel)
- whether the financial demands of wider government spending decisions will necessitate changes in the way local services are delivered and organisations are configured as demonstrated by the wider debates about reorganisation taking place across local government;
- the delayed implementation of 75% Retention of Business Rates and the fair funding review, whether there will be any additional responsibilities transferred to Local Government as part of this process, and the level of any further funding reductions;
- the ability of local tax payers to continue to absorb increases in council tax and the Adult Social Care precept; and
- further integration of health and social care, including Transforming Care Plans, which aims to move people with learning disabilities, who are currently inpatients within the health service, to community settings.

6.4. CIPFA's Financial Management Code sets out a requirement for councils to consider a long-term financial view which recognises financial pressures. This should include an assessment of the sensitivity of the council's position to a range of alternative scenarios. The table below therefore provides a summary long term financial outlook for the council, based on currently known pressures and an assumption that government funding continues at the same level as 2021-22.

6.5. Norfolk County Council has a strong history of good financial management. An assessment of our compliance with the Financial Management Code is included within Appendix 1 Table 35.

6.6. The 6 Principles of Good Financial Management set out in the FM Code are:

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.

- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional standards is promoted by the leadership team and is evidenced.
- Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

MTFS Table 7: Long term financial forecast budget position

	Medium Term Financial Strategy				Long Term Financial Outlook						Total
	2022-23	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**	
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
<u>Growth Pressures</u>											
Economic and inflationary	23.144	21.123	21.817	21.817	22.448	23.119	23.802	24.498	25.222	25.948	**232.938**
Legislative requirements	15.559	16.225	6.760	-0.200	0.000	0.000	0.000	0.000	0.000	0.000	**38.344**
Demand and demographic	27.025	21.270	17.050	11.650	11.000	11.000	11.000	11.700	11.100	11.100	**143.895**
Policy decisions	-15.875	36.234	2.821	-1.732	0.124	0.000	0.000	0.000	0.000	0.000	**21.572**
COVID-19 pressures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
Funding decreases	34.649	1.833	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**36.482**
<u>Savings and funding increases</u>											
Identified savings	-28.434	-9.159	-8.200	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**-45.793**
Funding increases	-30.836	-8.940	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**-39.776**
Council tax changes (2.99%)	-25.231	-18.667	-17.335	-20.113	-15.665	-16.136	-16.622	-17.122	-17.638	-18.168	**-182.697**
Forecast Gap (Surplus)/Deficit (2.99%)	**0.000**	**59.920**	**22.913**	**11.422**	**17.908**	**17.983**	**18.180**	**19.076**	**18.684**	**18.880**	**204.965**
3.99% Policy decision	4.499	-8.998	4.499	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Council tax changes (3.99%)	-4.499	-0.181	-0.188	-0.196	-0.102	-0.105	-0.108	-0.111	-0.115	-0.118	-5.722
Forecast Gap (Surplus)/Deficit (3.99%)	**0.000**	**50.740**	**27.224**	**11.227**	**17.806**	**17.878**	**18.072**	**18.964**	**18.570**	**18.762**	**199.242**

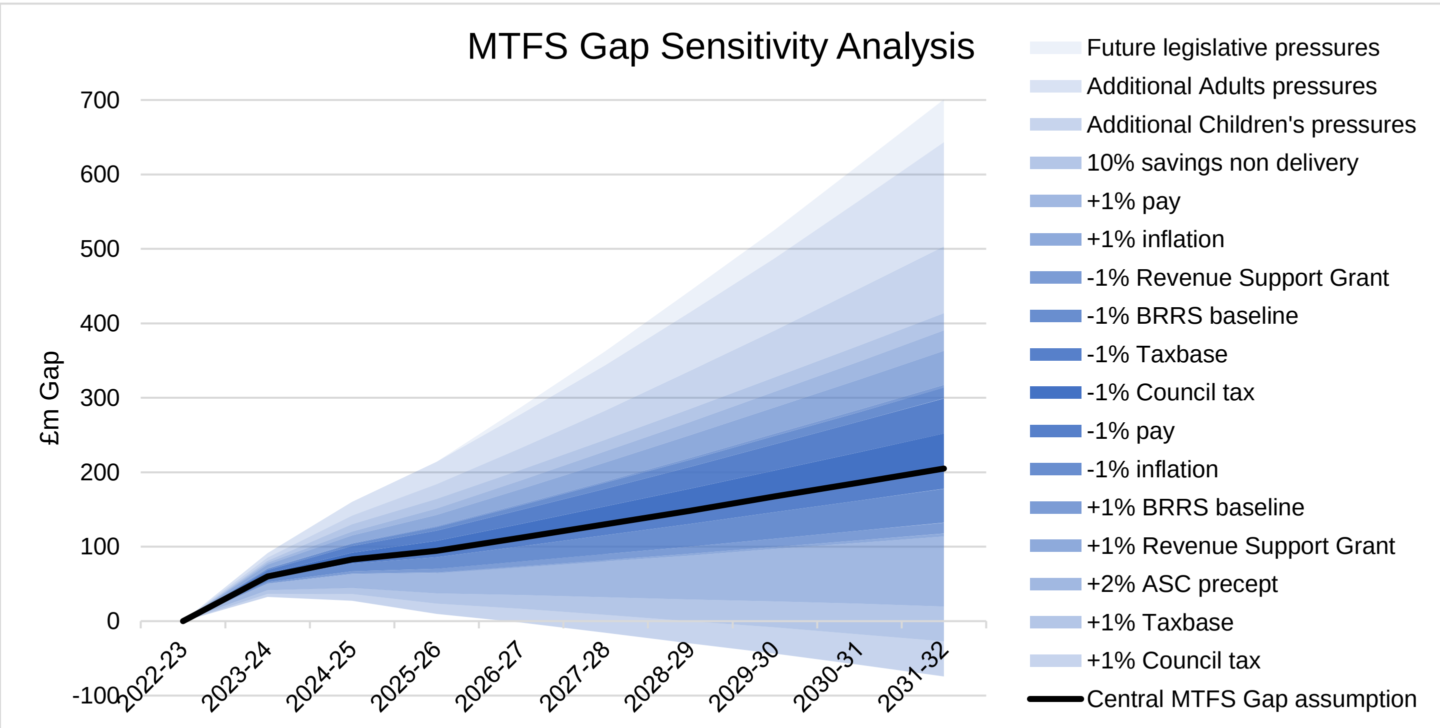
6.7. The long term outlook suggests a cumulative budget gap of around £200m by 2031-32, if no mitigating actions are taken. However, the level of this gap is highly sensitive to changes in assumptions and is ultimately likely to be materially different. In particular, the level of uncertainty within these forecasts inevitably increases for later years. The sensitivity of the budget in 2022-23 to changes in key assumptions is shown in the following table.

MTFS Table 8: Assumption sensitivity 2023-24

Change in assumption	£m
10% savings non delivery	+/- 2.843
+/-1% pay inflation	+/- 2.551
+/-1% general inflation	+/- 5.183
+/-1% Revenue Support Grant	+/- 0.397
+/-1% Business Rates baseline	+/- 1.550
+/-1% Council tax base	+/- 4.429
+/-1% Council tax	+/- 4.429

6.8. The graphic below illustrates the range of sensitivity around the central MTFS forecast shown in **MTFS Table 7**. The graphic indicates that if all upside assumptions occurred, there would be no gap in 2031-32, however if all downside risks materialise, the gap could potentially be well in excess of £650m. The reality is likely to be somewhere around the central forecast, but this provides a sense of the uncertainty linked to potential variation and level of risk over the longer term planning horizon.

MTFS Chart 4: MTFS Gap Sensitivity Analysis



7. Capital strategy and budget

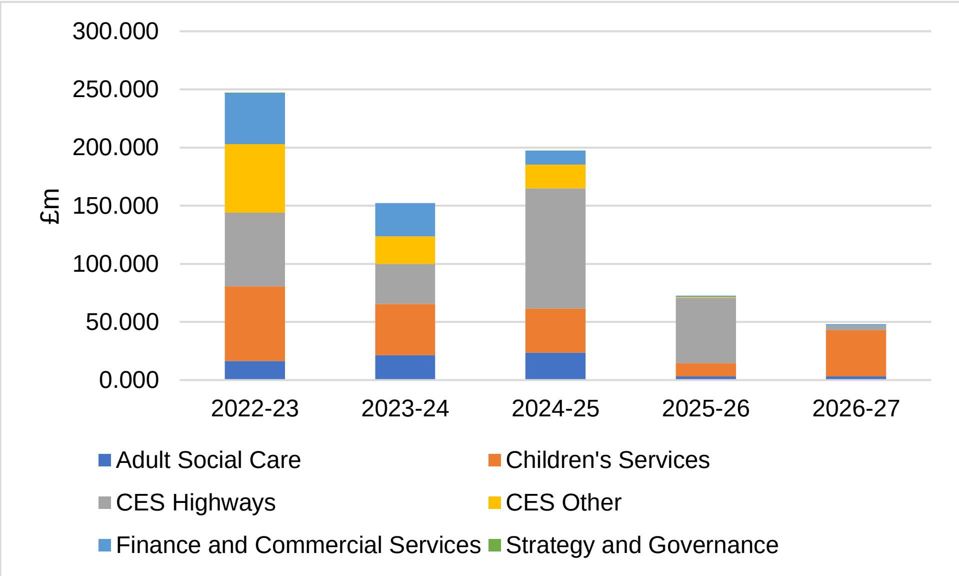
7.1. The Capital Strategy provides a framework for the allocation of resources to support the Council’s objectives. The capital strategy is intended to:

- give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability; and
- demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

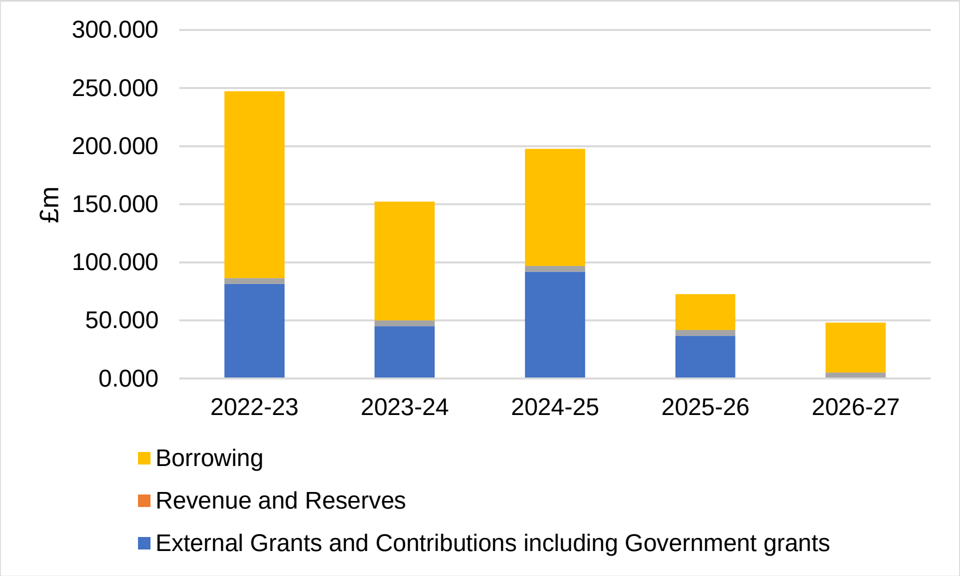
7.2. A proposed capital programme for 2022-27+ of £717.756m is included elsewhere on the agenda.

7.3. The bar charts below show the split of capital spend and how it is funded.

MTFS Table 9: Capital Programme expenditure 2022-27+



MTFS Table 10: Capital Programme funding 2022-27+



8. Summary

8.1. As in previous years, the Medium Term Financial Strategy sets out details of the high level national and local factors which are considered likely to impact on budget planning over the next four years. It provides information about how the Council intends to respond to these challenges and needs to be considered when the County Council makes decisions about the Budget. The MTFS provides an overview of the likely implications of 2022-23 Budget decisions for the future years 2023-24 to 2025-26, and outlines the potential longer-term issues facing the Council, including funding reforms planned for 2023-24.

8.2. The overarching purpose of the Medium Term Financial Strategy is to support the Council in developing balanced budget plans over the three year period, and to support this objective a proposed planning timetable for setting a balanced budget for 2023-24 is included within the 2022-23 Revenue Budget report.

8.3. The Medium Term Financial Strategy links closely with the CIPFA Financial Management Code implemented in 2021-22 and as such it is an important component of the authority's financial management framework. In particular, the Medium Term Financial Strategy is one of the tools which supports the Council to develop plans which will assist in forming a view of, understanding, and maintaining financial resilience in the medium to longer term. The Strategy is therefore aligned with the requirements of the Financial Management Code.

Norfolk County Council
Statement on the Adequacy of Provisions and Reserves 2022-23

1. Introduction

1.1. This report sets out the Executive Director of Finance and Commercial Services' statement on the adequacy of provisions and reserves used in the preparation of the County Council's budget. As part of budget reporting to Cabinet and the County Council, the Executive Director of Finance and Commercial Services is required under the Local Government Act 2003 to comment on the adequacy of the proposed financial reserves. Members must consider the level and use of reserves and balances to inform decisions when recommending the revenue budget and capital programme.

1.2. Reserves are an essential part of good financial management and are held to ensure the council can meet unforeseen expenditure and to smooth expenditure across financial years. They enable councils to manage unexpected financial pressures and plan for their future spending commitments. While there is currently no universally defined level for councils' reserves, the reserves a council holds should be proportionate to the scale of its future spending plans and the risks it faces as a consequence of these. Norfolk County Council's policy has been to set limits consistent with the council's risk profile and with the aim that council taxpayer's contributions are not unnecessarily held in provisions or reserves.

1.3. This report sets out the County Council policy for reserves and balances and details the approach to setting a risk assessed framework for calculating a recommended level of general balances. This explicitly identifies the risks, over ten categories, and the quantification of those risks, in arriving at the recommended level. Taking into account the overall position, it is considered that the current level of general balances should be increased to a minimum level of £23.268m.

1.4. Details of the County Council's other reserves and provisions are also provided alongside an assessment of their purpose and expected usage during 2022-26.

2. Purpose of holding provisions and reserves

2.1. The council holds both provisions and reserves. **Provisions** are made for liabilities or losses that are likely or certain to be incurred, but where it is uncertain as to the amounts or the dates on which they will arise. The council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice. Reserves (or Earmarked Reserves) are held in one of three main categories:

- Reserves for special purposes or to fund expenditure that has been delayed – reserves can be held for a specific purpose, for example where money is set aside to replace equipment or undertake repairs on a rolling cycle, which can help smooth the impact of funding.
- Local Management of Schools (LMS) reserves that are held on behalf of schools – the LMS reserve is only for schools and reflects balances held by individual schools. The balances are not available to support other County Council expenditure.
- General balances – reserves that are not earmarked for a specific purpose. The general balances reserve is held to enable the County Council to manage unplanned or unforeseen events. The Executive Director of Finance and Commercial Services is required to form a judgement on the level of the reserve and to advise Cabinet accordingly.

2.2. Reserves are held for both revenue and capital purposes. However, some are specific e.g. Usable Capital Receipts can only be used for capital purposes. The following section of this report constitutes the council's policy on reserves and provisions and can be used to provide guidance in assessing their level.

3. Norfolk County Council Policy on Reserves and Provisions

3.1. Objective

3.1.1. The objective of holding provisions, reserves, and general balances is to ensure the council can meet unforeseen or uncertain expenditure, and to meet specific future commitments as they fall due.

3.1.2. The level of provisions and reserves are continually reviewed to ensure that the amounts held are within reasonable limits. Those limits should be consistent with the council's risk profile and should ensure that council taxpayers' contributions are not unnecessarily held in provisions or reserves.

3.2. Provisions

3.2.1. Provisions are made for liabilities or losses that are likely to be incurred, or certain to be incurred, but uncertain as to the amounts or the dates on which they will arise. The council complies with the definition of provisions contained within CIPFA's Accounting Code of Practice.

3.2.2. The provision amounts are reported to Cabinet on a regular basis and are continually reviewed to ensure that they are still needed and that they are at the appropriate amount. If necessary, the amount is increased or decreased as circumstances change to ensure that the provisions are not over or understated.

3.3. Reserves

3.3.1. The council's reserves consist of the following main categories:

- Earmarked Reserves (Reserves for special purposes or to fund expenditure that has been delayed)
- Local Management of Schools (LMS) reserve
- Dedicated Schools Grant (DSG) reserve
- General balances (Reserves that are not earmarked for a specific purpose)

3.3.2. Further detail of these categories is set out below. The council complies with the definition of reserves contained within CIPFA's Accounting Code of Practice.

3.3.3. Similar to provisions, reserves are reported to Cabinet on a regular basis and are continually reviewed in the context of service specific issues and the council's financing strategy. Reserves are held for revenue and capital purposes. Some reserves, such as general balances, could be used for either capital or revenue purposes, whilst others may be specific e.g. Usable Capital Receipts can only be used for capital purposes.

3.3.4. **Reserves for special purposes or to fund expenditure that has been delayed.**
Reserves can be held for a specific purpose. An example of a reserve is repairs and renewals. Money is set aside to replace equipment on a rolling cycle. This effectively spreads the impact of funding the replacement equipment when the existing equipment is no longer fit for purpose.

3.3.5. **LMS reserve**
The LMS reserve is only for schools and reflects balances held by individual schools. These balances are not available to support other County Council expenditure.

3.3.6. **DSG reserve**
The DSG reserve represents the cumulative position of the ringfenced DSG funding provided by the DfE. From the 2018-19 outturn, DSG reserves or deficits have been reported as a separate ring-fenced reserve. A DSG deficit does not need to be covered by an equivalent amount in a local authority's general reserves.

3.3.7. **General balances**
The general balances reserve is held to enable the County Council to manage unplanned or unforeseen events. The Executive Director of Finance and Commercial Services is required to form a judgment on the level of this reserve and to advise Cabinet and County Council accordingly.

In forming a view on the level of general balances, the Executive Director of Finance and Commercial Services takes into account the following:

- Provision for Unforeseen Expenditure
- Uninsured risks

- Comparisons with other similar organisations
- Level of financial control within the Council

3.3.8. **Provision for Unforeseen Expenditure**

Unforeseen expenditure can be divided into two categories:

- Disasters
- Departmental Overspends

In a disaster situation, the council can have recourse to the Government using the Bellwin rules under which the council would have to fund the first £1.164m of costs (2017-18 threshold). Central government would provide grant funding of 100% for eligible expenditure incurred above this amount. Examples of natural disasters are severe flooding and hurricane damage.

The council also needs to be able to fund a departmental overspend, should one occur.

3.3.9. **Uninsured risks**

A combination of external insurance cover and the council's insurance provision provides adequate cover for most of the council's needs. Considerable emphasis has been placed upon risk management arrangements within the council in order to minimise financial risks.

However, there are some potential liabilities, such as closed landfill sites, some terrorism cover, and some asbestos cover, where it is not economical or practical to purchase external insurance cover. The County Council needs to have some provision in the event of such a liability arising.

3.3.10. **Comparisons with similar organisations**

As part of assessing the minimum level of general balances to be held, comparisons are made with other County Councils. Based on the latest Cabinet monitoring report, the forecast level of general balances at 31 March 2022 is £22.768m, prior to allowing for the revenue budget year end position. The County Council holds balances of 5.1% as a percentage of its net 2021-22 Council Tax Requirement. This percentage can only be used as a guide as each council's circumstances are different. However, the percentage of general balances compared to the net revenue expenditure is below average in comparison to other County Councils, which is 6.8%. In the medium term, the Council aspires to continue to hold a general balance equivalent to 5% of the net Budget.

3.3.11. **Level of financial control within the council**

Factors that are taken into account in assessing the level of financial control are:

- The state of financial control of the Revenue Budget and the Capital Programme;
- The adequacy of financial reporting arrangements within the council;

- Adequate financial staffing support within the council, including internal audit coverage;
- Working relationships with Members and Executive Directors;
- The state of financial control of partnerships with other bodies; and
- Any financial risks associated with companies where the council is a shareholder.

In evaluating the level of general balances, as part of producing the 2022-23 Budget, the Executive Director of Finance and Commercial Services has used a framework based on considering all risk areas and then quantifying the risk using the related budget and applying a percentage factor, which will vary according to the assessed level of risk. The total value against each risk provides an estimate of the level of balances required to cover the identified risk and overall provides an assessment of the level of general balances for the County Council.

The ten areas of risk considered in the general contingency are set out in the report to the Cabinet budget meeting, including an explanation of the potential risks faced by the council. The report also details the calculation of the general balances. The balances reflect spending experience and risks to which the council is exposed.

3.3.12. **Minimum Level of General Balances**

Taking all of the above factors into account, the Executive Director of Finance and Commercial Services currently advises that the council holds the following minimum level of general balances for 2022-23 and indicative minimum levels for planning purposes for 2023-24 to 2025-26.

Reserves Table 1: Norfolk County Council general balances requirement

2021-22 (31/03/2022 Forecast)		**2022-23**	**2023-24**	**2024-25**	**2025-26**
£m		**£m**	**£m**	**£m**	**£m**
22.768	Assessment of the level of General Balances	23.268	24.018	25.018	26.018

Having considered the adequacy of the overall general fund balance, the Executive Director of Finance and Commercial Services considers that it is not appropriate to make further budget reductions to accommodate an increase in the level of general balances, but having regard to the reserves and balances risk assessment, any additional resources which become available in 2022-23 should be added to the general fund balance wherever possible.

Executive Directors are expected to comply with financial regulations and deliver their services within the budget approved by the County Council and therefore departments are not expected to draw upon the £22.768m.

If the level of general balances is reduced to below the minimum balance, currently £22.768m, the shortfall will need to be replenished as soon as possible or as part of the following year's budget.

4. Current context

4.1. The minimum level of general balances is recommended at £22.768m for 2022-23. The projected actual level at 31 March 2022 is £22.768m, prior to allowing for the revenue budget year end position, which is currently forecasting a balanced position (period 8 as per the monitoring report to Cabinet 31 January 2021). Executive Directors are continuing to take action to secure achievement of a balanced outturn position for the year. The budget proposals for 2022-23 do not include any use of general balances. The level of minimum balance is informed by an assessment of the financial risk to which the council is exposed, whilst also taking account of the level of financial controls within the council. Financial management and reporting arrangements are considered to be effective and this has been commented on by the external auditors.

4.2. Norfolk County Council's provisions and reserves are reported to Cabinet on a monthly basis and are subject to continual review. As previously discussed, in comparison with other County Councils, the Council holds a lower than average percentage of general balances and this is borne out by the position shown in the published CIPFA Financial Resilience Index as discussed in further detail in of section 3 Appendix 4.

4.3. In setting the annual budget, a review of the level of reserves is undertaken, alongside any under or overspend in the current year, to determine whether it is possible to release funding to support the following year's budget or whether additional funding is required to increase the level of reserves. That review is informed principally by an assessment of the level of financial risk to which the council is exposed and an assessment of the role of reserves in supporting future spending plans.

4.4. The overall level of general balances needs to be seen also in the context of the earmarked amounts set aside and the council's risk profile. Whilst it is recognised that all county councils carry different financial risk profiles, the position in Norfolk is that the level of its general balances is below that of most other counties. The Executive Director of Finance has therefore **recommended general fund balances are increased by £0.500m in 2022-23 followed by an increase of £0.750m in 2023-24 and £1.000m in future years** and that any additional resources which become available during the year should be added to the general fund balance wherever possible (as set out in further detail in key risks and assumptions – (section 4 of Appendix 1). The recommended general balance position for 2022-23 has in particular been set with reference to the Government's response to the COVID-19 pandemic and takes into account the facts that (1) Government has to date provided material levels of financial support to local authorities to enable them to deliver the COVID-19 response and ensure their financial sustainability and (2) the Council has been able to make contributions into earmarked reserves during

2021-22 to seek to ensure that as far as possible sufficient resources are available to meet COVID-19 pressures in 2022-23. The level of cost and other pressures, and therefore the associated Government support required, remains uncertain.

5. Assessment of the level of general balances

5.1. The framework for assessing the level of general balances is based on considering all risk areas and then quantifying the risk using the related budget and applying a percentage factor, which will vary according to the assessed level of risk. The total value against each risk provides an estimate of the level of balances required to cover the identified risk and overall provides an assessment of the level of general balances for the County Council. It takes into consideration the most significant risks and issues including the following:

- Level of savings and transformation. One of the most significant risks continues to be the level of transformation that has to take place across the council to deliver the required budget savings. Risk has been considered as part of the assessment of the robustness of the budget proposals, and reflected in the reprofiling and removal of some savings. The remaining risks will be monitored within and across services as part of the council's ongoing risk management process and mitigating actions will be identified and monitored. Robust financial monitoring controls are in place and additional monitoring of the transformation programme is being undertaken.
- Managing the cost of change. The council will need to budget for the cost of any redundancies necessary to achieve the required budget savings and service restructuring to the extent they are not contained in the budget proposals. The council has a separate redundancy reserve for this purpose.
- The effect of economic and demand changes. There is always some degree of uncertainty over whether the full effects of any economy measures and / or service reductions will be achieved. Whilst the budget process has been prudent in these assumptions and those assumptions, particularly about demand led budgets, should hold true in changing circumstances, an adequate level of general contingency provides extra reassurance the budget will be delivered on target. Changes in the economic climate may also influence certain levels of income to be received at a lower level than previous years.
- Cost of disasters. The Bellwin Scheme of Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. In a disaster situation, the council can claim assistance from the Government using the Bellwin rules. Thresholds were set for 2017-18 and mean the council would have to fund emergency costs below £1.164m. Central Government would then provide 100% grant funding for any eligible expenditure incurred above this amount. Examples of natural disasters eligible for the scheme would include severe flooding and hurricane damage. The Government has not activated the Bellwin scheme in response to the COVID-19 pandemic, opting instead to

provide a wider package of measures to support individuals, the public sector (including local authorities) and wider economy.
- Uncertainty arising from the introduction of new legislation or funding arrangements such as the moves towards retention of business rates.
- Risk of changes to the levels of grant funding and factors affecting key income streams such as council tax and business rates.
- Unplanned volume increases in major demand led budgets, particularly in the context of high and accelerating growth.
- The risk of major litigation, both currently and in the future.
- The need to retain a general contingency to provide for any unforeseen circumstances which may arise.
- The need to retain reserves for general day to day cash flow needs.

5.2. The ten areas of risk considered in the general contingency are detailed below with an explanation of the potential risks faced by the council.

Reserves Table 2: Key financial risks for Norfolk County Council general balances calculation

Area of risk	Explanation of risk
1) Legislative changes	Key government policy and legislative changes will impact on the council's budget plans. Forecasts have been based on the latest information available but there is risk of variation and there is in particular greater risk in future years, where estimates cannot be based on firm government announcements. Key elements include: • **Government grant:** 2022-23 represents a one year funding allocation. Uncertainty about the outcomes of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and Business Rates Retention Scheme (BRRS) means that the council faces a very significant level of uncertainty about funding levels from 2023-24. • **Business Rates:** Council funding is affected by the level of business rates collected. The council receives a share of the combined rates across all Norfolk councils, which helps smooth out any specific peaks and troughs, however the impact on businesses of Covid-19, appeals and applications for relief can result in significant volatility. • **Council tax base and collection fund:** Council funding is impacted if there is a reduction in the tax base or in the amount collected by the billing authorities. The budget is based on a forecast 1.00% increase in tax base in 2023-24, 2024-25 and 2025-26. The impact of Covid-19 on future tax base remains unknown and so represents a financial risk to budgeted income. • **NHS/Social Care Funding:** The improved Better Care Fund (iBCF) funding represents a mix of recurrent and one-off funding. Planning assumptions are based on funding of £39.617m announced in the provisional Settlement. The provisional Settlement confirmed that existing social care funding of

Area of risk	Explanation of risk
	£30.342m plus additionally announced social care funding of £11.152m will also be provided in 2022-23. The MTFS assumes these will be ongoing, but outcomes of the CSR and FFR are awaited to determine whether this is correct. • **Pay:** The National Living Wage was introduced from 2016-17, starting at £7.20. The rate for 2022-23 has been confirmed as £9.50. Further details are provided in the Statement on the Robustness of Estimates.
2) Inflation	Pay inflation has been assumed at 1.75% for 2021-22 and 3% for 2022-23 to 2025-26. The County Council is currently part of the national agreement and therefore pay awards for 2022-23 onwards will be determined by any agreements reached. Every 1% variation in pay amounts to just over £2.5m for the council. There is therefore a risk that pay awards could vary from this assumption over the planning period. Budget growth has been awarded for the additional 1.25% Employers NI contributions from 2022-23. Price inflation has been included based on contractual need. There is a risk that inflation will be required during the planning period, even where there is no current contractual element. In addition, many contracts are negotiated post budget agreement and therefore forecast inflation levels may be different in practice. Inflation on fees and charges is set by NCC – a 2% increase has been assumed for 2022-23 and the following years. However, there is a risk that market forces may require this to be varied during the planning period.
3) Interest rates on borrowing and investment	Budgeted interest earnings on investments are based on guaranteed fixed deposit returns, available instant liquidity rates and market forecasts provided by our Treasury Advisors. Current rates are at historically low levels but following the base rate increase in Dec 2021 interest rates are forecast to gradually increase over the next couple of years. The revenue cost of borrowing is based on the rates of interest payable on the council's existing debt and assumptions in respect of capital expenditure to be funded from borrowing which has yet to be borrowed.
4) Government funding	The provisional Settlement provided only indications for one year of funding allocations in 2022-23, which still remain to be confirmed in the final Local Government Finance Settlement. Uncertainty about the outcomes of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and 75% Business Rates Retention Scheme (BRRS) means that the council faces a very significant level of uncertainty about funding levels from 2023-24. A number of issues may also impact on future funding levels: • The effect of Covid-19 on public finances.

Area of risk	Explanation of risk
	• The impact of the UK to leaving the European Union and any consequential impact on the national economy, which may have a significant impact on the levels of funding for the public sector at national level. • The operation of the business rates retention scheme and increased risks to business rates income. • On occasion general issues arise on funding which place the council at risk of clawback. • Key funding for integrated health and social care is via the Department of Health and Social Care and is dependent on the agreement of plans and further information regarding payment by results.
5) Employee related risks	Staffing implications of budget planning proposals have been evaluated and reflected within the financial plans, including the cost of redundancy. However, variations could occur as detailed implementation plans are developed.
6) Volume and demand changes	Many of our largest budgets are demand led and these present long standing areas of risk. Forecasts for social care are based on current outturn predictions and applied to population forecasts. Costs could vary if the population varies, or if the proportion of people either requiring or eligible for care is different to the forecast. Budgets for children looked after and support for vulnerable children take into account the County Council's strategy for minimising the number of children in care. Financial risks include delivery of the strategy and external factors that can lead to an increase in the number of children looked after and/or the complexity of need due to societal changes. Waste forecasts are based on the latest available information. If tonnage levels increase, this will lead to an increased pressure.
7) Budget savings	The Medium Term Financial Strategy includes £45.793m budget savings to be delivered across four years. A full assessment of all proposals has tested the robustness of each saving to minimise the financial risk, however a risk remains that the programme is delivered at a slower rate, or that some savings are not achievable at the planned level. In addition, further savings need to be identified to close the £89.191m-£94.255m funding shortfall between 2023-24 and 2025-26.
8) Insurance and emergency planning provision	Unforeseen events and natural disasters can increase the level of insurance claims faced by the council. The council's insurance arrangements, including actuarial review of the fund, additional provisions for unforeseen and unreported claims, service risk management and emergency planning procedures minimise this risk.

Area of risk	Explanation of risk
9) Energy, security and resilience	Resilience risks include: • Were a disaster to occur, we must have a reserve in place to pick up the costs that will fall to the council. • Norfolk includes flood risk areas and emergency procedures are in place to manage this. • Resilience of IMT can create a risk that might have financial implications for the council.
10) Financial guarantees /legal exposure	Certain contracts contain obligations that, if not fulfilled, would attract a penalty. The Council has PFI Schemes for street lighting and schools. However, there is no risk to the financing of these schemes at present.

5.3. The following table details the calculation of the general balances having regard to the identified areas of risk.

Reserves Table 3: General balances calculation

Area of Risk	2022-23			2023-24			2024-25			2025-26		
	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value
	£m	%	£m	£m	%	£m	£m	%	£m	£m	%	£m
Legislative Changes												
Government Grant (RSG)	40.885	0.00%	0.000	40.885	0.25%	0.102	40.885	0.50%	0.204	40.885	0.75%	0.307
Business Rates	167.756	0.50%	0.839	167.756	0.50%	0.839	167.756	0.50%	0.839	167.756	0.75%	1.258
Council Tax Variation to Base/Collection	464.325 / 468.824		1.250	482.992 / 487.672		1.400	500.328 / 505.196		1.550	520.440 / 525.504		1.700
NHS/Social Care Funding	108.737	0.00%	0.000	108.737	1.00%	1.087	108.737	1.00%	1.087	108.737	1.00%	1.087
Apprenticeship Levy	0.946	1.00%	0.009	0.946	1.00%	0.009	0.946	1.00%	0.009	0.946	1.00%	0.009
Landfill Tax - waste recycling (price)	26.508	0.50%	0.133	29.589	0.50%	0.148	33.078	0.50%	0.165	33.739	1.00%	0.337
	809.157 / 813.656		**2.231**	**830.905 / 835.585**		**3.586**	**851.730 / 856.598**		**3.855**	**872.503 / 877.567**		**4.699**
Inflation												
Employees	321.754	0.50%	1.602	330.521	0.50%	1.667	339.534	0.50%	1.691	349.720	0.50%	1.731
Premises	17.522	0.50%	0.087	18.278	0.50%	0.091	19.094	0.50%	0.095	19.476	0.50%	0.096
Transport	68.319	0.50%	0.340	69.494	0.50%	0.347	70.809	0.50%	0.354	72.225	0.50%	0.358
Supplies and Services	123.542	0.50%	0.615	136.440	0.50%	0.682	135.915	0.50%	0.680	138.633	0.50%	0.687
Agency and Contracted	486.873	0.50%	2.424	498.840	0.50%	2.494	512.430	0.50%	2.562	522.679	0.50%	2.613
Income (Fees and charges)	121.571	0.50%	0.605	123.528	0.50%	0.618	125.458	0.50%	0.627	127.967	0.50%	0.640
	1,139.580		**5.674**	**1,177.100**		**5.900**	**1,203.239**		**6.009**	**1,230.699**		**6.125**
Interest Rates												
Borrowing	32.396	0.25%	0.081	35.298	0.25%	0.088	35.298	0.50%	0.176	35.298	1.00%	0.353
Investment	0.581	0.25%	0.001	0.581	0.25%	0.001	0.581	0.50%	0.003	0.581	1.00%	0.006
	32.977		**0.082**	**35.879**		**0.090**	**35.879**		**0.179**	**35.879**		**0.359**
Grants												
Public Health Grant funding	40.630	0.00%	0.000	40.630	0.25%	0.102	40.630	0.25%	0.102	40.630	1.00%	0.406
Other General Fund Grants	23.897	0.25%	0.060	11.377	0.25%	0.028	11.377	0.25%	0.028	11.377	0.50%	0.057
	64.527		**0.060**	**52.007**		**0.130**	**52.007**		**0.130**	**52.007**		**0.463**

Area of Risk	2022-23			2023-24			2024-25			2025-26		
	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value	Budget	Risk Level	Value
	£m	%	£m	£m	%	£m	£m	%	£m	£m	%	£m
Employee Related Risks												
Pensions actuarial valuation	15.959	0.00%	0.000	17.606	2.50%	0.440	18.152	5.00%	0.908	18.515	5.00%	0.926
	15.959		**0.000**	**17.606**		**0.440**	**18.152**		**0.908**	**18.515**		**0.926**
Volume / Demand Changes												
Covid-19 pressures	0.000		0.500	0.000		0.500	0.000		0.500	0.000		0.500
Customer and Client Receipts	121.571	0.75%	0.912	123.528	0.75%	0.926	125.458	0.75%	0.941	127.967	0.75%	0.960
Demand Led Budgets (Adult Social Care third party and transfer payments)	376.358	1.00%	3.764	382.396	1.00%	3.824	390.369	1.00%	3.904	398.177	1.00%	3.982
Demand Led Budgets (Children's Services third party and transfer payments)	69.474	1.00%	0.695	70.355	1.00%	0.704	71.754	1.00%	0.718	73.189	1.00%	0.732
Winter Pressures	3.261	10.00%	0.326	3.302	10.00%	0.330	3.344	10.00%	0.334	3.411	10.00%	0.341
Landfill Tax - waste recycling (volume)	26.508	1.00%	0.265	29.589	1.00%	0.296	33.078	1.00%	0.331	33.739	1.00%	0.337
Public Health third party spend	37.674	1.00%	0.377	35.415	1.00%	0.354	34.333	1.00%	0.343	34.333	1.00%	0.343
Social care and Better Care Fund Spend	108.737	1.00%	1.087	108.737	1.00%	1.087	108.737	1.00%	1.087	108.737	1.00%	1.087
	743.583		**7.925**	**753.322**		**8.022**	**767.073**		**8.158**	**779.554**		**8.283**
Budget Savings												
Budget Reductions	28.434	7.50%	2.133	9.159	7.50%	0.687	8.200	7.50%	0.615	0.000	7.50%	0.000
	28.434		**2.133**	**9.159**		**0.687**	**8.200**		**0.615**	**0.000**		**0.000**
Insurance/Public Liability Third Party Claims												
Uninsured Liabilities	0.000		4.000	0.000		4.000	0.000		4.000	0.000		4.000
Bellwin rules	1,163.554	0.10%	1.164	1,163.554	0.10%	1.164	1,163.554	0.10%	1.164	1,163.554	0.10%	1.164
	1,163.554		**5.164**	**1,163.554**		**5.164**	**1,163.554**		**5.164**	**1,163.554**		**5.164**
TOTAL			**23.268**			**24.018**			**25.018**			**26.018**

5.4. The required level of general balances is therefore identified as £23.268m in 2022-23, rising to £26.018m by 2025-26. It is essential in setting a balanced budget that the council has money available in the event of unexpected spending pressures. The “balances” need to reflect spending experience and risks to which the council is exposed.

5.5. The latest budget monitoring position reported to Cabinet forecasts general balances at 31 March 2022 of £22.768m, prior to allowing for the revenue budget end of year position, which is currently forecasting a balanced position for 2021-22.

5.6. The increase in the minimum level of risk-based balances needed in the later years of the Medium Term Financial Strategy reflects the increased level of risk around budget assumptions, such as pay awards, where the longer forecasting horizon increases the level of uncertainty, the increased levels of risk relating to council tax base assumptions and uncertainty about government funding allocations, which add £1.176m to the assessed balance required by 2025-26. The actual level of balance ultimately required will reduce as the planning timeframe shortens and the uncertainty diminishes.

6. Review of Earmarked Reserves and Provisions

6.1. As part of the 2022-23 budget planning process, a detailed review has been undertaken in respect of each of the reserves and provisions held by the council. In general, the earmarked reserves and provisions are considered by the Executive Director of Finance and Commercial Services to be adequate and appropriate to reflect the risks they are intended to cover. However, it is considered that changes could be made to some reserves, due to changing circumstances. Reserves Table 4 summarises the earmarked reserves for each service department. The balances for individual reserves are shown in the subsequent detailed table (Reserves Table 5).

Covid-19

6.2. Funding from one-off grants has been transferred reserves to mitigate some of the continuing financial risks arising from the pandemic, affecting both the current forecast position and additional financial pressures for future financial years. The amounts forecast to be transferred to reserves are set out in Reserves Table 5 and details of central government funding announcements, and forecast Covid-19 pressures, are reported in the monitoring report to Cabinet elsewhere on this agenda.

6.3. In addition to the subsequent balances there will be a carry forward of the Contain Outbreak Management Fund in the next financial year.

Reserves Table 4: Summary of Earmarked Reserves and Provisions 2021-26

Department	Balance at 31/03/21 £m	Forecast at 31/03/22 £m	Forecast at 31/03/23 £m	Forecast at 31/03/24 £m	Forecast at 31/03/25 £m	Forecast at 31/03/26 £m
Adult Social Services	38.611	27.171	8.077	4.370	3.644	3.644
Children's Services	12.638	3.880	1.563	0.598	0.623	0.373
Community and Environmental Services	54.223	52.069	44.662	37.911	33.702	33.702
Strategy and Transformation Directorate	1.892	1.741	1.505	1.505	1.505	1.505
Governance Department	2.119	0.972	1.152	1.467	1.792	0.845
Finance and Commercial Services	4.628	2.559	1.851	1.661	1.671	1.671
Finance General	26.242	37.287	17.970	17.970	17.970	17.970
Total (excluding schools)	**140.353**	**125.680**	**76.780**	**65.482**	**60.907**	**59.710**
Reserves for capital use	1.000	1.000	1.000	1.000	1.000	1.000
Schools	4.737	4.637	4.994	5.173	5.067	5.067
School - LMS	17.018	14.671	11.912	3.869	3.869	3.869
DSG Reserve	-31.797	-54.324	-72.248	-95.389	-122.920	-154.706

Reserves Table 5: Detailed table of Reserves and Provisions 2021-26

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	£m	£m	£m	£m	£m
Earmarked Reserves							
All Services							
Building Maintenance: This reserve is to ensure that the capital value of the Council's building stock is maintained and facilitates the rolling programme of building maintenance. It also allows NPS Property Consultants Ltd to respond to emergencies by carrying out repairs from day to day and as the need arises.	Expected to be fully utilised by the end of 2021-22.	0.469	0.000	0.000	0.000	0.000	0.000
Information Technology: The reserve is used by multiple services to set aside money for specific IT projects.	The reserve is used by multiple services to set aside money for specific IT projects.	3.372	2.533	1.685	1.338	1.338	1.338
Repairs and Renewals: This fund is to meet the cost of purchasing and repairing specific equipment.	The need for the reserve has changed over time as more equipment is procured via leases. Use of the reserve over the next four years is expected.	4.574	4.530	3.279	2.970	2.838	2.838
Unspent Grants and Contributions: This reserve contains the balances on the council's unconditional grants and contributions.	Mostly grants and contributions which will be used to fund spend over the budget planning period.	31.303	28.667	17.473	11.313	8.988	8.988
		39.718	**35.730**	**22.436**	**15.622**	**13.164**	**13.164**

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
Adult Social Services							
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks including those arising from the Covid-19 pandemic in future years.	15.854	8.924	0.000	0.000	0.000	0.000
Prevention Fund: This includes the Living Well in the Community Fund, Prevention Fund and Strong and Well revenue funding as agreed by Members to support prevention work, mitigate the risks in delivering prevention savings and to help build capacity in the independent sector.	Expected to be fully utilised by the end of 2024-25.	0.378	0.587	0.286	0.081	0.000	0.000
Social Services Residential Review: This reserve contains funds set aside to support delivery of Mental Health services within Adult Social Services.	Use of the reserve over the budget planning period is expected.	5.437	4.106	1.453	0.519	0.420	0.420
		21.670	**13.617**	**1.739**	**0.600**	**0.420**	**0.420**
Children's Services							
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks including those arising from the Covid-19 pandemic in future years.	5.765	1.369	0.412	0.196	0.000	0.000
Children's Services Education Equalisation: To fund the	Use dependent upon the dates of future school years.	2.475	0.440	0.690	0.000	0.250	0.000

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	£m	£m	£m	£m	£m
variance in the number of Home to School/College Transport days in a financial year as a result of the varying dates of Easter holidays.							
		8.239	**1.809**	**1.102**	**0.196**	**0.250**	**0.000**
Community and Environmental Services							
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks including those arising from the Covid-19 pandemic in future years.	1.736	0.283	0.283	0.283	0.283	0.283
Adult Education Income: The County Council is required to approve a budget for the Adult Education service five to six months in advance of the funding announcement by the Skills Funding Agency. In addition, the Skills Funding Agency can also impose penalties on the service in the event that targets are not met and these are dependent on results assessed at year end. This reserve enables the Council to manage risks associated with potential changes in Skills Funding Agency working.	Some use of this reserve is planned over the budget planning period.	2.287	1.726	1.151	0.993	0.993	0.993

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
Bus De-registration: This is funding to meet costs associated with the commercial deregistration of bus services.	This reserve will be drawn upon as required over the period.	0.027	0.027	0.027	0.027	0.027	0.027
Demand Responsive Transport: This reserve is to enable pump priming of demand responsive transport services as changes are made in supporting public transport by increasing public transport patronage rather than directly subsidising transport operators.	Expected to be fully utilised by the end of 2021-22.	0.004	0.000	0.000	0.000	0.000	0.000
Economic Development and Tourism: This is primarily the Apprenticeship Scheme balance and committed EU project funding.	Funding for apprenticeships and EU Projects are mainly committed over the budget planning period.	3.186	3.076	1.727	0.707	-0.346	-0.346
Fire Operational/PPE/Clothing: This reserve is to meet variable demands for new operational equipment and personal protective equipment.	The reserve is for items such as hazmat suits and training in dealing with chemicals.	0.320	0.310	0.295	0.273	0.273	0.273
Fire Pensions: This reserve is to smooth higher than anticipated costs due in respect of ill health retirements, injury retirements and retained fire fighters who qualify for the Whole Time Uniformed scheme.	Expected to be fully utilised by the end of 2021-22.	0.089	0.000	0.000	0.000	0.000	0.000

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
Fire Retained Turnout Payments: This reserve is to meet variable demands from larger incidents and higher than expected turnouts.	There is no current planned use of this reserve.	0.031	0.031	0.031	0.031	0.031	0.031
Highways Maintenance: This reserve enables a wide range of maintenance schemes to be undertaken. An annual amount is transferred to the works budget. The reserve is also used to carry forward balances on the Highways Maintenance Fund.	The balance mainly relates to commuted sums to meet future liabilities. These sums are paid by Developers to cover the additional maintenance work arising from their developments. The profile of use of the reserves reflects the future liabilities and planned general Highways expenditure.	8.865	8.309	7.258	6.267	5.568	5.568
Historic Buildings: This is used to buy and restore historic buildings at risk of being demolished and to make grants towards the restoration of buildings.	This reserve is used as and when required.	0.046	0.045	0.045	0.043	0.043	0.043
Park and Ride: The reserve is for future site works.	There is currently no planned usage of the fund, but it is retained to meet potential necessary site works.	0.012	0.012	0.012	0.012	0.012	0.012
Prevention Fund: This includes a commuted sum from Developers to cover new bus routes and lump sums received from the Government for improvements to bus services.	There is no current planned use of this reserve.	0.152	0.152	0.152	0.152	0.152	0.152

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
Residual Insurance and Lottery Bids: When a cash settlement was agreed with our insurers in respect of the library fire the proceeds were paid into an earmarked reserve. Subsequent costs have been funded from this source, and outstanding costs for buildings and books have been transferred to earmarked reserves. A few issues remain outstanding (e.g. Records conservation).	The reserve incorporates externally funded grants earmarked towards projects. Included within this are sums required to complete the conservation of damaged documents. The timings for use of this reserve are not yet known.	0.081	0.039	0.039	0.039	0.039	0.039
Road Safety: This reserve reflects the surplus resulting from Speed Awareness Courses run by the council on behalf of the Police, to be reinvested within Road Safety.	There is currently no planned use of this reserve.	0.207	0.207	0.207	0.207	0.207	0.207
Street Lighting PFI Sinking Fund: This reserve has been created as a result of the Street Lighting PFI scheme and reflects receipt of government PFI grant and contributions which will be needed in future financial years to meet contract payments.	Reductions in the level of this reserve are expected over the next four years.	4.843	4.339	3.835	3.331	2.827	2.827
Waste Management Partnership Fund: This reserve is for waste management initiatives.	This reserve is used as and when required.	0.725	0.425	0.425	0.425	0.425	0.425

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
		22.612	**18.981**	**15.487**	**12.791**	**10.535**	**10.535**
Strategy and Transformation Directorate							
Business Risk Reserve: Reserves established to manage key risks.	Some use of reserve is planned for 2022-23.	0.640	0.594	0.458	0.458	0.458	0.458
Strategic Ambitions Reserve: This reserve supports the council in achieving its aspirations and strategic ambitions for Norfolk.	Some use of reserve is planned for 2022-23.	0.225	0.170	0.114	0.114	0.114	0.114
		0.865	**0.764**	**0.572**	**0.572**	**0.572**	**0.572**
Governance Department							
NPLaw: This reserve has been created to support the development and increased activities of the business and smooth variations in trading.	The reserve has been built up from Nplaw Trading and as such belongs to the Partners of the scheme.	0.458	0.458	0.458	0.458	0.458	0.458
Election Reserve: This is to cover the cost of holding County Council elections.	Regular ongoing contributions to the reserve are planned each year. The reserve will be used for the next election and will then be built up again. Usage will be dependent on the timing of elections.	0.975	0.000	0.307	0.622	0.947	0.000
		1.433	**0.458**	**0.765**	**1.080**	**1.405**	**0.458**

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	£m	£m	£m	£m	£m
Finance and Commercial Services							
Archive Centre Sinking Fund: This reserve is to maintain the Archive Centre in accordance with a lease agreement between the County Council and the University of East Anglia.	This reserve is used as and when required.	0.264	0.159	0.169	0.179	0.189	0.189
County Farms: This reserve is to hold income related to the County Farms estate.	Some use of reserve is planned for 2021-22.	0.513	0.415	0.415	0.415	0.415	0.415
		0.777	**0.574**	**0.584**	**0.594**	**0.604**	**0.604**
Finance General							
Business Risk Reserve: Reserves established to manage key risks.	Some use of reserve is planned for 2021-22.	3.250	2.224	2.224	2.224	2.224	2.224
Corporate Covid Risk Reserve: Reserves established to hold funding for Covid related expenditure	Government grant funding held in reserve to be utilised in the following financial years.	9.115	21.507	3.507	3.507	3.507	3.507
Insurance Reserve: This reserve reflects monies set aside for future potential insurance liabilities that are in excess of those provided for in the Insurance Provision.	Balance reviewed in the 2022-23 budget.	0.759	0.769	0.269	0.269	0.269	0.269

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
Organisational Change and Redundancy Reserve: This reserve was created to provide one-off funding to support and invest in transformational change e.g. change initiatives such as Workstyle and to fund redundancy costs.	The timing of when the reserve is used is dependent upon future events and it is expected it will be mainly used to fund redundancy costs.	4.388	3.862	2.775	2.775	2.775	2.775
		17.512	**28.362**	**8.775**	**8.775**	**8.775**	**8.775**
Non-Schools Total		**112.827**	**100.295**	**51.461**	**40.230**	**35.726**	**34.529**
Reserves for Capital Use							
Usable Capital Receipts		1.000	1.000	1.000	1.000	1.000	1.000
Schools Reserves							
LMS Balances: This reserve represents estimated surpluses and deficits against delegated budgets for locally managed schools. These funds are retained for schools in accordance with the LMS arrangements approved by the DfE and are not available to the Council for general use.	The future usage will be part of individual school's financial plans.	17.018	14.671	11.912	3.869	3.869	3.869

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	£m	£m	£m	£m	£m
Norwich Schools PFI Sinking Fund: This reserve has been created as a result of the Norwich Schools PFI scheme and reflects receipt of government PFI grant and schools contributions which will be needed in future financial years to meet contract payments.	Some use of reserve expected in 2022-23. The reserve will then be replenished over the planning period.	2.264	2.164	2.044	2.223	2.367	2.367
Building Maintenance: This is money put aside to spend on building maintenance of schools.	Reserve balances are reviewed and utilised as required.	1.300	1.300	1.777	1.777	1.527	1.527
Unspent Grants and Contributions: This reserve contains the balances on the council's unconditional grants and contributions.	Utilised as grants are spent.	0.024	0.024	0.024	0.024	0.024	0.024
Schools Sickness Insurance: This reserve is a mutual insurance scheme operated on behalf of schools.	Use of the reserve will depend upon the demand of member schools.	0.316	0.316	0.316	0.316	0.316	0.316
Schools Non-Partnership maintenance fund: This reserve is held on behalf of schools for building maintenance activities.	The future usage will be part of individual school's financial plans.	0.804	0.804	0.804	0.804	0.804	0.804

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
School playing surface sinking fund: This reserve is to maintain and replace the astro turf playing surface at schools in accordance with a lease agreement between the schools' governing body and the County Council.	In line with lease agreement.	0.029	0.029	0.029	0.029	0.029	0.029
Schools Total		**21.755**	**19.308**	**16.907**	**9.043**	**8.937**	**8.937**
DSG Reserve: DSG is a ring-fenced grant, provided outside the local government finance settlement. The reserve represents the cumulative position of the ringfenced funding provided by the Department for Education.	The DSG deficit arises from the historic underfunding of the High Needs Block which supports high needs places in state special schools, independent schools and Alternative Provision as well as high needs provision in mainstream schools. The level of the deficit reflects our current forecasts.	-31.797	-54.324	-72.248	-95.389	-122.920	-154.706
Provisions							
Adult Social Services							
Provision for doubtful debts: A provision to cover bad debts.	This provision will change as bad debts are reviewed during the year, although the timing of this use cannot be predicted. A significant proportion is for specific debts with an element for general service-user related debts.	3.420	2.420	2.420	2.420	2.420	2.420

Title and purpose of Reserve / Provision	Planned future use	Opening Balances 31/03/2021	Forecast Balances 31/03/2022	Forecast Balances 31/03/2023	Forecast Balances 31/03/2024	Forecast Balances 31/03/2025	Forecast Balances 31/03/2026
		£m	£m	£m	£m	£m	£m
Children's Services							
Provision for doubtful debts: A provision to cover bad debts.	This provision will change as bad debts are reviewed during the year, although the timing of this use cannot be predicted.	1.480	0.358	0.358	0.358	0.358	0.358
Community and Environmental Services							
Closed landfill long term impairment provision: Provision created to fund long term impairment costs arising from Closed Landfill sites, as per Government legislation and External Audit recommendation.	This is required to cover the legal requirements, but there is currently no specific call on the provision identified. A fixed amount from revenue is released each year to cover impairment costs.	12.559	12.559	12.494	12.426	12.356	12.356
Fire Service: This provision is held to meet variations on Fire Service staffing costs.	There is no current specific requirement for the use of this provision.	0.048	0.048	0.048	0.048	0.048	0.048
Finance General							
Insurance: Provision for insurance claims.	Contractual commitment based on reported claims and provision for incurred but unreported claims.	10.000	10.000	10.000	10.000	10.000	10.000
Redundancy: A provision to meet redundancy and pension strain costs.	This provision is forecast to be used in full in 2021-22.	0.020	0.000	0.000	0.000	0.000	0.000
Non-Schools Provisions Total		**27.527**	**25.384**	**25.319**	**25.252**	**25.181**	**25.181**

6.4. The planned change in total non-school's reserves is a reduction of 55.67% over five years as shown in the following table.

Reserves Table 6: Change in reserves 2021-26

	March 31, 2021	March 31, 2026	Reduction %
	£m	£m	
General Balances	23.763	26.018	
Earmarked Reserves	112.827	34.529	
Total	**136.590**	**60.547**	**55.67%**
The comparative figures for last year were:			
	March 31, 2020	**March 31, 2025**	**Reduction %**
General Balances	19.706	24.206	
Earmarked Reserves	94.243	40.747	
Total	113.949	64.953	43.00%

6.5. When taking decisions on utilising reserves or not it is important that it is acknowledged that reserves are a one-off source of funding and once spent, can only be replenished from other sources of funding or reductions in spending. The practice has been to replenish reserves as part of the closure of accounts, however this can be difficult to predict, and these contributions are therefore not reflected in the figures shown. The forecast year end position of all reserves and provisions is reported to each meeting of Cabinet.

6.6. It should be noted that the Department for Education (DfE) consulted in November 2018[51] on proposals to require local authorities to report DSG reserves or deficits as a separate ring-fenced reserve in annual returns. What this meant for local authorities was that DSG deficits do not need to be covered by an equivalent amount in local authorities' general reserves. Consequently, new lines were added to the 2018-19 RO returns and local authorities are now expected to state their cumulative DSG deficit every year. In October 2019, the government consulted again[52] to clarify that DSG is a ring fenced grant separate from other general local authority funding. This consultation emphasised that the "*Government's intention is that DSG deficits should not be covered from general funds but that over time they should be recovered from DSG income. No timescale has been set for the length of this process.*"

6.7. The DSG deficit arises from the historic underfunding of the High Needs Block (HNB) which supports high needs places in state special schools, independent schools, and Alternative Provision. Norfolk is currently carrying an outstanding DSG deficit from previous financial years, with a forecast £72.248m deficit

[51] *Consultation on the implementation of new arrangements for reporting deficits of the dedicated schools grant*, Department for Education, 12 November 2018: https://www.gov.uk/government/publications/esfa-update-14-november-2018/esfa-update-local-authorities-14-november-2018#information-consultation-on-the-new-arrangements-for-reporting-deficits-of-the-dedicated-schools-grant-dsg
[52] https://consult.education.gov.uk/funding-policy-unit/revised-arrangements-for-the-dsg/

forecast for the end of 2022-23. On the basis of the accounting treatment established by government, this deficit DSG reserve position is not reflected in the reserve balances presented within this report but is included for completeness within the detailed Reserves Table 4 above.

7. Summary

7.1. Members could choose to agree different levels of reserves and balances, which could increase or decrease the level of risk in setting the revenue and capital budget. This would change both the risk assessment for the budget and the recommended level of balances.

7.2. The proposed level of reserves and balances set out in this report is considered to provide a prudent and robust basis for the Revenue Budget 2022-23 and will ensure the Council has adequate financial reserves to manage the delivery of services and the proposed savings in the financial years covered by the associated Medium Term Financial Strategy.

Norfolk County Council
Statement on the Robustness of Estimates 2022-23 to 2025-26

1. Introduction

1.1. As part of the budget setting process, the Executive Director of Finance and Commercial Services (Section 151 Officer) is required under Section 25 of the Local Government Act 2003 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. The level of risk and budget assumptions underpin decisions when setting the revenue budget and capital programme, and affect the recommended level of general balances held. Members must therefore consider the details of these as set out in this report when recommending or agreeing the revenue budget and capital programme. This report includes the Section 151 Officer's formal statement and provides more detailed information on the risks, robustness of revenue estimates, and capital estimates used in the preparation of the County Council's budget.

2. Approach to providing assurance on robustness of estimates

2.1. The budget proposals are estimates of spending and income made at a point in time prior to the start of the next financial year. As such, this statement about the robustness of estimates does not provide an absolute guarantee but does provide Members with reasonable assurances that the draft budget has been based on the best available information and assumptions, and has been subject to scrutiny by relevant staff, Executive Directors, and Members.

2.2. The requirement to report on the robustness of estimates has been met through key budget planning processes during 2021-22, including:

- Departmental reviews of budgets including consideration of the deliverability of planned savings to inform decision making, which has led to the removal or delay of a number of savings to ensure that the proposed budget is robust;
- Review by finance staff of all cost pressures and regular reports to Executive Directors to provide challenge and inform approach;
- Issue of guidance to all services on budget preparation;
- Routine monitoring of current year budgets to inform future year planning;
- An organisational approach to planning with Cabinet providing guidance early on and throughout the process;
- Member review and scrutiny of developing proposals through budget challenge sessions which considered all services in July, September and December 2021.
- Member review and challenge via Cabinet in the July, October, November and January meetings;

- Public review and challenge through budget consultation for specific proposals where required via the Council's consultation hub Citizen Space, including impact assessment of proposals;
- Assurance from fellow Executive Directors that final budget proposals to be considered by County Council are robust and are as certain as possible of being delivered;
- Member and Executive Director peer review of all service growth and savings throughout the budget planning process.

2.3. In addition, and as set out in the Scheme of Authority and Financial Responsibility, Executive Directors are responsible for the overall management of the approved budget and the appointment of Responsible Budget Officers (RBOs) who are responsible for ensuring that authorised budgets are managed in the most effective and efficient manner in accordance with agreed plans and financial controls. Therefore managers with RBO responsibilities also play a key part in monitoring the financial position, identifying variances and financial risks and planning for service changes including forecast contractual, demographic, legislative and policy changes. In preparing estimates, considerable reliance is placed on Executive Directors and RBOs carrying out these responsibilities effectively.

3. CIPFA Financial Resilience Index and Financial Management Code

3.1. As set out in the Revenue Budget report (Appendix 1), CIPFA has published a Financial Resilience Index[53] which sits alongside the new Financial Management Code (FM Code). Although CIPFA has not yet updated the index with 2020-21 data, both of these have helped to inform the council's 2022-23 budget setting process and the Executive Director of Finance has referred to the range of indicators shown in the index, and the requirements of the FM Code, in order to reach his conclusions on the robustness of estimate statement for 2022-23.

3.2. The index suggests that when compared to all other county councils:

- Norfolk holds a comparatively **low level of reserves**.
- Norfolk has a relatively **high level of gross external debt**.
- Norfolk **spends a relatively high proportion** of its net revenue budget[54] **on social care** (for both Adults and Children).
- Council tax funds a relatively low proportion of net revenue expenditure (i.e. the council is **relatively more reliant on government grant**). This is linked to the relatively low tax base in Norfolk (a higher proportion of lower-banded properties compared to the England average).
- Norfolk **experiences relatively limited growth in business rates** income above the Business Rates Baseline.

[53] https://www.cipfa.org/services/financial-resilience-index/financial-resilience
[54] It should be noted that the index refers to net revenue expenditure as used in government financial returns, this includes central government funding e.g. Settlement Funding allocations and is therefore higher than the council's net revenue budget (which is council tax only).

3.3. It is important to note that the indicators within the index look at retrospective data and only provide an insight into the relative position of similar authorities. The council's level of reserves and external debt are considered annually as part of the budget setting process and monitored regularly throughout the year. Although for a number of historical reasons the council's level of reserves and external debt are respectively lower and higher than other county councils, this position reflects the council's overall strategies of avoiding holding taxpayers' resources unnecessarily in reserves and investing in strategic infrastructure projects. Both the level of reserves held, and the level of external debt, are considered appropriate in light of the council's strategy and the risks it is exposed to. Further details of these considerations are set out throughout the budget papers.

3.4. The council is well aware of the key financial risks that it faces, reporting on them regularly to members as part of both financial monitoring and within the council’s risk register. All risks are kept under ongoing review. In addition, the council has taken a number of steps to minimise these risks and ensure that it remains financially resilient in the short to medium term. Actions have included:

- Regularly communicating financial pressures and risks to key stakeholders including to government as part of consultation responses and other lobbying activity.
- Fully engaging with Government as part of the COVID-19 response including reporting requirements to identify financial pressures and maximise financial resources available to support Norfolk as a whole
- Making difficult decisions locally in order to maximise income and minimise cost pressures (for example, raising council tax and the adult social care precept, implementing difficult savings) to do everything in its power to protect its financial position.
- Submitting responses to consultations including those on the 2021 Spending Review, provisional Settlement and reviews of Business Rates, to seek to maximise the funding available for rural shire counties.
- Working with District Councils to reach a consensus position to pool business rates in 2022-23 in order to maximise business rates for Norfolk local authorities.
- Providing for budget pressures in Adults and Children’s social care as a priority, while recognising that the system as a whole is not sustainable in the long term and a national funding solution is required.
- Considering and responding as appropriate to the value for money findings of external audit.
- Ongoing budget-setting work for 2022-23 to set a robust, balanced budget, and regular monitoring of the 2021-22 position including capital and treasury management.
- Annually undertaking a risk-based assessment of the level of general balances required and agreeing the Reserves policy.

3.5. The council keeps its financial position under careful review, and in 2022-23 will be looking in particular at any further actions needed to enhance compliance with the CIPFA Financial Management code. The council’s self-assessment of the current extent of compliance is set out within the Revenue Budget report (Appendix 1).

4. Risk Assessment of Estimates

4.1. The council manages risk registers corporately, for each service and for key projects. These incorporate all types of risk, including financial. In addition, a formal risk assessment has been undertaken of the revenue budget estimates in order to support the recommendation of the level of general balances. This risk assessment is detailed in the Statement on the Adequacy of Provisions and Reserves 2022-26 report (Appendix 4).

4.2. Budget proposals and emerging pressures were reported to Cabinet in November, along with identified key risks associated with these. This enables Members to assess the risk associated with achievability of the savings identified and supports consideration now of the overall robustness of the budget plans for 2022-23.

4.3. Early identification of risks enables Executive Directors to take mitigating action and to enable higher risk budgets to be more closely monitored during the year. The key budget risks that will require ongoing attention are:

- **Covid-19:** normal operations have been severely disrupted and although considerable uncertainty remains, it is likely that this disruption, and additional costs, will endure into 2022-23. The adequacy of Government financial support for this is a key area of risk.
- **Local sources of income:** In relation to council tax and business rates, District Council forecast figures are to be confirmed 31 January 2022;
- **Government funding:** The final 2022-23 settlement has not yet been published, meaning that some uncertainty remains about next year's allocations, as discussed in detail elsewhere. In addition, significant reforms to key government grant funding are anticipated in the delayed Fair Funding Review and there is uncertainty about plans for 75% Business Rates Retention from 2023-24. A list of revenue grants is included within Table 11 of the Revenue Budget 2022-23 report (Appendix 1);
- **General pay and prices:** Inflationary pressures affecting the council's contracted spend and uncertainty about the level of future pay awards;
- **Adult Social Services:** Managing increased demand for services and complexity of need, and facilitating adequate investment to deliver financially sustainable service provision;
- **Children looked after:** Meeting the challenge of delivering improvements within Children's Services to achieve both better outcomes and financial sustainability within the service, whilst also dealing with increased demand and complexity of needs;
- **High Needs Block (HNB):** Managing increased demand for high needs places in state special schools, independent schools, and Alternative Provision which currently represent a shortfall in funding within Dedicated Schools Grant (DSG). Although the Government has now prescribed an

accounting treatment for the DSG deficit and confirmed that there is no expectation for local government to fund the DSG from council resources, this position is not guaranteed and will remain a subject of scrutiny for External Auditors. If the council is unsuccessful in resolving the DSG deficit position over the medium term, the pressures and level of forecast overspend are such that it could represent a very real threat to the overall financial viability of the whole council. The position of the DSG budget in future years will therefore continue to have a very significant bearing on the Executive Director of Finance and Commercial Services' judgement about the council's financial resilience and the robustness of its Budget.

- **Major capital schemes:** These include the **Great Yarmouth Third River Crossing, Long Stratton bypass, Norwich Western Link, the Castle Keep Museum, Better Broadband, and the investment in specialist school places and services (SEND school provision)**, all of which are significant capital projects required to be met within planned capital funding; and
- **Organisational Change:** Managing significant transformation and staffing changes, including the delivery of planned business transformation and smarter working savings, and the realisation of expected savings from the replacement of the HR and Finance system.

4.4. The budget estimates span a four year period, 2022-26, and whilst forecast using the best available information, the planning assumptions and forecasts for future years will necessarily be based on less robust data and known factors. This is particularly exaggerated in 2023-24 for the reasons set out in more detail in the Revenue Budget report and Medium Term Financial Strategy. As part of the ongoing budget planning and monitoring cycle, these assumptions and emerging state of affairs are reviewed allowing the development of more detailed planning for the next financial years and revised medium term financial plans.

5. Robustness of Revenue Estimates

5.1. Within the framework set by the council's business plan, *Better together, for Norfolk*, the service and budget planning process has focussed on the key priorities for service departments, including those services that are required by law, and involves a continuous review of the way that services are provided. Cost pressures to manage unavoidable inflationary, legislative and demand pressures have been included in the revenue budget estimates.

5.2. During July, September and December 2021, Cabinet members and Executive Directors undertook budget challenge sessions to consider budget plans and spending proposals. This provided an opportunity to evaluate initial proposals, risks arising from savings proposals, and emerging planning issues for services. The most significant spending implications affecting the Council continue to relate to Adults and Children's Services, and in particular:

- The majority of Children's Services spend is demand led, and across all areas of the children's agenda the council continues to see high and rising levels of need and demand. This includes a significant increase in the number of children with complex Special Educational Needs and Disabilities who require high levels of support and intervention whilst living in the community as well as within residential settings, and significant pressures in placements and support budgets for children looked after, keeping children safe at home and care leavers. Priorities for the service include continuing the implementation of the Safer Children and Resilient Families transformation plan to ensure that the right interventions are in place for the right children and families at the right time so that needs are effectively met rather than escalating, to continue to work towards being rated 'good' (with outstanding features) as defined by Ofsted, and the implementation of a new operating model. A comprehensive strategy is in place to mitigate the increasing levels of demand, but the national pressures and trends result in risk remaining.
- Managing rising demographic pressures through embedding strategies for Adults service delivery to promote independence. In particular invest to save in early intervention and targeted prevention to keep people independent for longer, developing integrated arrangements with Health (Better Care Fund and the Integrated Care System (ICS)) including actions to improve delayed transfers of care. Supporting a stable care market though funding price inflation and market pressures (including national living wage and cost of care increases). Absorbing and adjusting to any new requirements and/or new burdens arising from the implementation of social care reform.

5.3. As part of the budget process, Cabinet and Executive Directors have considered all the budget reductions and growth pressures and these are reflected in the proposed budget. In addition, some of the key risks identified, including risks relating to the achievability of savings, have been taken into consideration in the Cabinet's budget recommendations, which will enable some budget risks to be managed down and this is reflected in the risk assessment of the recommended level of general balances.

5.4. Budget planning for 2022-23 has included extensive work to review the deliverability of savings and understand service pressures. As a result, the 2022-23 Budget sees a significant investment in Departmental budgets through both the removal of previously planned savings, to provide assurance about the robustness of the revenue budget and the deliverability of savings. This represents the net removal or delay of £1.596m previous budget round savings from next year's budget.

5.5. The Council's budget planning assumes that any undeliverable savings have been removed in the exercise detailed above and therefore that all the remaining savings included for 2022-23 are deliverable.

5.6. The table below shows the current budget position and the following three years based on the recommendations set out in the Revenue Budget report (Appendix

1) and the current budget forecast for 2021-22. The Medium Term Financial Strategy does not reflect plans to fully meet the funding shortfall between 2023-24 to 2025-26. As part of developing the budget for future years, work will continue to identify further proposals for service provision in order to identify ways to address these deficits in future years. The Revenue Budget report sets out in Section 4 details of the assumptions which inform the Section 151 Officer's judgement of the robustness of estimates and in particular confirms that **early planning to address the 2023-24 Budget gap will be essential along with the production of a realistic plan for reducing the budget requirement** in future years through robust saving proposals, or the reduction of currently identified pressures.

Robustness Table 1: Forecast Budget Deficit 2021-22 to 2025-26

	2020-21 (Period 8 forecast)	2022-23 Budget	2023-24 Budget	2024-25 Budget	2025-26 Budget
	£m	£m	£m	£m	£m
Forecast outturn budget deficit (2.99%)	0.000	0.000	59.920	22.913	11.422
Forecast outturn budget deficit (3.99%)	0.000	0.000	50.740	27.224	11.227

5.7. Work is underway by Executive Directors and budget holders to deliver a balanced outturn position at year end as reported in period 8 Financial Monitoring report which currently forecasts that the outturn position will be balanced at year-end. The non-delivery of unachievable future year savings from the 2021-25 budget round has been addressed as part of the 2022-23 budget process, however 2021-22 savings which have not been achieved in-year due to timing delays are assumed to be delivered in 2022-23.

5.8. The factors and budget assumptions used in developing the 2022-26 budget estimates are detailed over sixteen headings, including drivers of growth, savings and other planning assumptions and set out below.

Robustness Table 2: Summary of budget assumptions and approach

Budget Assumption	Explanation of financial forecast and approach
Growth Pressures	
1) Inflation	Pay inflation has been assumed at 1.75% for 2021-22 and 3% for 2022-23 to 2025-26. The County Council is currently part of the national agreement and therefore pay awards for 2022-23 onwards will be determined by any agreements reached. Every 1% variation in pay amounts to just over £2.5m for the council. There is therefore a risk that pay awards could vary from this assumption over the planning period. Budget growth has been awarded for the additional 1.25% Employers NI contributions from 2022-23.

Budget Assumption	Explanation of financial forecast and approach
	Pensions – The 2019 actuarial valuation of the pension fund has set the employer contribution rates from 1 April 2020 at 15.5% (unchanged) plus a lump sum for each of the three years 2020-23. Price Inflation is provided where a contractual increase is required. This is at the contractual rate where appropriate.
2) Demand and Demographics	There are three key areas where demand and demographic pressures have a significant impact on the council's budget planning: • Gross demographic pressures in Adult Social Care totalling £6.400m reflecting rising demand for services as people live longer and transition of service users from Children's Services to adult social care. • Gross demand pressures of £18.725m in Children's Services reflecting additional costs including increasing demand and complexity of need for children looked after, keeping children safe at home and care leavers, alongside home to school transport pressures, particularly for children with special educational needs and disabilities. • Demand and demographic pressures from increased waste tonnage.
3) Legislative changes	The budget estimates include the following assumptions with regard to current and future legislative changes: • The Government implemented a National Living Wage (NLW) from 2016-17, starting at £7.20. In April 2022 it was increased to £9.50[55]. The exact level at which the National Living Wage will be set in future years has therefore not been confirmed. Although assumed cost pressures relating to the National Living Wage have been included in budgets, there is a risk these could diverge in future. • Cost pressures assuming an increase above the core price inflation for pay and price market pressures have been included. • Cost pressures have been included associated with the increased income received for the Improved Better Care Fund.
4) Policy decisions	The 2022-23 budget includes: • £9.163m to address pressures in Adult Social Services; • £1.378m to address pressures in Community and Environmental Services.
5) Interest Rates	Budgeted interest earnings on investments are based on guaranteed fixed deposit returns, available instant liquidity rates and market forecasts provided by the council's Treasury Advisors.

55 https://www.gov.uk/government/publications/minimum-wage-rates-for-2022

Budget Assumption	Explanation of financial forecast and approach
Savings	
6) Income	Inflationary increases to fees and charges have been included within the budget proposals where appropriate. Other changes to income either through expected reductions in income, or initiatives to increase income generation, are reported as individual budget proposals.
7) Savings	Savings have been identified across all services and range from productivity efficiency savings, to reductions in service provision. All managers are responsible for ensuring that proposed savings are robust and delivered in accordance with plans. Measures throughout the planning process have supported review and challenge of the deliverability of savings and where appropriate a number of savings have been removed or re-profiled to later years. Changes or delays in delivering savings will result in variance to the budget and as such savings will be closely tracked throughout the year as part of the budget monitoring process and reported to Cabinet, with management actions identified as necessary.
Other Planning assumptions	
8) Funding changes	The provisional Settlement provided only indications for one year of funding allocations in 2022-23, which remain to be confirmed in the final Local Government Finance Settlement. Uncertainty about the outcomes (and indeed in some cases progress) of the Comprehensive Spending Review (CSR), Fair Funding Review (FFR), and 75% Business Rates Retention Scheme (BRRS) means that the council faces a very significant level of uncertainty about funding levels from 2023-24. The provisional Settlement confirmed that existing social care funding of £30.342m plus additionally announced social care funding of £11.152m will also be provided in 2022-23. The MTFS assumes these will be ongoing, but outcomes of the CSR and FFR are awaited to determine whether this is correct. The Revenue Budget report sets out the detail of key grants and highlights that many key areas of funding are yet to be confirmed for 2022-23. In relation to schools, funding is provided through the Dedicated Schools Grant (DSG) and Pupil Premium, which is paid to the County Council and passed on to schools in accordance with the agreed formula allocation. It is assumed that all school pay and prices inflationary pressures will be absorbed within the DSG allocation. Norfolk faces severe pressures on High Needs Block (HNB) funding within DSG and submitted a disapplication request in respect of the Dedicated Schools Grant (DSG) for 2022-23 for 1% transfer in addition to the 0.5% transfer from the Schools Block (SB) to the HNB

Budget Assumption	Explanation of financial forecast and approach
	agreed by Schools Forum on 17 November 2021. At the time of writing, the Council is awaiting notification from the Secretary of State as to whether the request has been accepted or declined. The council is required to have a plan in place for recovery of the DSG. Norfolk's plan has been presented to the DfE as well as to Schools Forum and the latest version is included in the Dedicated Schools Grant Budget report elsewhere on this agenda. The accounting treatment for DSG cumulative deficits allows councils to carry a negative balance on these reserves. This treatment is dictated by Government but potentially remains a significant issue and will result in a material deficit balance in the council's Statement of Accounts until the DSG recovery plan has been delivered.
9) Financial risks inherent in any significant new funding partnerships; major contracts or major capital developments	Financial risks are included within the assessment of the level of general balances. The financial risks arising from major capital schemes such as the Great Yarmouth Third River Crossing, Norwich Western Link and investment in specialist school places continue to be closely monitored and reflected within the County Council's capital budget proposals.
10) Availability of funds to deal with major contingencies	All provisions and earmarked reserves have been reviewed to test their adequacy and continued need. A risk assessment of the level of general balances has been undertaken and the budget reflects the assessed level of balances required. The council also has recourse to the Bellwin scheme in the event of disasters or emergencies.
11) Overall financial standing of the authority	The council's treasury management activity manages both short term cash to provide security, liquidity and yield, and the council's longer term borrowing needs to fund capital expenditure through either long term borrowing or the utilisation of temporary cash resources pending long term borrowing. In accordance with the approved strategy, the council currently continues to borrow for capital purposes, while using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term. At 31 December 2021, the council's outstanding debt totalled £903m. The council continues to maintain its total gross borrowing level within its Authorised Limit of £999m (prudential indicators) for 2021-22. The Authorised Limit being the affordable borrowing limit required by section 3 of the Local Government Act 2003. There are a number of treasury related indicators to restrict treasury activity within certain limits and manage risk. These include maturity profile of debt; and investments greater than 365 days. Monitoring is reported regularly to Cabinet on an exception basis. At the end of November 2021 (Period 9), the council's cash balances stood at £312m.

Budget Assumption	Explanation of financial forecast and approach
12) The authority's track record in budget and financial management	As at Period 8 the 2021-22 revenue budget is forecast to be balanced on a net budget of £439.094m (gross £1.518bn). Executive Directors are working to deliver a balanced outturn position at year-end. Ernst and Young, the council's external auditor, has issued an unqualified opinion on the 2020-21 accounts and concluded that the council made appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.[56]
13) The authority's capacity to manage in-year budget pressures	The level of general balances is assessed as part of the budget setting process, reviewed monthly and reported to Cabinet as part of the regular monitoring process. Review and challenge improves the accuracy of budget estimates, which aims to support management and the early identification of budget issues. The regular reporting of risk and monitoring of mitigating actions supports in-year budget management.
14) The strength of the financial information and reporting arrangements	Information on budget and actual spend is reported publicly and monitoring reports are published regularly throughout the year. The reports are on a risk basis, so that attention is concentrated on what is most important.
15) The end of year procedures in relation to budget under/overspends at authority and departmental level	Guidance on end of year procedures is reported annually and arrangements are monitored. Detailed year-end financial information is reported alongside services' performance monitoring. The proposed year end arrangements will be reported to Cabinet for approval.
16) The authority's insurance arrangements to cover major unforeseen risks	The County Council has a mix of self-insurance and tendered insurance arrangements. Premiums are set on an annual basis and reflected within the budget planning. Premiums are subject to annual variance due to external factors and internal performance, risk and claims management. General balances include assessment of financial risk from uninsured liabilities.

6. Robustness of capital estimates

6.1. As with the revenue budget, the capital programme is designed to address the authority's key priorities, including schemes which will help transform the way in which services are provided. To this end, the programme is prepared on the basis of a number of factors, including previously agreed projects, spend to save proposals, and infrastructure and property requirements.

6.2. Projects are costed using professional advice relative to the size and nature of the scheme. Where appropriate, a contingency allowance is included in cost estimates to cover unavoidable and unforeseeable costs. The programme is

[56] https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/statement-of-accounts

guided by a simple prioritisation model: schemes that score less than that achieved by the repayment of debt represent bad value for money. In this way, the Council will achieve the most economic use of its scarce capital resources.

6.3. The largest on-going capital programmes relate to transport infrastructure and schools. In both cases there is significant member involvement through Cabinet. For other large projects, appropriate oversight is put in place.

6.4. An estimate of potential capital receipts is made each year. The actual level of receipt in any one financial year can never be forecast in advance with any degree of certainty due to market conditions and interest from purchasers and reduced receipts may result in fewer capital projects going ahead or additional future revenue costs.

6.5. The risks associated with having to fund large unforeseen programme variations are addressed mainly as a result of the Council being able to amend the timing of projects between years. The ability to re-profile projects between years does not result in a significant funding risk because the vast majority of funding is not time-bound, although there are inflationary risks which have to be considered.

7. Summary

7.1. This appendix sets out details of the assessment of the robustness of the estimates used in preparing the proposed revenue and capital budget. There are no direct resource implications arising from this report, but it provides information and details of the assumptions used to support the Executive Director of Finance and Commercial Services' statement on the Robustness of the Estimates and provides assurances to Members prior to recommending and agreeing the revenue and capital budgets and plans for 2022-26.

7.2. Members could choose to agree different assumptions and therefore increase or reduce the level of financial risk in setting the revenue and capital budgets. This would potentially change the risk assessment for the budget and the recommended level of general balances held.

Norfolk County Council
Budget Consultation findings report 2022-23

1. Background

Norfolk County Council has conducted an annual budget consultation for financial year 2022-23. Normally, Norfolk County Council would publish budget proposals to be considered by its cabinet and scrutiny committee in October, before going out to public consultation. However, because of the uncertainties this year over local government funding, support for adult social care and other pressures the council felt it prudent to wait till the Chancellor provided a clearer picture before publishing the budget proposals. The detailed Government spending and budget announcements were made on 27th October 2021, waiting for this additional information caused a delay in the budget process of a month.

To this end, the budget consultation was open between 25 November and closed on Thursday 30 December 2021 and sought views from the public and stakeholders on the level of council tax, including the adult social care precept. We also invited comments on the council's budget approach and proposals. In particular, the consultation asked for views on our proposals to:

- increase Norfolk County Council's share of general council tax by 1.99% in 2022-23
- raise the adult social care precept by 1.00% in 2022-23

No other outline budget proposals needed to go out to further public consultation as none are deemed to directly impact on service delivery. However, if it is apparent, once the budget is agreed and the Council starts to implement the proposals, that any of the proposals do impact on delivering services, then we may need to carry out detailed consultation on those proposals in the future.

2. Methodology

An online consultation was developed which ran for five weeks, closing on the 30 December 2021.This was hosted on the County Council's Citizen Space consultation hub. Paper copies, large print copies and Easy Read copies were available to download from the online portal, and available on request by email and phone (with a Freepost returns process in place).

People could choose which financial section they wanted to comment on, so not all respondents answered all questions. Some people also indicated that they did not want their comments made public in which case their feedback is integrated but no related verbatim commentary included.

3. Promotion

To ensure as many residents as possible could take part in the consultation it was promoted through the following channels:

- Press releases to all media partners/channels across Norfolk
- Email briefing to members of our Norfolk Resident's Panel.
- Social media promotion on Twitter, Facebook, LinkedIn, NextDoor
- Members briefing to all NCC councillors
- NCC Managers Briefing
- Information on the staff intranet and staff newsletters (including Friday Takeaway)
- Information on the Council's website www.norfolk.gov.uk
- Letters sent to key stakeholders
- Letter to 520 Parish Councils, and promotion via Norfolk Association of Local Councils
- Parish Council webinar (see details below in Section 3.1)
- Special edition Your Norfolk Extra email to residents signed up to the service which was published on 16 December 2021.

We asked respondents how they heard about this year's budget consultation and the response is tabled below.

Option	Total	Percent
Social Media	45	18.15%
Local Media (Newspaper/Radio etc)	35	14.11%
Through my town/parish council	15	6.05%
Through the Norfolk Residents' Panel	82	33.06%
Norfolk County Council Website	33	13.31%
From a friend	6	2.42%

3.1. Parish Council Webinar Event

On 8th December 2021 we participated in a webinar hosted by the Norfolk Association of Local Councils (NALC) and delivered via the Zoom platform. Parish Council representatives were invited to this online meeting with Councillor Andrew Jamieson.

Participants were invited to find out more about our budget consultation and our specific proposals. Cllr Jaimeson gave a presentation outlining our proposals, followed by questions and answers session. A recording of the event was made available after the session via the NALC. After the session closed, participants were invited to visit our consultation online and provide written feedback if they so wished. In total, representatives from 15 parish councils attended the event.

4. Analysis and reporting

Every response has been read in detail and analysed to establish the range of people's opinions, identify any repeated or consistently expressed views, and evaluate the anticipated impact of proposals on people's lives.

In most instances data is expressed in terms of the number of respondents owing to relatively small sample bases. Where percentages are used, totals may not necessarily add up to 100% because of rounding or multiple responses. The bases for each question vary owing to respondent selection of questions they wished to answer.

When summarising the feedback to the open questions relating to general council tax, adult social care and budget proposals, we have selected quotations to help illustrate the spectrum of key themes emerging from the consultation feed-back but these should not be taken to reflect the entirety of opinion. These quotes faithfully reflect an individual's articulation of that theme, and as such all quotations are given verbatim, with respective spelling/punctuation.

Please note that some respondents asked that we did not publish their comments. In addition, comments about individual services have been fed back directly to departments were felt appropriate or necessary.

5. Respondent numbers

We received exactly 248 responses to our consultation. Of these, 229 people or 92.34% replied as individuals.

Option	Total	Percent
A member of the public	229	92.34%
On behalf of a voluntary or community group	2	0.81%
On behalf of a statutory organisation	0	0.00%
On behalf of a business	0	0.00%
A Norfolk County councillor	0	0.00%
A district or borough councillor	0	0.00%
A town or parish councillor	3	1.21%
A Norfolk County Council employee	10	4.03%
Prefer not to say	4	1.61%
Not Answered	0	0.00%
Total	248	100%

Of the 248 responses received, the overwhelming majority (244) were online submissions to Citizen Space and 4 were via email.

Responses by groups, organisations and businesses:
Three online consultation respondents told us which group, organisation or business they were responding on behalf of. The organisations cited were: • Dereham Deaf Social Club • Norwich Older People’s Forum • Norfolk County Council Employee

It should be noted that respondents could choose which proposals they wanted to comment on, so not all respondents answered all questions; and as such, the bases for each question vary according to respondent question selection.

6. Respondent Profile

The profile of 'individual' respondents is as below:
Responses by gender (248 individuals)

Gender	Total	Percent
Male	126	50.81%
Female	99	39.92%
Prefer to self-describe (please specify below)	3	1.21%
Prefer not to say	19	7.66%
Not Answered	1	0.40%
Total	248	100 %

Responses by age (248 individuals)

Option	Total	Percent
Under 18	0	0.00%
18-24	1	0.40%
25-34	9	3.63%
35-44	36	14.52%
45-54	42	16.94%
55-64	53	21.37%
65-74	63	25.40%
75-84	18	7.26%
85 or older	1	0.40%
Prefer not to say	25	10.08%
Not Answered	0	0.00%
Total	248	100%

Responses by long-term illness, disability or limiting health problem (248 individuals)

Option	Total	Percent
Yes	55	22.18%
No	163	65.73%
Prefer not to say	29	11.69%
Not Answered	1	0.40%
Total	248	100%

Responses by ethnic group (248 individuals)

Option	Total	Percent
White British	203	81.85%
White Irish	1	0.40%
White other	8	3.23%
Mixed	1	0.40%
Asian or Asian British	2	0.81%
Black or Black British	0	0.00%
Chinese	0	0.00%
Prefer not to say	30	12.10%
Not Answered	3	1.21%
Total	248	100%

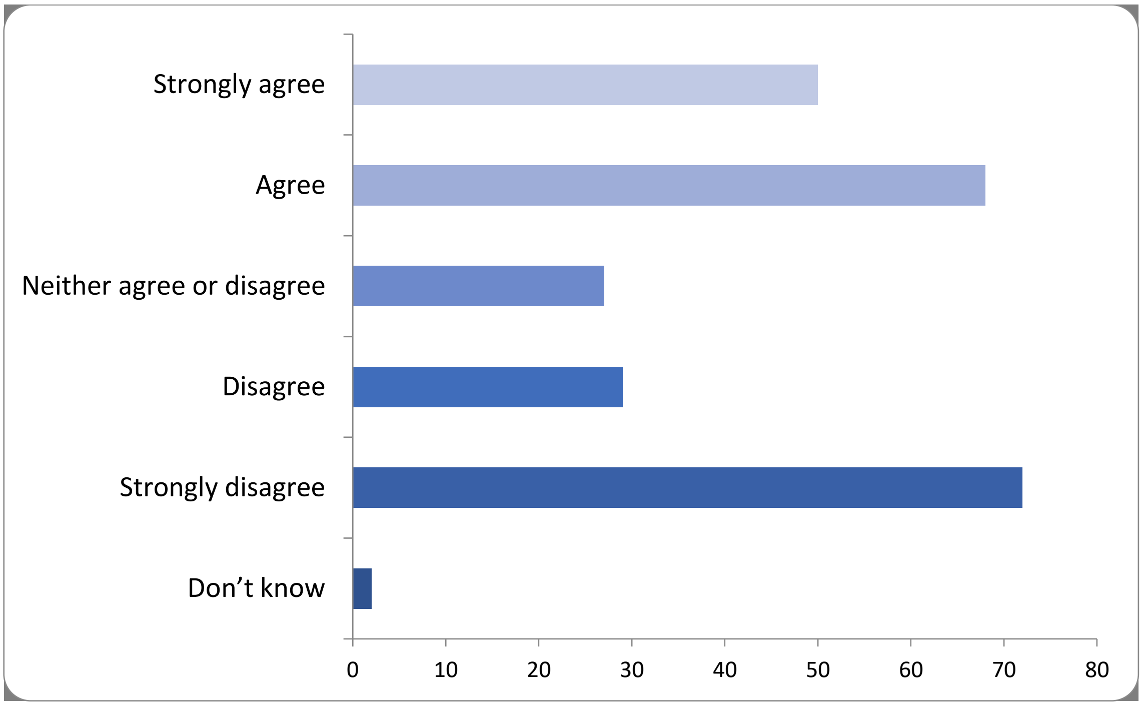
7. Feedback: Council Tax

Q: How far do you agree or disagree with our proposal to increase Norfolk County Council's share of general Council Tax by 1.99% in 2022-23?

248 people answered this question, responding as follows:

- **118 (47.58%) were in agreement**
    - 50 (20.16%) said they strongly agreed
    - 68 (27.42%) said they agreed
- 27 (10.89%) said they neither agreed nor disagreed
- **101 (40.72) were in disagreement**
    - 29 (11.69%) said that they disagreed
    - 72 (29.03%) said that they strongly disagreed
- 2 (0.81%) said they did not know

Chart 1: How far do you agree or disagree with our proposal to increase Norfolk County Council's share of the general council tax by 1.99% in 2022-23?



We included an open text box so that people could tell us the reason behind their answer and how, if at all, the proposal would affect them.

Those **strongly agreeing** (50) or **agreeing** (68) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- increase is **necessary**, even if challenging or unwelcome
- services are regarded as **vital and should be protected**
- general **supportive** statement with respondents agreeing with the proposal
- **central government** should be providing **more money** to fund services in general
- **criticism** about our **tax system** in general, not NCC proposals
- **COVID -** impact of the pandemic means services need to be maintained

Those **disagreeing** (29) or **strongly disagreeing** (72) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- **cost of living** is increasing
- opposed to **tax rises**
- suggestions that the council and the services need to be more **efficient**
- **central government** should be providing **more money** to fund services in general
- **criticism** about our **tax system** in general with some ideas about how to raise more tax
- suggestions to **go further** by finding more savings or increase council tax

Other prominent themes amongst those **neutral** (27) or where the same theme is notably mentioned both by those agreeing and disagreeing, include:

- **central government** should be providing **more money** to fund services in general
- **more information is required** around the proposal
- suggestions that the council and the services need to be more **efficient**
- suggestions to **go further** by finding more savings on increase council tax
- **cost of living** is increasing

Table 1: Analysis of feedback from people who agree/strongly agree with the proposal to increase Norfolk County Council's share of general Council Tax by 1.99% in 2021-22		
Key themes	No.	Illustrative quotes (verbatim)
Necessary - Even if challenging or unwelcome	49	"I'm going to find the increase difficult to manage financially, but I understand the need for more money to fund the extra demands on local services." "Reluctantly I agree as I see there will be a big demand for services in the coming year. The money will have to come from somewhere." "The money needs to be raised somehow, that is a fair increase given all the circumstances." "It seems the only way forward." "The demands on all provisions by the Council have increased in a way never seen before. Unless more is paid then the services will risk collapse." "If the people of Norfolk are to expect services to stay at their current standard / improve, it is unavoidable that the cost is going to increase and must be paid for." "We need to raise money for social care and other costs. There may be limited options regarding other ways to raise funds." "it's inevitable we need more money and it seems a fair amount" "They need the money to pay the increased costs of providing the services"

		“dont want a rise but it seems justified and not excessive”
Protect vital services	32	“The money has to come from somewhere for the services we need” “From what has been outlined it is important that there is sufficient funding to maintain the services particularly in these difficult times, whilst also trying to make services as efficient as possible.” “High-quality, well-funded services are vital to the vibrancy and security of Norfolk, allowing everyone to thrive and feel secure in the knowledge that when they need extra help it will be there.” “I believe we must protect the level of NCC service provision.” “the demands on all provisions by the Council have increased in a way never seen before. Unless more is paid then the services will risk collapse.” “As the money is ringfenced and the needs of the community is getting greater, I am happy with the increase, of course we would all like a reduction but that is not the way of the world at present.” “these services are important, and without government funding it would mean that other services have to be cut to provide these services without raising council tax. it's a difficult position and not easy to resolve any other way” “Council Tax needs to be raised to provide essential services.”
Supportive	30	“I agree, if this is the maximum amount which can be levied.” “Reasonable amount to allow vital services to continue.” “I agree with the amount as it is reasonable, and i honestly thought with everything going on at the moment that the amount that the council would try to make it a higher amount, so this is reasonable.”

		"It is the only sensible way to be able to provide services and balance the books." "Seems sensible" / "It seems fair."
Central government funding	14	"Unfortunately this is needed as central government have not provided enough money. Somebody has to pay for the services if the government will not." "Central government's grant to Councils seems to me to be a resource that cannot be totally relied upon." "Without central government stepping up and providing funding, that realistically only leaves council tax." "Central government should increase the amount of monies allocated to local councils."
Tax system criticisms - Comments about the tax system in general	14	"To help our local services and protect our environment, we should raise taxes on big businesses that operate in Norfolk. This can be supplemented by all residents giving a bit more to help out." "Council Tax being based on property size/ownership should be proportionate to ability to pay if help is in place for those who need it." "If the Government doesn't have the guts to raise taxes for urgently needed services, then they have to come from 'local' tax."
Covid - Impact of the pandemic	9	"We need to have funds for services. I would be happy with a bigger increase considering the challenges following COVID-19." "Because I understand the impact Covid has had on the budget and the every increasing age of residents and their needs." "The pandemic has shown how vital services are, and I totally agree with the idea of paying more for better services."

Table 2: Analysis of feedback from people who disagree/strongly disagree with the proposal to increase Norfolk County Council's share of general Council Tax by 1.99% in 2021-22		
Key themes	No.	Illustrative quotes (verbatim)
Cost of living	56	"At a time when everything is increasing people cannot keep affording these constant raises in council tax." "Many wages are not going up with inflation which is on the up so raising council tax will mean more people will struggle." "We have had enough hikes in energy, cap on wages, petrol prices. We can't take anymore "All households are being squeezed by inflation and the poorest members of our community are being hardest hit by increases in energy and food prices." "Because no-one I know has any spare money." "Everything has gone up too much, enough is enough." "With soaring energy costs and wages not increasing in line with inflation people are financially worse off." "Families are already facing increasing living costs – this would leave us and many in a very difficult financial position – struggling to make ends meet, even though we both work." "People not being able to afford the increase, further pressures to find money that people don't have. Which then becomes a viscious circle." "As a NCC employee I have been offered a pay 'increase' of 1.75%, lower than the proposed council tax increase, so council tax is taking an ever greater proportion of my income. This is becoming increasingly unaffordable." "Income is decreasing, retail prices increasing utilities increasing, pension provision decreasing how are you expecting people to pay more and more."

Anti-tax rises	31	“Council Tax has risen year on year and mostly by the highest amount allocated. Coupled with this next year brings the increase in National Insurance which is supposedly to fund adult social care, therefore why is the adult social care element still on the Council Tax? It should be completely removed, it’s getting taxed twice for the same thing.” “Taxes should be cut over the next many years during this period of uncertainty to support families and livelihoods.” “I pay too much in taxation, often for a reducing / bad / quality of service.” “We cannot keep paying out for other people.” If the council was offering a fair pay rise across the workforce (as requested by the unions) then a tax increase could be defended.”
Efficiency- We need to be more efficient, get better value for money	16	“Because you waste too much money on unnecessary projects.” “Services are inefficient and you need to improve not ask for more money.” “The council need to look at all its activities and cut back on projects that are completely not needed. “Better management needed, wastage on road schemes and other housing projects and investments need to be addressed.” “NCC should change spending priorities from Transport (for example) to adult social care, the emphasis on transport . cylce lane etc have no effect on our lives in the coastal villages.”
Central government funding	14	“Why should we have to pay more for services which are getting less and should be funded by central government anyway.” “I do understand that the government needs to put in more to help but you cannot let those in need go without.” “We should have more funding from central government.”

		“Got no choice. In reality we need the services and cam trail government is not providing enough support.”
Tax system criticisms Comments about the tax system in general	14	“There is a massively untapped resource in second homes. If all second homes contributed 100% council tax, surely you'd get the revenue you need that way? My opinion is that if people want to live here part of the year, they have to support the area 100%. All year.” “I would suggest that for houses in bands 1-2 the increase should be 1% or not increased at all. For bands 3 and 4 the increase should be 1-2% and for bands 5-6 the increase should be 2-3% and for bands 7-8 the increase should be 3-4%. The council tax burden should be on the wealthier people in Norfolk not the low income families living in smaller or less valuable properties. This approach would probably generate a higher yield than increasing the council tax charges by the same percentage across the bands.” “I am happy to pay the increase but the council’s need to stop the massive discounts for holiday homes council tax. The people who have holiday homes in Norfolk need to pay more council tax, this would allow the council to better meet the budget responsibilities. Local people should not be paying to maintain roads refuse collection’s and other services that holiday home owners get to use a a discounted rate.”
Go further - More needs to be done to fund and protect vital services	5	“The increase should be the maximum allowed, which I believe you say is a further 1%. It is crazy to have an increase which may well be below the level of inflation. I accept that some may not be able to pay, but there should be adequate rebates in place for them. Many of us, especially retired people, can easily afford the full increase and shouldn't be subsidised by free bus passes, etc when crucial services are being cut.” “Adult Social Care is in crisis with many people not receiving the care that they need. if you can increase council tax by 4% you should do so and spend the extra on Social Care. I do understand that the government needs to put in more to help but you cannot let those in need go without.”

		“Further radical savings should be found by combining local government tiers i.e. district and county levels must amalgamate and stop overlap and duplication from front line to executive level.”

Table 3: Analysis of neutral/other feedback by people in relation to the proposal to increase Norfolk County Council’s share of general Council Tax by 1.99% in 2022-23		
Key themes	No.	Illustrative quotes (verbatim)
Central government funding	5	“I believe the government should provide a greater more fair grant and the council should lobby to achieve this although suspecting that this will not happen I reluctantly agree that additional spending on essential services will need an increase in council tax” “I feel the government should be increasing funding to local authorities.”
More information required	3	“I do not know as to whether there should be an increase or decrease since you have failed to tell me what next years budget and expenditure will be.” The efficiency or non efficiency of departments in operations and resultant expenditure is not known.”
Efficiency - We need to be more efficient, get better value for money	3	“I have worked for a council in the past and seen huge waste. Things were done in ways that, if a private company was running the same way, it wouldn't last five minutes. Councils generally are top heavy and when there ar cuts it's usally the hardest working and least well paid that suffer. As such, I don't really know enough about finer detail to either agree or disagree.” “I am able to meet the increased charge and am entirely willing to pay more to enable improved and extended services. I have yet to be assured, however, that council services are provided efficiently. I am very concerned that statutory service liabilities are not fulfilled while very much staff time is spent on projects which, although desirable if they stimulate the local economy, are not essential.”

Go further More needs to be done to fund and protect vital services	2	“If we need more we need to set the rate higher.” I think that you need to raise more money in order to be able to provide adequate services, and so maybe the increase should be larger.”
Cost of living	1	The cost of petrol, utilities, food is going up and peoples incomes are not rising accordingly and many are still on zero hour contracts and struggling to provide for their families and more frequently having to access food banks and charitable organisations for help”

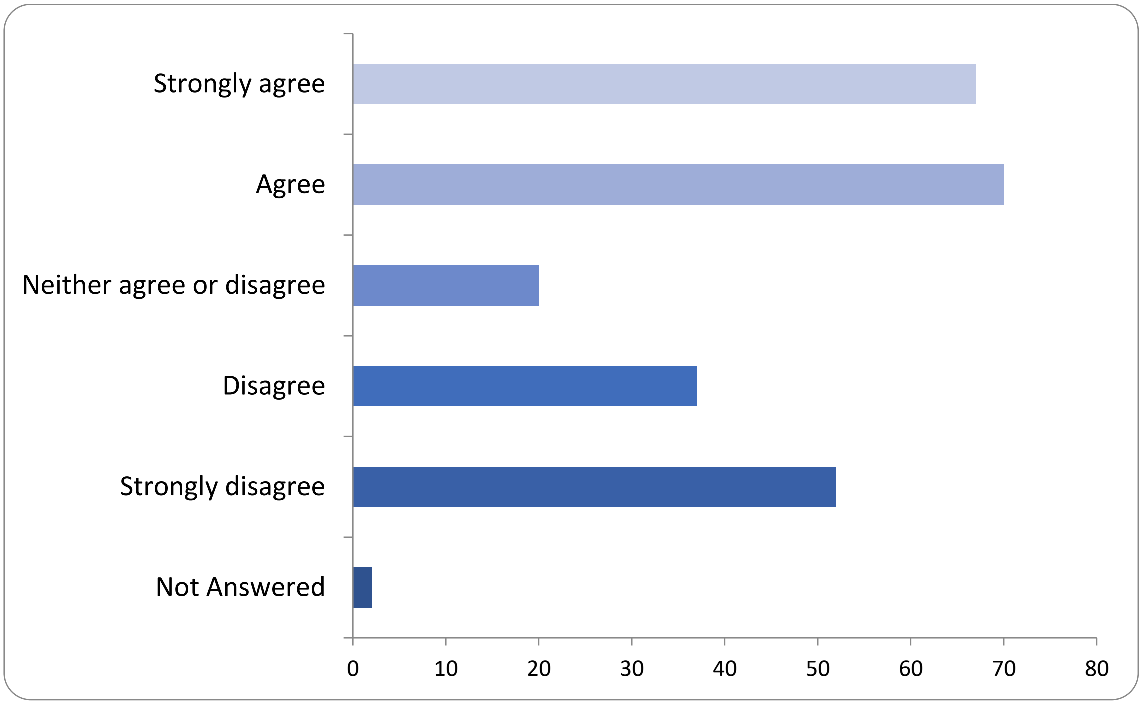
8. Feedback: Adult Social Care Precept

Q: How far do you agree or disagree with our proposal to increase the Adult Social Care precept by 1.0% in 2022-23?

We asked how far people agreed or disagreed with our proposal and 246 people responded to this question. Of these:

- **137 (55.25%) were in agreement**
    - 67 (27.02%) said they strongly agreed
    - 70 (28.23%) said they agreed
- 20 (8.06%) said they neither agreed nor disagreed
- **89 (35.89%) were in disagreement**
    - 37 (14.92%) said that they disagreed and
    - 52 (20.97%) said that they strongly disagreed
- 0 (0%) said they did not know

Chart 2: How far do you agree or disagree with our proposal to increase the Adult Social Care precept by 1.0% in 2022-23?



Those **strongly agreeing** (67) or **agreeing** (70) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- services need **protecting** (and therefore need funding)
- needs must so the funding is **necessary**
- generally **supportive** of our proposal
- people who work in **care** should be paid more
- **central government** should be providing **more money** to fund adult social care

Those **disagreeing** (37) or **strongly disagreeing** (52) with the proposal tend to cluster feedback around these themes/perceptions (in descending order of frequency):

- opposed to **tax rises** to fund the adult social care precept
- suggestions to **go further** by finding more savings or increase the adult social care precept to a higher rate
- comments about **central government** operations
- **criticism** about our **tax system** in general

Other prominent themes amongst those **neutral** 20 or where the same theme is mentioned both by those agreeing and disagreeing, include:

- proposals are insufficient and **need more information** in order to evaluate and form opinions
- **criticism** about our **tax system** in general

Table 4: Analysis of feedback from people who agree/strongly agree with the proposal to increase the Adult Social Care precept by 1% in 2022-23

Key themes	No.	Illustrative quotes (verbatim)
Protect services	49	“I feel that adult social care needs to be supported the most of all the services currently provided by NCC.” “Adult social care is a vitally important service.” “We have an aging population, especially in parts of Norfolk. Care and support has to be paid for. “My own personal experience has been that without a well-funded care system, my loved ones would have had a very negative experience during the last phase of their life.” “Social care for adults given the current demographic is extremely important to give those who need it and their families and friends peace of mind that they will be cared for. Staff and carers in the sectors need adequate salaries and terms and conditions.” “The county has a bias to an older population which has greater need for services. So there will be a proportionate increase in demand” “Money well spent as long as it does get spent on the services needed.” “Somebody needs to look after the vulnerable, not all of whom have relatives to do so.” “A society is judged by the way it cares for it's vulnerable members. That is why the finance needs to be there to provide their care.” “There is an immense pressure on Adult Social Services with increasing numbers of people reliant on support.”
Necessary	30	“It is needed” “Costs are rising, it is a fair increase.” “Sounds realistic in the current climate” “Present adult social care provision is inadequate”

		“It’s clear this is a priority area;” “Adult social care demand needs to be met” “I feel older more vulnerable people have been, and still are, somewhat overlooked - especially during these difficult times. A 1% increase in funding will help a little to provide a better service.” “Where else can the money come from? there's no magic pot” “Adult social care is only going to be increasing, as the demographics of the county alter slowly to include more and more elderly residents.”
Supportive	31	“Money well spent as long as it does get spent on the services needed.” “Costs are rising, it is a fair increase.” “If part of the increase is ringfenced for adult social care as described then this is good for Norfolk and for our community.” “With the number of elderly increasing then we must have in place properly and fairly funded care.” “Services need to be maintained and grown. The money has to come from somewhere.” “Given all the constraints these seem a fair set of priorities.”
Pay care staff more	4	“The people who work in elderly care, should be paid a reasonable rate for doing a very difficult and draining job.” “In England, I believe I’m right in saying carers don’t earn as much as an unemployed person on job seekers allowance, which is an absolutely scandalous situation.”
Central government funding	4	“The rising cost of adult care should be dealt with by national government.” “Adult care (alongside services for childrens and families) have been under-funded for several

		years. Much more needs to be done for those implicated which means local and central government putting more in." "All possibilities for saving and funding from central government need to be explored."

Table 5: Analysis of feedback from people who <u>disagree/strongly disagree</u> with the proposal to increase the Adult Social Care precept by 1% in 2022-23		
Key themes	No.	Illustrative quotes (verbatim)
Anti-tax rises	28	"As far as I know central government has increased taxation to pay for social care so why are you asking for a further increase" "I think the amount paid into adult social care is enough." "Make cuts instead" "I, like lots of others, do not have a magic money tree." "make savings from current budget."
Go further - More needs to be done to fund and protect vital services	27	"We should increase the Adult social care precept by the maximum amount to protect and fund services - I understand that this could be by a further 1% and should be 2%" "It needs to increase by more." "It seems that you need more money than 1 per cent will raise." "As before - if this rise will not result in improved social services, then the rise needs to be increased by more." "It is clear that this will be insufficient to sustain services at current levels" "Probably need to spend more on Adult Social Care" "Should be higher" "Not enough" "Will such a precept enable realistic funding of Adult Social Care? Can the council increase it to 1.5%?" "The maximum precept allowed of 2% should be applied."
Central government	12	""Adult Social Care is grossly underfunded due to years of central government choices of austerity."

		"Somebody has to pay for services if the government will not." "It is hoped that the government will eventually publish some meaningful and budget plans for addressing the growing social care problems that exist but until they do any such plans give the council some relief an increase is inevitable." But really the government should provide more money for local authorities to meet the costs of adult social care, rather than just giving money to the NHS all the time and continuing to under-fund adult social care."
Tax system criticisms - Comments about the tax system in general	11	"Charge those with more disposable income or substantial assets." "Many Adults in Social care live with relatives who receive benefits, including vehicles and therefore they should pay more from these benefits "I was led to believe that was the reason we are paying more NI to improve social services so why are we contributing via the council also?" "People are already having to pay extra national insurance to cover this."

Table 6: Analysis of feedback from people who answered 'neither agree nor disagree' or 'don't know' when asked their view on the proposal to increase the Adult Social Care precept by 1% in 2022-23		
Key themes	No.	Illustrative quotes (verbatim)
More information required	4	"I would like to see more data on the results of these increases, e.g. what the extra funding has achieved" "I'm unclear if this is an increase in real terms…but assume it isn't?" "Not understood" "Same as above, not accessible to all."
	3	"Please campaign for a fairer council tax system."

Tax system criticisms - Comments about the tax system in general		"lack of confidence in additional funding going to NHS" "If it is ring fenced then possibly but funding social care like this doesn't work and hasn't done for years."

9. Feedback: Adult Social Services

142 people commented on our budget approach and proposals for Adult Social Services. The key themes to emerge are briefly summarised below. (number of mentions and illustrative quotes given in table 7):

- several people who commented on Adult Social Care savings, **were explicitly anti any savings being made** to Adult Social Services
- however, a similar amount of people, **were supportive of the measures**
- people wanted **vital services to be protected,** especially those that help the most vulnerable.
- respondents suggested the council could spend their existing budget **more efficiently**
- some respondents expressed concern about the council's '**Digital by Default'** strategy, fearing it could exclude those who are not good with technology
- respondents were **broadly positive** regarding the council's strategy of early intervention and prevention
- support for **independent living**
- respondents were broadly in favour of more **supported housing for younger adults**
- support of **renegotiation of existing contracts**
- scepticism from some over the proposed increase in **Self Directed Support**
- some concern expressed over the review of '**Double up care packages'**

Table 7: Analysis of generic feedback on Adult Social Services proposals		
Key themes	No.	Illustrative quotes (verbatim)
Anti-savings	22	"Stop making savings and provide better care" "Savings? cutting cost more like." "I think the services available in adult social care are already pared down as far as possible. The NHS is really struggling, particularly in mental health services. To make further cuts in this area is only going to impact people with mental health problems further. I don't think NCC should be looking to make savings in adult social care. Rather we should be investing more in adult social care. We are already unable to provide timely and effective services for many of our older and more vulnerable people. We should not be looking to cut

		services further. I think it would be very beneficial to provide more extra care housing for younger people, rather than residential placements. This requires upfront investment. I have a lot of concern about people losing double up care packages when they need manual handling by 2 carers. I have concerns about this on the health and wellbeing of the carers who are already over worked and struggling to manage in the time that they have. Unpaid carers will be impacted negatively by this too." "This is a regressive decision. Other creative methods of saving costs in required" ""There is no room for savings."
Supportive	20	"I think you are right to focus on those areas of most demand to ensure these are targeted to those in most need but addressing any potential mis application of funding" "I fully support these aims, though I would also be considering connecting with other resources which are available, such as the amazing volunteer response and community commitment, which came from the Covid pandemic, and NHS Norfolk and Waveney Community Transformation programme, which is also working towards the same aims." "The plans sound good so long they are implemented in an effective manner and are evaluated regularly." "Given all the constraints these seem a fair set of priorities" "It is a well-balanced approach." "It seems a comprehensive plan and I hope it can be implemented!" "It all sounds good, however, as long as the most vulnerable are not loosing out with their care, then yes it is ok."
Protect services	15	"We do need services and many if not all are already stretched to the limit."

		"We should not be cutting back on care for the vulnerable." "The number of older people is going to continue to increase, however and wherever they live." "If anyone needs care whatever their age it should be available."
Efficiency - We need to be more efficient, get better value for money	13	"I don't think you should be looking to save but make things more efficient, reinvest and invest more by cutting recycling collections to monthly." "I'm afraid some of the elements just read like a lot of hot air eg. Recruitment / Retention Strategy, others seem to be renegotiating contracts that should have been got right first time around." "I also believe very strongly that more joined up working between adult and children's services and whole family support, would reduce costs and duplication of services massively." Stop buying brand new chairs and desk equipment when people are working from home all the time. Recycle the equipment like the NHS have to do." "The National Audit Office has produced the figures that demonstrate that supporting just 8% of high-functioning autistic adults will result in savings of £67 million a year. Giving autistic people greater support will produce savings in the long run - that's how to make savings, not what you're proposing."
Commenting on the **'Digital by default'** part of the council's strategy	6	"Digital by Default - this doesn't work for everyone and there should always be an accessible alternative if requested" "Embracing digital by default will exclude the vulnerable and disadvantaged." "I am concerned about being digital by default. It's certain for the older generations that there is a large number who struggle with digital technology. You must have alternative methods that work quickly ie not a phone number that A doesn't get answered or B there is a horrendous wait till you speak to a person"
Commenting on the **'A healthy Integrated**	7	collaborate with the NHS and other health care providers in a positive way to deliver on the ICS."

Care System' part of the council's strategy.		"In theory it is excellent. Keeping people independent and out of long term care facilities saves money. Full stop. Having an integrated social care system with the NHS means that people will be able to come out of hospital when they finish their immediate hospitalisation needs, and not weeks later. The current system clogs up the hospital with elderly patients who wish to go home or to care homes but cannot due to a variety of systematic factors. Let's make the systems work by integrating it all, and raising salaries and make a career structure for care workers to attract people to the profession." "An integrated approach to Rehabilitation and Recovery is essential to reduce long term care costs for both health and social care. Specific work is needed to: a) review community therapy services for adults and older people across Norfolk which is currently inequitable and based on historic patterns of NHS investment in this area. A more integrated skills based approach to workforce planning is needed bringing together NHS / Social Services and Voluntary sector organisations directly employ therapists e.g. Headway b) ensure better on line one stop shop support for carers on where to get help and equipment / nursing supplies / support when needed quickly. Current carers packs could do with some better signposting in some areas e/g continence products and how to return equipment. c) Investigate using transformation funds better use of technology to support patients self help rehabilitation and remote support in the community, (with short term loans of i pads or laptops to help them if needed.) tap into current research into this area via UEA . d) Explore more use of peer mentors for people with long term conditions being discharged into the community. A model of these are currently being piloted by Headway Norfolk and Waveney funded by the lottery for the next three years. These volunteers get a great deal from the experience, are supported and also help other patients to problem solve and find creative solutions to the challenges they face.

		There are lots of creative ways you need to explore to help people be more independent and resilient within their local communities." "To be more robust in using an asset based approach, as prevention is a better route than cure." "To have more robust conversations with providers on the funding of their services and be more aware of the financial structures they operate under - should tax payers money finance investor dividends." "To take a strategic approach to which providers to work with and support and which to move away from based on quality, financial strengths and the ability to offer enhanced support."
Commenting on the **'Investing in early intervention and targeted prevention'** part of the council's strategy.	6	"Spending money on prevention always pays in the long run; this is particularly true in housing" "I think more emphasis should be on early education about health. Exercise and healthy eating prevents a lot of issues later on. We should be looking at health holistically from an early age to prevent the amount of adult social care that is needed later on caused by smoking, bad diet and lack of exercise." "I like the idea of spending on preventing issues rather than fixing things later."
Pay carers more	4	"As long as carers ae properly paid for the work they and people are able to use or access the internet, then I would probably broadly agree with the plan." "Let's make the systems work by integrating NHS and social care, and raising salaries and make career structure for care workers to attract people to the profession." "The people who work in elderly care should be paid a reasonable rate for doing a very difficult and draining job."
Central government	3	"I thought austerity had ended?" "All are sensible given your constraints. Government is asking the impossible."

Promoting independence	3	"As someone who has dealings with adults in the community I agree with their leading an independent life, with support" "In order to reduce the costs of supported living, Disabilities Facilities Grants should be more accessible to all, who can stay at home with family."

We also received feedback relating to some of the specific Adult Social Services savings proposals.

Table 8: Comments on each specific Adult Social Services proposal		
Proposal	No.	Illustrative quotes (verbatim)
ASS-22-23-002 Delivering a saving through an accelerated Supported Housing Programme	6	"Focus on alternatives to residential care homes is positive - as is utilising therapists to review large packages of care (as health are currently not providing valuable physiotherapy in the community - even post hospital discharge)" "I think it would be very beneficial to provide more extra care housing for younger people, rather than residential placements. This requires upfront invest" "I feel that there is a risk with such places that the individual may become reliant on such services and therefore slow progression, whereas examples such as yourownplace where they have a training flat might be a better approach." "Driving Housing Solutions is a very sensible way to improve peoples lives and control the costs, your approach should work, especially if it can be integrated with other agencies and fund holders." "This just means leaving people in need in their own places with very little care and attention to physical and mental needs" "This is all too little too late. Investments in housing should have been being made over the past 20 yearsI deplore a council that on one hand

		says it wants to invest in affordable housing for young people on one hand, then on the other sub contracts out the management of its housing (now to Victory Housing) who have a policy of too often selling off empty housing to private investors and developers which removes those properties from being affordable to young people.”
ASS-22-23-003 Recognising additional benefits from our existing savings programme	6	“why Norse care? I'm sure there are other great providers who might be able to provide a better deal.” “Yes, I do feel the managing of housing with care (HWC) sites needs to be taken away from Norse (not the provision) as we have people who are appropriate for HWC that are often refused and they want the people who hardly need any help which are the people that we wouldn't be putting into HWC. HWC should be more flexible with the amount of hours that some individuals can more than it is now” “In the current economic climate of higher inflation and coupled with skill shortages in this sector it is unlikely that contract renegotiation will see a saving.” “I strongly agree with renegotiation of contracts, especially those with Norse. It is good business practice to regularly assess contracts to ensure value for money and that standards of service are maintained. Private companies do this as a matter of course and I would like to believe that councils, as they are significantly funded by the public, would be even more inclined to do so” “Why do we still pay for placements in Housing with Care when flats are empty? Surely the contracts can be re looked at.”

		"I understood Norse services are beinb brought back into local control?"
ASS-22-23-008 Expansion of Self Directed Support	3	"Direct payments - yes but it is so difficult to get these in place and costs far too much in time and resources. " "Direct Payments do not always work well for clients. People already go to their families first and carers need support not being asked to take on more." "With regard to Direct Payments to service users: all well and good provided that there are care providers easily available."
ASS-22-23-012 Double up care reviews	3	"I have a lot of concern about people losing double up care packages when they need manual handling by 2 carers. I have concerns about this on the health and wellbeing of the carers who are already over worked and struggling to manage in the time that they have. Unpaid carers will be impacted negatively by this too." "I do not believe that care packages should be cut. I would like to see services brought back in house." "Double up care reviews must not reduce the care individuals need. Will the care by a single person be allocated additional time to compensate?"
ASS-22-23-001 Recognising additional benefits from our existing savings programme	2	"I feel that instead of building new care homes, we should be focusing on ways the individual can thrive and live within their own home, whist uterlising VCSE support." "It is difficult to disagree with the theory of providing additional housing units. However, such units were available in the city but the support to the residents was removed some years ago. The risk of encouraging older people to move into such

		housing with the risk of seeing the support removed again will make families understandably nervous.”
ASS-22-23-004 Recognising additional benefits from our existing savings programme	1	“Why is the Norse care being cut by just million when this is a in house service and yet 5.5 million is being cut from the so called ”the front door” Adult social care which is where the money would be better used.”
ASS-22-23-005 Improving market utilisation and delivering efficiencies	1	“Disagree with savings from contracts where this is likely to impact on the level and quality of service and present a risk to contractors being unable to deliver or fail. Collaborate with the NHS and other health care providers in a positive way to deliver on the ICS.”
ASS-22-23-006 Learning Disabilities transformation	1	“The learning disabilities budget savings are disproportionate and unfair the 4 million cut is far too much. This Council appears to be uncaring and exercises disability discrimination.”
ASS-22-23-007 Mental Health Care Model Review	1	“I read a lot of the “explore different pathways” as cut services that are there. When you are review how we support people with mental health needs that will do doubt be to raise the bar for support higher. I’ve already waited two years for mental health support and now I’m being told to try something I have done 3 times and has never worked”
ASS-22-23-011 Recruitment and Retention Strategy	1	“Surely there is currently a targeted approach to recruitment and retention, so what is wrong with the current model?”

10. Feedback: Children’s Services

128 people commented on our budget approach in Children’s Services. The key themes to emerge cluster as below (number of mentions and illustrative quotes given in table 9):

- desire for council **not to make any savings** in children’s services
- recognition that **services should be protected** and need funding
- become more **efficient** in how services are delivered
- benefits of **prevention and early intervention** to reduce later impacts
- general **supportive** statements in relation to savings
- suggestions around more work in the **community**

Table 9: Analysis of generic feedback on Children’s Services proposals		
Key themes	No.	Illustrative quotes (verbatim)
Anti-savings	27	“Making cuts to children's services is effectively failing the future of Norfolk” “Childrens services are in crisis at this time so this action is totally inappropriate. The council should be making it’s greatest efforts to get investments and not decreased funding for social services.” “I don't think we should be looking to make savings in children's services. They are already stretched beyond capacity. I think we really need to rethink our priorities. I think we should be spending money on the things that are important. Social care for adults and children should be our priority. “I do not agree with any cuts to childrens services. Services are already at crisis point following the closing of childrens centres.” “I think this is shameful - the Service is already squeezed and has problems being effective and LAC numbers continue to rise and mental health support is poor and yet more cuts!!!” “Why would you want to make savings in this area? Surely more should be spent to provide all that young people need so they all have a chance to live healthy, happy lives.” “Children need better care and better services. Stop trying to make savings and improve care” There is no room to make any further savings to children services. If anything the budget should be increased.” “Children's Services should be a priority and savings not made” “Savings equals cuts. Don't make cuts to children's services.”

Protect services	18	"Children's education and care is paramount to providing a next generation of worthwhile taxpayers so this is a no brainer." "Recent headlines prove all children's services need revamping and that would cost money." "If at all possible I would like to see the cuts proposed to be reduced even further in this area. Education and support for the up and coming generations is a must." "Scrap the Norwich western link and use the money saved from that to increase spending on children's services." "Pressure on Children's Services from social care and schools / academisation is extreme and the services provided are vital to good outcome and services and we should support to the maximum extent, not require further savings at this time."

Efficiency - We need to be more efficient, get better value for money	18	"Extend your existing Savings Programme. But for goodness sake, spend the huge amount of money we are giving you efficiently. Because currently, there is no sign of that being the case." "Define 'different ways of working' - there needs to be more thought about the amount of work you are asking other agencies to do - for example schools with the new EHC forms - duplication of effort is not efficient or cost effective." "So much money is wasted in sending children to school miles away from home. Build more specialist schools in Norfolk to reduce transport costs and residential placements which don't need to be!" "The money that is being paid to private companies to house and look after children is shocking, this could be reduced by 10%" "You need to focus on quality of practice in safeguarding, building resilience and lowing caseloads which has less cost implications. Getting good quality care resources in house send local, which will have an initial high cost but should create savings once there is less reliance on out of county and extortionate (and often not great quality) provisions. This is best for children too"
Prevention and Early Intervention	17	"I like the idea of prevention around the edge of care; this is an important feature and should lead to longer term savings if more children were considered in this approach." "More preventative services needed for young people to reduce risks of exploitation." "If there is more provision for early intervention surely that would decrease the need for more support later in particular with regards to mental health." "Early intervention and specialist support (eg. around emerging mental health issues and abuse within families causing trauma) are in my view, the areas for investment, preventing our young people entering the care system further down the line."

Supportive	9	"as long as no children are disadvantaged then I would broadly agree with the plan" "these services are in great need of improvement, hopefully this will be delivered" "Sad that budgets are low, but on paper again seems ok" "The good news is to save money. It is a trivial question that this place cannot be formulated as to whom more money should be allocated and where savings can be made. This is huge money - trillions need to be used efficiently." "Again as long as this does not have a knock on affect on children's lives it is fine.."
Community links	3	"I feel that working with families as a whole and being able to work closer with the community networks these families are situated in would bring massive resources to children's services and in the long term reduce costs." "Explore more options for community based services where other parents and families can contribute. This could complement the services currently offered in this space."

We also received feedback relating to some of the specific Children's Services savings proposals.

Table 10: Comments on each specific Children's Services proposal		
Proposal	No.	Illustrative quotes (verbatim)
CHL-22-23-001 - Prevention, early intervention and effective social care	6	"Understand the approach you are taking but planned respite care in its many forms if essential for families caring for children with complex needs. Co-production of services with children/ young people and families is essential in getting the services right. more preventative services needed for young people to reduce risks of exploitation." "This is a vital area, Early years gives all children a good start, supporting vulnerable children and families will save money in the long term"

		“Proposal is to expand our 2019-20 saving CHS001: Prevention, early intervention and effective social care –Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care. - How does 'investing in an enhanced operating model' lead to reduction in spend?” “We should be focusing on universal, community based, local service delivery with a long term prevention strategy. Not targeted prevention services. The problems of increasing numbers of young people in care and the cost of home to school transport and educational provision for those with additional needs have been with us for 30 years. the solutions proposed; alternatives to care and impacting on the care market are the same old tired solutions that we have been trying for much of that time too. They haven't worked before. Why should they work now?” “I like the idea of prevention around those on the edge of care; this is an important feature and should lead to longer term savings if more children were considered in this approach.” “How confident are you that the savings being described above will not have a negative impact on the safety of children identified as being at risk? CHL22-23-001 are these the net savings that will be made as as result of reducing the costs of children being placed in care following significant additional investment in prevention, early intervention and effective social care?”
CHL-22-23-004 - Finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements	5	“Although saving from building new SEND places closer to where children live - this takes time and assumes no new pressures. Without changes to the law and process for children with EHCPs the past few years has suggested this is a real challenge.” “I am not convinced that under saving CHS007 by finding school places closer to home that transport costs will be reduced significantly and they may even become more expensive. It is clear from the information shown on your contracts register that some shorter journeys are more expensive than longer journeys and it is the

		location of transport companies and their staff which maybe have a bigger influence on costs than the location of the passengers. For example a child living in Great Ellingham may cost more to transport to the nearest SEN school Chapel Green at Old Buckenham than say Norwich. There is likely to be less competition fort a start to transport the child to Old Buckenham and a Norwich based company can undertake work within Norwich immediately their journey is complete. there are few opportunities for journeys in Old Buckenham" "if mainstream education was more fluid there would be less need to segregate some pupils. maybe all schools should work to a SEN model rather than having distinct schools? It would help with integration and the removal of prejudice" "Inclusion (Home to School Transport) by finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements. - Not sure this is a realistic target. Where will these places come from, how will the school staff their provision to meet the needs of the children, will this lead to property spend and therefore not make any overall savings?" "I have a friend with an autistic child, he is taken to and from a special school approximately 40 miles away by taxi, every day. The cost to the local authority must be immense, surely there must be a more efficient way to do this."

11. Feedback: Community and Environmental Services

133 people commented on our budget approach in Community and Environmental Services. The key themes to emerge cluster as below (number of mentions and illustrative quotes given in table 11):

- focus on **environmental targets and issues** with sufficient funding, references to reducing road building
- **support for library services** and concerns about proposed savings
- recognition of the importance of increased **recycling,** specific worries about trade waste and fly tipping
- become more **efficient** in how services are delivered
- similar numbers of comments in **support** of and in **opposition** to any savings being made

- concerns about proposed savings in the **Fire Service**

Table 11: Analysis of generic feedback on Community and Environmental Services proposals		
Key themes	No.	Illustrative quotes (verbatim)
Resource - Comments on how respondents feel financial resources should be managed	29	“there should be an increase in this area and not savings ,particularly given in mind what is required during a climate crisis” “Just tinkering , moving monies from one department to another, expecting businesses to agree to reduced costs but no real changes in NCC personnel who may not have the appropriate knowledge or the correct attitudes for change” “why not Not build the western link, that will save even more and be far better for the environment. Don't pursue a sunk cost fallacy “ “I am concerned over areas where you propose reduction of costs with suppliers and creating what you define as “efficiency savings” which simply is cost reductions. So even if you get a supplier to say yes, where do you think that saving will come from? It will be in a reduced service, reduced number of personnel, or reduced hours dedicated to the service they provide you. Lower costs does NOT mean better value. It may mean cheaper but it will be provided with a lower quality and a lower care and eventually that will lead to additional and higher costs.” “I feel that working closer with communities, so they have opportunities to volunteer and take ownership of the amazing heritage and space we have, would bring massive resource to this area, and would reduce council workload”
Environment - Comments from respondents with an environmental theme **Environment -** With specific reference to roads	14	“As Climate Change is at the top of everyone's agenda & the downfall of communities a close second, there should be no cutting corners on these 2 areas. They both need full attention, or we will be looking a disastrous future for all” “Inasmuch as 'Environmental' is in the title this seems the only place to make any comment about the overwhelming need to put sustainability at the forefront of all decisions being made. And for this

		the top priority is to reduce carbon. Thus all budgetary decisions should take this into account." "there should be an increase in this area and not savings ,particularly given in mind what is required during a climate crisis" "There is no mention of funding in support of the environmental strategy. I would have expected a commitment to invest in the development of renewable energy and energy storage, which brings both economic and climate change benefits" "No reference is made to the planned western link road and the ability to fund this at a time when the current road infrastructure is not adequately maintained and cuts are being made to other council services. Assuming the road is built, which really should be re-considered, this situation will be worsened when payments for the borrowing to construct the road start. This is irrespective of the negative impact on the Wensum valley and the council's climate change responsibilities." "Stop building roads and reinvest the money into environmentally sound projects."
Supportive	11	"broadly agree, although i would have concerns about reducing/ceasing library services to schools, does this plan mean job cuts?" "seems a sensible across the board approach" "savings proposals seem reasonable" "All seem sensible. My only concern re recycling is whether the approach to trade recycling might increase the level of fly tipping" "Generating income is a good model but the services have to be high quality to compete"
Library Services	11	"I do not believe that services should be cut, in particular, I object to removing the - . Education Library Service subsidy." "Without eroding the value of profesional paid staff in libraries and museums service make use of voluteers in appropriate roles in a similar way as

		volunteers have supported the clinical staff in vaccine program." "The library and museum service have been marvellous. The book bag idea in a mobile can in days when library was closed was fantastic. We need our minds feeding as well as our bodies. I feel lucky to live in this city with such a wonderful library. "I think this department works well and is the key to local communities recovering from the pandemic. I have great support for local libraries which is my opinion is the best department of the County Council." "We should also maintain the Education Library Service—this should not be cut. Again, it is minute savings (albeit some savings) but needs to be maintained. Support of reading and literary and education is a vital task for the county, as our education statistics in the past are often not a credit to the county." "I don't agree with the withdrawal of funding for the 2nd Air Division memorial library. £13k is a small sum of money in the grand scheme, and the damage to the relationship , and the Trust's capacity Is likely to be more significant. It will also reduce NCC's ability to work co-operatively with the Trust"
Anti-savings	10	"There should be no cuts." "no savings should be made" "Savings should be made elsewhere. Stop more monies being siphoned off for further road infrastructure that is not required" "How can you contemplate savings to Environmental Services when villages like ours have collapsed drainage systems and sewage on the road every time there is heavy rain?" "Savings equals cuts. Don't make cuts to community and environmental services. Scrap the Norwich Western Link Road and use the money

		saved from that to increase spending on community and environmental services.”
Recycling	10	“Scrap charges at recycling centres - this would help reduce costs if clearing flytipping for District Councils, which in term benefits the taxpayer.” “Charging for trade waste only encourages some people to fly tip - which in turn costs huge sums to deal with. Waste should be free if taken to a recycling centre so it is disposed of or recycled in the correct manner” “Providing countywide food waste recycling would lessen the impact on county landfills. Composting of both raw and cooked foods from the community could provide extra income to the county by selling the compost back to residents for use in their gardens. This service could be an addition to the recycling of garden waste which is already collected. Investing in an additional wheelie bin per household could be done on an area by area basis over 3-4 financial years and the income from selling compost at existing recycling centres should offset some or all of the costs.” “Cuts in recycling budgets must not compromise the goal of increasing quantity of waste sent to recycling and for the items to be recycled within strict guidelines not to damage the environment further, here in Norfolk and elsewhere.”
Efficiency and Smarter Working - We need to be more efficient, get better value for money	10	“Smarter working sounds great, numerous coned off roads with no work being done doesn't help trust in councils. Fed up with numerous cycle routes that are hardly used, paid for by motorists .” “Are all NCC vehicles owned or used on a "hire basis". If on a hires/leased basis why not follow the Fire Service approach” “Smarter working sounds great, numerous coned off roads with no work being done doesn't help trust in councils. Fed up with numerous cycle routes that are hardly used, paid for by motorists .” “I suggest you need to evaulate how often council (& agents) operational failings are the cause of a costly process of receiving reports and providing remedy.”

		Like the idea of the council capitalising on smarter working post covid; its important that building and associated staffing costs are considered in the right way and that they stack up against how people want to work moving forward.”
Fire service	6	“personally I doubt the fire services can cope with more cuts, you are putting lives in danger” “The NFRS is underfunded from the bottom, cutting posts at the top and reinvesting this capital to the actual Firefighters would be a good move” “Not closing stations or reducing cover for Wholetime Stations as we have seen how long it can take appliances and how sparse cover can be at recent large incidents.” “The fire service should be moved out of the county council.”
Protect services	5	“We do need services and many if not all are already stretched to the limit.” ” I think this department works well and is the key to local communities recovering from the pandemic.” “Community services are so vital and especially the Library services. With Norfolk obviously being a rural county it's so important that services are maintained wherever possible in the community where we lives in Norfolk.”
Go further - More needs to be done to protect and fund vital services	5	“Yes - more should be spent on improving the Highway network. There should be an increase in money spent on highways for motorists and a massive decrease on money spent on cycleways.” “The service should be more ambitious with its savings. The fire service should be moved out of the county council. Smaller libraries should be closed. The savings related to recruiting a new team member should be achieved by training existing team members and having them carry out the work as part of their existing jobs.” “There should be more staff and I. T. savings.”

Central Government	5	“Not specifically, but seriously "economic bounce-back and growth"? Thanks to Central Government and Brexit, the economy is tanking. Overall, it sounds like you're wanting (by unfortunate necessity) to do more, with less, and have us pay for it.” “I can see you feel forced into this because of improper cuts in Government funding. But that does not make it right and it appears to many to be cowardly and reckless.” “You should resist making cuts and saving, it just lets the Central Government avoid it's responsibilities”

We also received feedback relating to some of the specific Community and Environmental savings proposals.

Table 12: Comments on specific Community and Environmental Services proposals		
Proposal	No.	Illustrative quotes (verbatim)
CES-22-23-001 Buying rather than leasing fire service vehicles [Fire Engines] And **CES-22-23-002** Buying rather than leasing fire service vehicles	10	“Providing a cost benefit analysis has been carried out - eg repairs/insurance etc - then but rather than lease seems sensible.” “We have to be careful with buying fire service vehicles rather than leasing that at some point we don't end up with out of date old unsafe vehicles on the road. “ “Lines 1 and 2 (CES-22-23-001 and CES-22-23-002) appear to reflect the same saving but with different values. Are the two lines separate savings from different methods, separate savings from the same method (and should probably therefore be merged into a single line), or the same savings (and therefore one of the two lines will need to be removed and the totals updated accordingly)?”
CES-22-23-006 Charges for trade waste disposal	2	“Charging for trade waste only encourages some people to fly tip - which in turn costs huge sums to deal with. Waste should be free if taken to a recycling centre so it is disposed of or recycled in the correct manner “

		“My only concern re recycling is whether the approach to trade recycling might increase the level of fly tipping.” .
CES-22-23-012 Fines for overrunning roadworks	2	“There is insufficient detail in the consultation document to comment however in term of fines for overrunning roadworks surely utility companies and others will just ask for a loner period to reduce the risk of overrunning roadworks.” “What has been the historical contribution from CES-22-23-012?”
CES-22-23-013 Create new streetworks technician post	3	“What is the evidence to support the fact that the role would bring in additional income?” “Fully support a new post and better coordination of street works with utility companies and importantly with county council works as it is long overdue. There are many examples of multiple road works in localities creating traffic issues.” “Better management required, the two new posts/roles should be distributed to current work force. Tenders should be more transparent to the public.”
CES-22-23-015 Maximise efficiency of winter gritting by using the latest technology	1	“I think it is very important to grit Norfolk's roads adequately. previously when NCC made cuts in this area we had a lot of fatal accidents. It's important to make cuts that don't put Norfolk's resident's at risk.”
CES-22-23-016 Increase the Highway Design Team charge rates for work on major infrastructure delivery	1	“Charging for planning advice looks fine as long as it is not just transferring costs to planning authorities.”
CES-22-23-021 Reduce software costs	1	“Keep the decision making process neat and short but ensure those working in the various teams have access to the technology they require without it constantly being challenged by those who don't understand the roles”
CES-22-23-023 Additional Streetworks income	4	“With the change in the law a big source of income would be the £70 fine for parking on a pavement, plus the savings in footpath repairs.” “What is the evidence to support the fact that the role would bring in additional income?” “Has NCC considered raising revenue from the

		Department of Transport's proposals to expand the powers of councils in England to be able to fine motorists for moving traffic offences such as stopping in yellow boxes, making unauthorised U-turns and disobeying 'no-entry' signs " Better management required, the two new posts/roles should be distributed to current work force. Tenders should be more transparent to the public."
CES-22-23-028 Income generation from highways assets	3	"Do not put adverts on highways, and effectively prosecute those who do. A dangerous distraction and visual mess. Also, return highways work to Norwich City Council, who at least listened to residents, you do not. Management of road works by the County is a fiasco." "The idea may be sound, but excessive verge side furniture will mean drivers are not concentrating on driving and may be distracted." "I do not believe that more signs on verges is appropriate and would cut this advertising and believe the minute savings it accomplishes. We do not want our county roads littered with commercial information. This devalues our tourism asset."
CES-22-23-030 Seeking alternative funding sources for the Library and Information Service	3	"Believe we should be told the effects of the restructuring, budget reviews on the services such as museums and libraries after past cuts before accepted" "In reviewing the staffing structure for libraries, it is important to protect the community work they do." "Question whether Libraries are actually essential"
CES-22-23-031 Cost Recovery for the American Library	3	"I presume the American Library is largely funded by the USAF? Could it be set up as a charity? or wholly controlled by the USAF (so long as it stays in Norwich!)" "I don't agree with the withdrawal of funding for the 2nd Air Division memorial library. £13k is a small sum of money in the grand scheme, and the damage to the relationship , and the Trust's capacity Is likely to be more significant. It will also reduce NCC's ability to work co-operatively with the Trust"

		“Cost recovery for the american Library concerned of any negative effects on this library an important for the recent history of east anglian, concern about reduction in support.”
CES-22-23-033 Education Library Service	7	“explore a subscription service for all schools” “Concerned about any reduction of services to schools ie the Education Library Service” “If schools aren’t using the education library service then it should close” “We should also maintain the Education Library Service—this should not be cut. Again, it is minute savings (albeit some savings) but needs to be maintained. Support of reading and literary and education is a vital task for the county, as our education statistics in the past are often not a credit to the county.” “Probably short term thinking to remove Education Library subsidy.” “Education Library Service:this proposal removes the subsidy to maintain an Education Library Service and would cease the service to schools in its current format. - Important for all children in Norfolk to have access to books and for some children this may only be via their school.” “I do not believe that services should be cut, in particular, I object to removing the - . Education Library Service subsidy.”

12. Feedback: Strategy and Transformation Services

86 people commented on our budget approach in Strategy and Transformation Services. The key themes to emerge cluster as below (numbers of mentions and illustrative quotes are given in table 13):

- similar numbers of comments in **support** of and in **opposition** to any savings being made
- become more **efficient** in how services are delivered
- suggestions to utilise and support staff to **develop strategy and transformation**

Table 13: Analysis of generic feedback on Strategy and Transformation Services savings proposals		
Key themes	No.	Illustrative quotes (verbatim)
Resource - Comments on how respondents feel financial resources should be managed	16	"Recognise and utilise the talent already in ncc departments that can do and will do many of the 'strategy and transformation' tasks" "Individual taxation is not the answer. All possibilities need to be explored and a continual basis. Savings need to be found and smarter working practices need to be developed. Central government needs to be pressurised into action. " "Surely we should be investing in strategy and transformation to enable more far reaching cost savings as opposed reducing spend?" "sadly inevitable - but where is the support for staff trying to achieve cuts and for Adult services to ensure efficiencies?" "I am hopeful that the move to an integrated care system may allow for wider thinking about more sharing of back office functions with the NHS and Local District Councils." "Less managers more workers, most goverment organisations don't adher to this"
Supportive	8	"These approaches seem sensible" "smarter working can create more savings" "These proposals looks positive and sensible"

Opposed to proposed savings	8	"Making savings usually means cutting services.....not good" "These are key areas required right now to be able to improve things across the board, they should not be compromised in any way to enable us to move forward in a positive & better way.." "Surely we should be investing in strategy and transformation to enable more far reaching cost savings as opposed reducing spend?"
Efficiency	6	"Its vital that these services are accountable for the services they oversee. Any transformation must be done in a way that makes the service better." "the ideas are great in theory. Have these practices yielded savings in the past, and if so is there actually any head room remaining available whilst still achieving competent employment administrative practice" "Better management required."

We also received feedback relating to some of Strategy and Transformation savings proposals.

Table 14: Comments on specific Strategy and Transformation Services savings proposals		
Saving Proposal Reference	No.	Illustrative quotes (verbatim)
S&T-22-23-001: Reduction in HR budgets	10	" the ideas are great in theory. Have these practices yielded savings in the past, and if so is there actually any head room remaining available whilst still achieving competent employment administrative practice" "Once again, savings across the board on personnel NOT just in one area" "In the fetish for tech don't forget the importance of human relations awhichnd communications can becomes dislocated and impersonal " "A lot to take on board here, some suggestions seem more like fingers in the wind and hopeful savings extrapolated. Changes in systems normally take time to bed in and savings are not immediately incurred."

		"Less managers more workers, most goverment organisations don't adher to this" "Cut out dead wood" Same old chipping away at the edges rather than a concerted effort to completely redesign services." "Deduct one hour per week off each member of staff for one year as an experiment to staff keeping their jobs. Total the savings per month per year and you will be able to reduce council tax for one year creating a better atmosphere towards the council especially when it comes to an increase next year." "Completely paperless office. Access for all to their relevant team files. Reduce property overheads; work from home, sell under utilised buildings, meetings could be held via Zoom, Discord, Microsoft Teams, etc. If face to face is a necessity 'rent' meeting rooms/spaces from libraries or other public buildings." "Better management required"
S&T-22-23-002: Insight & Analytics budget saving and additional income	5	"The concern is you are proposing to delay appointing new roles, to reduce advertising for vacancies. That places additional pressure on the remaining employees and does not consider their mental well being. In fact has every possibility of making that worse. You need to reconsider" "I do not believe that a delay in recruiting is beneficial as this will place more work on others in the various teams." "You should liaise and use NNUHNHSTrust Staff Bank for recruiting carer and temporary admin staff." " Recognise and utilise the talent already in ncc departments that can do and will do many of the 'strategy and transformation ' tasks" "I am hopeful that the move to an integrated care system may allow for wider thinking about more

		sharing of back office functions with the NHS and Local District Councils. Why can we not have one team to look after both personal health budgets and direct payments and all the people on joint funded packages of care ? single health and social care plans would be great and could drive personalised multiagency care with the patient at the centre. the NHS CHC assessment process can still operate as required to and people can flip in and out of eligibility as they do now but under one team of professional administrators with a separate independent commissioning panel of clinical and social work leads to make key decisions under a delegated decision making policy and guidance. is this not worth at least exploring ?”
S&T-22-23-004: Reduction in Transformation budgets	4	“The concern is you are proposing to delay appointing new roles, to reduce advertising for vacancies. That places additional pressure on the remaining employees and does not consider their mental well being. In fact has every possibility of making that worse. You need to reconsider” “No mention here of the excessive payments made to Council members! Many seem to be totally clueless and only involved in local politics out of self importance. There are a few excellent members though so wouldn’t it be worth considering cutting the number of electoral divisions?” Depending upon how legal services are provided, a reduced spend on barristers may be a false economy. the early advice of counsel can often result in matters of vital importance being highlighted at the outset rather than coming to light after substantial fees have already been incurred.” “You make reference to Nplaw, I have no idea what that is.”

13. Feedback: Governance Services

75 people commented on our budget approach in Governance Services. The key themes to emerge cluster as below (numbers of mentions and illustrative quotes are given in table 15):

- importance of **effective governance and spending control** recognised
- opposition to savings in the budget of the **Monitoring Officer**
- become more **efficient** in how services are delivered

Table 15: Analysis of generic feedback on Governance Services savings proposals		
Key themes	No.	Illustrative quotes (verbatim)
Resource – Comments on how respondents feel financial resources should be managed	12	"Governance Services should be ensuring that all departments are working at their best as surely this is part of Governance. I am unsure as to whether reducing the Governance budget and Monitoring Officer budget would result in less scrutiny/capacity" "Reducing the fees charged to internal services is key- legal fees are extortionate and counter productive with council services spending vast amounts of their budgets on necessary legal advice and services" "Nothing more say apart from grants to some local businesses should be re-examined and reigned in." "Increased numbers of allowances to council members seem to have been omitted from this consultation. Why is this being covered up? Some members seem very "media shy", so how can expanding allowance-earning posts address a problem of lack of public accountability? To be fair, some members are often seen to be engaging with the media, and even though the messages given may be at variance to the hopes of residents, it betokens active involvement." "Yes - but please do it sensibly - with notable concrete action. Not AwayDays or Training Days. Not necessary. Just be sensible and use your common sense." "Automate more"

Anti-savings	6	“More needs to be in place to support effective governance and spending control. I would not recommend making savings in this area” “Considering the latest scandals of sleaze and corruption in central government reducing the Governance capability would be an unwise decision” “Not really except if something has been required so far, I would be very cautious what is reduced or removed, could have a negative knock on affect”
Supportive	5	“This one area where a greater saving could be made than the predicted” “broadly agree, but concerned about reduction to monitoring officer budgets as this is an important aspect of governance” “ok with these”
Monitoring Officer	5	“The monitoring officer should have their budget retained so they can carry out more reviews into councillor activities across all levels of governance” “Governance Services should be ensuring that all departments are working at their best as surely this is part of Governance. I am unsure as to whether reducing the Governance budget and Monitoring Officer budget would result in less scrutiny/capacity” “I am emphatic that any budget for the Monitoring Officer must be increased, not decreased, until such time as all backlog has been resolved satisfactorily and it can be demonstrated that relevant complaints have dwindled.”
Efficiency	5	“More efficiencies needed, massively reduced admin costs needed. Investment in preventative work needed. We need fewer services overall” “Prune the those loss making depts and let others in the same work space take over. Ad Ed to college outreach, for instance.” “The council should pressure government to create a unitary authority to reduce duplication of governance costs”

Council Allowances	2	“Increased numbers of allowances to council members seem to have been omitted from this consultation. Why is this being covered up? Some members seem very "media shy", so how can expanding allowance-earning posts address a problem of lack of public accountability? To be fair, some members are often seen to be engaging with the media, and even though the messages given may be at variance to the hopes of residents, it betokens active involvement” “All payment to elected representatives should be ceased apart from legitimate travel expenses”

We also received feedback relating to some specific Governance Services savings.

Table 16: Comments on specific Governance Services savings proposals		
Saving Proposal Reference	No.	Illustrative quotes (verbatim)
GOV-22-23-001: Efficiency savings	2	“automate more” ” More needs to be in place to support effective governance and spending control. I would not recommend making savings in this area.”
GOV-22-23-002: Reduction in Monitoring Officer budget	5	“I'm not in favour of cutting the monitoring officer budget - we'd had to apply to help from the monitoring office for our local council and have had great difficulty even getting a response. Local councils need support.” “broadly agree, but concerned about reduction to monitoring officer budgets as this is an important aspect of governance” “The monitoring officer should have their budget retained so they can carry out more reviews into councillor activities across all levels of governance” “Governance Services should be ensuring that all departments are working at their best as surely this is part of Governance. I am unsure as to whether reducing the Governance budget and Monitoring Officer budget would result in less scrutiny/capacity” “I am emphatic that any budget for the Monitoring

		Officer must be increased, not decreased, until such time as all backlog has been resolved satisfactorily and it can be demonstrated that relevant complaints have dwindled.”
GOV-22-23-003: Reduction in Governance budgets Saving to be delivered from reducing training and removing Governance estate and site management budgets	2	“Its important that governance services have a wide range of assesses and expertise. Any savings must be reflected in this” “Yes - but please do it sensibly - with notable concrete action. Not AwayDays or Training Days. Not necessary. Just be sensible and use your common sense”
GOV-22-23-007: Reduced spend on barristers	2	“Reducing the fees charged to internal services is key- legal fees are extortionate and counter productive with council services spending vast amounts of their budgets on necessary legal advice and services.” “Anything that reduces our legal costs is good.”

14. Feedback: Finance and Commercial Services

66 people commented on our budget approach in Finance and Commercial Services. The key themes to emerge cluster as below (numbers of mentions and illustrative quotes are given in table 17):

- reiteration of **environmental issues** and references to reducing road building
- general **supportive** statements in relation to savings
- efficiencies in **property** management
- focus on better **value for money**

Table 17: Analysis of generic feedback on Finance and Commercial Services savings proposals		
Key themes	No.	Illustrative quotes (verbatim)
Resource, including comments on roads and the environment	8	“I am in favour in re evaluating levels of management and areas where savings could be made without impacting on services and delivery” “Making savings if required is necessary. But I am wondering why big financial commitments such as those involved in road building are not part of the consultation? They should be. Norfolk's residents should be given a say in this, particularly after the recent COP 26 findings.

		I do not agree with spending any money on building additional roads. We should be investing in a green agenda now. Building more roads will just encourage more cars on to the roads. I really do think that now is the time to stop building the Western Link road. We should instead be aiming to preserve our fragile ecosystems in these areas. I also think that the dualing of the A47 should be stopped. I know such views may not be particularly welcome in business circles, but we do really need to start looking at a different economic model which involved increasing public transport links, park and ride, train use etc. I think NCC is behind the times and needs to get up to speed with the environmental disaster that is looming. NCC needs to re-evaluate it's priorities after COP26. Investing in green energy, car charging facilities etc needs to become more of a priority." "One obvious way to save money: do not build the Norwich Western Link road. It will be a disaster for the environment, increase carbon emissions and channel funds away from more worthwhile projects. Building this road is also completely incompatible with your alleged goal of building "a greener, more resilient future"."
Supportive	6	"These approaches seem sensible" "You have no option beyond savings in this area" "Make as many savings as possible"
Comments relating to income from, and management of, property	6	"Nowhere do I see any reference to a County-wide policy on Council Tax charges on non-primary residences. Here is a huge opportunity to address concerns of residents and aspiring residents in tourist areas. Homes owned by "outsiders" and used occasionally have pushed up prices and can gain relief from Council Tax by various loopholes. These home owners can more afford to pay than the majority of residents. There appears to be no inclination to consult on this!" "Find a way to let houses on the county farms estate that doesn't trigger the right to buy. A separate company needs to be set up so that the houses the council owns can be let properly and at

		full market rents. This could easily increase the annual rental income by £100,000+" "reduce the bureaucracy and make Corporate Property profitable. If something isn't broken does it really need to be fixed?"
Comments relating to management	5	"I am in favour in re evaluating levels of management and areas where savings could be made without impacting on services and delivery." "Restructure the senior leadership team to reduce salary costs." "Don't use expensive consultants"
Comments relating to getting value for money	5	"Financial services should be responsible for ensuring all services offer value for money and any savings proposals should be audited in a way that's open and realistic." "Value for money needs to looked at regarding expenditure." "definetly need less paper and more digital records"
Anti-savings	3	"These areas are important in their own right, so again you need to be very careful what is reduced or removed, as it is all linked to one another & a good overall results could be compromised"

We also received feedback relating to some specific Finance and Commercial Services savings.

Table 18: Comments on specific Finance and Commercial Services savings proposals		
Saving Proposal Reference	No.	Illustrative quotes (verbatim)
FIN-22-23-004: Review of employer pension pressure provision	1	"The NCC pension scheme is important to recruitment (it is one of the reasons I remain an NCC employee). I would be very concerned if the employer contribution, or the lump sum payment, reduced"
FIN-22-23-006: Benefits realisation from the HR & Finance	1	"There seems to be quite a reliance specifically on HR and Financial to help reduce costs, surely HR and Financial savings wouldn't be necessary if

system replacement (MyOracle) project.		operating already had been effective”

Norfolk County Council

Proposed budget for 2022/2023

Equality impact assessment report

For further information about this report please contact:

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IN TRAN communication for all

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1. Introduction

1.1. This report summarises the findings of equality impact assessments of Norfolk County Council's proposed budget for 2022/2023.

1.2. Equality assessments enable elected members to consider the potential impact of decisions on people and communities prior to decisions being taken. This enables mitigating actions to be developed if detrimental impact is identified.

2. The legal context

2.1. Public authorities have a duty under the Equality Act 2010 to pay due regard to:

- Eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act[i];
- Advancing equality of opportunity between people who share a protected characteristic[ii] and people who do not share it[iii];
- Fostering good relations between people who share a protected characteristic and people who do not share it[iv].

2.2. The full Act is available here.

3. Summary of findings for 2022/2023

3.1. In total equality impact assessments have been carried out on all budget proposals for 2022/2023. This includes the proposal to increase council tax and the Adult Social Care precept.

3.2. Based on the evidence available, it is possible to conclude that the majority of proposals will likely have no disproportionate adverse impact on people with protected characteristics. Many of the proposals will likely have a positive impact on people with protected characteristics. This is largely due to the fact that the proposals are designed to promote greater independence, choice and dignity for service users, giving them more flexibility and control over their lives. These are priorities routinely highlighted as vital in by the public in consultation.

3.3. The Cabinet is therefore advised to take these impacts into account when deciding whether or not the proposals should go ahead, in addition to the mitigating actions below.

3.4. Some of the mitigating actions will address the detrimental impacts identified in this report, but it is not possible to address all the detrimental impacts.

3.5. In consequence, therefore, the task for the Cabinet is to consider the various impacts set out in this report, alongside the many other factors to be taken into account to achieve a balanced budget that focuses the Council's resources where they are most needed.

3.6. The findings of the assessments are set out in **Appendix 6.1**.

4. Contextual issues to take into account

4.1. When considering the impact of its budget proposals on people with protected characteristics, the Council is required to take into account the cumulative impact of all the proposals, together with other relevant social factors, such as:

- The impact of COVID-19 on Norfolk
- The impact of increased use of digital, web-based and virtual technology to deliver services
- Population changes and trends
- Deprivation and poverty
- The economy, the rising cost of living and changes to welfare reform
- Health and wellbeing
- Crime and disorder
- Rurality
- Past changes to services such as a need for service users to start paying for some services or towards the cost of their care.
- Whether existing service provision (including the way in which service users will access services) will be materially altered because of these proposals.
- Our commitment to those serving or those who have served in the armed forces and their families under the Armed Forces Covenant

4.2. In view of this, the findings of the equality assessments of the budget proposals for 2021-2022 should be considered alongside the following information:

- The findings of public consultation on the proposals for 2022/23, set out elsewhere on the agenda.
- The equality impact assessment of resilience and recovery planning for COVID-19
- The Council's Digital Inclusion Strategy and the common barriers that disabled people and people with other protected characteristics face when getting online and accessing digital information and virtual environments[v].
- Norfolk's population data and trends, set out in Norfolk's Story 2021.
- Past reports to Full Council on equality impacts of budget proposals, specifically those that at the time identified a potential for detrimental impact. The Council does not wish to underplay the significance of any of the difficult decisions it has had to make in the past in order to balance the budget and protect as many essential services as possible.

Other information

4.3. It is important to note that the assessments set out in Appendix 6.1 only consider the impact of the Council's budget proposals for this year.

4.4. For obvious reasons, they do not detail the various positive impacts of the Council's day-to-day services on people with protected characteristics, such as: the proposed programme of capital investment for 2022-2023; promoting independence for disabled and older people; the improvements we have delivered to support children and families to achieve the best possible outcomes; keeping vulnerable adults and children safe; and lobbying nationally on the big issues for residents and businesses.

5. Human rights implications

5.1. Public authorities in the UK are required to act compatibly with the Human Rights Act 1998. There is no evidence to indicate that there are any human rights issues arising from the proposals.

6. Mitigating actions

6.1. The following mitigating actions are proposed, to address the impacts set out in this report:

	Action/s	Lead	Date
1.	Executive Directors to ensure that the proposals are implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. This means that where appropriate, reasonable adjustments would be put in place for people who experience disadvantage or barriers to the built and virtual environments; services; information; ICT and communication, due to a protected characteristic, in accordance with the Equality Act 2010.	All Executive Directors	
2.	Executive Directors to monitor the development of implementation plans for each budget proposal, in accordance with the Public Sector Equality Duty. If, during implementation, it emerges that a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics that it was not possible to predict at the time of conducting these assessments, this to be reported to Cabinet, to enable Cabinet to give due regard to the Public Sector Equality Duty in accordance with the Equality Act 2010, to agree next steps before proceeding further.	All Executive Directors	
3.	HR to provide equalities data to departmental management teams via the HR dashboard for monitoring purposes. This will include whether staff with protected characteristics are disproportionately represented in redundancy or redeployment figures. If any disproportionality arises, this is to be reported to Cabinet.	Senior HR Consultant (Workforce Insight)	

7. Evidence used to inform these assessments

- Norfolk budget proposals 2017-2018 to 2021-2022 – consultation documents, consultation findings and background papers, as previously reported to Full Council each February.
- The equality impact assessment of COVID-19.
- The Council's comprehensive review of potential inequalities in service provision and the workforce.
- Norfolk County Council's Digital Inclusion Strategy 2018 and Digital Inclusion EqIA 2021.
- Norfolk's population data and trends, set out in Norfolk's story.
- Equality Act 2010.
- Public Sector Equality Duty.

Appendix 6.1: Findings of the equality impact assessments of the budget proposals for 2022-2023

Each proposal for 2022-2023 has been assessed to identify whether there is a potential for disproportionate or detrimental impact on people with protected characteristics. The implications for NCC staff are considered in more depth at Annex B. The findings with respect each proposal are detailed below.

Adult Social Care budget proposals 2022/2023

Reference and title of proposal:	Potential impact:
ASS027: Recognising additional benefits from our existing savings programme. Linked to our existing saving **ASC044:** Extra care housing programme - delivering savings by building 2,800 units of extra care housing for older adults.	Extra Care Housing is the term used nationally to describe housing for people that supplies some care provision and offers self-contained accommodation with staff available 24 hours a day. Having the right type of housing options available for older people is key for helping people to remain in their own home and prevent crisis and can prevent or delay the need for residential care. Savings are generated from the prevention of spend. The proposal is to increase the number of extra care housing with care units in Norfolk. This would increase the availability of alternative housing for people who are experiencing increasing care needs or reduction in mobility and provide an earlier preventative alternative to residential care. There is likely to be a positive impact on older and disabled people given these groups report that independence is a critical factor in their well-being. This proposal has been designed in response to this, and aims to promote independence, dignity and safety for all. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people

Reference and title of proposal:	Potential impact:
	who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. It should be reflected that there *may* be an indirect impact on carers. This is because people may only be able to live at home independently and with dignity if they have access to appropriate support from a carer. Carers do not have 'protected characteristic' status in the Equality Act 2010, but many carers may be women. However, Promoting Independence strategy is based upon the principle of independence for disabled people, which includes enabling disabled people to remain at home for as long as possible. The Council has a range of support in place to support carers.
ASS028: Delivering a saving through an accelerated Supported Housing Programme. Providing 183 units of supported housing for younger adults over a three-year period, which is expected to increase independence and help in	Supported housing can be either shared accommodation or individual units where support is provided on-site as part of the accommodation. Analysis shows Norfolk will need 183 units in the next three years. To enable the development of these the Council has created an £18m capital fund. Developers and providers of supported living housing can apply for some of this capital fund. The fund will go towards development costs of affordable rented units, including in schemes where there is mixed tenure.

Reference and title of proposal:	Potential impact:
fewer people needing to be supported early in residential care.	Supported living gives younger (working age) people with care and support needs choice and control over where they live and how they are supported. They also have the support they need to live as independently as possible. There is likely to be a positive impact for local younger people with a learning disability, autism, mental health needs or a physical disability. This proposal has been informed by a public consultation with more than 70 local people who have given feedback on the three-year plan. See here There is no evidence currently available to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Reference and title of proposal:	Potential impact:
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS029: Recognising additional benefits from our existing savings programme. Linked to existing saving **ASC024**: Contract renegotiation, ensuring the requirements of commissioners are reflected in the Norsecare contract. Future years of existing programme to transform the Norse Care Older People Residential and Housing with Care estate.	If this proposal goes ahead, it should likely impact positively on all service users, including service users with protected characteristics, because it will consider whether contracts are as efficient and effective as possible to achieve the best possible outcomes for all people who use Adult social care services. The Older People's Strategic Partnership Board have stated that they want the Council and partners to recognise older people's growing preference for extra care over residential care or sheltered housing. It has also been understood that the right housing with the right support can have a significant impact upon the positive health and wellbeing of people. The Council's Transformation Programme is committed to reduce provision of older residential care facilities and replace them with a combination of more independent accommodation and residential care for those with dementia. There is also recognition that the care and support services within supportive accommodation needs to be equipped to meet the additional needs of diverse older people, for example those with learning disabilities or mental health needs There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact:
	This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There are not currently anticipated to be any organisational changes to staffing structures and no changes to staff terms or conditions. Some of the contractor's employees may be impacted as contracts are changed. • Similar proposals have been successfully implemented elsewhere in the UK. An individual gave feedback to the public consultation stating *"I strongly agree with renegotiation of contracts, especially those with Norse. It is good business practice to regularly assess contracts to ensure value for money and that standards of service are maintained."* This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
ASS030: Recognising additional benefits from our existing savings programme. Linked to existing savings**ASC018:** Working with our partners to reshape our approach to	This proposal considers how the Council can improve Adult's Service's preventative offer over the next five years to ensure local people have access to universal advice and information to prevent, reduce and delay the need for formal social care intervention. The Council is now reviewing how first contact is made by service users with Adult Services (the 'front door) with the intention of streamlining processes and freeing up frontline social care teams to pick up other support / early

Reference and title of proposal:	Potential impact:
supporting people on their initial contact with Adult Social Care (the "Front Door"). We will review our process and how we support people early in the social care pathway and help their care needs before they escalate.	intervention work. The Service will continue to lead and shape independent providers to develop choices for people at all stages of life. This involves: • Working with partners to re-shape and refocus the approach to supporting people upon their initial contact with Adult Social Services. • Working with local voluntary and community organisations keen to expand services that support prevention and early help through a network of community connectors who are supported by smarter information such as the Norfolk Directory • Working with providers to review the effectiveness of services currently commissioned looking at opportunities to reduce duplication and freeing up capacity to support current identified commissioning gaps. Norfolk social care data from 2021 there were over 13,000 Adult Social Care users, of whom more than 50% were older people, 20% were people with learning disabilities and 12% were people with physical disabilities. This data also shows that Black, Asian and other diverse ethnic minority people (including Gypsy, Roma and Travellers) have been proportionately under-represented as service users for many years, although this is not an issue which is unique to Norfolk. This proposal may therefore likely have a positive impact on people from diverse ethnic minorities where Adult Services are able to extend their offer to engage with diverse communities through working in partnership with the voluntary and community sector. It is also likely that engagement with other diverse groups (particularly LGBTQ+ people and people with autism) could be improved through more targeted engagement. As a result of the review, anyone who is currently receiving or accessing services will potentially be impacted by this proposal, however there is no evidence to currently indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled

Reference and title of proposal:	Potential impact:
	people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users should not experience any reductions in the quality or standard of support they currently receive. People should continue to receive support relevant to their assessed needs, according to defined eligibility criteria. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. A more detailed equality impact assessment is currently being carried out to inform the project. This has identified that the following will need to be considered in order to mitigate any potential adverse. impact of changes to existing service provision • Any changes to services or provision must not unfairly discriminate i.e., that the replacement or changed service is in effect better or of equal quality. • Any digital access or provision must be accessible by all or alternative routes for people with specific protected characteristics to be considered. • People with lived experience should be consulted with and actively involved in the design of any new ways of working. • Any cessation of services must be clearly communicated and must not impact negatively on those accessing that service. Cessation of services should not simply be part of any cost cutting exercise. This proposal will require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of

Reference and title of proposal:	Potential impact:
	these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design and commissioning. Feedback from the public consultation to the budget suggested there also needs to be better online support for carers on where to get help and equipment / nursing supplies / support when needed quickly. Current carers packs could do with some enhanced signposting. This feedback also suggested that peer mentors for people with long-term conditions being discharged into the community could be useful. The feedback also supported wider consultation and engagement with respect service design and delivery. There was also feedback with respect to the Council taking account of its responsibilities under the Autism Act. Adult Services are responsible to the Norfolk Autism Partnership Board and are already reviewing / re-designing pathways for diagnosis and support for autistic people in co-production with NAPB and autistic people and this proposal should take account of neuro-diverse service users' needs, and a training package has been rolled out to all staff on understanding autism.
ASS031: Improving market utilisation and delivering efficiencies. Strengthening our contract and performance management by getting better value for money in services we purchase by targeting the funding we have available to us.	If this proposal goes ahead, it should likely impact positively on all service users, including service users with protected characteristics, because it will consider whether contracts are as efficient and effective as possible to achieve the best possible outcomes for all people who use adult social care services. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as

Reference and title of proposal:	Potential impact:
	lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. Some staff employed by commissioned contractors may be affected. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS032: Learning Disabilities transformation. Continued implementation of Norfolk's Learning Disability strategy. This sees the continued development of more choices and alternatives to residential care and access to community-based activities.	The **Norfolk Learning Disability Strategy 2018-22** was developed through a co-production process to ensure the views and opinions of Norfolk residents with a learning disability and their families were central to priority setting. The Strategy also takes account of national and local policy and guidance. It can be found here Key priorities relevant to this proposal include: • Promoting equality, respect and being safe • Being healthy and happy

Reference and title of proposal:	Potential impact:
	• Having the right place to live • Developing and maintaining relationships with family and friends • Being a part of the community and involved in local activities and leisure • Having a voice and choice about the right support This proposal is focused on • Developing a single accommodation and housing needs list across Norfolk for people with experience of a learning disability accessing social care, including people who need new or different accommodation, working with housing developers and providers to develop new accommodation and reviewing the existing supported living options to make sure it meets the needs of people now and in the future. • Working with the community to increase the opportunities for people to use their local and community resources and clubs and considering how community hubs can bring people together in a local resource, specifically consider how people with more complex needs can access new experiences and opportunities whilst recognising their personal needs. If this proposal goes ahead, it should impact positively on service users with learning disabilities, including those with multiple protected characteristics. There will be an ongoing need for consideration of how the needs and experiences of diverse people with learning disabilities are taken into account in care planning and delivery (including people from diverse ethnic minority communities and people with diverse gender-identities and sexual orientation). There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled

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	people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy, Norfolk Learning Disability Strategy 2018-22; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design and commissioning.

Reference and title of proposal:	Potential impact:
ASS033: Mental Health Care Model Review. Seeking to improve the independence of those people supported with Mental Health conditions by reviewing their care packages and exploring the potential for alternative housing tenure. This will be done in partnership with health to ensure the balance of care between health and social care is appropriate.	The Adult Mental Health Service is a specialised service aimed at maximising independence and choice for people with mental health difficulties through a streamlined health and social care service. People who are referred to the service receive a person-centred assessment of their needs. Both service users and carers are assessed under the Care Act to determine eligibility. This proposal is intended to empower people with mental health difficulties to make choices that will promote their health, wellbeing and independence. Those with more complex needs will be helped to formulate plans that maximise their abilities, to enable them as individuals to make choices and work towards their identified goals. If this proposal goes ahead the Service will work closely with partners to consider as part of annual care reviews, whether some service users may benefit from different options in terms of housing (including residential care, supported living or social housing with support). The proposal is aimed at supporting people to achieve their goals and live as independently as possible in their local community wherever possible. Service users will continue to be assessed and supported in accordance with statutory requirements and will continue to receive the support they need albeit this may be delivered in different ways (including through community support and / or outreach work). Since 2019 there has been recognition that there has been increasing demand for mental health services and these services are under significant pressure. A review has been underway to understand the views of service users, their families, carers and staff / volunteers. The evidence from this review has been used to inform this proposal taking account that some service users expressed that community care has not been fully utilised in the past. This was echoed in the public consultation for the budget proposals. There is no evidence currently available to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as

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	lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy, Norfolk and Waveney Adult Mental Health Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.

Reference and title of proposal:	Potential impact:
ASS034: Expansion of Self-Directed Support. Delivering a saving by utilising more Direct Payments rather than commissioned services, particularly when Direct Payments offer individuals more choice and are cost effective	If this proposal goes ahead, it will promote greater independence, choice and dignity for disabled and older people, giving them more flexibility and control to decide how their care and support needs are met. Service users will be able to liaise directly with the providers of their choice to arrange their own care and support, rather than being referred to commissioned services. Disabled and older people report that independence is a critical factor in their well-being. There may be some potential for adverse impact if service users' access to commissioned services is limited without consideration that some disabled people may struggle to effectively identify or articulate their support needs and pay for services. This risk is mitigated as service users in receipt of direct payments (and their carers and families) will continue to be able to access specialist advice and guidance through the Direct Payment Support Service. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact:
	• The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. Feedback from the public consultation on these budget proposals posed the question *"Why can we not have one team to look after both personal health budgets and direct payments and all the people on joint funded packages… driving personalised multiagency care with the patient at the centre?"* Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design and commissioning.
ASS035: Use of ASC reserves. One-off release of reserves to offset budget pressures	If this proposal goes ahead it will mean releasing funds from the reserves in order to alleviate budget pressures as a one-off There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically

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	diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS036: Bad debt reduction. Increased recovery of debt leading to less bad debt write-off.	If this proposal goes ahead it will mean more effective recovery of debt, which will have a positive benefit for the Service overall all. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically

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	diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS037: Recruitment and Retention Strategy. Delivering a saving by having a targeted approach to recruitment and retention.	There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. The Council's recruitment processes are covered by a full EQiA - for further information about the equality impacts of proposals relating to the workforce please see **Annex B**
ASS038: Double up care reviews. Using therapists to lead reviews on care packages requiring two carers	If this proposal goes ahead specialist Occupational Therapists will review care packages where service users currently have two carers attending them as part of annual care reviews. OTs will work

Reference and title of proposal:	Potential impact:
to attend, in order to consider alternatives to having two carers on site.	with other involved professionals to identify whether there may be alternative ways to provide care (using specialist equipment or other assistive technology) which are just as safe and effective. This proposal takes account of the significant shortage of carers available in Norfolk and will mean that available resources are better utilised for the benefit of all social care service users. All care reviews will be undertaken by highly skilled professionals and carers will not be removed unless it is deemed safe to do so. Increasing access to specialist equipment / assistive technology will likely have a positive benefit for service users as there is evidence to show that this can support people in carrying out everyday tasks and activities, enhance a person's safety, support their social participation, and monitor their health, while maintaining their personal dignity and independence. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with the Council's Promoting Independence Strategy; corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact:
	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
ASS039: A strategic refocus of NCC's investment in Intermediate Care Services	This proposal is part of a wider health and social care system review of community beds. It is recognised that the current out of hospital services need to be strengthened with a particular focus on ensuring there is joint working to give people access to therapy led recovery. This proposal aims to ensure equal access for all service users through a consistent, consolidated offer across Norfolk, recognising that at present the system is complex with social care beds, community hospital beds, and virtual beds offered by a number of different acute and community health organisations across Norfolk. Since the implementation of discharge to assess at the start of the COVID-19 pandemic, there has been an increase in the number of people that Adult Services has supported who have been discharged from hospital. Arrangements have also changed which has seen a more defined role locally for the NHS in taking a lead on recovery for people. This change has been implemented at a time of considerable pressure on health and care services from the pandemic, wider winter pressures and the impact this has had on staff availability. For some people this has meant a delay in finding care for them so they can leave hospital, or having to accept temporary care until long term arrangements can be set up. This is not specifically an equality issue, but because it impacts particularly on older and disabled people, it is important to note within this EqIA. The actions being taken by Adult Social Care to address these short-term issues have been reported and documented. Any changes in arrangements for intermediate care will mainly affect older and disabled people. At this stage, there is no evidence to indicate that this proposal would have a disproportionate impact on people with other protected characteristics (such as men, women and people who identify as

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact:</th></tr>
<tr><td></td><td>intersex or non-binary; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics.

As work with health partners on out of hospital care takes place, the Service should engage with people and stakeholders who have experienced this type of care, and this proposal will be refined as required based on robust evidence of the needs of all diverse service users.

It should also be considered that:

• No changes are proposed to eligibility criteria for services at this time, so people should continue to receive support relevant to their assessed needs.
• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.
• The proposal will be implemented in accordance with the Council's Promoting Independence Strategy, Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
• Similar proposals have been successfully implemented elsewhere in the UK.

Depending on the outcome of the review, or if the review leads to proposed changes in any of the following areas:

• Eligibility criteria for services
• Existing service standards and condition, corporate and departmental policies and procedures and national guidance.
• Financial contribution of service users

An equality impact assessment will be prepared for decision makers, setting out any specific impacts for service users or staff with protected characteristics and how these may be mitigated. This will be used to inform any final decisions.</td></tr>
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Children’s Services budget proposals 2022/2023

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact</th></tr>
<tr><td>CHS001 (Extend): Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS001: Prevention, early intervention and effective social care – Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.</td><td>Norfolk Futures – Safer Children and Resilient Families

The aim of this proposal is to keep families together reduce the number of children entering the care system - focusing on early intervention to keep children safely at home. When the service has a responsibility to help and offer care we will use foster care and adoption where appropriate. The Service is focusing in the longer term on reducing the use of residential care and investing in specialist support alternatives. There are 5 strands to this work:
Quality information, advice and guidance
Strengthening partnership arrangements to deliver a local early help offer
Supporting more children to stay at home
Placement choice enhanced with a better offer for semi-independence for care leavers
Continued implementation of signs of safety working model.
It should be considered that targeted earlier interventions with an emphasis on seeking to safely achieve a reduction in the numbers of children coming into care may likely have positive impact on diverse ethnic minority children and families, given there is evidence to show that some ethnic minority children and young people have been historically over-represented with the care system nationally and locally.

There is no evidence to indicate currently that:
The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;
The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled</td></tr>
</table>

Reference and title of proposal:	Potential impact
	people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The proposal seeks to achieve better outcomes for children and young people and reduce demand for services. • The proposal may lead to some changes in how services are delivered, or who delivers them, but these are not anticipated to have any significant impact on service users. This means that service users, including service users from rural areas, will not experience any changes in the quality or standards of the services they currently receive or be disadvantaged. They will continue to receive support relative to their needs. • No changes are proposed to the assessment process or eligibility of needs. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. While there may be some organisational changes to staffing structures, these will be undertaken in accordance with the Council's Organisational Change, Staffing Adjustments and Redeployment policy which has been equality impact assessed separately. No changes to staff terms or conditions are foreseen. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.

Reference and title of proposal:	Potential impact
	Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design and commissioning.
CHS002 (Extend): Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving **CHS002:** Alternatives to care – Investing in a range of new services which offer alternatives to care using enhanced therapeutic interventions, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises	If this proposal goes ahead, it will enable better outcomes for children and their families and carers, as it aims to support families to stay together and avert family crises. It should be considered that targeted earlier interventions with an emphasis on seeking to safely achieve a reduction in the numbers of children coming into care and keeping families together through working with extended family support networks could likely have positive impact on diverse ethnic minority children and families, given some ethnic minority groups have been historically over-represented with the care system nationally and locally. It should also be considered that there are fewer ethnic minority foster carers available to place children with. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers.

Reference and title of proposal:	Potential impact
	- Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive – rather, they should experience improved and enhanced outcomes. - No changes are proposed to eligibility criteria for services. People who currently receive a service will continue to do so. - The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design and commissioning.
CHS003 (Extend): Extending our existing savings programme to	If this proposal goes ahead savings are anticipated to be delivered by the expansion of in-house services and improving locally commissioned services, which will reduce the reliance on expensive

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact</th></tr>
<tr><td>deliver additional benefits. Proposal is to expand our 2019-20 saving CHS003: Transforming the care market and creating the capacity that we need – Creating and commissioning new care models for children in care – achieving better outcomes and lower costs.</td><td>out of county placements. This will allow the Council to support young people closer to home and will make it easier to wrap wider support services around them. Having greater capacity in services will also make placement matching easier, ensuring Children's Services is providing the right care environment for all young people in care in Norfolk, while reducing costs.

This proposal will promote better outcomes for children and their families and carers, as it aims to create additional capacity within the Services, and maximise the funding available to invest into existing and new services.

There is no evidence to indicate that:
The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;
The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.
This is because:
The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers.
Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive.</td></tr>
</table>

Reference and title of proposal:	Potential impact
	• No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK It is noted that the new national Commission on Young Lives report (December 2021) describes how Black boys in care across the UK are more likely to go on and enter the youth justice system, and how this problem is worsening as the number of Black boys going into care rises. This proposal will need to take account of these new findings and consider through robust monitoring whether there is evidence that young Black men in Norfolk are more likely to be adversely affected when placed in supported accommodation. Individual decisions about which children come into care in Norfolk are made based on a comprehensive analysis of risks and needs and a judgement about what is in their interests. Consideration of ethnicity is incorporated into this process and through our equality impact assessments, and we will continue to work to mitigate any potential adverse impact identified, including through our preventative work with children, young people and families from diverse ethnic backgrounds. Feedback from the public consultation echoed this point and suggested there needs to be a greater emphasis on more preventative services for young people to reduce risks of exploitation. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not

Reference and title of proposal:	Potential impact
	possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design and commissioning. This proposal will require monitoring to ensure that children and young people with protected characteristics experience the same outcomes.
CHS007 (Extend): Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2021-22 saving **CHS007:** Inclusion (Home to School Transport) by finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements. We will reduce transport costs associated with long journeys and ensure that children are supported towards more independent travel where appropriate.	If this proposal goes ahead, it will promote better outcomes for disabled children and their families and carers, as it aims to enable families to attend school closer to home. If children can attend school closer to home, they are also more able to form and sustain friendships with their peers in the area. This proposal also includes focused work with families, schools and settings to support children to travel independently to school or to travel on mainstream transport rather than in specialist transport or individual taxis. It is important to note that this is a collaborative approach and will only be implemented in line with children's needs. If a child needs specialist transport to get to their place of education, it would be provided, and there is no change proposed to the threshold or level of support available. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled

Reference and title of proposal:	Potential impact
	people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers. • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.

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	One individual provided feedback to the public consultation stating *"I have a friend with an autistic child, he is taken to and from a special school approximately 40 miles away by taxi, every day. The cost to the local authority must be immense, surely there must be a more efficient way to do this?"* Another individual stated *"Not sure this is a realistic target. Where will these places come from, how will the school staff their provision to meet the needs of the children, will this lead to property spend and therefore not make any overall savings?"* There was other feedback relating to SEN children & young people getting diagnosis and support as early as possible and ensuring mainstream school provision was available and appropriate to meet their needs. The application of this proposal will require reasonable adjustments to be made for some service users, to support people to address disadvantage, as the Council recognises that children and young people with different disabilities who have Special Educational Needs may require additional tailored support.
CHS008 (Extend): Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2021-22 saving **CHS008**: Smarter Working – continued modernisation through a shift to different ways of working (accelerated by COVID-19 and enabled through use of IT) to deliver savings from reduced spend on leases and associated revenue costs, ongoing departmental review of posts to ensure no duplication of activity, reducing the quantity of archive storage required, and reducing mobile phone requirements	This proposal follows on from work already underway through Smarter Working to ensure continued modernisation through a shift to different ways of working to deliver savings. Savings will be achieved through a reduced spend on leases and associated revenue costs with no impact on service users. **There is no evidence to indicate staff with protected characteristics could be disproportionately affected** compared to staff without these characteristics. There may be some minor organisational changes to staffing structures or changes to staff terms or conditions however these will be implemented in accordance with the Councils policies and procedures which have already been impact assessed (Smarter Working) Savings will also be achieved from a reduced spend on: • Archive storage: compliance work on storage boxes as part of the Paperchase project that will otherwise incur a charge; • Further reduction in requirement for mobile phones: Looking into approx. 1,100 users no longer being provided with a mobile phone. IT solution, such as Yakchat, is dependency to enable delivery;

Reference and title of proposal:	Potential impact
through the Bring Your Own Device project.	• Reduction in postage costs: Automated print to post functionality meaning staff do not need to be in the office to send post. There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
CHS012: Further review of Special Guardianship Order spend through ensuring policy and practice is in line with best practice and national guidance.	National research strongly indicates that vulnerable children enjoy greater placement stability and feel a greater sense of belonging when placed with family members. The Council also has a legal duty to consider family members and people in the child's existing network prior to making other arrangements for a child to become Looked After. The implementation of Signs of Safety across Norfolk has meant that alternative family members are now being identified much earlier as potential alternative carers, potentially reducing the use of mainstream foster care but increasing kinship care. It is understood that judges are more inclined to favour family placements as well A change in practice by social workers, independent reviewing officers and Court Guardians will be needed to ensure that the Council's policy with respect Special Guardians is adhered to. The proposal recognises that there are likely to be significant benefits for children and young people who would otherwise become Looked After by the Council and therefore may potentially experience multiple placements as a result. It should also be considered that there may be positive benefits for some children and young people with protected characteristics, particularly those from diverse ethnic minority backgrounds, (Black British children and young people and children and young people of Mixed heritage) who have historically been over-represented in the LAC cohort nationally and in Norfolk. There is also national research which indicates that children from mixed heritage backgrounds are more likely to experience placement breakdowns and it is also understood that ethnicity is very important to Black and Asian children so white foster carers face extra complexity in providing them with necessary support. There is no evidence to indicate currently that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as

Reference and title of proposal:	Potential impact
	intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The principles guiding the design and implementation of the proposal will be child and family centred, prioritising the independence, dignity and safety of young people and carers. • Although the proposal may lead to some changes in how services are delivered, the nature of the support available or who delivers it, service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. The proposal takes account that Children's Services has two specialist Kinship Teams who can advise and support frontline workers with respect assessment and support of potential Special

Reference and title of proposal:	Potential impact
	Guardians. Assessments are robust and detailed to ensure the best chance of a successful long-term outcome, and outcomes are determined through the courts. All children for whom the plan for permanence is Special Guardianship must be the subject of a support plan detailing current and future support required to meet the needs of the child. Foster carers who become Special Guardians will receive an allowance from the Council through until the child reaches the age of 18, including any future increases linked to the national minimum allowances set annually by central government. Special Guardians can also claim child benefit. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design and commissioning. This proposal will require monitoring to ensure that children and young people with protected characteristics experience the same outcomes as all other children.
CHS013: Alignment of the Early Childhood and Family Service Community Fund budget to match the level of demand – During the pandemic there has been significant development of grassroots community support.	This is a grant for parent and toddler groups (up to £2500 is available per group). The ECFS Community Fund has not been drawn upon to the extent originally anticipated. This proposal aligns the budget with the current level of demand. It is noted that Children's Services cannot predict if demand will change when pandemic-related community support reduces, as more parent and toddler groups may resume meetings / or start up. This proposal has the potential to impact women (including women on maternity leave) disproportionately, given more women in Norfolk work part-time and have more childcare responsibilities and are therefore more likely to access these groups for support, however it is important to note there has not been take up of the grant to the expected level because of the pandemic and many of these groups are self-sustaining and self-funding. There is no intention to

Reference and title of proposal:	Potential impact
	withdraw funding already provided to groups and there is other support available to these groups through other grants (including from District and local Town & Parish Councils). There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on other people with protected characteristics (such as older and younger people; men and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • This is fund drawn on by community groups to enhance their local offer of support to parents with young children. • Existing and new community groups will still be able to apply for funding (albeit fewer grants may be available based on current levels of demand). No changes are proposed to eligibility criteria for services, so affected groups will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council’s Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. Next year the available budget will be reviewed, dependent on the level of demand for this grant funding.

Community and Environmental Services budget proposals 2022/2023

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact</th></tr>
<tr><td>CES050/CES051: Buying rather than leasing fire service vehicles (including Fire Engines). This would bring savings while keeping the same number of vehicles on the road.</td><td>If this proposal goes ahead there will be no change to the numbers of fire service vehicles available for use in Norfolk.

There is no evidence to indicate that:
The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;
The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.
This is because
Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
The proposal will not lead to new or increased costs for service users.
The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.
The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act</td></tr>
</table>

Reference and title of proposal:	Potential impact
	2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES091: Review of Growth Pressures. Up-front funding for project development.	The Service is proposing to fund this from the balance of the pooled business rates, which is in the Council's control, there is no impact on front line services or on the workforce. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.

Reference and title of proposal:	Potential impact
	- The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK.
CES104: Delegated grass-cutting to be changed from District to Tarmac (Breckland)	There is no evidence to indicate that: - The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; - The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because - Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria

Reference and title of proposal:	Potential impact
	for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES092: Review of on-street parking operation.	This proposal is to review on-street parking charges (Pay & Display and residents parking) across Kings Lynn, Great Yarmouth and Norwich and assumes some increase in parking charges in particular locations. Tariffs have not been reviewed since 2009 The purpose of the proposal is to provide an effective parking service in these locations and manage the Council's assets in a cost-effective way, while still ensuring that local people's parking needs are met. It is understood that car parking charges can influence travel choices and promote sustainable transport choices. There is currently no intention to reduce the amount of parking or type of parking available to local people. It is understood that any increase in residents parking charges would potentially have a more significant impact on lower income households and particularly on those who rely on using their own vehicles for work (including delivery drivers and tradespeople who may be on zero-hour contracts). There is some evidence nationally to suggest that there are likely to be a disproportionate number of people from diverse ethnic backgrounds in these jobs. There may also be a greater impact on disabled people on lower incomes who rely on a Motability vehicle to travel independently, however it should be

Reference and title of proposal:	Potential impact
	considered that this group will also be in receipt of the higher rate PIP mobility payment which may offset some impact. It is recognised that all Blue Badge holders will continue to be able to park free of charge at Pay & Display sites and that disabled and older people (and some eligible carers) will continue to be able to access free (off-peak) bus transportation across Norfolk. This does mitigate the impact of any increase to Pay & Display parking charges on disabled and older people. Full time students aged 5-19 (including those studying at City College Norwich) can also access discounted fares for unlimited travel on First Buses. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who identify as intersex or non-binary; disabled people; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; It should also be considered that: • In order for these proposals to take effect the existing Traffic Regulation Order will need to be amended and it is proposed to include an automatic annual traffic review (linked to RPI). This will ensure that the proposal will follow a consultation process which will ensure that people with diverse protected characteristics have the opportunity to give feedback. • The Council will communicate with those residents likely to be affected as early as possible because the proposal may lead to increased costs for some local residents, thus enabling them to prepare in advance and give their views. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act

Reference and title of proposal:	Potential impact
	2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
CES093: Capitalisation of Flood mitigation works	This proposal will generate a saving through recognising flood mitigation works as assets rather than expenses, due to the Council's longer-term work and investment into the development of these. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because

Reference and title of proposal:	Potential impact
	• Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES052: Charge for some of the expert planning advice and services we provide. This proposal requires that some of the costs for environment planning advice and information be transferred from the County Council revenue budget to a charge to the planning system. Enacting this change will require engagement with Tier 2 Local Authorities for those planning functions they cover.	If this proposal goes ahead it will enable the generation of additional revenue for re-investment. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to

Reference and title of proposal:	Potential impact
	independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES053: Efficiency savings (Planning Service). A number of small savings from across the department to reflect various changes in processes, practice, and ways of working with no impact on service delivery.	There may be some evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics. There may be some minor organisational changes to staffing structures with no changes to staff terms or conditions however these will be implemented in accordance with the Councils policies and procedures which have already been impact assessed (Organisational Change, Staffing Adjustments and Redeployment). This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on employees with protected characteristics that it was not possible to predict at the time of conducting this assessment, this will be

Reference and title of proposal:	Potential impact
	reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
CES094: Bring forward the reversal of Brexit pressures.	In 2020/21 the Council increased the budget in Trading standards, on a temporary basis, to deal with additional workloads arising from the transition from the EU. This was a short-term increase based on the understanding that workloads would reduce in 2023/24. Given other support made available for Trading standards we are able to reduce expenditure earlier with no impact on service users or the workforce. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES054: Contract efficiencies. Working with contractors to deliver lower costs from the arrangements at waste transfer stations.	This proposal relates to contractors and waste transfers, not household waste so it will not impact on individual household waste collection charges. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria

Reference and title of proposal:	Potential impact
	for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES095: Capitalise additional ICT costs but fund from within existing capital allocations rather than increase capital requirement – Yotta. **CES096:** Capitalise additional ICT costs but fund from within existing capital allocations rather than increase capital requirement – Arc GIS	Yotta is a connected asset management software and services provider. ArcGIS is a family of client software, server software, and online geographic information system services developed and maintained by Esri. These proposals will generate a saving through recognising particular IT systems as assets rather than expenses, due to the Council's longer-term work and investment into the development of these systems. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;

Reference and title of proposal:	Potential impact
	- More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: - Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. - The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK.
CES055: Charges for trade waste disposal. Updating principles for dealing with costs of trade waste collected by some district councils	This proposal relates to "trade" not household waste so will not impact on individual household waste collection charges. There is no evidence to indicate that: The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and

Reference and title of proposal:	Potential impact
	people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES056: Review of estimates for waste budget increases. Budgets can be	This proposal will achieve savings through new contracts with lower costs.

Reference and title of proposal:	Potential impact
adjusted to reflect new contracts with a lower unit cost.	There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.

Reference and title of proposal:	Potential impact
	• Similar proposals have been successfully implemented elsewhere in the UK.
CES097: Remove CES ICT reserve.	This proposal will achieve savings by limiting the budget set aside for additional ad-hoc or unbudgeted ICT spending. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act

Reference and title of proposal:	Potential impact
	2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES057: Reduce recycling centre management costs. Working with a contractor to deliver lower costs of service delivery.	The Greater Norwich area will benefit from two brand new recycling centres set to open in 2021. Both the Norwich North and Norwich South sites are at locations with good transport links to make them accessible to as many people as possible. The new centres have been designed to be as inclusive and accessible as possible and will include a large reuse shop, parking for cars and bikes and bins at lower levels. Essential waste collection and servicing operations will remain unchanged. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because

Reference and title of proposal:	Potential impact
	• This proposal for a reduction in management costs is likely to have a positive impact on service users. • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. Staff employed by the responsible contractor may be affected. • Similar proposals have been successfully implemented elsewhere in the UK.
CES098: Use of Public Health Funding to off-set cost of service delivery (Museums).	This proposal recognises that some museums services deliver real public health benefits and therefore can be funded by Public Health to offset the costs of these functions. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;

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	• The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES058: Two brand new recycling centres will cost less to run. Savings made as the operating costs of the two new recycling centres (Norwich North and Norwich South) will be lower than the	There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different

Reference and title of proposal:	Potential impact
existing sites at Mile Cross and Ketteringham.	religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • This proposal will result in savings due to the lower running costs of the recycling centres. • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. Staff employed by the responsible contractor may be affected. • Similar proposals have been successfully implemented elsewhere in the UK

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact</th></tr>
<tr><td>CES099: Increased 2021 contract saving over and above £250,000 (Tarmac)</td><td>This proposal will achieve savings through new contracts with lower costs.

There is no evidence to indicate that:

• The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;
• The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

This is because

• Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
• The proposal will not lead to new or increased costs for service users.
• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.
• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics.</td></tr>
</table>

Reference and title of proposal:	Potential impact
	There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES059: Identifying contract efficiency savings. Working with highways contractors to deliver savings from management overheads.	This proposal is aimed at delivering savings through a reduction in management costs working with highways contractors. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act

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	2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES100: Increased saving over and above original business plan (Norse Highways)	This proposal will achieve savings through new contracts with lower costs. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

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	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES060: Fixed Penalty Notices. Income from fines if utilities and other companies do not comply with the roadwork permits they have been issued.	This proposal relates to FPN issued to businesses for non-compliance with permits issued and not FPNs issued to individuals. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.

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	- The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK.
CES101: Reduced spend on materials fund.	This proposal is for a small reduction in the amount that the Libraries Service will spend on new "materials" in the libraries. Norfolk Library Services already has a significant stock of materials across all locations and therefore it is not envisaged that this will have any impact on service users, particularly as distribution services are being streamlined to ensure that stock is more accessible across the county and the Service continues to expand their online offer. If this proposal goes ahead, there is no evidence to indicate that it would: - Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; - More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
	This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES061: Fines for overrunning roadworks. Income from fines if utilities and other companies do not comply with the roadwork permits they have been issued.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
	This is because: • This proposal relates to FPN issued to businesses for non-compliance with permits issued and not to FPNs issued to individuals. • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES102: Use of Public Health Funding to off-set cost of service delivery (Libraries)	This proposal recognises that some library services deliver real public health benefits and therefore can be funded by Public Health to offset the costs of these functions. There is no evidence to indicate that: • The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for

Reference and title of proposal:	Potential impact
	example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES062: Create new streetworks technician post. A new streetworks technician post would help strengthen the team that have oversight of roadworks carried out by utility companies across the county. The role could help bring in additional income by improving the management of temporary traffic orders.	This proposal is for a new post which will positively contribute to oversight and management of roadworks, resulting in less traffic disruption which should have a positive benefit for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;

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This is because:
Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
The proposal will not lead to new or increased costs for service users.
The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.
The proposal will be implemented in accordance with the Council’s Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.
There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions – any recruitment will be carried out in accordance with Council policies and procedures.
Similar proposals have been successfully implemented elsewhere in the UK.</td></tr>
<tr><td>CES103: Additional income targets within Adult learning</td><td>Adult Learning offer a broad range of learning programmes for adults in Norfolk across 4 strands:
Education & Training (functional and vocational qualifications funded by the DfE)
Apprenticeships (funding via employers and government grants)
Community Learning (100% grant funded courses)</td></tr>
</table>

Reference and title of proposal:	Potential impact
	Personal Development (self-financed by learners with no government funding or requirements). While most courses for learners are fully funded through the DfE or via grants / employer contributions, this proposal sets stretching targets for the service with respect generating additional income to offset overheads and maintain or increase provision in future. This additional income will be achieved through increasing the offer of self-financed personal development courses to learners and extending the apprenticeship programme to work with more employers across Norfolk. Adult Learning data shows that the service attracts a diverse range of learners and achieves positive outcomes. In 2019/20 the largest group of adult learners in Norfolk (46%) were aged 31- 48 years, with 15% of learners aged 61+ years. 20% of the year's cohort identified as having a learning difficulty or disability, in line with Norfolk demographics. Adult Learning has also been successful in attracting learners from diverse ethnic backgrounds (including migrant workers). 75% of the 2019/20 cohort identified as "White British" with 15% as "Other ethnicity". These learners are significantly more likely to achieve on courses that have lower attainment levels nationally, including entry level English and Maths. The service has also extended its offer by increasing access to courses online. This has increased opportunities for a diverse range of people (particularly disabled learners and learners in rural communities) to access courses across Norfolk. Increasing local people's opportunities to access adult learning courses and apprenticeships is likely to have a positive impact for some groups of people with protected characteristics. It is understood that in Norfolk (as is the case elsewhere in the UK) some diverse ethnic groups of young people perform significantly less well at KS4, particularly Black Caribbean young people, Gypsy Roma and Traveller young people and White British young people from the lowest income households. These groups therefore likely have far greater need for adult education opportunities in order to

Reference and title of proposal:	Potential impact
	access higher education and employment. It is also important to reflect that some diverse ethnic minority young people in Norfolk are currently significantly less likely to take up apprenticeships (Indian & Pakistani young people particularly). If this proposal goes ahead, there is no evidence to indicate that it will: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The proposal will not lead to new or increased costs for service users. Service users will not experience any reduction in the level of support they currently receive. No changes are proposed to eligibility criteria, so people should continue to receive support and funding relevant to their assessed needs. People who currently access the service will continue to do so. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these

Reference and title of proposal:	Potential impact
	characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK. This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further. Over the last year, the Council has undertaken a comprehensive review of potential inequalities in service provision and the workforce. The review findings are available here. If this proposal goes ahead, it will be directly informed by the findings of this review, to ensure that the Council takes every opportunity to promote equality, diversity and inclusion in service design. This proposal will require monitoring to ensure that people with protected characteristics continue to experience the same outcomes as those who do not share these.
CES063: Restructure the highways services team. This would affect the back-office team and no redundancies would be expected.	**There is no evidence available currently** to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be minimal organisational changes to staffing structures and no changes to staff terms or conditions. Any changes will be managed in line with policies and procedures that have already been subject to an EQiA
CES064: Maximise efficiency of winter gritting by using the latest technology. New navigation systems in all gritters will automatically control salt spread rates to best suit precise locations and conditions.	This proposal is aimed at improving gritting during cold weather, which should have a positive benefit on road safety and reduce travel disruption in the winter months and should have a positive impact on people travelling in rural areas. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who

Reference and title of proposal:	Potential impact
	identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal:	Potential impact
CES065: Increase the Highway Design Team charge rates for work on major infrastructure delivery. This will increase the design team fees charged to internal and external clients and ensure full cost recovery.	This proposal is intended to generate revenue and ensure full cost recovery and will benefit all local people as additional funding is made available for re-investment. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES066: Fund part of the Council's economic projects budget from an alternative source. Use the County Council's share of income from existing Enterprise Zone sites within Norfolk to fund economic projects	This proposal intends to reinvest the Council's share of income from the Enterprise Zones into other economic projects for the benefit of local people. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES067: New library operations centre to cut costs. The new operations centre at Hethersett provides streamlined distribution and enables efficiencies.	This proposal aims at improving the supply and delivery of books and other library resources direct to libraries from suppliers. Savings are achieved through efficiencies achieved in the distribution process through the back office. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.

Reference and title of proposal:	Potential impact
	• The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There may be some evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics. There may be some minor organisational changes to staffing structures with no changes to staff terms or conditions however these will be implemented in accordance with the Councils policies and procedures which have already been impact assessed (Organisational Change, Staffing Adjustments and Redeployment). • Similar proposals have been successfully implemented elsewhere in the UK.
CES068: Efficiency savings (Community Information and Learning). A number of small savings from across Adult Learning to reflect various changes in processes, practice, ways of working, and additional external funding, with no impact on service delivery.	This proposal will focus on achieving efficiencies through changes to processes and ways of working, taking account of new funding opportunities to maintain and extend existing levels of services to learners. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

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	This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be minimal organisational changes to staffing structures and no changes to staff terms or conditions. Any changes will be implemented in accordance with the Councils policies and procedures which have already been impact assessed • Similar proposals have been successfully implemented elsewhere in the UK.
CES0: Restructure back-office support team. Some processes are more efficient and therefore the structure of the team could be amended to reflect that.	There may be some evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics. There may be organisational changes to staffing structures with no changes to staff terms or conditions however these will be implemented in accordance with the Councils policies and procedures which have already been impact assessed - for further information about the equality impacts of proposals (Organisational Change, Staffing Adjustments and Redeployment). This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on employees with protected characteristics that

<table>
<tr><th>Reference and title of proposal:</th><th>Potential impact</th></tr>
<tr><td></td><td>it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.</td></tr>
<tr><td>CES070: Reduce software costs. Switching to a new provider of design software will meet required needs while also saving money.</td><td>This proposal is for a change in provider for design software at a reduced cost, with no anticipated impact for users (as software will still be designed to meet the needs of all users).

If this proposal goes ahead, there is no evidence to indicate that it would:
Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;
More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.
This is because:
Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.
The proposal will not lead to new or increased costs for service users.
The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.</td></tr>
</table>

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	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES071: Capitalisation of IT costs to bring revenue savings. Capitalising the cost of some IT systems e.g. those used by highways as part of their work to develop the asset.	This proposal will generate a saving through recognising particular IT systems as assets rather than expenses, due to the Council's longer-term work and investment into the development of these systems. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility

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	criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES072: Additional Streetworks income. Employing an additional Streetworks Temporary Traffic Regulation Order (TTRO) Officer would result in additional income.	This proposal for the employment of an additional TTRO Officer will increase revenue collected for the benefit of local people and will improve the management of street works in Norfolk. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to

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	disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES073: Increase the Infrastructure Projects charge rates for work on major infrastructure delivery. This will increase the design team fees charged to internal and external clients and ensure full cost recovery.	This proposal will generate additional revenue / ensure full cost recovery through work undertaken by the design team on infrastructure project work. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and

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	beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES074: Increased income and lower costs for the street lighting and traffic signals Electrical Services Team. This will see savings achieved from increased	This proposal will generate additional revenue through work undertaken by the Electrical Services Team. If this proposal goes ahead, there is no evidence to indicate that it would:

Reference and title of proposal:	Potential impact
recharges and system optimisation / efficiencies. In addition, income would be raised by introducing charging for developer advice.	• Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES075: Increased income and lower costs for the Transport Team. This	Connecting Norfolk (Norfolk's Transport Plan for 2026) places importance on:

Reference and title of proposal:	Potential impact
proposal will see savings achieved from increased recharges and system optimisation / efficiencies achieved through changing the way services are delivered.	• Achieving efficient movement into town and urban centres, favouring short term parking for car drivers, which benefits the local economy and supports alternative travel options • Providing opportunities for sustainable tourism, recognising the benefit of community and heritage rail lines • Providing accessible transport services • Encouraging alternatives to travel, such as supporting high quality broadband. There is a strong emphasis on working in partnership to achieve the intentions set out in Connecting Norfolk as well as enabling the community to take more ownership and responsibility: The proposal is to consider where and how make use of alternative sources of funding for existing transport services and to review current arrangements to identify efficiencies and improve the local offer. There will be a shift towards more demand responsive transport in rural areas which may likely have a positive impact on all service users and may particularly benefit disabled and older people who may be more reliant on public transport in rural areas to move around independently. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to

Reference and title of proposal:	Potential impact
	disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES076: Reduced highways equipment costs. Following the transfer to NORSE Highways, we have been able to reduce the cost of equipment.	This proposal will result in lower costs for highways equipment used. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;

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	- More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: - Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. - The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK
CES077: Income generation from highways assets. Increase income from additional highway advertising and sponsorship sites - for example new signs on verges	The Council offers advertising opportunities to generate income aimed at supporting our services and achieving best value for our residents. As a local authority with specific duties and responsibilities the Council takes regard of the type and nature of the advertising that is acceptable. If this proposal goes ahead, there is no evidence to indicate that it would: Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or

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	people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES078: Increased income generation by Trading Standards. Further work to generate income through the metrology service, in addition to the existing income generation targets.	This proposal will generate additional revenue through work by undertaken by Trading Standards. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who

Reference and title of proposal:	Potential impact
	identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES079: Seeking alternative funding sources for the Library and Information	The Council's most recent data shows that the Library and Information service is accessed by a diverse range of service users, including diverse ethnic minority people

Reference and title of proposal:	Potential impact
Service. Review of external funding and staff structure options.	and disabled people in Norfolk. As of May 2021, almost 61% of the 440,000 registered users were White British people while 10% were from diverse ethnic minority backgrounds. 2% of registered users were Home Library Service or Equal Access users. It is therefore important to reflect that any changes to the way services are provided may have some impact on people with protected characteristics living and working in Norfolk. Over the past year the Service has been looking at how funding can be accessed or used in different ways to maintain existing service levels for library users. This proposal takes account of available capital and partnership funding, as well as different grant programmes to secure some posts and anticipates that existing core / statutory service provision will be maintained, while savings are achieved. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility

Reference and title of proposal:	Potential impact
	criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES080: Cost Recovery for the American Library: The American Library based in the Millennium Library operates in partnership with the Second Air Division Memorial Trust. This proposal seeks to permanently remove the NCC contribution towards staffing costs and requires third party approval. The library would continue to operate at current levels if agreed.	Agreement has now been reached with respect to identifying an alternate source of funding for staffing costs for the American Library and as a result this proposal will have no impact on the current service or on staff although there will be a saving to the Council. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people

Reference and title of proposal:	Potential impact
	who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
CES081: Customer Services efficiency savings. This proposal reflects removing or changing courier arrangements across the Council. The introduction of a new logistics hub means this saving is possible.	The introduction of the "Connect-Send" online courier service allows all Council staff to create and send outbound correspondence direct from any device connected to the Council's network: If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and

Reference and title of proposal:	Potential impact
	beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES082: Education Library Service: this proposal removes the subsidy to maintain an Education Library Service and would	The ELS is a non-statutory service which individual schools buy into as they deem necessary. In recent years the Norfolk ELS has been providing specialist advice and

Reference and title of proposal:	Potential impact
cease the service to schools in its current format.	support to 71 schools (around 14% of all schools in Norfolk). The ELS has been operating at a loss in recent years with the Council making up the shortfall in budget. The ELS team currently supports schools who choose to buy in this service to develop their own library resources and also provides specialist advice and guidance to these schools on developing pupil literacy (through the provision of resources, training and school visits, including with a mobile library). While this proposal will likely to have some immediate impact on the schools who currently buy in this service and it is understood that there is evidence to show that some children and young people with protected characteristics do have different levels of attainment through KS1-4 with respect to literacy (particularly some Black, Asian and other minority ethnic groups including Gypsy Roma and Traveller children and young people and some children and young people with SEN) there is currently insufficient evidence to show that this proposal will; • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • There is no evidence available which shows that there are currently more children and young people with protected characteristics than children and

Reference and title of proposal:	Potential impact

	young people without these characteristics accessing the support available from the ELS via their schools.
	• Plans have been put in place to compensate for the loss of this service which should mitigate any potential disproportionate / detrimental impact on individual children, young people and their families. These include:
	  ○ The proposal to develop a dedicated children & young people's team within the Library & Information Service with a focus on delivering targeted programmes to promote reading and support literacy development (*including activities such as the Summer Reading Challenge, Story Explorers and "#live read" which are promoted to all children and young people across Norfolk)*
	  ○ The Service will continue to engage directly with *all* Norfolk schools, encouraging them to visit their local community libraries.
	  ○ The Service will continue to deliver the public mobile library service to rural communities across Norfolk.
	  ○ The Service will continue to undertake targeted engagement work with families from diverse ethnic minority communities and LGBTQ+ families to encourage access to books, reading and other educational resources via the core public library network.
	  ○ The Service will continue to develop its online offer to ensure that this meets Accessibility Standards and that all children, young people and their families can access resources online, including the option for an *"eLite"* membership.
	  ○ There is also specialist literacy support and advice available for SEN and GRT children and young people through the Norfolk Virtual Schools Service.
	
	• Individual service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.

Reference and title of proposal:	Potential impact
	• The proposal will not lead to new or increased costs for individual service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence currently available to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. Any redeployment of staff will be carried out in accordance with Council policies and procedures - for further information about the equality impacts of proposals (Organisational Change, Staffing Adjustments and Redeployment). • Similar proposals have been successfully implemented elsewhere in the UK. An individual provided feedback to the budget consultation stating *"this proposal removes the subsidy to maintain an Education Library Service and would cease the service to schools in its current format. Important for all children in Norfolk to have access to books and for some children this may only be via their school."* This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on people with protected characteristics or in rural areas that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
CES083: Review software and rationalise functionality within other existing systems. This proposal will save money by the Council ceasing to use two current	This proposal relates to two specific pieces of licenced software. The plan is to replace these with internally developed software (for time recording purposes and for a historically low usage specialist Highways design service) with a cost saving. Staff and services users will not be adversely affected by this change.

Reference and title of proposal:	Potential impact
systems replacing them with alternative, lower cost solutions.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.

Reference and title of proposal:	Potential impact
	• Similar proposals have been successfully implemented elsewhere in the UK.
CES084: Restructuring some back-office support teams. Savings from increased in manager self-service enabled by the Council's new HR and Finance system (MyOracle), and other changes in ways of working.	The decision to introduce MyOracle was agreed by Cabinet several years ago and the potential equality impacts were considered at this time as part of this decision. There may be some evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics. There may be organisational changes to staffing structures and no changes to staff terms or conditions however these will be implemented in accordance with the Councils policies and procedures which have already been impact assessed - for further information about the equality impacts of proposals (Organisational Change, Staffing Adjustments and Redeployment) relating to the workforce please see **Annex B** This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on employees with protected characteristics that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further.
CES085: Review of Museums budgets to reflect process and ways of working efficiencies. This proposal reflects additional partnership income, plus additional staffing budget savings including vacancy management, with no change in the service delivered.	Over the past year the Museums Service has been looking at how funding can be accessed or used in different ways to maintain existing service levels. This proposal takes account of available additional partnership funding, as well as grant programmes to secure existing posts and services and anticipates that existing services will be maintained, while savings are achieved. Some vacant posts will not be filled at this time as a result, but this will not impact on current services / facilities available to the public. If this proposal goes ahead, there is no evidence to indicate that it would:

Reference and title of proposal:	Potential impact
	• Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.

Reference and title of proposal:	Potential impact
CES086: Income generation by the Norfolk Record Office. This proposal reflects an increase in income through the launch of a new online service for ordering digital images and an anticipated increase in revenue from licenced images following the launch of the 1921 census.	This proposal anticipates the generation of additional revenue from a new online service for ordering licensed images and following the launch of the 1921 Census. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES087: Additional costs for advisory work met through the planning system.	This proposal will generate additional revenue through charges for pre-application planning advice undertaken. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact
	- The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK.
CES088: Culture and Heritage (Planning Service). Savings from planning application work being dealt with in house at the County Council.	If this proposal goes ahead, there is no evidence to indicate that it would: - Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; - More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: - Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility

Reference and title of proposal:	Potential impact
	criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
CES089: Reduction in existing budget pressure for Fire Service. This saving reflects a reduction in the anticipated required pension contributions for Fire Service currently provided for in the budget.	This proposal takes account that all Pension Schemes must be re-evaluated every few years to ensure there are sufficient funds to cover. If not, the employer (and employee) must increase contributions, and if there is more than is required, contributions may decrease. The forecast for this year has identified that there is an opportunity to reduce the employer contribution with no impact on staff. There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
CES090: Finalising a restructure of the [Fire Service] senior management team and strategic operational command arrangements.	As a result of a small restructure in 2020 it was identified that a vacant post in strategic operational command (at on-call level 4) could be filled by a green-book employee with a saving with no impact on service delivery or on existing employees. There is no evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics. There will be

Reference and title of proposal:	Potential impact
	no further organisational changes to staffing structures and no changes to staff terms or conditions and changes have been implemented in accordance with the Councils policies and procedures which have already been impact assessed.

Strategy and Transformation budget proposals 2022/2023

Reference and title of proposal:	Potential impact
S&T005: National Insurance savings on employee support schemes - invest to save approach based on promoting uptake of salary sacrifice arrangements to deliver Employer's NI savings	This proposal considers an invest to save approach based on promoting uptake of salary sacrifice arrangements to deliver Employer's NI savings. There is no evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics, however there is evidence to suggest that some staff with protected characteristics may positively benefit (women) - for further information about the equality impact of this proposal please see **Annex B** This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on employees with protected characteristics that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further
S&T001: Reduction in HR budgets. Savings to be delivered through a range of measures including efficiency savings arising from the new HR and Finance system (MyOracle). Approach will include revised service delivery model and savings from central rationalisation of HR functions (Fire HR transfer into central HR budget), as well as savings from reduced mileage, printing etc as a result of new ways of working.	This proposal considers the revised service delivery model and savings from central rationalisation of HR functions (Fire HR transfer into central HR budget), as well as savings from reduced mileage, printing etc as a result of new ways of working. Some of these savings will have no impact on staff. There may be some evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics. There may be some organisational changes to staffing structures and/or changes to staff terms or conditions however these will be implemented in accordance with the Councils policies and procedures which have already been impact assessed - for further information about the equality impacts of proposals (Organisational Change, Staffing Adjustments and Redeployment) relating to the workforce please see **Annex B** This proposal may require officers to undertake additional equality impact assessments when developing detailed service design proposals and implementation plans. If, during

Reference and title of proposal:	Potential impact
	consideration of these, it emerges that an aspect of a proposal may have a significant detrimental or disproportionate impact on employees with protected characteristics that it was not possible to predict at the time of conducting this assessment, this will be reported formally to the Cabinet, to enable next steps to be agreed before proceeding further
S&T002: Insight & Analytics budget saving and additional income. Deliver a saving by delaying recruitment and seeking alternative sources of funding for currently vacant posts	Currently these posts are vacant so this proposal will have no impact on existing service levels and current employees will not be affected by this proposal. Where alternative sources of funding are achieved, service users will benefit from having additional officers in post. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact
	- The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK
S&T003: One off use of Strategy & Transformation reserves	This proposal is intended to maintain existing levels of service through the one-off use of reserves. If this proposal goes ahead, there is no evidence to indicate that it would: - Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; - More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: - Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so.

Reference and title of proposal:	Potential impact
	• The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
S&T004: Reduction in Transformation budgets. Deliver a saving from a reduction in advertising posts and external fees.	This proposal offers a small saving from changes to advertising posts and in external recruitment fees. There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.

Governance budget proposals 2022/2023

Reference and title of proposal:	Potential impact
GOV001: Efficiency savings. Implementing Smarter Working practices across Nplaw, including moving from paper-based bundles to electronic bundles, which reduces core costs.	There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. Any changes will be implemented in accordance with the Councils policies and procedures which have already been impact assessed (Smarter Working).
GOV002: Reduction in Monitoring Officer budget. Remove capacity from Monitoring Officer budget.	If this proposal goes ahead it will not impact on the Monitoring Officer's ability to deliver their key functions with respect advising the Council on legal matters. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK
GOV008: Reduction of the Elections budget	This proposal is based on an analysis of past claims on this budget and the current elections ring-fenced reserves which has identified that there is likely to be some capacity for a reduction in this budget as a result. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence.

Reference and title of proposal:	Potential impact
	This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
GOV003: Reduction in Governance budgets. Saving to be delivered from reducing training and removing Governance estate and site management budgets	This proposal relates to a shift towards delivering more training in-house whilst still ensuring that staff have the necessary qualifications and professional development for their roles. The proposal also takes account that there was spare capacity in the Governance estate and site management budgets which has now been removed. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;

Reference and title of proposal:	Potential impact
	- More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: - Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. - The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK.
GOV009: New improved contract management on Coroners Fees and Charges	This proposal will achieve savings through improved contract management of Coroners fees and charges. There is no evidence to indicate that: The proposal would have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people

Reference and title of proposal:	Potential impact
	who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • The proposal would more significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
GOV004: Reduction in Governance budgets. Saving to be delivered by	This proposal relates to amounts allocated in the budget to cover rent, council tax and maintenance costs for a building the Council has now vacated. The budget (for hire of

Reference and title of proposal:	Potential impact
reducing Governance budget for rents and hire, while retaining the Coroner's budget for inquests that cannot be accommodated at County Hall.	premises) retained is to accommodate an inquest which will require a larger than usual venue. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because • Service users will not experience any reductions in the quality, standards or level of support they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will

Reference and title of proposal:	Potential impact
	be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
GOV005: Use of Governance reserves. One-off release of reserves to offset budget pressures following review of all reserves held.	This proposal is intended to maintain existing levels of service through the one-off use of reserves. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the

Reference and title of proposal:	Potential impact
	Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
GOV006: Income generation. Recognising the potential for growth in Nplaw, including external income generation.	This proposal recognises there is an opportunity for Nplaw to generate additional revenue through consultation and legal advice work to external organisations. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
GOV007: Reduced spend on barristers.	Barristers are often required when a case goes to court or at tribunal and they provide specialist legal advice and documentation. Nplaw has several specialist lawyers in-house who are also able to provide this legal advice and support. Where possible Nplaw works to resolve legal disputes at the earliest opportunity and gives advice across the Council to prevent such disputes arising. This makes it possible to achieve a reduction in spend on barristers. This proposal will not prevent the Council from having representation from barristers when necessary and appropriate. This proposal recognises the opportunity for Nplaw to generate additional revenue through consultation and legal advice work to external organisations. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics;

Reference and title of proposal:	Potential impact
	- More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: - Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. - The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. - Similar proposals have been successfully implemented elsewhere in the UK.

Finance & Commercial Services budget proposals 2022/2023

Reference and title of proposal:	Potential impact
FCS018: Benefits realisation from the HR & Finance system replacement (MyOracle) project. Recognising efficiency and other savings to be achieved within Budgeting and Accounting service from 2023-24.	If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There may be some evidence to indicate staff with protected characteristics could be disproportionately affected compared to staff without these characteristics. There may

Reference and title of proposal:	Potential impact
	be organisational changes to staffing structures and/or changes to staff terms or conditions however these will be implemented in accordance with the Councils policies and procedures which have already been impact assessed (Organisational Change, Staffing Adjustments and Redeployment). • Similar proposals have been successfully implemented elsewhere in the UK.
FCS019: Operational efficiencies generated from greater integration of functions and teams within IMT	This proposal considers the savings potentially generated through the merger of separate ICT teams and systems which currently work under specific services, with savings generated as a result of a reduction in management and operating costs, and less duplication of work / posts, resulting in more efficient functions. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users.

Reference and title of proposal:	**Potential impact**
	• The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies. If establishment structures or posts change, it is not expected that this would lead to staff with protected characteristics being disproportionately represented in redundancy or redeployment figures - for further information about the equality impacts of proposals relating to the workforce please see **Annex B** • Similar proposals have been successfully implemented elsewhere in the UK.
FCS020: Income from letting of underutilised element of NCC estate to a commercial tenant	This proposal will generate income and ensure that Council owned property will be fully utilised. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because:

Reference and title of proposal:	Potential impact
	• Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies • Similar proposals have been successfully implemented elsewhere in the UK.

Finance General budget proposals 2022/2023

Reference and title of proposal:	Potential impact
FIN005: One off release from Organisational Change Fund. Annual budget provision is made for organisational change and redundancy costs. An assessment of the amount required to be held against organisational need(s), experience of actual costs incurred, and the likely organisational and staffing impact of emerging saving proposals for 2022-23, indicate that it would be possible to release £0.750m from this budget on a one-off basis	If this proposal goes ahead, it will provide an opportunity to make better use of available funds. This would impact positively on residents of Norfolk, including residents with protected characteristics, because it will ensure that budgets are used as effectively as possible to achieve the best possible outcomes for local communities. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions. Any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies which have already been impact assessed (Organisational Change, Staffing Adjustments and Redeployment). • Similar proposals have been successfully implemented elsewhere in the UK.
FIN009: Reduction in budget required for members travel expenses due to adoption of smarter working approaches	As a result of the pandemic and the adoption of smarter working approaches across the Council, it has been possible for more meetings to be conducted online, enabling a reduction in the members travel expenses budget as they make more effective use of technology. The Council continues to work on making online working more accessible through improvements to the digital environment to ensure that disabled people can access the services they need. This approach has already evidenced benefits as it has offered members increased opportunities to work more flexibly to engage with local residents and Council officers, reducing time spent travelling. Any meetings held by local authorities in England under the Local Government Act 1972 must take place in person (as of 7th May 2021). Physical meetings are required for committees to take decisions and that the public must have physical access to those meetings (unless those meetings are considering confidential or exempt information). If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender, or people in rural areas) compared to people who do not share these characteristics;

Reference and title of proposal:	Potential impact
	- More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: - Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. - The proposal will not lead to new or increased costs for service users. - The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. - The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. - There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no changes to staff terms and conditions and any organisational changes would be developed, implemented and monitored in accordance with agreed workforce policies which have already been impact assessed. - Similar proposals have been successfully implemented elsewhere in the UK.
Increase in income budget to reflect actual grant funding. Allocations of Extended Rights to Free Travel grant are not confirmed until after the budget for the year has been set. Following review, the income budget for the grant can be increased to reflect the actual level of grant received in recent years	The Council uses this grant funding to pay for home-to-school travel for children from low-income families, as required by the Education Act 1996. The Council provides free school transport, if a child is: - of compulsory school age (5 to 16 years old) on 1 September or they will be 5 before 1 September when applying for school… and - they attend the nearest catchment school or the nearest appropriate school with a place as designated by Children's Services and

Reference and title of proposal:	Potential impact
	- live more than 2 miles, measured by the nearest walking route to school, when under the age of 8 - live more than 3 miles walking distance from school, when aged 8 or over. The Council also provides transport for children who are unable to walk to school due to limited mobility or a severe medical condition in some circumstances. Free school transport may also be available for families receiving certain other benefits, dependent on how far from the school a child lives, and eligibility is assessed based on evidence of need. Full details of the eligibility criteria can be found here Although young people must now remain in education or training until they are 18, the government has not increased the age range of free transport available to eligible young people in line with this. Free transport is still only available to eligible children and young people up to age 16. For students aged 16 -19 years (or 16 - 25 years for those with an EHCP that names a post 16 learning establishment) the Council operates a subsidised post-16 travel scheme on existing local bus or train services, on education transport contract vehicles, or on any specialist transport that is deemed necessary to meet a student's needs. If this proposal goes ahead, there is no evidence to indicate that it would: - Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; - More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience

Reference and title of proposal:	Potential impact
	complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • The Council will adjust the budget accordingly once information about the grant is available to ensure that it continues to meet its statutory responsibilities. • The Council undertakes an assessment of need across Norfolk and follows statutory guidance with respect eligibility for this service. • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
FIN006: Reduce budgetary provision for grants to other public bodies. Reducing the budget held corporately to support partnership work with other public bodies following a review of recent funding needs.	This proposal principally relates to grants made available to District Councils. The reduction in the allocated budget is because the level of funding previously made available has not been required / accessed by the districts. Alternative sources of funding have been identified and it is not envisaged that any specific partnership activities will be stopped as a result. Key strategic partnerships – e.g., the Older People's Partnership Board will not be impacted by this proposal. If this proposal goes ahead, there is no evidence to indicate that it would:

Reference and title of proposal:	Potential impact
	• Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
FIN007: Review of employer pension pressure provision. Revising the budget provided to reflect the actuarial valuation of the pension fund and the level of lump sum payment required 2022-23.	This proposal takes account that all Pension Schemes must be revalued every three years to ensure there are sufficient funds to cover current and future liabilities. If not, contributions into the fund must be increased. If the scheme is fully funded, contributions may decrease.

Reference and title of proposal:	Potential impact
	There is no evidence available currently to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions.
FIN008 and FIN010: Review of treasury management requirements. Review of borrowing needs and interest rates will enable a saving to be delivered from interest payable budgets.	This proposal will enable a saving as a result of changes to interests payable, enabling additional monies to be released for the benefit of all local residents. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance. • The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements.

Reference and title of proposal:	Potential impact
	• There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK.
Delaying planned contributions to the General Fund. Review of the level of the General Fund compared to Net Budget forecasts and risks enables an element of planned contributions to be delayed and reduced while maintaining the balance at the required target level.	If this proposal goes ahead the balance of the General Fund will be maintained at the required target level, albeit that planned contributions will be delayed in the year. The General Fund is available for contingency planning / unexpected costs, and the target level is set based on a comprehensive risk assessment. If this proposal goes ahead, there is no evidence to indicate that it would: • Have a disproportionate or detrimental impact on people with protected characteristics (such as older and younger people; men, women and people who identify as intersex or non-binary; disabled people; Black and Asian people or people from ethnically diverse backgrounds; people with different religions and beliefs; people who identify as lesbian, gay, bisexual or transgender) compared to people who do not share these characteristics; • More significantly disadvantage some people with a protected characteristic, compared to others who share that characteristic – for example, disabled people who experience complex and substantial barriers to independence, compared to disabled people who face less complex and substantial barriers to independence. This is because: • Service users will not experience any reductions in the quality, standards or levels of service they currently receive. No changes are proposed to eligibility criteria for services, so people will continue to receive support relevant to their assessed needs. People who currently receive a service will continue to do so. • The proposal will not lead to new or increased costs for service users. • The proposal will be implemented in accordance with corporate and departmental policies and procedures and national guidance.

Reference and title of proposal:	Potential impact
	• The proposal will be implemented in accordance with the Council's Equality, Diversity and Inclusion policy; the Public Sector Equality Duty; the Equality Act 2010; the Accessible Information Standard and all other relevant equality, diversity and inclusion requirements. • There is no evidence to indicate that staff with protected characteristics would be disproportionately affected compared to staff without these characteristics. There will be no organisational changes to staffing structures and no changes to staff terms or conditions. • Similar proposals have been successfully implemented elsewhere in the UK
Proposed increase in council tax and adult social care precept	The Medium-Term Financial Strategy approved by Members in February 2021 assumed a **1.99%** increase in council tax for 2022-23 and subsequent years, plus a **1.00%** increase in the Adult Social Care precept for 2022-23 (deferred from 2021-22). 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 (in addition to any deferred amount available*)*. The Section 151 Officer has recommended that Members agree the maximum council tax increase available within the referendum threshold, plus the deferred amount from 2021-22 (a total increase of 3.99%). Cabinet's preferred option is an increase of 2.99%. The proposed Medium Term Financial Strategy is based on a **2.99%** increase from 2023-24 onwards. The pressures within the current budget planning position are such that, unless mitigated by additional savings or government funding, the Executive Director of Finance and Commercial Services considers that the Council will have very limited opportunity to apply council tax increases below the referendum threshold, and 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. Each organisation that provides services in the area sets their own proportion of the council tax bill. These are:

Reference and title of proposal:	Potential impact
	- Norfolk County Council - The District council - The Parish council (if there is one) - Norfolk Police Most of the money that people pay as part of Norfolk County Council's share of the council tax helps fund the costs of all the services provided by the Council and is not linked to specific services. **More about the adult social care precept** In 2015 the Government gave councils like Norfolk the opportunity to raise council tax to help pay for adult social care services – this is called the adult social care precept. The money raised from the adult social care precept is ringfenced which means that the Council can only spend it on adult social care services. Adult social care services are those that support older people, disabled people and people with mental health problems. These services help people to stay safe in their own homes and continue to be independent. Where this is not possible, adult social care can support people in residential care. In 2021/2022 our gross budget for adult social services is **£455.591m.** The Council must use adult social care precept money solely for adult social care services. **The implications of the budget and the proposal to increase in council tax and adult social care precept** While individual impact assessments of proposals show that it is unlikely there will be significant adverse impacts *at this time* on people with protected characteristics as a result of individual budget proposals (and where there are impacts these will be considered and where possible mitigated) it is important to acknowledge that *any* proposed increase in council tax and / or the adult social care precept will likely have some adverse impact on individual households across Norfolk, including on people with protected characteristics and more particularly on those from middle to lower income households.

Reference and title of proposal:	Potential impact
	Government expects local government to raise funds to cover Adult Social Care costs via the Adult Social Care Precept, and the Council must ensure that there is sufficient funding available to meet the needs the increasing numbers of adult social care users, many of whom are older, disabled and/or extremely vulnerable. The high level of demand on this service must be considered as a priority as any reductions in critical frontline care and support services has the potential to have a substantial detrimental impact on people in Norfolk with one or more protected characteristics. Having said that any decisions with respect to increasing Council Tax should take into consideration that: The State Pension rise will be 3.1% in 2022/23. It should be acknowledged that any increase to Council Tax may be felt by older people who can't increase their income and some pensioners are not able to access 'rate relief' (council tax support schemes). Older people in receipt of the State Pension are also eligible for Winter Fuel Payment (between £100 - £300) but this must be considered in conjunction with increasing energy bills. Around 20% of Norfolk's population has a long-term limiting health condition. This figure increases to around 45% of people aged 65+ years. In 2020 the Joseph Rowntree Foundation identified that around half of households living in poverty in the UK include a disabled person, and that working-age disabled people were most likely to be at risk of living in poverty. The National Minimum Wage will increase by 6.6% in 2022 to £9.50 (the highest rate outside London) falling to £6.83 for 18–20-year-olds, however this is still believed to be a little lower than the living wage in the UK (the rate independently calculated based on rising living costs). The disparity of income is likely to be hardest felt by younger, single people and some people from diverse ethnic minority groups in Norfolk who are more known to be more likely working in low-pay, less secure or zero-hours contract employment such as the hospitality, care, manufacturing, and retail sectors. Disabled workers are also known to be more likely to be in lower income groups. This should be considered in the context of inflation (CPI) reaching **5.4%** in December 2021, with the related increases in the costs of food, fuel, and other goods and services. The Trussel Trust, the largest food bank charity in England, reported an 11% increase in food parcels given out

Reference and title of proposal:	Potential impact
	nationally between April and September 2021 (in comparison to the same period in 2019) with over 97,500 food parcels distributed across the East of England. As of June 2021, around 70,000 people in Norfolk were in receipt of Universal Credit with around 45% of these being in employment. With the removal of the temporary £20 weekly uplift introduced during the pandemic, these households saw their income reduce by around £1000 per year after a period of 18 months. To seek to mitigate any adverse impact the Council already has in place the following: • The Norfolk Assistance Scheme which helps people who are in financial hardship and cannot pay their living costs • The Free School Meals scheme which offers eligible children and young people food vouchers during the school holidays • The Money Support Service for all service users who need help with budgeting or managing debts • The Direct Payment Support Service for disabled and older people who have chosen to direct their own care and support. • Benefits advice and support for people in receipt of a social care package or care leavers via the Welfare Rights Unit • Community hubs to help people who are vulnerable or self-isolating (including accessing food and deliveries and housing support and advice including arranging emergency repairs and advice on keeping warm) • General advice, support and signposting for people seeking to access their local food bank • The Norfolk Social Infrastructure Fund which is a capital grant scheme for voluntary and non-profit groups offering grants up to £250,000 or groups who are involved in community projects and initiatives that benefit the residents of Norfolk. It is also understood that the pandemic has created significant challenges for the voluntary and community sector who provide a range of services and in some places essential support to vulnerable people. Demands on these services will likely continue to increase while individual charitable contributions may fall because of the rising cost of living. There is likely a more diverse range of people in Norfolk who are now seeking assistance, particularly younger people who are experiencing greater isolation and employment uncertainty as a result of the pandemic. There

Reference and title of proposal:	Potential impact
	have also been multiple studies showing deteriorations in mental health and wellbeing across all age groups because of the pandemic across the population, affecting people in different ways. Within several of the above individual budget proposals the Council has identified where additional funding and or changes to commissioning frameworks may be beneficial in supporting and developing the local community and voluntary sector which will likely help mitigate this impact. The public consultation feedback showed that **55%** of people who responded agreed or strongly agreed with the Council's proposal to increase the Adult Social Care precept by 1% in 2022-23 in comparison to **36%** who disagreed or strongly disagreed, suggesting that a proportion of the public understand / support the need for an increase in funding for Adult Social Care. There has also been a significant amount of individual feedback indicating that some people will struggle financially if the proposal to raise council tax by 1.99% goes ahead.

Annex A – Proposal to increase council tax

Table: The number of dwellings on the council tax valuation list, and percentages of council tax exemptions, by Norfolk district (October 2021)

	Total chargeable dwellings on valuation list	Number dwellings paying full Council Tax	% Dwellings paying full Council Tax	% Dwellings subject to some kind of reduction in Council Tax
Breckland	61,406	41,673	67.86%	32.14%
Broadland	58,821	40,107	68.18%	31.82%
Great Yarmouth	48,075	28,819	59.95%	40.05%
Kings Lynn & West Norfolk	72,024	48,308	67.07%	32.93%
North Norfolk	54,744	35,736	65.28%	34.72%
Norwich	65,421	36,749	56.17%	43.83%
South Norfolk	63,101	41,761	66.18%	33.82%
Total Norfolk	**423,592**	**273,153**	**64.48%**	**35.52%**

Annex B – Budget proposals and HR impacts

Equality Impact Assessment – Findings & Recommendations

30/12/2021 - Teresa Baker, HR Delivery Manager

The proposal – Budget Savings Proposals

Service Managers and leads have made a range of proposals for budget savings for the 2022/23 year. This EQiA considers the equality impacts in relation to NCC staff who could potentially be affected by the budget saving proposals.

Information about the people affected by the proposal

Where proposals suggest reducing, closing or transferring services, there will be a potential impact on all staff who currently provide that service. In particular the proposals that may have a specific impact on staff are:

- **Adult Services ASS039 A strategic refocus of NCC's investment in Intermediate Care Services**
- **Children's Services CHS008 (Extend) Expansion of 2021-22 CHS008: Smarter Working**
- **Strategy & Transformation S&T005 National Insurance savings on employee support schemes**

NCC employs people with a range of protected characteristics, in relation to disability, sex, gender reassignment, marital or civil partner status, pregnancy and maternity, race, religion/belief, age and sexual orientation.

Potential impact

- **Adult Services ASS039 A strategic refocus of NCC's investment in Intermediate Care Services –** If the result of the proposal involves services being transferred to other providers, there will be limited impact as those staff members will be protected by TUPE regulations. If however, the service closes, or reduces in size, staff may be at risk of redundancy. Research shows that people with certain protected characteristics, such as older or disabled people can find it more difficult to find employment if they are made redundant. However, NCC policies and procedures around organisational change ensures that adjustments are made to ensure that people with protected characteristics are not disproportionately affected. These include discounting sickness absence relating to a disability and having an effective redeployment policy. The Council also ensures that Managers complete a full Equality Impact Assessment once details of impacted staff are known.

- **Children's Services CHS008 (Extend) Expansion of 2021-22 CHS008: Smarter Working** – There is already a full Equality Impact Assessment completed for the Smarter Working policy. This includes a range of mitigations to ensure that people are not disproportionately affected due to their protected characteristics. The Council regularly surveys staff to ask about their views on Smarter Working and also engages with the Equality Diversity and Inclusion Advisory Networks and Employee Groups.

- **Strategy & Transformation S&T005 National Insurance savings on employee support schemes** – This proposal would be beneficial from all groups and therefore there is no detrimental to anyone due to their protected characteristic. Salary Sacrifice schemes are only available to staff who pay tax and national insurance, so it may be possible that very low earners (part time), who tend to be women, may not be able to benefit from the proposal, but they would not suffer a detriment. The Council would however carry out a detailed Equality Impact Assessment before deciding on which scheme(s) to introduce.

Based on the evidence available, these proposals are likely to have a neutral impact on people with protected characteristics.
This is because;

- A detailed EqIA is completed for all specific proposals affecting staff when details of the individuals affected are known.
- In addition, all HR policies and procedures have an EqIA that is reviewed and updated each time the policy or procedure is updated. The EqIAs relevant to these proposals are:

    - Covid Working Arrangements
    - Disturbance Allowance (when staff have their base moved as a result of budget proposals)
    - Smarter Working
    - Managing Organisational Change
    - Redeployment Compensation
    - Staffing adjustments and redundancy payments
    - Travel
    - Modern Reward System

There is no legal impediment to going ahead with the staffing elements of these proposals. They would be implemented in full accordance with due process, national guidance and policy.

It is possible to conclude that the proposals may have a positive impact on some staff with protected characteristics, for the reasons set out in this assessment. It may also have some detrimental impacts, also set out in the assessment.

Decision-makers are therefore advised to take these impacts into account when deciding whether or not the proposal should go ahead, in addition to the mitigating actions recommended below.

Some of the actions will address the potential detrimental impacts identified in this assessment, but it is not possible to address all the potential impacts. Ultimately, the task for decision-makers is to balance these impacts alongside the need to manage reduced resources and continue to target support at those who need it most.

Recommended actions

If a further assessment has identified any detrimental impacts, the decision maker should set out here any actions that will help to mitigate them.

Number	Action	Lead	Date
1.	Carry out full EQiA before making adjustments to staffing levels as a result of changes	Lead HR Consultant and relevant Senior Manager	March 2022
2.	Continue to seek feedback on Smarter Working practices	Director for People	January 2022
3.	Complete full EQiA before making decision on salary sacrifice schemes	Director for People	June 2022

Evidence used to inform this assessment

Reference any other evidence your analysis has drawn upon:

- Equality, Diversity and Inclusion Policy
- Demographic factors set out in Norfolk's Story 2021
- Digital Inclusion and COVID-19 equality impact assessments
- Norfolk County Council Area Reports on Norfolk's JSNA relating to protected characteristics
- Business intelligence and management data, as quoted in this report

- Equality Act 2010 and Public Sector Equality Duty codes of practice

Further information

For further information about this equality impact assessment please contact **Teresa Baker, HR Delivery Manager** – Teresa.baker@norfolk.gov.uk

[i] **Prohibited conduct:**

Direct discrimination occurs when someone is treated less favourably than another person because of a protected characteristic they have or are thought to have, or because they associate with someone who has a protected characteristic.

Indirect discrimination occurs when a condition, rule, policy or practice in your organisation that applies to everyone disadvantages people who share a protected characteristic.

Harassment is "unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual".

Victimisation occurs when an employee is treated badly because they have made or supported a complaint or raised a grievance under the Equality Act; or because they are suspected of doing so. An employee is not protected from victimisation if they have maliciously made or supported an untrue complaint.

[ii] The protected characteristics are:

Age – e.g. a person belonging to a particular age or a range of ages (for example 18 to 30 year olds).
Disability – a person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.
Gender reassignment – the process of transitioning from one gender to another.
Marriage and civil partnership
Pregnancy and maternity
Race – refers to a group of people defined by their race, colour, nationality (including citizenship), and ethnic or national origins.
Religion and belief – has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (such as Atheism).
Sex – a man or a woman.
Sexual orientation – whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.

[iii] The Act specifies that having due regard to the need to advance equality of opportunity might mean:

- Removing or minimizing disadvantages suffered by people who share a relevant protected characteristic that are connected to that characteristic;
- Taking steps to meet the needs of people who share a relevant protected characteristic that are different from the needs of others;
- Encouraging people who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such people is disproportionately low.

[iv] Having due regard to the need to foster good relations between people and communities involves having due regard, in particular, to the need to (a) tackle prejudice, and (b) promote understanding.

[v] Norfolk Digital Inclusion Strategy

Cabinet

Item No: 17

Report Title: Disposal, acquisition and exploitation of property

Date of Meeting: 31 January 2022

Responsible Cabinet Member: Councillor Greg Peck, Cabinet Member for Commercial Services & Asset Management

Responsible Director: Simon George
Executive Director for Finance and Commercial Services.

Is this a Key Decision? No

If this is a Key Decision, date added to the Forward Plan of Key Decisions: n/a

Executive Summary/Introduction from Cabinet Member

Proposals in this report are aimed at supporting Norfolk County Council (NCC) priorities by exploiting properties surplus to operational requirements, pro-actively releasing property assets with latent value where the operational needs can be met from elsewhere and strategically acquiring property to drive economic growth and wellbeing in the County.

One of the key actions within the Strategic Property Asset Management Framework is a sharp focus on maximising income through adoption of a more commercial approach to property.

As part of corporate management of property and a systematic approach to reviewing the use and future needs of property assets for service delivery there is a continued emphasis on minimising the extent of the property estate retained for operational purpose. However, on occasion there will be the requirement to acquire or reuse an individual property to support a service to delivers its aims.

By adopting a “single estate” approach within the County Council and sharing property assets with public sector partners through the One Public Estate programme, the Council is aiming to reduce net annual property expenditure by £1million over the next two years (2021/22 to 2022/23).

Consideration is also given to the suitability of surplus property assets for reuse or redevelopment to meet specific service needs that could improve the quality of services for users, address other policy areas and/or improve financial efficiency for the County Council, for example, facilitating the supply of assisted living accommodation and other housing solutions for people requiring care, or undertaking re-development to support jobs and growth.

This means that as well as continuing with the rationalisation of the operational property estate to reduce the number of buildings used by the County Council, a more commercial approach is being adopted over the sale or redeployment of surplus property assets.

Recommendations:

Cabinet is asked:

1. **To agree to the County Council entering an agreement for a lease and lease for 0.4 hectares of land, Holt Road, Beeston Regis as identified on the site plan for 25 years at an initial rent of £20,000 per annum and other agreed terms.**

2. **To formally declare the Sheringham Recycling Centre site, Holt Road, East Beckham NR26 8TS (1025/011) and the adjacent former highway land surplus to County Council requirements and instruct the Director of Property to dispose of both properties subject to the replacement recycling centre being operational. In the event of the disposal receipts exceeding delegated limits the Director of Property in consultation with the Executive Director of Finance and Commercial Services and Cabinet Member for Commercial Services and Asset Management is authorised to accept the most advantageous offer.**

3. **To agree to the County Council entering an agreement for a lease and lease for 0.6 hectares of land, Spooner Row, Wymondham as identified on the site plan for 25 years at an initial rent of £30,000 per annum and other agreed terms.**

4. **To formally declare the - Wymondham Recycling Centre site, Strayground Lane, Wymondham NR18 9NA (7117/013) surplus to County Council requirements and instruct the Director of Property to dispose of the property subject to the replacement recycling centre being operational. In the event of the disposal receipt exceeding delegated limits the Director of Property in consultation with the Executive Director of Finance and Commercial Services and Cabinet Member for Commercial Services and Asset Management is authorised to accept the most advantageous offer.**

1. Background and Purpose

1.1 The County Council actively manages its property portfolio in accordance with the Strategic Property Asset Management Framework 2021/22 - 2026/27. Property is held principally to support direct service delivery, support policy objectives, held for administrative purposes or to generate income. Property is acquired or disposed of as a reaction to changing service requirements, changing council policies or to improve the efficiency of the overall portfolio.

1.2 The County Council challenges the use of its property on an ongoing basis. In the event of a property asset becoming surplus to an individual service need there are internal officer led processes to ascertain whether other service areas have an unmet need that could be addressed by re-using the property asset for that service. This may lead to a change of use of individual properties, for example, an office building may be adapted and reused for operational service delivery. Any proposals for retention are only agreed if supported by a robust business case showing the benefits to the County Council and are funded from approved budgets. This assessment will also consider whether a property could be offered at best consideration to public sector or third sector partners.

1.3 The above assessments are carried out by the Corporate Property Officer (the Director of Property) in consultation with the Corporate Property Strategy Group (CPSG). Once it is confirmed there is no further County Council requirement, Cabinet is asked to formally declare property assets surplus or re-designate for alternative purposes.

1.4 The Corporate Property Officer reviews options for maximising income from surplus properties usually by open market sale to obtain the best consideration possible. These will range from selling immediately on the open market (to the bidder making the best offer overall), enhancing the value prior to sale, strategic retention for a longer-term benefit through to direct development of the land and buildings and selling/letting the completed assets, in the expectation of enhanced income for the Council. Most disposals will be by way of tender or auction. In respect of auctions the contract of sale will be formed at the fall of the hammer and where this approach is selected the Corporate Property Officer will determine a reserve below which the property will not be sold. Most disposals will include overage/clawback provisions to enable the council to collect future uplifts in value created by alternative uses.

1.5 For properties to be sold immediately there is sometimes a need to consider selling directly to a specific purchaser instead of going to the open market. This may be justified where the third party is in a special purchaser situation and is willing to offer more than the assessed market value. Conversely this might be to a purchaser who is in a unique position of control for the unlocking of the full latent value of the County Council owned site (ransom situation). A direct sale without going to market can also be justified if there are specific service benefits or a special partnership relationship which is of strategic value with service/community benefits.

1.6 In making recommendations for direct sale without going to market, or direct property development, the Corporate Property Officer will consider risks, opportunities, service objectives, financial requirements and community benefits.

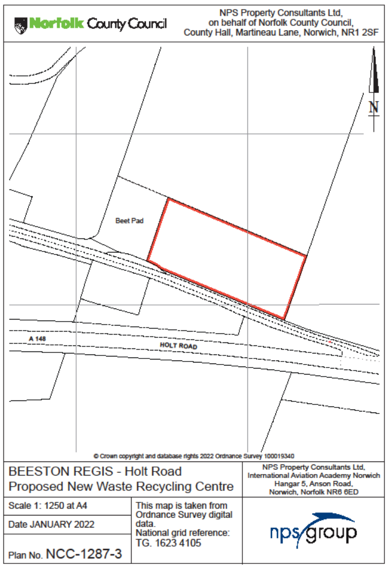
1.7 The recommendations for all disposals, acquisitions and exploitation of NCC property in this report follow detailed assessment by officers of the range of options available. The recommendation for each property is based on existing policies and strategies and judged to provide the best return to the County Council in financial terms and, where appropriate, taking account of community and economic benefits

2. Proposal

Beeston Regis – Acquisition of a new site in Holt Road for a replacement Recycling Centre

2.1 Following an extensive site search by the County Council's agent, NPS, a site has been identified opposite the existing centre in Holt Road, edged red on plan. The site is currently used for agricultural purposes with an area of 0.4 hectares (0.99 acres).

2.2 The selection of this site followed an extensive site search process and reflected the challenges involved in identifying deliverable options for recycling centres, addressing planning and highways considerations. This site is located to allow ease of vehicular access linked to the strategic road network and will have significant operational benefits when compared to other options that were considered as part of the site option review.



2.3 The layout of the proposed site will provide for more efficient vehicle flows across the site than is possible with the existing site, improved access for service vehicles and the provision of a reuse shop.

2.4 The site will be acquired through a lease (subject to acquiring planning permission and an environmental permit) as the owner was unwilling to progress negotiations based on a freehold transfer. NCC will enter an agreement for a lease to secure the site. NCC will then procure a works contract for the development of the new Recycling Centre subject to obtaining a satisfactory planning consent, issue of an Environmental Permit from the Environment Agency and other required statutory approvals as required. The lease will commence simultaneously with the award of the works contract by NCC.

2.5 The key terms are:

- Landlord – Denny's Construction Limited (Company No. 04845080).
- Term – 25 years.
- Tenant breaks – At 15th and 20th years.
- Lease Start – At confirmation of works contract.
- Rent – £20,000 per annum.
- Rent reviews – 5 yearly indexed to Retail Price Index, but with fixed annual cap and collar between 2% and 4%.
- Contracted out of the Landlord and Tenant Act 1954.

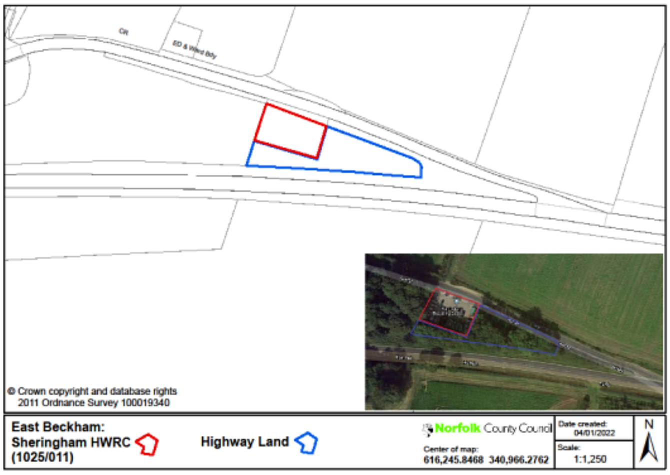
2.6 Furthermore, the Agreement for Lease includes provision for the Landlord, a civil engineering company, to provide a tender to NCC for undertaking the works to construct the new Recycling Centre, which NCC may consider and choose to award to the Company, subject to specified conditions and at NCC's absolute discretion.

2.7 NPS have confirmed the proposed lease terms and proposed rentals are in line with the arrangements for other recycling centres at King's Lynn and Thetford and reflect the local market in the Holt area.

2.8 The Divisional member has been informed of this proposed acquisition.

East Beckham – Sheringham Recycling Centre, Holt Road NR26 8TS (1025/011) and adjacent former highway land

2.9 The land edged red on plan, amounting to 0.07 Hectares (0.17 acres) comprises the Sheringham Recycling Centre and the area edged blue amounting to 0.13 hectares (0.32 acres) comprises the adjacent former highway land. Both areas are owned freehold by the County Council



2.10 Following a strategic review of recycling facilities, it was determined the existing Sheringham Recycling Centre site is now operating at capacity and a new site is being sought to ensure the service is suitable for future growth and service improvement.

2.11 Environmental, Development and Transport Committee in November 2018 supported the putting forward for the capital programme the replacement of the Sheringham Recycling Centre with a new site (site acquisition described elsewhere in this report).

2.12 In respect of the Sheringham Recycling Centre site and the adjacent former highway land Community and Environmental Services have declared both surplus for their purposes. Following a review by the Director of Property in consultation with CPSG is has been confirmed that both sites are not required for NCC service use.

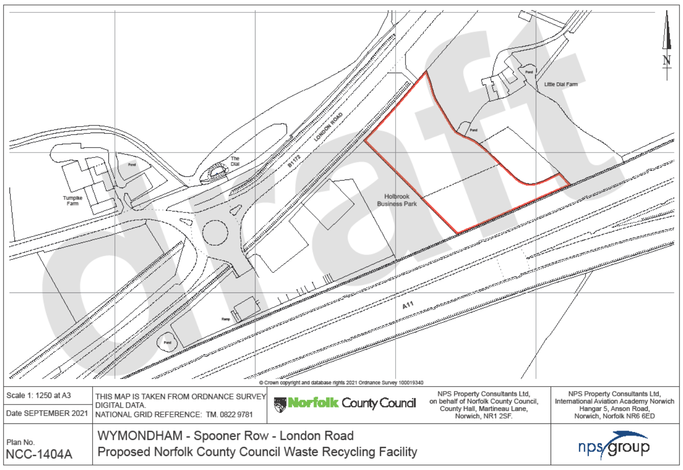
2.13 On the basis the replacement Recycling Centre site is operational it is proposed to dispose of the existing site and the adjacent former highway land by open market sale through auction or by tender.

2.14 The Divisional member has been informed of this proposed disposal.

Wymondham - Acquisition of a new site in Spooner Row for a replacement Recycling Centre

2.15 Following an extensive site search by the County Council's agent, NPS, a site has been identified at Spooner Row located adjacent to an existing National Highways (formerly Highways England) depot on a site that has convenient access of the A11 both to the north and south, edged red on plan. The site is currently waste ground with an area of 0.6 hectares (1.48 acres).

2.16 The selection of this site followed an extensive site search process and reflected the challenges involved in identifying deliverable options for recycling centres, addressing planning and highways considerations. This site is located to allow ease of vehicular access linked to the strategic road network and will have significant operational benefits when compared to other options that were considered as part of the site option review.



2.17 The site will be acquired through a lease (subject to acquiring planning permission and an environmental permit) as the owner was unwilling to progress negotiations based on a freehold transfer. NCC will enter an agreement for a lease to secure the site. NCC will then procure a works contract for the development of the new Recycling Centre subject to obtaining a satisfactory planning consent, issue of an Environmental Permit from the Environment Agency and other required statutory approvals as required. The lease will commence simultaneously with the award of the works contract by NCC.

2.18 The proposed Spooner Row site benefits from a location that allows immediate access on to the A11 to both Wymondham to the north and Attleborough to the south, which may also provide the opportunity for further rationalisation of service locations.

2.19 There is a substantial soil heap on the Spooner Row site, understood to be earth moved from the adjacent National Highways depot, which is owned by the same landlord. Discussions took place over the options for clearing and levelling the site to make it suitable for the development of the new HWRC. It is understood that the soil will be transferred to an alternative licensed location.

2.20 The proposed agreement will involve the clearance of the site by the Landlord. NCC will then make a payment of £350,000 to the Landlord simultaneous with the grant of the lease to NCC.

2.21 The indicative cost of £300,000 in respect of the cost of moving and clearing the soil deposited on the site has been assessed by Community and Environmental Services derived from their knowledge gained from operational involvement in highways schemes in the County and is considered to represent a reasonable reflection of the level of costs that NCC would incur if they were to undertake direct clearance of the site.

2.22 The key terms are:
- Landlord: Holbrook Group Holdings Ltd (Company no. 09390755).

- Term – 25 years.
- Tenant breaks – At 15th and 20th years.
- Lease Start – At confirmation of works contract.
- Rent - £30,000 per annum.
- Rent- reviews – 5 yearly indexed to Consumer Price Index, but with fixed annual cap and collar between 1.5 and 3%.
- Not contracted out of the Landlord and Tenant Act 1954.

Under the Agreement for Lease the Landlord will undertake clearance of the spoil heap from the site based on a payment by NCC of £300,000, payable simultaneous with the NCC lease start date. This payment is made in lieu of the first ten years rental payments due to be paid by NCC under the lease. In addition, a further payment of £50,000 is to be made by NCC in respect of the cost of the Landlord's mobilisation costs in respect of the site clearance works also payable at the lease start date.

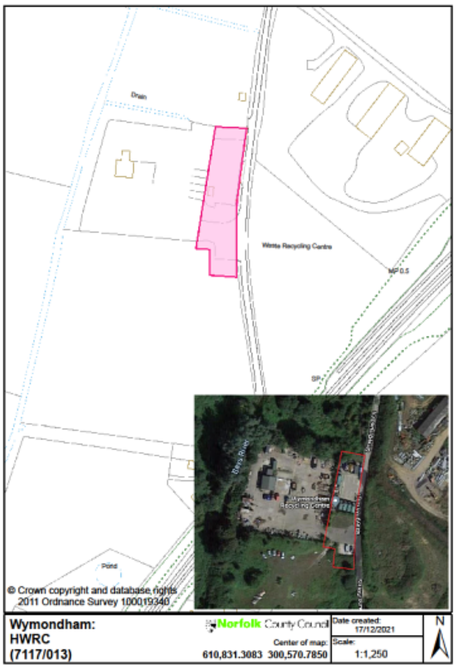
2.23 NPS confirm the proposed lease terms and proposed rentals are in line with the arrangements for other Recycling Centres at King's Lynn and Thetford and comparable market rents for commercial land. The term of 25 years is considered to provide NCC with appropriate security reflecting the level of initial capital investment involved.

2.24 The Divisional member has been informed of this proposed acquisition.

Wymondham - Recycling Centre, Strayground Lane NR18 9NA (7117/013)

2.25 The land edged red on plan, amounting to 0.14 Hectares (0.35 acres) is owned freehold by the County Council and comprises the Wymondham Recycling Centre.

2.26 Following a strategic review of recycling facilities, it was determined this site is operating at capacity and a new site should be sought to accommodate future growth and improve the service provision.



2.27 Environmental, Development and Transport Committee in November 2018 supported the putting forward for the capital programme the replacement of the Wymondham Recycling Centre with a new site (site acquisition described elsewhere in this report).

2.28 In respect of the existing Wymondham Recycling Centre site Community and Environmental Services have declared it surplus for their purposes. Following a review by the Director of Property in consultation with CPSG is has been confirmed that the site is not required for NCC service use.

2.29 On the basis the replacement Recycling Centre site is operational it is proposed to dispose of this site by open market sale through auction or by tender.

2.30 The Divisional member has been informed of this proposed disposal.

3. Impact of the Proposal

3.1 Property disposals will provide capital receipts for the council to support the capital programme and hence service delivery. The County Council will apply the capital receipts to meet its priorities. The property acquisitions will support key operational services.

4. Evidence and Reasons for Decision

4.1 Declaring the sites and land holdings surplus to County Council use means that the Corporate Property Team can consider options for the disposal and exploitation of these sites. The property acquisitions will support the development of new Recycling Centres.

5. Alternative Options

5.1 Declaring sites and land holdings surplus is a result of the sites no longer being required for service delivery. The alternative would be to retain resulting in incurring holding costs for an asset that is not contributing to service delivery.

5.2 In respect of site acquisitions, the Council’s agent, NPS, confirm they undertook an extensive site search and considered the proposed sites will satisfactorily address planning and highways considerations.

6. Financial Implications

6.1 Disposals outlined in this report will provide the opportunity for capital receipts and savings in holding costs. The development of the new Recycling Centre sites is included within the capital programme. The revenue costs are included in the service area budgets.

7. Resource Implications

7.1 **Staff:** Nil

7.2 **Property:** As described in the earlier parts of this report.

7.3 **IT:** Nil.

8. Other Implications

8.1 **Legal Implications:** For disposals and acquisitions in the usual way the legal implications are around the parties agreeing to the terms of the agreement for each disposal and entering a contract.

8.2 **Human Rights Implications:** No implications.

8.3 **Equality Impact Assessment (EqIA):** Has been undertaken in respect of the relocation of the recycling centres.

8.4 **Data Protection Impact Assessments (DPIA):** No data protection impact implications in respect of the disposal of sites.

8.5 **Health and Safety implications (where appropriate):** No implications for the disposal or acquisition of sites.

8.6 **Sustainability implications (where appropriate):** Future redevelopment of disposed sites and the provision of new Recycling Centre sites will require planning permission and therefore would be mindful of sustainability measures.

9. Risk Implications / Assessment

9.1 The risks around disposals are around the non-agreement of terms. This risk is mitigated using experienced expert consultants.

10. Recommendations

10.1 Cabinet is asked to agree to the County Council entering an agreement for a lease and lease for 0.4 hectares of land, Holt Road, Beeston Regis as identified on the site plan for 25 years at an initial rent of £20,000 per annum and other agreed terms.

10.2 Cabinet is asked to formally declare the Sheringham Recycling Centre site, Holt Road, East Beckham NR26 8TS (1025/011) and the adjacent former highway land surplus to County Council requirements and instruct the Director of Property to dispose of both properties subject to the replacement recycling centre being operational. In the event of the disposal receipts exceeding delegated limits the Director of Property in consultation with the Executive Director of Finance and Commercial Services and Cabinet Member for Commercial Services and Asset Management is authorised to accept the most advantageous offer.

10.3 Cabinet is asked to agree to the County Council entering an agreement for a lease and lease for 0.6 hectares of land, Spooner Row, Wymondham as identified on the site plan for 25 years at an initial rent of £30,000 per annum and other agreed terms.

10.4 Cabinet is asked to formally declare the Wymondham Recycling Centre site, Strayground Lane, Wymondham NR18 9NA (7117/013) surplus to County Council requirements and instruct the Director of Property to dispose of the property subject to the replacement recycling centre being operational. In the event of the disposal receipt exceeding delegated limits the Director of Property in consultation with the Executive Director of Finance and Commercial Services and Cabinet Member for Commercial Services and Asset Management is authorised to accept the most advantageous offer.

Officer Contact

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