

Adult Social Care Committee

Date: **Monday, 25 January 2016**

Time: **10:00**

Venue: **Edwards Room, County Hall,
Martineau Lane, Norwich, Norfolk, NR1 2DH**

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

Membership

Ms S Whitaker (Chair)

Mr B Borrett (Vice-Chairman) Mr J Perkins

Ms J Brociek-Coulton Mr A Proctor

M Chenery of Horsbrugh Mr W Richmond

Mr D Crawford Mr M Sands

Mr T Garrod Mr E Seward

Mr A Grey Mrs M Somerville

Mrs S Gurney Mrs A Thomas

Ms E Morgan Mr B Watkins

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

Nicola LeDain on 01603 223053 or email committees@norfolk.gov.uk

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A g e n d a

1. **To receive apologies and details of any substitute members attending**

2. **To agree the minutes from the meeting held on 9 November 2015**

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3. **Declarations of Interest**

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

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

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

4. **Any items of business the Chairman decides should be considered as a matter of urgency**

5. **Local Member Issues/ Member 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 Wednesday 20th January 2016**. For guidance on submitting public question, please view the Consitution at Appendix 10.

6. **Update from Members of the Committee regarding any internal and external bodies that they sit on.**

7. **Executive Director's Update**

Verbal Update by the Executive Director of Adult Social Services

8. **Chair's Update**

Verbal update by Cllr Sue Whitaker

9. Adult Social Care Finance Monitoring Report Period 8 (November) 2015-16	Page 13
Report by the Executive Director of Adult Social Services.	
10. Strategic and Financial Planning 2016-17 and 2018-19.	Page 29
Report by the Executive Director of Adult Social Services	
11. Re-imagining Norfolk-The County Council Plan	Page 73
Report by the Executive Director of Adult Social Services	
12. Risk Management	Page 91
Report by the Executive Director of Adult Social Services	
13. Social Care System Reprourement	Page 101
Report by the Executive Director of Adult Social Services	

Group Meetings

Conservative	9:00am	Conservative Group Room, Ground Floor
UK Independence Party	9:00am	UKIP Group Room, Ground Floor
Labour	9:00am	Labour Group Room, Ground Floor
Liberal Democrats	9:00am	Liberal democrats Group Room, Ground Floor

Chris Walton
Head of Democratic Services
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Date Agenda Published: 18 January 2016



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Adult Social Care Committee

**Minutes of the Meeting Held on 9 November 2015
10:00am Edwards Room, County Hall, Norwich**

Present:

Ms S Whitaker (Chair)

Mr B Borrett

Ms J Brociek –Coulton

M Chenery of Horsbrugh

Mr D Crawford

Mr A Grey

Ms E Morgan

Mr J Perkins

Mr G Plant

Mr A Proctor

Mr W Richmond

Mr M Sands

Mr E Seward

Mr B Stone

Mrs M Stone

Mrs A Thomas

Mr B Watkins

Also present: Mr J Joyce, Mr R Bearman

Chair's Announcements: The Chair announced that item 6 would be taken as the first item. It was also announced that item 18; Working Together to support Disabled Parents and Young Carers had been withdrawn from the agenda as the report had not been made available. The Executive Director of Adult Social Services agreed to follow this up.

1. The Care Act and Safeguarding of Prisoners

- 1.1 The Committee received a presentation from Will Styles, Governor of HMP Norwich, and Jo Cook, Operational Head of Integrated Care, Northern Locality.
- 1.2 The Committee heard that there were a high proportion of inmates of had mental health issues, and there had been a lot of good work already carried out with those individuals to help support them.
- 1.3 Mr Styles was not able to confirm the budget for translation and interpreter services. Resources were used when and where they were needed.
- 1.4 The Committee **RESOLVED** to;
 - Note the presentation.

2. Apologies

- 2.1 Apologies were received and accepted from Mr T Garrod (substituted by Mr B Stone).

3. To agree the minutes from the meeting held on 12 October 2015.

- 3.1 The minutes from the meeting held on 12 October 2015 were agreed as an accurate record and signed by the Chair.

4. Members to Declare Any Interests

- 4.1 There were no interests declared.

5. To receive any items of urgent business

- 5.1 No items of urgent business were received.

6. Local Member Issues

- 6.1 No local member issues were received.

7. Update from Members of the Committee regarding any internal and external bodies that they sit on

- 7.1 Cllr Brociek-Coulton reported that she had attended the Annual General Meeting of Age UK Norwich. JPH had achieved the national target of 92% 18 week referral to treatment for the third month running. The 62 day cancer urgent referral for treatment stood at 83.8% in September, against a target of 85 percent. In context against other Trusts it remained high performers on A and E four hour target but current challenges would impact on this.
- 7.2 Cllr Watkins had chaired the recent meeting of the Health and Wellbeing Board which was undergoing a review of the structure and the way it worked. The process was still underway with a facilitated workshop planned for December.
- 7.3 Cllr Whitaker had attended the Health and Wellbeing Board, a meeting of Age UK Norfolk and a Mental Health Trust Council of Governors meeting.

8. Executive Director's Update

- 8.1 The Executive Director reported that the budget and the reduction of the overspend remained a priority within the department and since the last meeting of the Committee, the Policy and Resources Committee had agreed on which proposed savings would go out for public consultation in the light of Re-Imagining Norfolk.

- 8.2 Providers for the home care in West Norfolk had changed and it was reported that the transition was completed and so far new arrangements were working well. Lessons had been learnt which would be used in future transfers.
- 8.3 Work was being carried out on the cost of care consultation and an update would be brought to the Committee in January.
- 8.4 Work was being undertaken on the next stage of the Better Care Fund. Conditions of the next stage of the Better Care Fund had not been released but there were significant risks associated as the Clinical Commissioning Groups (CCGs) were under financial pressure.
- 8.5 The authority had held their first transformation events with NHS leaders which was hosted by Sir John Oldham. It was a well attended event with a lot of useful discussion.
- 8.6 Details of the work around transforming care following the Winterbourne review would be brought to Committee in the future. This was a major piece of work to move people out of treatment-based accommodation if they no longer needed it.

9. Chair's Update

- 9.1 The Chair reported to the Committee that she had attended;
- Annual Social Services Conference in Bournemouth
 - joint meeting (with ASC Vice Chair) with counterparts and officers of Communities Committee
 - Pub Is The Hub event at The Chequers in Feltwell
 - quarterly liaison meeting with Norfolk Independent Care
 - Question Time event on Adult Social Care as part of Living Wage Week
 - annual NCC/NIC Social Care Conference
 - meeting with other Committee Chairs to discuss 2016/17 budget

10. Exercise of Delegated Authority

- 10.1 There was nothing to report.

11. Adult Social Services Learning Disabilities Service

- 11.1 The Committee received the annexed report (11) from the Executive Director of Adult Social Services which outlined the work engaged in by the Interim Lead for Learning Disabilities to date, and any observations and proposals going forward.
- 11.2 The Committee heard that there were plans for coproduction on how services were going to be shaped. One of the biggest challenges was communicating with those who could not communicate in the same way as others.
- 11.3 It was important that decisions were made as close to the service user as possible and therefore the advocates should be those who were the closest to them.

- 11.4 There were some customers who have a lot of resources being spent on them, and one-to-one help may have increased without truly understanding the needs of those individuals. Learning and earning rather than just leisure was key to day activity.
- 11.5 Performance of the Learning Difficulties Service was as expected for a large County, but it was a well-established integrated learning disabilities service. There was good multi-disciplinary working and the carers respite was also noted as a good valued service but there was a need to be more aware of the hidden carer.
- 11.6 Progress to implement change was slow as engagement took time but it was important to get it right from the very beginning.
- 11.7 The service in the west of the County was on par with the rest of the County as all the localities had their strengths as well as their difficulties.
- 11.8 ‘Shared Lives’ was a useful resource used by the Council which aided those with severe disabilities to develop skills independent of their parents but remaining within a family environment. All individuals had something to offer an employer or skills to be employed, even those with more complex needs, and therefore the proposed new model would work for all service users.
- 11.9 The Committee **RESOLVED**;
- To consider and note the content of the report.

12. Adult Social Services Transformation Programme

- 12.1 The Committee received the annexed report (12) by the Executive Director of Adult Social Services which provided an update on the Adult Social Services Transformation Programme as requested by the Committee. The Programme supported the delivery of the departmental and corporate objectives, change in a wide range of services as well as budgeted savings.
- 12.2 The department were working collaboratively with acute hospitals and providers to reshape projects that were already running were part of the programme.
- 12.3 The planning beds strategy was being reviewed and a more reablement-focused model would be considered such as the Henderson Unit based at Norfolk and Norwich University Hospital.
- 12.4 Members requested that the personal budget questionnaire for service users was written in simple English as part of the review. It was important that all service users could understand it in order to respond accurately.
- 12.5 It was felt that the risk rating for the transformation project should be Red. There was considerable support and resources needed for the programme and if there was no money left, the programme could not be continued.
- 12.6 The Council were talking to providers to understand why they were not joining the Trusted Transport Scheme. It is important that a competitive service at cost-effective price for service users was being provided.

- 12.7 There were concerns about the reduction in personal budgets and if this meant that the requirements of the Care Act were still being fulfilled. It was also noted that Social Workers could feel more like resource managers than Social Workers and therefore affect their morale. There was a training programme and a toolkit being developed to help with the discussions that Social Workers hold with service users. The revised assessment form would be circulated for the Committee's information.
- 12.8 It was clear that the savings on other areas of the programme hadn't been achieved such as 25% on well-being project. It was clarified that personal budget savings depended on individual face-to-face discussions to ensure the differences in individual's needs were understood, and therefore it was a slower process than envisaged.
- 12.9 There were concerns that more funds had been used in the current month to fill the deficit than what was left for the entire future. This was urgent situation.
- 12.10 The following additional recommendation was moved by Cllr Eric Seward and duly seconded;
'The Adult Social Care Committee is of the view that sufficient funding is essential for the transformation programme in Adult Social Care in order to successfully achieve budget savings. The Policy and Resources committee is asked to ensure that sufficient resources are available to make this happen.'

The motion was **CARRIED** unanimously.

- 12.11 The Committee **RESOLVED** to;
- Note the update on the Transformation programme
 - Comment on the Transformation programme
 - Request reports on the Transformation Programme at every second meeting with the first report being submitted at the 25 January meeting.

The Committee adjourned the meeting at 12.20pm and returned at 12.50pm.

13. Performance Monitoring Report

- 13.1 The Committee received the annexed report (13) by the Executive Director of Adult Social Services which reported quarter two performance results for the department.
- 13.2 The number of acute re-admissions has improved to Amber from Red. This is a significant improvement.
- 13.3 It was noted that some of the indicators did not have targets. The reasons for this depended on the indicator and an explanation was given on those that didn't. It was felt that there should be close monitoring the sickness target against previous data especially in times of such significant change and potentially low morale. It is currently lower than at the same point last year, and information around what had been carried out to achieve this would be given at future meetings.
- 13.4 The Committee **RESOLVED** to;
- Review and comment on the performance management information,

including the Dashboard presented in Appendix A.

- Review and comment on initial benchmarking data in section 6.
- Note the new corporate performance framework outlined in section 7.
- Consider any areas of performance that require a more in-depth analysis.

14. Adult Social Care Finance Monitoring Report Period 6 (September) 2015-16

- 14.1 The Committee received the annexed report (14) from the Executive Director of Adult Social Services which provided financial monitoring information, based on information to the end of September 2015. It provided an analysis of variations from the revised budget and recovery actions taken in year to reduce overspend.
- 14.2 Members requested a simpler narrative which accompanied the finance report in order to fully understand what was being reported.
- 14.3 It was acknowledged that there were contracts with providers that could give better value for money. A new process with procurement was being established to manage these contracts better.
- 14.4 The Executive Director of Adult Social Services reassured the Committee there had been no more reserves spend than had been agreed in the initial budget. Teams were not being complacent about the budget and active management was being carried out to reduce the overspend. The Executive Director was confident that some of the actions would deliver a reduction in the projected overspend.
- 14.5 It was acknowledged that the social care needs of customers aged 18-64 were the most expensive and added the most to the budget pressures.
- 14.6 There was concern that the targets of savings to be achieved year on year was increasing due to the rollover of the previous year's non-delivery of savings. Although there was a reduction in savings to be achieved this financial year, it would be deployed against the risk of savings in future years.
- 14.7 Weekly meetings were being held with NorseCare around the model in place which would deliver the budget this financial year and going forwards.
- 14.9 The Committee **RESOLVED** to note;
- The forecast outturn position at period 6 for 2015-16 Revenue budget of an overspend of £5.612m.
 - The planned recovery actions being taken in year to reduce the overspend.
 - The planned use of reserves.
 - The forecast outturn position at period 6 for the 2015-16 Capital Programme.
 - The overspend action plan at 2.8.

15. Risk Management

- 15.1 The Committee received the annexed report (15) from the Executive Director of Adult Social Services which included the departmental risk summary together with an update on progress since the last Committee meeting on 12 October.

- 15.2 The Executive Director of Adult Social Services confirmed that staff had been assured that they would be supported. The Executive Director and the Director of Integrated Care had been meeting all team managers to reassure them of this. There had been roadshows with social workers to help them with the new strengths-based assessments which would encourage individuals to be supported in their own community. Initial responses from staff had been generally positive but it was recognised that change was always difficult.
- 15.3 Members questioned the Green risk rating for the impact of DNA which seemed ambitious considering there was no timeframe around the specific portal programme. It was clarified that the portal programme had been temporarily suspended in order to identify if it was the correct product to be used in conjunction with Promoting Independence. More detail would be given to Members at the January meeting.
- 15.4 The Committee **RESOLVED** to;
- Note progress with departmental risks since 12 October.
 - Comment on progress with departmental risks since 12 October.
 - Consider if any further action is required.
- 16. Re-Imagining Norfolk**
- 16.1 The Committee received a presentation from the Director of Integrated Commissioning.
- 16.2 It was clarified that Promoting Independence, which would be part of the bigger Countywide Re-Imagining Norfolk, would not propose a new structure for the department but would mean that staff were working differently. Talking to District Councils, it was evident that some changes could be made quickly and would start to make an impact sooner, but some would take longer as they would require more developmental work.
- 16.3 It was important to see the wider picture in the changes and to use the best of the currently available resources.
- 16.4 The principle of promoting independence would be right for every individual but according to the level of needs, the implementation would differ. It would be about understanding who is best placed to provide what support.
- 16.5 The Committee **RESOLVED** that an update would be received at every meeting.
- 17. Quality Framework for Adult Social Care – progress report**
- 17.1 The Committee received the annexed report (17) by the Executive Director of Adult Social Services which gave an update on the progress since the Council approved the Quality Assurance Framework for Adult Social Care in January 2015. The Framework was one of the key building blocks designed to achieve the Council's strategic aim of supporting vulnerable adults through investing in high quality care and support services.
- 17.2 It was reported that the Trusted Carer scheme would cement the Harwood Care

Charter but it was requested that it should be called the Harwood Care Charter. This request would be taken forward.

- 17.3 Providers look after 16,000 -17,000 individuals, 11,000 are customers of the Council for whom we pay or contribute to their care. The Framework would identify the providers who perform well and those who don't. The focus would be on those in the latter category.
- 17.4 A lot of work had been carried out with those homes that needed assistance and successful interventions were in place. It was recognised that there was failure in the market and the stresses were going to only get worse, but there was an excellent relationship with the market. Benchmarking with comparator Councils had demonstrated that they were having similar problems.
- 17.5 The Committee were reassured that the judicial review that was currently undergoing had no bearing on the poor performances of any care homes.
- 17.6 When a home was failing locally, there were safeguards that could be put into place and robust processes to help it not to happen again. When it had failed through the CQC, they required an action plan within a timescale which depended on the nature of the business, normally around 6 weeks.
- 17.7 This scheme was a leading approach in the County. CCGs were interested in the quality dashboard and there had been excellent new staff recruited. The work was fundamentally preventative and would put Norfolk at the forefront. The results would be delivered within budget.
- 17.8 The Committee **RESOLVED** to;
- Consider the progress made in the implementation of the Quality Framework.

18. Working Together to support Disabled Parents and Young Carers

- 18.1 This item had been withdrawn as explained in Chair's Announcements.

At the end of the meeting, the committee's gratitude to Elizabeth Morgan for her work as Vice Chair was expressed.

Meeting finished at 2.55pm.

CHAIR



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Adult Social Care Committee

Item No

Report title:	Adult Social Care Finance Monitoring Report Period 8 (November) 2015-16
Date of meeting:	25 January 2016
Responsible Chief Officer:	Harold Bodmer, Executive Director of Adult Social Services

Strategic impact

This report provides the Committee with financial monitoring information, based on information to the end of November 2015. It provides an analysis of variations from the revised budget and recovery actions taken in year to reduce the overspend.

Executive summary

As at the end of November 2015 (Period 8), Adult Social Service's financial position showed an improvement of £1.875m from the reported position at the end of September 2015 (Period 6). Further review of risks and an improved position against key budgets has enabled a forecast position of an overspend of £3.737m.

Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance £m
Total Net Expenditure	241.676	250.613	8.937
Application of Care Act Funding (included in budget)	0.000	(5.200)	(5.200)
Revised Net Expenditure	241.676	245.413	3.737

- Adult Social Services has a net revenue budget for 2015/16 which is £6.3m less than for 2014/15
- Forecast expenditure for 2015/16 is £8.937m over budget at Period 8, but some £10m less compared to the actual outturn for last year. The forecast for period 8 includes mitigation of £1.2m for reduced savings forecast for purchase of care, including wellbeing savings and to offset risks
- Significant pressures remain as a consequence of the number of people receiving social care services, particularly the numbers of people aged 18-64
- There is a projected reduction of £7.142m on the department's saving target for 2015/16 of £16.296m this includes an additional use of £1.2m to reduce the risk of delayed savings. Further achievement of savings above this level will help reduce the overspend or help support in-year risks that remain for the service, including from the current Cost of Care exercise
- The additional funding for the implementation of the Care Act of £8.2m for 2015/16 is included in the budget and fully committed
- The revenue budget does not take account of spending the £1.753m allocated to the department from the 2014/15 Council underspend

Adult Social Services reserves at 1 April 2015 stood at £10.336m. The service plans to make a net use of reserves in 2015-16 of £6.545m therefore ~~13~~ is estimated that £3.791m will remain at 31 March 2016. Included in the planned use of reserves is £3.156m approved by Full Council in setting the

revenue budget for 2015/16 and estimated use of £0.520m of the £1.753m agreed by the Policy & Resources Committee in June to support transformation of Adult Social Services and policy decision regarding War Veterans.

Recommendations:

Members are invited to discuss the contents of this report and in particular to note:

- a) The forecast outturn position at period 8 for 2015-16 Revenue Budget of an overspend of £3.737m
- b) The planned recovery actions being taken in year to reduce the overspend
- c) The planned use of reserves
- d) The forecast outturn position at period 8 for the 2015-16 Capital Programme
- e) The overspend action plan at 2.8

1. Introduction

- 1.1 The Adult Social Care Committee has a key role in overseeing the financial position of the department including reviewing the revenue budget, reserves and capital programme.
- 1.2 This monitoring report is based on the period 8 forecast including assumptions about the implementation and achievement of savings before the end of the financial year. It also includes the commitment of the full £8.2m of the funding provided for the implementation of the Care Act.
- 1.3 Since the period 6 monitoring report, further work has been undertaken to improve the robustness and understanding of the forecast, particularly in relation to the purchase of care packages to meet the individual needs of service users.

2. Detailed Information

- 2.1 The table below summarises the forecast outturn position as at the end of November 2015 (Period 8).

Actual 2014/15 £m	Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance @ P8 £m	Previously Reported £m
8.125	Business Development	10.164	9.816	(0.348)	(0.354)
71.428	Commissioned Services	70.072	70.690	0.618	0.997
9.522	Early Help & Prevention	6.474	6.654	0.180	0.333
174.780	Services to Users (net)	155.358	163.687	8.329	9.981
(1.605)	Management, Finance & HR	(0.392)	(0.234)	0.158	(0.145)
262.250	Total Net Expenditure	241.676	250.613	8.937	10.812
(5.572)	Use of reserves & one-off funding to support revenue spend	0.000	0.000	0.000	0.000
0	Application of Care Act Funding (included in budget)	0.000	(5.200)	(5.200)	(5.200)
(1.000)	Other Management Actions	0.000	0.000	0.000	0.000
255.678	Revised Net Expenditure¹⁴	241.676	245.413	3.737	5.612

- 2.2 As at the end of Period 8 (November 2015) the revenue outturn position for 2015-16, after allocation of £5.200m from funding for implementing the Care Act, is a £3.737m overspend.
- 2.3 The detailed position for each service area is shown at **Appendix A**, with further explanation of over and underspends at **Appendix B**.
- 2.4 The overspend is primarily due to the net cost of Services to Users (purchase of care and hired transport), and risks associated with the delivery of savings, resulting in a forecast overspend of £8.329m.

2.5 Services to Users

2.5.1

Actual 2014/15 £m	Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance £m	Previously Reported £m
107.803	Older People	107.293	108.058	0.765	0.402
23.325	Physical Disabilities	24.053	24.408	0.355	(0.220)
87.350	Learning Disabilities	79.450	86.684	7.234	7.465
12.814	Mental Health	11.834	13.641	1.807	1.428
7.196	Hired Transport	4.581	7.131	2.550	2.550
14.948	Care & Assessment & Other staff costs	15.806	14.932	(0.874)	(0.600)
253.436	Total Expenditure	243.017	254.854	11.837	11.025
(78.656)	Service User Income	(87.659)	(91.167)	(3.508)	(1.044)
174.780	Revised Net Expenditure	155.358	163.687	8.329	9.981

2.5.2 Key points:

- The number of permanent residential placements of older people has been successfully reduced to bring the forecast residential spend in line with the budget
- Reducing the number of working age adults in residential placements is challenging but progress has been made this year and longer terms plans to achieve this are in place
- The review and refocus of transport savings is underway to achieve reduction
- The personal budget savings target is proving extremely challenging and a further £0.500m has been used to mitigate this risk
- The Learning Disability and Physical Disability savings are off target as it is taking longer than anticipated to deliver the changes required. It is anticipated that £0.300m will be delivered of the £2m target in the financial year

- f) The risk in relation to income from charges to service users has been further quantified and the revised forecast is (£3.508m) now more than budget and an increase in forecast income achieved of (£2.464m) over last month
- g) In 2015/16 the Independent Living Fund ended (previously administered by the Department for Work and Pensions) and full responsibility for assessment and, where necessary, support to these service users passed to NCC. NCC received (£1.199m) funding for the part-year costs of this care (included in the forecast over-recovery of income), and the additional responsibilities have at least been equivalent to this funding (included in the forecast expenditure over-spend)

2.6 Commissioned Services

2.6.1

Actual 2014/15 £m	Expenditure Area	Budget 2015/16 £m	Forecast Outturn £m	Variance £m	Previously Reported £m
1.224	Commissioning	1.401	1.261	(0.139)	(0.116)
10.337	Service Level Agreements	11.038	10.818	(0.220)	(0.187)
1.836	Integrated Community Equipment Service	2.599	2.619	0.020	0.109
32.922	NorseCare	31.212	32.477	1.264	1.436
10.092	Supporting People	9.282	9.214	(0.069)	(0.017)
13.292	Independence Matters	13.151	13.152	0.001	0.000
1.896	Other Commissioning	1.389	1.149	(0.239)	(0.228)
71.428	Total Expenditure	70.072	70.690	0.618	0.997

2.6.2 Key points:

- a) The Integrated Community Equipment Service budget has been pooled alongside funding from four of the five CCGs in Norfolk. The net cost of the service is currently forecast to be over budget in 2 of the 5 localities. Whilst the cost of the equipment issued has remained largely consistent with last financial year the credits received from recycled equipment has reduced. A recovery plan is in place, which is helping to reduce the overspend and bring the forecast back in line with the budget
- b) Whilst there is a risk in delivering the savings against the NorseCare contract, work is in hand with the company to minimise the shortfall

2.7 Savings Forecast

- 2.7.1 The department's budget for 2015/16 includes savings of £16.296m. As previously reported to the Adult Social Care Committee on 9 November 2015 there were significant risks to the delivery of £5.973m of these savings. At period 8 the level of forecast savings has been reduced further to account for the risk in the delivery of savings to services for people with learning disabilities and physical disabilities and savings associated with the reduction in funding of wellbeing activities. However, whilst it has been difficult to attribute savings to

specific lines, the service is forecasting a year on year reduction in outturn of some £10m, despite budgeting for £6m growth. Although the Care Act funding has supported this, the forecast suggests that the service is realising savings through reduced spending from the new approaches that are being implemented. The additional shortfall has been built into the forecast outturn figures in paragraph 2.1 above.

Savings	Saving 2015/16 £m	Forecast £m	Variance £m	Previously Reported £m
Savings off target (explanation below)	9.835	2.674	7.161	5.973
Savings on target	6.461	6.480	(0.019)	(0.019)
Total Savings	16.296	9.154	7.142	5.954

For those savings that are off target a brief explanation is provided below of the reasons why they are off target and any planned recovery action that is in place.

2.7.2 Review Care Arranging Service (target £0.140m, forecast £0, variance £0.140m, no change from Period 6)

This proposal predated the introduction of the Care Act which gives the council increased responsibilities for arranging care for people who fund their own care. There will in fact be additional workload responsibilities for this team and alternative means of achieving this saving are being sought within the department.

2.7.3 Change the type of social care support that people receive to help them live at home (target £0.200m, forecast £0.0m, variance £0.200m, no change from Period 6)

A tender for the re-procurement of home care services in West Norfolk and in Yarmouth and Waveney has been awarded. The Great Yarmouth and Waveney tender was run jointly with Suffolk County Council to deliver a more integrated and efficient service. However this has resulted in a delay in the original procurement timetable. Full year savings will not be achieved in 2015-16 as the new contracts do not commence until 1 April 2016 onwards.

2.7.4 Renegotiate contracts with residential providers, to include a day service as part of the contract, or at least transport to another day service (target £0.100m, forecast £0, variance £0.100m, no change from Period 6)

This has been further examined in detail and it has been concluded that these savings will not be achieved. Residential providers will increase their prices if they have to provide day service. Compensating savings are being sought, in particular through a new model of care to meet the needs of people with Learning Disability.

2.7.5 Changing how we provide care for people with learning disabilities or physical disabilities (target £2.000m, forecast £0.300m, variance £1.700m, increase of £0.700m from Period 6)

The saving involves re-assessing the needs of existing service users and where appropriate providing alternative and more cost effective accommodation, or means of supporting them in their current accommodation. While the total saving will be achieved over time, this project does have a longer lead in time. Due to an overall improved financial position for the service, it has been possible to use £0.700k to mitigate the risks of achieving this saving.

2.7.6 Reduce funding for wellbeing activities for people receiving support from Adult Social Care through a personal budget (target £6.000m, forecast £1.874m, variance £4.126m, increase of £0.500m from Period 6)

The time lag in implementing the change for existing service users, which was agreed following the consultation exercise, along with pressure on the reviewing capacity in the teams means it is uncertain whether the full £6.000m saving will be achieved in 2015-16. Additional reviewing capacity has been brought in to speed up this process, and the service is seeing the impact of revised practice. Positively, the service is managing increased activity whilst seeing a reduction in the overspend on purchase of care and the spending for the service has reduced compared to 2014-15. The changed practices and significant locality management focus on this issue are therefore improving the department's ability to deliver service within budget. This continues to be a significant risk in relation to accounting for this saving with the forecast reduced by £0.500m to £1.874m.

2.7.7 Redesign Adult Social Care pathway (target £0.395m, forecast £0, variance £0.395m, no change from Period 6)

This saving was about using data and information better to manage voids in Supported Living.

Initially this was linked to the sprint and development of the i-Hub but the work done manually to improve data quality and processes alongside the sprint has delivered significant benefits, and this was incorporated into the wider work on Changing Models of Care. The original saving is not expected to be delivered and this has been reflected in the budget planning for 2016/17.

2.7.8 NorseCare agreement (target £1.000m, forecast £0.500m, variance £0.500m, no change from Period 6)

Based on the company's current strategic financial plan, there is a shortfall against the current Adult Social Services target and work is underway with NorseCare to reduce the gap and deliver the saving in full.

2.8 Overspend Action Plan

2.8.1 The department is taking recovery action to reduce in year spending as far as possible. A number of actions were initiated by the Executive Director of Adult Social Services to mitigate the 2014/15 reported overspend to March 2015. In addition to these, further actions have been identified to deal with the forecast position for 2015/16. These actions and progress are detailed in **Appendix C** and were reinforced by an e-mail from the Executive Director of Adult Social Services to all Adult Social Services Staff on 12 August 2015 and progress reviewed at every Adults Social Services Senior Management Team.

2.9 Reserves

2.9.1 The department's reserves at 1 April 2015 were £10.336m. The service is forecasting a net use of reserves in 2015-16 of £6.545m to meet commitments, including the planned use of reserves of £3.156m approved by Full Council in setting the revenue budget for 2015/16. This does not assume use of reserves to offset general overspend. The 2015-16 forecast outturn position for reserves and provisions is therefore £3.791m. The projected use of reserves and provisions is shown at **Appendix D**.

2.10 Capital Programme

2.10.1 The department's three year capital of £12.775m has been reprofiled with £6.3m of uncommitted funding originally earmarked to be used in 2015/16 moved to 2016/17 to fund future as yet to be identified projects. The capital programme for 2015/16 is now £2.172m

though at this stage £1.0m is as yet uncommitted. The priority for use of capital is Housing with Care and the development of alternative housing models for young adults. Projects are in development which are expected to utilise some of the uncommitted funding and the schemes will have benefits for revenue spend. There are no adverse variances to be reported at this stage. Details of the current capital programme are shown in **Appendix E**.

3. Financial Implications

- 3.1 There are no decisions arising from this report. The forecast outturn for Adult Social Services is set out within the paper and appendices and the action plan aims to address the overspend.

4. Issues, risks and innovation

- 4.1 This report provides financial performance information on a wide range of services monitored by the Adult Social Care Committee. Many of these services have a potential impact on residents or staff from one or more protected groups. The Council pays due regard to the need to eliminate unlawful discrimination, promote equality of opportunity and foster good relations.
- 4.2 This report outlines a number of risks that impact on the ability of Adult Social Services to deliver services within the budget available. These risks include the following:
- a) pressure on services from a demand led service where number of service users continues to increase, and in particular the number of older people age 85+ is increasing at a greater rate compared to other age bands, with the same group becoming increasingly frail and suffering from multiple health conditions
 - b) The ability to deliver a savings target of £16.296m where major transformation change is taking longer to deliver than anticipated resulting in a potential reduced savings forecast of £7.142m
 - c) The cost of transition cases, those service users moving into adulthood, have not been fully identified
 - d) The implementation of the new homecare contract in the West locality has led to a number of issues where the cost of implementation has yet to be quantified
 - e) In any forecast there are assumptions made about the risk and future patterns of expenditure. These risks reduce and the patterns of expenditure become more defined as the financial year progresses and as a result of the reduced risk the forecast becomes more accurate
 - f) The current Judicial Review and the Cost of Care exercise currently underway may result in increased costs

5. Background

- 5.1 There are no background papers relevant to the preparation of this report.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

Officer Name:	Tel No:	Email address:
Susanne Baldwin	01603 228843	susanne.baldwin@norfolk.gov.uk

Adult Social Care 2015-16: Budget Monitoring Period 8 (November)

Please see table 2.1 in the main report for the departmental summary.

Summary	Revised Budget	Forecast Outturn	Variance to Budget		Previously Reported
	£m	£m	£m	%	£m
Services to users					
Purchase of Care					
Older People	107.293	108.058	0.765	0.7%	0.402
People with Physical Disabilities	24.053	24.408	0.355	1.5%	(0.220)
People with Learning Difficulties	79.450	86.684	7.234	9.1%	7.465
Mental Health, Drugs & Alcohol	11.834	13.641	1.807	15.3%	1.428
Total Purchase of Care	222.630	232.791	10.161	4.6%	9.075
Hired Transport	4.581	7.131	2.550	55.7%	2.550
Staffing and support costs	15.806	14.932	(0.874)	-5.5%	(0.600)
Total Cost of Services to Users	243.017	254.854	11.837	4.9%	11.025
Service User Income	(87.659)	(91.167)	(3.508)	-4.0%	(1.044)
Net Expenditure	155.358	163.687	8.329	5.4%	9.981
Commissioned Services					
Commissioning	1.401	1.261	(0.139)	-9.9%	(0.116)
Service Level Agreements	11.038	10.818	(0.220)	-2.0%	(0.187)
ICES	2.599	2.619	0.020	0.8%	0.109
NorseCare	31.212	32.477	1.264	4.1%	1.436
Supporting People	9.282	9.214	(0.069)	-0.7%	(0.017)
Independence Matters	13.151	13.152	0.001	0.0%	0.000
Other	1.389	1.149	(0.239)	-17.2%	(0.228)
Commissioning Total	70.072	70.690	0.618	0.9%	0.997
Early Help & Prevention					
Housing With Care Tenant Meals	0.692	0.688	(0.004)	-0.6%	(0.004)
Personal & Community Support	0.173	0.173	0.000	0.0%	0.000
Norfolk Reablement First Support	2.822	2.654	(0.169)	-6.0%	(0.143)
Service Development (incl. N-Able)	0.618	1.388	0.770	124.6%	0.853
Other	2.169	1.751	(0.417)	-19.3%	(0.373)
Prevention Total	6.474	6.654	0.180	2.8%	0.333

Adult Social Care

2015-16 Budget Monitoring Forecast Outturn Period 8

Explanation of variances

1. Business Development, forecast underspend (£0.348m)

Business Support vacancies, especially in the Southern and Norwich teams.

2. Commissioned Services forecast overspend £0.618m

The main variances are:

NorseCare, forecast overspend of £1.264m. Shortfall on budgeted reduction in contract value compared the 2014/15 outturn together with risk around achieving savings target. Work is underway working with the company to minimise or reduce the level of overspend.

ICES, forecast overspend of £0.020m. The recycling credits due to NCC have reduced compared to prior years, which are a reflection of the reduction in NCC's purchasing spend during the previous year following contract renegotiations. Recycling rates are being closely monitored and the contract provides financial incentives to the provider to recycle and reduce waste. The forecast for salaries for the service was reviewed in October 2015, enabling a reduction to the expenditure forecast.

3. Services to Users, forecast overspend £8.329m

The main variances are:

Purchase of Care (PoC), forecast overspend £10.161m.

There are significant savings to be delivered across the year, with the £6m planned to be delivered on the reduction in personal care budgets at risk. As a result the saving is being refocused to reconsider the Resource Allocation System and to ensure that service reviews are being conducted in a consistent way. There is some time lag in the realisation of savings as set in Section 2.7.6 of the report.

Older People, forecast overspend of £0.765m. The work to reduce the level of permanent residential placements in the last four months of 2014/15 has continued in 2015/16 and as a result the forecast for 2015/16 suggests that residential spend will be close to budget if these reductions continue. The forecast for home care is overspent, which reflects the drive to support more service users to remain in their own homes and the failure to deliver savings from the retendering of the homecare contract this financial year.

Learning Difficulties, forecast overspend £7.234m. The projected overspend in this area is at the same level as 2014/15. It is relevant to note that the bulk of the personal care budget savings and the savings to be achieved through changing how we provide care for people with Learning or Physical Disabilities have been set against this budget. The overspend for day care and supported living service provision, budgets particularly affected by these savings, is partially offset by an underspend on residential service provision. The numbers of residential placements for younger adults has reduced but remains high relative to comparator councils. The department has set out as a default position that there should be no residential placements for younger adults, except for in rare and particular circumstances. The savings target for Learning Difficulties is exacting but revised plans suggest that whilst there will be a shortfall in 2015/16 against the target, and possibly a further shortfall in 2016/17, the saving

will be achieved in full by 2017/18. The forecast at Period 8 reflects the revised profile for savings.

Mental Health, forecast overspend £1.807m. A significant proportion of the overspend is on residential placements where the department has a high number of placements compared to comparator councils. There has been an increase in forecast overspend from Period 6 due to increased commitments for Day Care. Work has been undertaken to review residential placements to identify service users who are ready to move on to community based support or to identify further support required for readiness. This has been carried out alongside work to identify the community support needed to support the transition away from residential services.

Hired Transport, forecast overspend £2.550m. Revised plans to deliver savings carried over from 2014/15 are being put in place, but the development of the plans are being hindered by the lack of detailed accurate information about transport use across the county and where there may be opportunities to reduce or re-plan the transport available. These plans include reviewing the location of provision with a view to reducing the need for service users to travel as far.

Service User Income, forecast underspend (£3.508m). The forecast has increased since the last report by (£2.464m). Primarily this is due to confirmation and recognition of Continuing Health Care agreements that the service will receive as income in relation to block contracts that it procures on behalf of Health (£1.956m). There has been an increase in the volume of service user income forecast to be received by (£0.746m). These have been partially offset by other adjustments, including revision of the growth forecast.

In relation to the overall position, there is a forecast over-recovery of income, primarily from NHS funding, (£2.029m), combined with income of (£1.199m) received to cover care packages for service users previously funded directly by the Independent Living Fund. The Independent Living Fund (ILF) closed on the 30 of June 2015 and the Council has received ring fenced funding for the period 1 July 2015 to 31 March 2016 to cover the cost of care for those individuals previously funded directly by the ILF. Expenditure matching this income has been identified and is included in the expenditure forecast over-spend.

4. Early Help and Prevention, forecast overspend £0.180m

The main variances are:

Norfolk Reablement First Support, forecast underspend (£0.169m). The underspend is due to the allocation of a Department of Health grant to assist with helping with hospital discharge and staffing related underspends. Plans are under-way to expand the service to provide reablement to more service users with the potential to benefit from this service to support them to live more independent lives.

Service Development, forecast overspend £0.770m. The savings target for N-able (the assistive technology service run by Norse) has not been achieved. Work is continuing to implement the saving which is based on N-Able making increased profits.

Other, forecast underspend (£0.418m). There is a forecast overspend of £0.146m as a result of the savings target for the Care Arranging Services not being achieved. This is offset by an underspend on the Transformation budget, (£0.500m), as reserves are planned to be utilised to fund the team.

Action Plan Progress Tracker

	Action	Progress	Update	Timescale
1	No new under 65 placements in residential care, as default position.	Progress is monitored on a weekly basis with numbers no longer increasing	Very few new placements have been made for working age adults and there are 6 fewer people in permanent residential care than on 1 April.	On-going
2	Targets for locality teams to reduce the numbers of older people in residential care by 25%	Targets in place and monitored on a weekly basis, linked with 2 for 1 flow	Numbers of placements have continued to fall.	On-going as part of Promoting Independence Strategy
3	Prioritise the use of Norsecare block purchased beds	Target to achieve a 95% occupancy on average for the remainder of the year	Current occupancy has been above 94% for three months, which is showing an improved position.	On-going
4	To manage our funding flows we will only fund a residential or nursing home placement in each locality when two placements have been released	Target newly introduced with potential saving still to be quantified	Teams are holding to targets, and the numbers or permanent placements are now beginning to reduce.	Continue until 31/3/16
5	Temporary residential placements should only be used where a clear plan exists for the service user to return home and the placement only authorised for the period in the plan.	Will contribute to overall reduction in cost of older people placements	Improvement in the recording of temporary and permanent placements with weekly reporting in place	On-going
6	Reinforce our practice on Personal Budgets. These should only be used to meet any unmet eligible social care need. Working on the basis of least spend to deliver the best outcomes	Will contribute to overall reduction in cost of packages of care.	Strength based assessments being rolled out from November, small sample suggests potential of 12% on Personal Budget	On-going

	Action	Progress	Update	Timescale
7	Reviewing all care packages which involve two carers, to ensure that use of additional equipment or assistive technology has been considered.	Work still ongoing to quantify savings benefit	Strength based assessments being rolled out from November, small sample suggests potential saving of 12% on Personal Budgets	On-going
8	Reviewing packages of care of up to 10 hours per week, to ensure that there are no informal alternatives that could be used.			Completed
9	Reviews of last 100 placements in residential care to make sure that decision making about access to residential care is robust.			Completed
10	Scrutiny of all personal budgets reviews where the service remains unchanged	Learning from the reviews is being fed into refocused PB reviews	Strength based assessments being rolled out from November, small sample suggests potential of 12% on Personal Budget	On-going
11	Weekly Panels to scrutinise proposed overrides of the RAS (Resource Allocation System) funding for indicative Personal Budgets for younger adults	Panels commenced w/c 17 th August.	In October the structure of panel meetings was changed with the introduction of fortnightly locality based LD panels in addition to an overarching County Panel. Criteria for the allocation of cases was established and guidance issued to staff. County Panel continues to run on a weekly basis with approximately 10 to 15 cases reviewed at each panel.	On-going

	Action	Progress	Update	Timescale
12	Urgent review of the Resource Allocation System (RAS), which sets the size of personal care budgets.	Part of an ongoing review to reconsider the Personal Budget process and the RAS, particularly in light of Promoting Independence. No saving has been quantified at this stage. All other local authorities in England have been asked to share their Resource Allocation System	Project underway	31/3/16
13	A freeze on Learning and Development spending, except for statutory training and training on the Care Act.	Review has been undertaken and savings of £200k have been incorporated into the current forecast	Saving achieved	Complete
14	Appoint an Interim Head of Learning Disability, who will be drive forward improvements in the Learning Disabilities services to reduce expenditure.	Kerry Wright now in post.		Complete

Adult Social Services Reserves and Provisions 2015/16

	Balance	Planned Usage	Balance
	1 April 2015	2015/16	31 March 2016
	£m	£m	£m
Doubtful Debts provision	1.572	0.000	1.572
Redundancy provision	0.016	0.000	0.016
Prevention Fund - Living Well in Community	0.006	(0.006)	0.000
Prevention Fund – General - As part of the 2012-13 budget planning Members set up a Prevention Fund of £2.5m to mitigate the risks in delivering the prevention savings in 2012-13 and 2013-14, particularly around Reablement, Service Level Agreements, and the need to build capacity in the independent sector. The funding has now been earmarked to support the early implementation of an expanded Reablement service, which is linked to budget savings for 2016-18. 2013-14 funding for Strong and Well was carried forward within this reserve as agreed by Members £0.321m remains of the Strong and Well funding, all of which has been allocated to external projects and will be paid upon achievement of milestones (mostly anticipated in 2015-16).	0.734	(0.686)	0.048
Repairs and renewals	0.043	0.000	0.043
IT reserve - For the implementation of various IT projects and IT transformation costs.*	0.876	(0.876)	0.000
Residential Review - Required in future years for the Building Better Futures programme, including the transformation of the homes transferred to NorseCare on 1 April 2011.*	2.278	(2.278)	0.000
Unspent Grants and Contributions - Mainly the Social Care Reform Grant which is being used to fund the Transformation in Adult Social Care	3.058	(2.179)	0.879
The Council underspend at 31 st March 2015 of £1.753m has been included in the opening balance, £0.520m has been committed for the engagement of a temporary Learning Difficulties Manager to drive forward improvements in that services and to offset the loss of income relating to the policy change regarding War Veterans' pre 5 April 2005 War Disablement Pensions	1.753	(0.520)	1.233
Total ASC reserves and provisions	10.336	(6.545)	3.791

* Use of reserves agreed by Full Council in setting the revenue budget for 2015/16

Adult Social Care Capital Programme 2015-16

Summary	2015/16		2016/17	2017/18
	Current Capital Budget	Actual outturn at Year end	Draft Capital Budget	Draft Capital Budget
Scheme Name	£'000s	£'000s	£'000s	£'000s
Failure of kitchen appliances	18	18	13	0
Supported Living for people with Learning Difficulties	17	17	0	0
Adult Social Care IT Infrastructure	141	141	0	0
Improvement East Grant	60	60	0	0
Prospect Housing - formerly Honey Pot Farm	0	0	318	0
Great Yarmouth Dementia Day Care	36	36	0	0
Adult Care - Unallocated Capital Grant	1,000	1,000	7,401	2,000
Strong and Well Partnership - Contribution to Capital Programme	252	252	0	0
Bishops Court - King's Lynn	198	198	0	0
Dementia Friendly Pilots	1	1	0	0
Lakenfields	125	125	0	0
Autism Innovation	19	19	0	0
Cromer Road Sheringham (Independence Matters	199	199	0	0
Winterbourne Project	50	50	0	0
Humberstone	24	24	0	0
Baler Press	32	32	0	0
Care Act Implementation	0	0	871	0
TOTAL	2,172	2,172	8,603	2,000

Adult Social Care Committee

Item No

Report title:	Strategic and Financial Planning 2016-17 to 2018-19
Date of meeting:	25 January 2016
Responsible Chief Officer:	Harold Bodmer, Executive Director of Adult Social Services
Strategic impact <p>The proposals in this report will contribute towards the County Council setting a legal budget for 2016-17 which sees its total resources of £1.4billion focused on meeting the needs of residents.</p>	

Executive summary

Norfolk County Council is due to agree its new budget and plan for 2016-17 on 22nd February 2016. Policy and Resources Committee works with service committees to coordinate this process and develop a sound, whole-council budget and plan for Norfolk.

The Government's Spending Review 2015 in November has confirmed that based on current forecasts for the economy, there will be an ongoing period of austerity and fiscal consolidation in the public sector up until 2019-20. As a result the County Council continues to face significant uncertainty and financial challenge.

Recognising the scale of the financial challenge facing the Council, and in order to set a balanced budget for 2016-17, Policy and Resources Committee in June 2015 agreed a new strategy, "Re-Imagining Norfolk" which set out a direction for the Council to radically change its role and the way it delivers services. This committed the Authority to delivering the Council's vision and priorities, working effectively across the whole public sector on a local basis.

Policy and Resources Committee identified a total savings requirement of £110.593m to achieve a balanced budget for the three years 2016-17 to 2018-19. This gap amount was in addition to the 2015-16 budgeted savings of £36.721m which are being implemented; and a further £28.040m of savings for 2016-17 which were consulted on and agreed as part of the budget process in February 2015.

Work was then undertaken with Committees to identify further savings proposals to help close the gap. Some of these proposals were likely to have an impact on the public, so have undergone equality and rural assessment and public consultation.

This paper sets out the latest information on the Local Government Finance Settlement and the financial and planning context for the County Council for 2016-17. It summarises the Committee's savings proposals for 2016-17, the proposed cash limit revenue budget based on all current proposals and identified pressures, and the proposed capital programme. It also reports on the findings of rural and equality assessments. The latest findings of public consultation are outlined and a summary of consultation outcomes will be presented at the meeting.

The information in this report will enable the Committee to take a considered view of all relevant factors in order to agree a balanced budget for 2016-17 and financial plan to 2018-19, and recommend this to Policy and Resources Committee for consideration on 8 February 2016 before Full Council meets on 22 February 2016 to agree the final budget and plan for 2016-19.

RECOMMENDATIONS:

The Committee is recommended to:

- (1) Consider and comment on the Committee's specific budget proposals for 2016-17 to 2018-19, including the findings of public consultation in respect of:**
 - a) The budget proposals set out in Appendix 4; and**
 - b) The scope for a Council Tax increase of up to 1.99%, within the Council Tax referendum limit of 2% for 2016-17, noting that in contrast to previous years, there is no Council Tax Freeze Grant being offered in respect of 2016-17, and that central government's assumption in the Spending Review is that Councils will increase Council tax by CPI every year (forecast 1.2% in 2016-17)**
 - c) The scope for a specific Adult Social Care Council Tax precept of 2%:**
 - i. in 2016-17; and**
 - ii. in the subsequent years of the Medium Term Financial Strategy, 2017-18, 2018-19 and 2019-20**
- (2) Consider and comment on the findings of equality and rural assessment, and in doing so, note the Council's duty under the Equality Act 2010 to have due regard to the need to:**
 - a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act**
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it**
 - c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it**
- (3) Consider and agree any mitigating actions proposed in the equality and rural impact assessments.**
- (4) Noting:**
 - a) The removal of the £5.1m Supporting People saving (ASC012 - Refocus Supporting people provision to support Promoting Independence Phase 1) on the assumption that council passes the 2% ASC precept**
 - b) The removal of the Adults Transport saving (ASC014 – Phase out all transport provision to service users) from 2017-18 & 2018-19 on the assumption that council passes the 2% ASC precept for 2017-18 to 2019-2020 from the savings approved for consultation at the October P&R committee,**

Agree and recommend to Policy and Resources Committee the draft Revenue Budget as set out in Appendix 4:

- a. including all of the savings for 2016-17 to 2018-19 as set out. Or**

- b. removing any savings unacceptable to the committee and replacing them with alternative savings proposals within the committee's remit. *Or*
- c. removing any savings unacceptable to the committee and recommending a commensurate increase in Council Tax, within the referendum limits, to meet the shortfall

For consideration by Policy and Resources Committee on 8th February 2016, to enable Policy and Resources Committee to recommend a sound, whole-Council budget to Full Council on 22 February 2016.

- (5) Agree and recommend the Capital Programmes and schemes relevant to this Committee as set out in Appendix 5 to Policy and Resources Committee for consideration on 8th February 2016, to enable Policy and Resources Committee to recommend a Capital Programme to Full Council on 22 February 2016**

1 Background

- 1.1 Norfolk County Council is due to agree its new budget and plan for 2016-17 to 2018-19 on 22 February 2016.
- 1.2 The County Council continues to confront significant financial challenges and uncertainty. In February 2015, the Council agreed the budget for 2015-16, and in the context of establishing a three year medium term financial strategy (MTFS), agreed planned savings of £70.596m for 2015-16 to 2017-18. This left a predicted shortfall of £42.021m in 2016-17 and £43.652m in 2017-18.
- 1.3 In June 2015, Policy and Resources Committee considered the predicted budget shortfall for 2016-17 and agreed that it would be prudent to seek savings proposals for a higher total, £168.594m over the three years, to allow for members to have choice about the savings to be delivered, and to mitigate against the uncertainty of further changes in funding and other pressures. This was on the assumption that there were no overspends on the current revenue budget (2015-16), and that all savings for 2016-17 already consulted on and agreed by Full Council were delivered).
- 1.4 Committees then began their budget planning on the basis of delivering a 25% reduction in their addressable spend budgets. Table 1 below sets out the illustrative reductions by Committee, with and without the headroom for member choice.

Table 1 – Illustrative budget gap by Committee

With headroom for member choice				
Committee	16-17	17-18	18-19	Total
	£m	£m	£m	£m
Adults	27.223	27.943	19.631	74.796
Children's (Non Schools)	11.595	11.902	8.361	31.858
Communities	8.167	8.383	5.889	22.440
ETD	8.288	8.507	5.976	22.771
P&R (inc. Finance General)	6.089	6.250	4.391	16.729
Grand Total	61.361	62.985	44.248	168.594

Without headroom for member choice				
Committee	16-17	17-18	18-19	Total
	£m	£m	£m	£m
Adults	18.646	19.366	11.053	49.064
Children's (Non Schools)	7.942	8.249	4.708	20.898
Communities	5.594	5.810	3.316	14.720
ETD	5.676	5.896	3.365	14.937
P&R (inc. Finance General)	4.170	4.331	2.472	10.974
Grand Total	42.028	43.651	24.914	110.593

- 1.5 In October, Committees considered their individual proposals to close the identified budget gaps. Policy and Resources Committee on 26 October then reviewed the full list of savings proposals, which totalled £173.412 for the three years, and agreed the withdrawal of £50.249m of these, leaving £123.163m to be taken forward in the 2016-17 budget process. Some of these proposals were likely to have an impact on the public, and accordingly Policy and Resources Committee also agreed the arrangements for public consultation, and equality and rural impact assessments.
- 1.6 Table 2 below sets out a summary of the savings proposals as amended by the Policy and Resources Committee's decisions. Adult Social Care Committee identified £10.136m of new savings proposals to help enable the Council to set a balanced budget for 2016-17.

Table 2 – Summary of saving proposals by Committee

Committee	2016-17 Saving £m	2017-18 Saving £m	2018-19 Saving £m	Total Saving £m
Adult Social Care	10.136	17.595	24.792	52.523
Children's Services	3.091	2.979	1.349	7.419
Communities	1.991	4.194	3.370	9.555
EDT	6.057	3.806	12.691	22.554
Policy and Resources	15.621	11.691	3.800	31.112
Grand Total	36.896	40.265	46.002	123.163

- 1.7 At the Full Council meeting on 19 October, members voted not to approve a revision to the Council's Minimum Revenue Provision Policy for 2015-16, which would have enabled a saving of £9.326m in 2016-17. At this stage, this saving has not been withdrawn from planning assumptions as the Council will need to approve its Minimum Revenue Provision for 2016-17 in the normal course of business as part of budget-setting in February 2016. It is therefore anticipated that this 2016-17 saving will be presented to members for consideration in the context of the full suite of budget proposals in February.
- 1.8 On 25 November 2015, the Chancellor of the Exchequer presented the Spending Review 2015 and Autumn Statement, which set the course for public sector expenditure up to the next general election. On 17 December 2015, the Government announced its Provisional Local Government Settlement 2016-17. Taken together, these announcements will have a significant impact on the Council's budget and service planning over the next five years, and will be one of many factors that the Committee will need to take into account in

determining its savings proposals and budget for 2016-17, as well as its financial plans up to 2018-19.

- 1.9 This paper sets out the latest information on the Local Government Finance Settlement and the financial and planning context for the County Council for 2016-17 to 2018-19. It summarises the Committee's savings proposals for 2016-17, the proposed cash limit revenue budget based on all current proposals and identified pressures, and the proposed capital programme. It also reports on the findings of rural and equality assessments, and the findings of public consultation. A summary of all consultation responses will be presented at the meeting, to enable members to take a considered view of all relevant information before agreeing a balanced budget for 2016-17 to 2018-19 to recommend to Policy and Resources Committee for consideration on 8 February 2016 before Full Council meets on 22 February 2016 to agree the final budget and plan for 2016-17 to 2018-19.

2 Provisional Local Government Settlement 2016-17, Spending Review and Autumn Statement 2015

- 2.1 The Chancellor of the Exchequer announced his Autumn Statement alongside the Spending Review on 25 November 2015, with the Provisional Local Government Settlement published 17 December. Based on these announcements, our planning assumptions have been revised to reflect a slightly worsened financial position.
- 2.2 The Department of Communities and Local Government announced the detailed finance settlement for local government on 17 December 2015. This provided provisional details for 2016-17. The funding settlement (Revenue Support Grant and Business Rates funding) is £3.267m higher than expected in 2016-17. However there are also adjustments to specific grants which are £7.616m less than the budget planning assumptions. This means that the Council's overall position following the Provisional Settlement announcement reflects a **worsening by £4.349m** when compared to previous assumptions.
- 2.3 The adjusted Settlement Funding Assessment for 2015-16 is £279.113m, for 2016-17 the Settlement Funding Assessment reduced by £28.731m to £250.382m.
- 2.4 There were also a number of announcements in the Spending Review which will have an impact on Local Government. Further detail on both the Spending Review and the Local Government Finance Settlement is available in Appendix 1, which reproduces a briefing paper to all members and chief officers circulated via email 23 December 2015. This was also made available on Members Insight.

3 Implications of the settlement for Adult Social Care Committee

- 3.1 Whilst it is positive news that there is additional flexibility to increase funding through the Council Tax precept for Adult Social Care, which could raise an additional £19.7m over the next three financial years to help bridge the gap in funding of Adult Social Care, significant pressures remain and significant savings still have to be achieved to deliver a balanced budget. This increase in precept will be needed to keep funding in line with Government funding forecasts which assume a 3.2% increase in Council Tax in 2016/17.

- 3.2 As part of the financial settlement for 2015/16 additional identifiable funding of £285m was provided nationally for implementation of the Care Act from 1 April 2015, with Norfolk's share being £5.529m. From 2016/17 £307.7m has been rolled into the revenue support grant with Norfolk's share being £5.485m. At this stage there is no information available to explain why the funding level has been reduced but a likely explanation is that the 2016/17 allocation has been based on the relative needs formula for adult social care where the 2015/16 allocation was based on specific methodology developed to support the implementation of the Care Act. This is incorporated within the overall reduced funding position for the Council set out at 2.2.
- 3.3 From the analysis of the information made available as part of the Local Finance settlement there are concerns that funding for a number of areas has been removed or reduced totalling £2.303m. These include funding for the former Independent Living Fund service users, which has been confirmed as continuing but allocations are still to be announced (2015/16 Full year effect was £1.600m), Adults share of the Local Reform and Community Voices Grant (£0.332m) and funding for Social Care in Prisons a new duty introduced on 1 April 2015 (£0.371m). It has been confirmed that Deprivation of Liberty Safeguards one-off revenue funding received in 2015/16, will not be repeated in 2016/17.
- 3.4 At this stage negotiations continue on the level of the Better Care Fund (BCF) for 2016/17. The Government has frozen the level of funding for BCF in 2016/17, announcing additional investment towards an improved Better Care Fund from 2017/18. Colleagues in health are still working through the impact of their funding allocations for 2016/17 on the BCF. At this stage there are significant risks around £7.1m received in 2015/16 that has been earmarked to protect adult social care and which was expected to continue in 2016/17 as part of the financial planning assumptions. Any reduction in this amount from Health, will further increase savings to be found from adult social care budgets in 2016/17.
- 3.5 The Social Care Capital Grant will be ceasing from 2016/17. The expectation based on a statement by the Department of Health, is that this will be replaced by an increase to the Disabled Facilities Grant (DFG). Prior to the Better Care Fund, the DFG was provided directly to district councils to undertake their role as housing authorities. In 2015/16 this was incorporated within the Better Care Fund, but was passported to districts council in full, reflecting the unchanged role. For 2016/17 more information will required to understand the component of the DFG and how this should be distributed as part of the Better Care Fund. Announcements are expected shortly on the value and arrangements for the Disabled Facilities Grant (DFG).

4 The County Council Plan

- 4.1 The Council's priorities place the people of Norfolk at the forefront of our plans and investments and we must ensure that everything the Council does improves people's opportunities and well-being. The Council's four priorities are:
- a) **Real jobs** – We want real, sustainable jobs available throughout Norfolk. Pay is relatively low in Norfolk, and behind beautiful images of coastlines, windmills and beaches there are too many households relying on seasonal work and low incomes. We will promote employment that offers security, opportunities and a good level of pay

- b) **Good infrastructure** – Norfolk is open for business but not everyone has got the message. We need to continue our campaign for a fair share of infrastructure investment in road, rail and superfast broadband
- c) **Excellence in education** – Not enough of our schools give students a good education. Too many young people leave school without a set of good qualifications, and without the skills that employers are looking for. We will champion our children and young people's right to an excellent education, training and preparation for employment because we believe they have the talents and ability to compete with the best
- d) **Supporting vulnerable people** – As our funding diminishes, we need to get even better at targeting those who most need our help and support

5 The latest financial planning position

- 5.1 The National Audit Office estimates that central funding for Local Authorities has reduced by 37% in real terms in the period 2010-11 to 2015-16. For the period covered by the Spending Review, 2016-17 to 2019-20, Local Government funding from Central Government is expected to decrease by a further 56% in real terms compared to 2015-16 levels. This reduction is expected to be offset in part by increased Business Rates and Council Tax. As a result the Government expects overall local government spending to rise by £0.2bn in cash terms (from £40.3bn in 2015-16 to £40.5bn in 2019-20), representing a total real terms decrease of 6.7% over the period, based on current inflation forecasts.
- 5.2 The Government confirmed in the Spending Review that Revenue Support Grant (RSG) will be phased out entirely by 2019-20. The Spending Review also set out plans to allow Councils with social care responsibilities greater discretion to raise a "social care precept" of 2% on Council Tax, over and above the existing Council Tax referendum limit, to be used to fund pressures in Adult Social Care. It is understood that this discretion will exist for each year of the Spending Review period. To inform member decision making, this year's budget consultation sought feedback from the public about their appetite for such a Council Tax increase, and the findings from this are set out in section 9 of this report.
- 5.3 Over the period to 2015-16, Norfolk County Council's share of cuts has seen the authority lose £123.791m in Government funding while the actual cost pressures on many of the Council's services have continued to go up. 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 changes in Norfolk's population profile – cost another £18.252m. Continuing spending reductions of this scale and size require the Council to fundamentally reassess its business and operations in consultation with others.
- 5.4 The Spending Review has confirmed that the period of shrinking government finance and cuts to local government funding is set to continue. The Government has achieved around half the spending reductions it plans as part of its ongoing "fiscal consolidation".
- 5.5. The Council has responded to this challenge through the development of "Re-Imagining Norfolk" which sets out a direction for the Council to radically change its role and the way it delivers services. This commits the Authority to delivering the Council's vision and priorities, working effectively across the whole public sector on a local basis, and will

ensure that the Council's budget of £1.4bn is spent to the best effect for Norfolk people. Work on Re-imagining Norfolk will continue in 2016-17, taking into account the resources available to the Council, central government policy and local circumstances.

- 5.6 Adult Social Care is contributing to this vision through the Promoting Independence strategy and the budget proposals reflect this. The Authority is implementing a new strategy for social care in Norfolk where people are able to achieve their outcomes through the most independent means possible. Helping individuals and families to connect easily to the support of their communities and targeting Council's resources where additional support is needed. The aim is to develop a sustainable approach to social care in Norfolk, by working with local communities and changing the mix of service provided we aim to reduce the level of long term packages of care; help people to stay at home longer and provide better use of all resources available to reduce the cost of care packages.
- 5.7 In preparing plans for 2016-17, the following current issues need to be considered:
- 5.7.1 National Living Wage – The Council's planning assumptions for pay include allowance for the increases in the national living wage for staff employed by NCC. This becomes law from April 2016 and will increase each year to 2020. This will also affect our providers. The planning assumptions for 2016 include price increases based on inflation. The full implications of the National Living Wage will be considered when further information is available.
- 5.7.2 The council has been involved in a cost of care review, which so far has tested and included consultation on the prices paid for residential and nursing care services for older people. However, further review of residential and nursing care services for other specialisms will follow. The consultation, which includes getting feedback from our providers on a new pricing model, closes on 22 January. The results of the Cost of Care review are expected to result in additional payments being due to providers and would place an additional cost pressure on the service for future years.
- 5.7.3 The current forecast overspend for the service in 2015/16 is £3.737m.
- 5.7.4 Members will consider the Council's Minimum Revenue Provision (MRP) policy at Full Council 22 February, in order to agree the MRP policy for 2016-17. It is anticipated that proposed changes to the MRP policy will enable an underspend to be achieved on the Council's 2015-16 provision in the order of £10m. It is proposed that this underspend be used to manage the key risks in the 2016-17 children's and adults social care budgets.

6 Budget proposals for Adult Social Care Committee

- 6.1 Since initial savings proposals for 2016-17 to 2018-19 were reported from Service Committees to Policy and Resources Committee on 26 October 2015, a number of changes to savings proposals have been made. This includes the removal of savings prior to consultation by Policy and Resources Committee (supplementary agenda item), and savings proposed for removal as part of the full package of budget proposals for 2016-17 to 2018-19, following further review of the deliverability of proposals by Chief Officers and based on initial consultation feedback.

- 6.2 The table below sets out details of the movements from the savings initially proposed by this Committee to Policy and Resources Committee, when compared to the final list of savings proposed in Appendix 4 to this report.

2016-17	Adults
	£m
New 2016-17 savings proposals reported from Service Committee to P&R (26 October 2015)	-10.136
Existing 2015-16 Budget Round savings removed by P&R (26 October 2015)	4.300
Existing 2016-17 savings from 2015-16 and earlier budget rounds	-7.534
Remove Adults savings from 2015-16 and earlier budget rounds (COM018, COM026, ASC002) following Chief Officer review	0.735
Remove Adults savings from 2016-17 proposals - Supporting People (ASC012)	5.100
Total 2016-17 Savings	-7.535
Less one-off savings adjustments now shown elsewhere in Appendix 4	-3.891
Total 2016-17 savings as per Appendix 4	-11.426
2017-18	
New 2017-18 savings proposals reported from Service Committee to P&R (26 October 2015)	-19.595
2017-18 savings proposals developed 2016-17 removed by P&R prior to consultation via Supplementary Agenda	2.000
Existing 2017-18 savings from 2015-16 and earlier budget rounds	-0.800
Remove Adults savings from 2017-18 proposals - Transport (ASC014)	1.000
Total 2017-18 savings as per Appendix 4	-17.395
2018-19	
New 2018-19 savings proposals reported from Service Committee to P&R (26 October 2015)	-43.355
2018-19 savings proposals developed 2016-17 removed by P&R prior to consultation via Supplementary Agenda	18.563
Remove Adults savings from 2016-17 proposals - Transport (ASC014)	3.780
Total 2018-19 savings as per Appendix 4	-21.012
Total Savings 2016-17 to 2018-19	-49.833

- 6.3 The summary of the savings planned for 2016/17 to 2017/18 are shown below with details provided in Appendix 4.

Adult Social Care Categorized Savings	2016/17	2017/18	2018/19	2016/19
	£m	£m	£m	£m
1a - Organisational Change - Staffing	0.000	0.000	0.000	0.000
1b - Organisational Change - Systems	-5.036	-16.595	-21.012	-42.643
1c - Capital	0.000	0.000	0.000	0.000
1d - Terms and Conditions	-0.090	0.000	0.000	-0.090
2a - Procurement	-0.750	0.000	0.000	-0.750
2b - Shared Services	0.000	0.000	0.000	0.000
3a - Income and Rates of Return	0.000	0.000	0.000	0.000
4a - Reducing Standards	-2.550	-0.800	0.000	-3.350
4b - Ceasing Service	-3.000	0.000	0.000	-3.000
4c - Assumptions under Risk Review	0.000	0.000	0.000	0.000
Total Savings	-11.426	-17.395	-21.012	-49.833
Removal of 2015-16 Savings and One-off items (shown elsewhere on Budget change forecasts for 2016-19)	3.891	0.000	0.000	3.891
	-7.535	-17.395	-21.012	-45.942

- 6.4 The table includes the following changes since the report to this committee in October 2015. The following changes have been made on the basis that Members are minded to recommend the social care precept of 2%. Whilst the details of the social care precept are not finalised the Government expectation is that all monies raised via the precept are spent on Adult Social Services. The budget planning has assumed that this would be the case. For Norfolk County Council this would equate to £6.4m:

- Following the preliminary outcome of the budget consultation, which is set out in Appendix 2 and detailed in section 9, it is recommended that the savings proposal to reduce the Council's funding for Supporting People services (ASC012 - Refocus Supporting people provision to support Promoting Independence Phase 1) and totalling £5.1m in 2016/17, is removed. The impact to the wider system is significant, affecting outcomes for individuals receiving support and other organisations including district councils and health
- It is recommended that the proposal to stop all transport funded by adult social services by 2019 is removed (ASC014 – Phase out all transport provision to service users). This would remove savings totalling £4.78m over two years from 2017-18. The responses received by the Council highlighted considerable concerns from individuals and carers, particularly in relation to equality and affordability of accessing specialist services. The existing transport savings agreed within the 2014/14 budget round would not be affected
- There are three savings within the 2015-16 budget plan that are no longer considered to be achievable due to changes in legislation, procurement and further review of services. These are savings from the review of the Care Arranging

Service (£0.140m); changing the type of social care support that people receive to help them live at home (£0.200m); and redesign of the adult social care pathway (£0.395m). One-off alternative savings have been found to offset these savings in 2015/16, however the recurrent element of these savings needs to be reflected in the 2016/17 budget position. These are shown in the final line of the above table together with the reversal of one-off use reserves that supported the 2015/16 budget.

- d) It is recommended that the 2016/17 saving proposal to redesign the adult social care pathway through improved use of information management is removed, as this is no longer considered to be achievable. This saving totalling £1.500m was part of the 2015/16 budget round.
- e) In order to fund the removal of £1.500m savings above, it is recommended that the £1.500m budget savings for reducing funding for activities for people receiving support from Adult Social Care through a personal budget, previously removed as part of the budget proposals considered at Adult Social Care Committee in October, are reinstated. This reflects that this saving will be part of the overall work to reduce the cost of packages of care and not specifically targeted at wellbeing activities.

- 6.5 The budget proposals put forward will have minimal changes to staffing levels. As part of previous savings rounds, there has been a reduction of £1.4m in social work staffing costs, which is approximately a 10% reduction in the social work team budget. This has created some capacity issues for the service and in view of this no further reductions are proposed at this time. However, as the Promoting Independence Strategy is implemented, this will be reviewed. As part of Promoting Independence our budget plans include work to deliver savings through expansion of the reablement service. This strategy will increase reablement services within Norfolk First Response, with an increase of 36.6 FTEs.
- 6.6 The final budget will incorporate internal movements in service budget to reflect the impact of the approved budget plans and policy changes previously agreed by Members.
- 6.7 These proposals were developed within the context of some well understood factors that affect the way Adult Social Services are planned:
 - a) Importantly there will no change in the eligibility criteria for social care services, which are now set nationally. Our planning assumptions have taken account of an increase in the number of people needing assessments for services, over the next three years, due to demographic changes and an increase in the number of older people living in Norfolk
 - b) The implementation of the Promoting Independence strategy, which will see less use of traditional care services and will include changing the way that social care is organised so that more people get early support in communities; enhancing reablement services so that more people can live independently and specifically providing focused care for people for up to six weeks, usually after a hospital admission, which will reduce the number of people needing on-going care; and improving equipment and assistive technology services so that more people can live independently

7 Revenue Budget

- 7.1 The tables in Appendix 4 set out the Committee's proposed cash limited budget for 2016-17, and the financial plans for 2017-18 and 2018-19. These are based on the cost pressures and budget savings reported to this Committee in October which have been updated to reflect any changes to assumptions identified. The cost pressures include price inflation, which has been adjusted to reflect the Government's assumption of 1.2%. The changes to budget savings are set out in Section 6 of this paper. Cost neutral adjustments for Adult Social Care committee are shown in Appendix 4. The full cost neutral adjustments across all committees will be reflected within the Policy and Resources Revenue Budget 2016-17 to 2018-19 paper which will be presented on the 8th February 2016.
- 7.2 The tables in Appendix 4 set out the Committee's proposed cash limited budget for 2016-17, and the financial plans for 2017-18 and 2018-19. These are based on the cost pressures and budget savings reported to this Committee in October which have been updated to reflect any changes to assumptions identified. The cost pressures include price inflation, which has been adjusted to reflect the Government's assumption of 1.2%. The changes to budget savings are set out in Section 6 of this paper. Cost neutral adjustments for Adult Social Care committee are shown in Appendix 4. The full cost neutral adjustments across all committees will be reflected within the Policy and Resources Revenue Budget 2016-17 to 2018-19 paper which will be presented on the 8th February 2016.
- 7.3 It should be noted that the Revenue Budget proposals set out in Appendix 4 form a suite of proposals which will enable the County Council to set a balanced Budget for 2016-17. Any recommendation to amend or remove budget proposals will require the Committee to identify offsetting saving proposals or reductions in expenditure.
- 7.4 The Executive Director of Finance 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.

8 Capital Budget

- 8.1 The Council's draft proposed capital programme can be summarised as follows:

Service	2016-17 £m	2017-18 £m	2018-19+ £m	Total £m
Children's Services	90.268	46.981	0.000	137.249
Adult Social Care	8.603	2.000	0.000	10.603
CES Highways	115.836	72.375	4.400	192.611
CES Other	15.848	1.272	0.000	17.120
Resources	14.710	7.350	5.000	27.060
Finance and Property	13.497	5.634	0.995	20.126
Total	258.761	135.612	10.395	404.768

(note: the table above is subject to small rounding differences)

- 8.2 The programme is still in development and the final proposed programme will be presented to the policy and Resources Committee on 8 February 2016. A more detailed summary of the programme, including an analysis of existing and new schemes is shown as Appendix [5]. The appendix also gives details of proposed new schemes relevant to this committee.

9 Summary of the public consultation findings

- 9.1 The findings of the consultation are presented to inform budget decisions and the Equality Impact Assessments summarised in the next section. They report both on people's opinions about, and the potential impacts of, budget proposals and ideas.
- 9.2 This section provides a high level summary of the very detailed Equality Impact Assessment and Consultation Findings reports on the Council's Budget Consultation web page here: www.norfolk.gov.uk/budgetconsultation. The documents on this web site give more details about the nature and context of people's responses, details of any groups and organisations that responded, and any quotations or ideas submitted by respondents. Committee Members should review these documents alongside this report.
- 9.3 Overall, the nature and content of responses continue to reflect and build upon the themes raised in the budget consultations on Adult Social Care proposals in the last four years.
- 9.4 A diverse range of views are offered, and whilst many respondents take a principled position in favour or against proposals, frequently on the grounds of "fairness" or "personal responsibility", a significant number also seek to evidence a balanced view that references both the individual and practical impacts of proposals and the broader challenge of public service spending cuts. The value of first-hand accounts of the likely impacts of proposals should be recognised.
- 9.5 Just over half of the responses received about the two budget proposals for Adult Social Care, where people submitted their status, were from people stating that they were service users. This is likely to account for the fact that most respondents feel that the impacts of the proposals would be too great, and do not support them.
- 9.6 Whilst responses increasingly recognise the context of austerity and the difficult job of reducing budgets against rising demand, personal accounts of the potential and actual impacts of cumulative service reductions emphasise the very practical impacts that proposals are likely to have. There is a strong feeling that current proposals will reduce elements of services to a level that make them unviable, or ineffective, for service users. Consistently respondents focus on the likelihood that changes will increase people's isolation and reduce their wellbeing.
- 9.7 A small-but-significant proportion of respondents either agree with service reductions or argue for the continuing reduction in spending in Adult Social Care. The most consistently held view in support of this is that families and communities should take greater responsibility for the care of vulnerable people.

9.8 The consultation, analysis and reporting process

- 9.8.1 The Reimagining Norfolk public consultation ran from the 30 October 2015 to the 14 January 2016.
- a) The consultation web site can be found at <https://norfolk.citizenspace.com/consultation/re-imaginingnorfolkbudget>
 - b) People were able to respond online, by email, on Twitter and Facebook, by telephone and in writing
 - c) 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
 - d) Seven accessible events were organised and attended by Council officers to make sure that people from all backgrounds and communities could discuss and comment on budget proposals
 - e) Where particular groups of service users were likely to be affected by a proposal, the Council contacted them directly – for example people that would be affected by changes to transport arrangements in Adult Social Services
- 9.8.2 The date of the close of the consultation on the 14 January, and the timing of deadlines for publishing Committee reports, means that this report cannot reflect all of the responses to the consultation, and instead summarises responses submitted to the Council up to and including the 7 January.
- 9.8.3 Changes to the findings in the light of additional responses received between the 7 and 14 January will be provided by officers as part of a verbal update at the Committee meeting. In addition a short presentation will be made at the meeting to report the full findings, along with the outcome and recommendations of the Equality Impact Assessment.
- 9.8.4 The remainder of this section summarises the key elements of these, looking firstly at the specific proposals relating to this committee, then any more general ideas that were consulted upon, and finally findings relating to questions about Council Tax.

9.9 Responses to Adult Social Services budget proposals

- 9.9.1 At the 7 January (one week before the close of the consultation) the Council had received responses from 2,011 people, who provided a total of 9,740 individual answers or comments. This compares to 1,655 individual respondents to the full Budget and Services consultation in 2014, and 3,284 individual respondents to the Putting People First consultation in 2013.
- 9.9.2 There are two specific budget proposals being considered by this Committee, as follows:
- a) **Reduce the Council's funding for Supporting People services**
At the 7 January there were 738 responses received for this proposal, of which 577 people (78.2%) disagreed with the proposal and 100 people (13.6%) agreed with the proposal. 61 (8.3%), neither agreed nor disagreed with the proposal.

A total of 16 respondents told us they were responding on behalf of a business, organisation or group. For details of these, and their views, please refer to the

detailed summaries on the Budget website here:

www.norfolk.gov.uk/budgetconsultation. 11 of the 16 responses on behalf of groups disagreed with the proposal. No petitions were received.

- i. Of those opposing the proposal, most raised concerns about the negative impact of stopping a preventative service for vulnerable people. Linked to this was a concern that short term savings would be made at the expense of increased long term costs to society. The Supporting People service was described by some as being an essential service that should not be subjected to budget cuts
- ii. Of those supporting this proposal, over half did not give a reason for their support. For those that did, the main reason was a need to realise the opportunities that working with the council's partners presents. In addition people agreed with the importance of targeted interventions for people with the greatest need

b) Stop all transport funded by adult social care services by 2019

As at the 7 January there were 834 responses received for this proposal, of which 602 people (72.2%) disagreed with the proposal and 174 people (20.9%) agreed with the proposal. 58 (7.0%) neither agreed nor disagreed with the proposal.

The Council also received a petition from Aspires Day Service. The petition stated that it disagreed with the proposal, and included 54 signatures.

A total of 26 respondents told us they were responding on behalf of a business, organisation or group. These included providers of day care and transport companies, and voluntary organisations. In addition a response was received from one Member of Parliament. Nine of the organisation/group/MP responses agreed with the proposal, and 12 disagreed. For more details on these, please refer to the detailed summaries on the Budget website here:

www.norfolk.gov.uk/budgetconsultation.

- i. Of the respondents who opposed this proposal, most raised concerns about the negative impact this would have upon people's ability to access and/or afford essential services. Several respondents referred to their own circumstances and suggested that the proposal would mean that they would stop being able to go to current services altogether. Many referenced the likely disproportionate impact on those living in rural areas. Others highlighted the link between access to social and community activities and wellbeing. Concerns were raised about the increased risk of social isolation and people becoming housebound and depressed. Associated with this was the impact upon carers, many of whom have little or no respite. Also, the difficulties associated with using public transport, where it was available, as a vulnerable and/or older person were stated. Finally, some respondents commented on the possible adverse impact of the proposal on day care providers through a loss of customers
- ii. Of those supporting this proposal, just over a third did not give a reason for their support. For those that did, the main reason was that there are a range

of other benefits and sources of support that enable people to access the transport they need without having to rely on the Council. Linked to this was a concern that there is a lot of duplication of transport options within the health and social care system. Other issues raised were that: where people are able to pay, they should; transport funding was not seen to be an essential service; and agreement was on the proviso that alternatives were in place that were affordable

- iii. A small number of people felt that there was insufficient information in the proposal description to enable them to make an informed decision. In particular, they argued that there was a lack of information about the alternatives that are available

9.10 Responses to ideas and strategic intentions

9.10.1 In addition to specific proposals, the consultation presented three broad ideas or strategic intentions for feedback, as follows:

a) **Spend less on traditional day care by helping people join in with community activities**

189 people responded to this idea. A total of 11 respondents told us they were responding on behalf of a business, organisation or group. For details of these, and their views, please refer to the detailed summaries on the Budget website here: www.norfolk.gov.uk/budgetconsultation.

- i. A number of themes emerged regarding the development of more opportunities to move people with disabilities and/or mental health problems into employment. These included questioning whether people with disabilities and/or mental health problems who currently use day care provision can realistically access work, at a time when unemployment is high; questioning what specialist support will be made available to people to find and be maintained in work and what the cost implications of this will be; and concern about what transport options will be available to enable people access to work, particularly as transport subsidies are being cut
- ii. Some people broadly agreed with the idea, but with provisos. These included the contention that people should continue to receive day care until alternatives are found; that training should be provided to staff and managers in new settings; and that the Council should provide transport to day care alternatives
- iii. A number of ideas were suggested, including establishing a social enterprise for providing alternative options to day care; using supported volunteering as a stepping stone to independence; and working with local employers to challenge stereotypes and myths and promote support and advocacy

b) **Become the county council with the lowest number of people in residential care**

176 people responded to this idea. A total of 10 respondents told us they were responding on behalf of a business, organisation or group. For details of these,

and their views, please refer to the detailed summaries on the Budget website here: www.norfolk.gov.uk/budgetconsultation.

- i. Some consistent contentions emerged, including: that the Council should meet the needs of individuals and the population, not simply aim to have the lowest number of people in residential care; that Norfolk's older population will increase, not decrease, demand; that current provisions and contract arrangements should be reviewed to drive out greater efficiencies; and that pressure on community-based support would make it difficult to reduce residential care demand
- ii. Some respondents broadly agreed with the idea but with provisos. These include making sure that people with genuine needs get the residential care they require; that supported housing options are available; that options for assistive technology to keep people at home are fully considered; and that people should have a choice about where they live
- iii. A number of ideas were suggested, including: an increase in means testing for residential care placements; creating 'Good Neighbour' schemes whereby volunteers would be paired-up with older vulnerable people in the community; providing more support for carers; and investigating ways in which family members could be incentivised to take on a caring role

c) Continue to change the way we organise social care so more people get early support in communities and don't need council services

158 people responded to this idea. A total of 9 respondents told us they were responding on behalf of a business, organisation or group. For details of these, and their views, please refer to the detailed summaries on the Budget website here: www.norfolk.gov.uk/budgetconsultation.

- i. Several responses expressed broad support for the approach in principle, and recognised the need to raise awareness amongst older people of the preventative services that are available
- ii. A number of repeated concerns emerged from the responses that related specifically to the setting up of community clinics for social care needs as opposed to home visits. These included the cost of setting up and staffing surgeries, the location and accessibility of clinics, and reservations based on other areas that have tried and abandoned the approach
- iii. A number of ideas were suggested including: Creating a 'Good Neighbour' scheme to support vulnerable people with volunteers; targeting 'at risk' sections of the population when they are growing up to prevent them requiring care later on; and working alongside partners to deliver a 'one-stop shop' for older people with a variety of needs

9.11 Responses to questions about Council Tax

9.11.1 The consultation asked people to describe their views on what the Council should do about its share of Council Tax.

At the 7 January 2016, 394 people had responded to questions about Council Tax; a comparable response rate to consultations in previous years.

Up until 26 November 2015, 193 people had responded to the question “should Norfolk County Council raise its share of the council tax by up to 1.99% in 2016/17 in order to protect essential services and reduce the level of cuts?” Of these, 149 people (77.2%) supported an increase, 36 people (18.7%) disagreed with an increase and 8 people (4.1%) didn't know.

As a result of the Government's Spending Review the consultation question was changed from the 26 November to reflect the Council Tax options that were now available to the Council. There have been 201 responses to the revised options.

The results for post-Spending Review question are as follows:

Description	% Respondents
Increase by up to 1.99% to protect essential services	15.4%
Increase our share by 2% to protect adult social care services	13.9%
Increase our share by up to 3.99% to protect adult social care and other essential services	56.2%
No increase	13.9%
Don't know	0.5%

Against both questions there is support amongst a significant majority of respondents to an increase in Council Tax.

9.11.2 Respondents were also asked to prioritise the services that should be protected if the Council did increase Council Tax. 501 people responded to this questions. Because the question asked people to rank services in an order of 1-7, and people inevitably put things in different orders, the results are necessarily complicated. This report has tried to simplify the results by presenting both the percentage of respondents stating each service as their top priority, and a 'weighted score' that accounts for the relative ranking of each service. These are presented and explained in the results table below. Against either approach the overall ranking is the same, with Children's Services stated as the highest overall priority, closely followed by Adult Social Care.

Service	Priority rank							% stating service as top priority	Weighted priority score*
	1	2	3	4	5	6	7		
Children's Services	128	107	48	18	13	11	11	25.5%	1922
Adult Social Care	126	87	60	23	18	10	12	25.1%	1882
Fire and Rescue	105	57	78	42	29	17	4	21.0%	1760
Roads, transport, waste, environment & planning	56	49	62	95	46	21	6	11.2%	1562

Libraries	34	38	51	60	77	48	29	6.8%	1317
Museums, records and the arts	28	20	39	36	63	117	31	5.6%	1109
Other	24	4	2	3	5	4	70	4.8%	307

* Overall weighted priority score calculated by assigning every number 1 priority a score of 7, every number 2 priority a score of 6, and so on, and then summing the total score for each service.

10 Equality and rural impact assessments – findings and suggested mitigation

- 10.1 When making decisions, the Council has a duty under the Equality Act 2010 to give due regard to the need to promote equality of opportunity for people with protected characteristics and eliminate unlawful discrimination.
- 10.2 The Council's impact assessment process for 2016-17 has sought to identify the potential for proposals to have any adverse impact on protected groups and rural communities. The aim is to ensure that members' decisions can be informed, and where appropriate, action can be taken to address any impacts.
- 10.3 Overall, the assessment process for the following two Adult Social Care proposals finds that, if the proposals go ahead, they may have a disproportionate and significantly detrimental impact on disabled people, older people, carers and some young people:
- Reduce the Council's funding for Supporting People services
 - Stop all transport funded by adult social services by 2019.
- 10.4 In order to help mitigate this potential adverse impact, the assessment recommends the following actions.
- 10.4.1 **Supporting people:**
- Ensure effective transition plans are established for service users who may be affected by the proposals
 - Work with district councils, commissioned services and local community groups to identify alternative support options for supporting people in their homes
 - Work with charities, commissioned services and district councils to explore other funding options to continue to support homeless people
- 10.4.2 **Transport:**
- Work with service users/carers as part of the assessment and review process to identify the social care transport needs and options available to service users, taking their individual needs fully into account. This would include whether the mobility allowance is more suitable for the person's needs than having a Motability vehicle and/or whether more people need to be on the insurance to drive the Motability vehicle
 - Where the assessment and review process highlights areas of limited accessible community or public transport provision in some parts of the county, which might result in affordability issues or a loss of independence for service users, offer appropriate

travel planning support to service users/carers to make sure people are spending as effectively as possible

- c. Where the assessment process highlights areas of limited accessible community or public transport provision in some parts of the county, work with commissioners, communities and community transport providers to explore opportunities to address this, and inform strategic transport planning, to enable consideration to be given to whether there are opportunities to address this over the medium/long term
- d. Work with service providers in looking at the potential impact of this proposal and where appropriate explore options with them in sustaining their service
- e. Provide service users with support to help them plan and establish pooled budgets. Ensure staff supporting service users in this work have the appropriate skills – e.g. this may include community development skills. Monitor the extent to which service users are able to participate in this initiative.
- f. Continue ongoing dialogue with transport providers to promote disability awareness and identify where further action can be taken to improve accessibility and increase the confidence of disabled people in using community and public transport
- g. Work with transport providers and service users to ensure drivers and personal assistants can deal appropriately with instances of bullying and harassment towards service users while travelling
- h. As part of Adult Social Services strategy in supporting people to access local community services, explore potential opportunities to support local services in increasing their disability awareness, confidence and levels of accessibility
- i. Monitor the implementation of these mitigating actions, reporting back to the committee at six monthly intervals on progress for the initial two years (2019-21)

- 10.5 For the detailed findings of these equality and rural assessments please refer to the Budget website here: www.norfolk.gov.uk/budgetconsultation. They are available for inspection by elected members and the public online here www.norfolk.gov.uk/budgetconsultation. The findings have been made available electronically rather than as a hard copy due to the size of the document.

11 Implications and risks for budget planning for 2016-17

- 11.1 The Cost of Care exercise remains a significant risk for the service. The outcome from the consultation will be reported to an extraordinary meeting of the Adult Social Care Committee on 12 February 2016 and at which time, the financial implications for the Council will be clearer.
- 11.2 The National Living Wage, will place additional costs on some, but not all, of our providers, depending upon the current level of wages paid to staff.
- 11.3 The financial pressures across the health and social care system also affect our partners within the health service and some clinical commissioning groups have questioned whether, as part of the Better Care Fund, they will be able to continue to transfer the

same level of funding to protect social care as provided in the current financial year. The current financial forecasts have been based on a stable financial position, reflecting the Government's position to freeze funding for BCF. Some £7.1m is at risk of being held by CCGs for other purposes, which would have a significant impact on social care provision within Norfolk. Given the financial context of a significant reduction in Council funding in 2016/17, should CCGs and the Health and Wellbeing Board agree a Better Care Fund plan that removes the current level of protection for social care, this will directly reduce the 2016/17 budget for Adult Social Services. Revised proposals would need to be put forward with potential need to reinstate some of the removed savings reducing services and affecting the ability of the service to provide timely packages of care.

12 Evidence

- 12.1 The proposals in this report are informed by the Council's constitution, local government legislation, best practice recommendations for financial and strategic planning, and feedback from residents and stakeholders via the Re-imagining Norfolk public consultation launched in October 2015.

13 Financial Implications

- 13.1 The financial implications of the 2016-17 budget proposals are detailed throughout this paper.

Officer Contact

If you have any questions about matters contained in this report or want to see copies of any assessments, e.g. equality impact assessment, 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.

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Briefing Note

Report title:	Provisional Local Government Finance Settlement 2016-17
Responsible Chief Officer:	Executive Director of Finance – Simon George

Strategic impact

The Council's budget plans to date have been based on estimates of government funding reflecting high level government announcements. This report provides members with an update on the Council's financial position following the announcement of the provisional Local Government Finance Settlement 2016-17.

Executive summary

The Chancellor of the Exchequer announced the Spending Review on Wednesday 25 November. The Spending Review set out plans for departmental budgets for the next four years, up to the next general election in 2020. This announcement incorporated the annual Autumn Statement.

The Government has made assumptions in its financial planning based on councils raising Council Tax in line with CPI inflation and also taking full advantage of the additional discretion available to levy a social care precept (2%, amounting to £6.300m in 2016-17).

A 1.2% increase in Council Tax, in line with the OBR's assumptions about CPI published at the Spending Review, would raise approximately £3.800m in 2016-17 for the Council. The implications of the Government's assumptions are set out in the sections on Spending Power and Council Tax later in this report.

The provisional Local Government Finance Settlement 2016-17 was subsequently published on 17 December 2015 for consultation.

This paper sets out details of the key announcements and changes to the Council's funding forecasts based on the provisional Local Government Finance Settlement.

Norfolk's adjusted Settlement Funding Assessment for 2015-16 was £279.113m, in 2016-17 the provisional settlement sets out a headline reduction of £28.733m to £250.38m. At the same time, the Government has made a number of changes to the funding model for 2016-17, including changing the way in which reductions in funding are allocated to different types of Authority.

As a result of these changes, like for like comparisons with 2015-16 are more difficult to make, however compared to our expectations reported to Members of Policy and Resources

Committee in October, the Settlement Funding Assessment (SFA), made up of Revenue Support Grant and Business Rates funding, is £3.267m higher than expected in 2016-17. However, there have also been adjustments to specific grants, including a number of grants being transferred in and out of the main SFA, which mean specific grants are £7.616m lower than previous budget planning assumptions.

This means that the Council's overall position following the Provisional Settlement announcement reflects a **worsening by £4.349m** when compared to previous assumptions. No Council Tax Freeze Grant is on offer for 2016-17.

Additional announcements about specific grant allocations are anticipated during December and January which may have a further impact on the Council's position, and these will be reported to Committees during their budget-setting meetings in January and February.

Recommendations:

Members are asked to:

- 1. Consider the changes to funding announced within the provisional Local Government Finance Settlement, and the implications for the Council's budget;**
- 2. Note that these will be reported to Service Committees and Policy and Resources Committee as part of the service and financial planning process; and**
- 3. Note that the Council will respond to the consultation.**

1. Background

- 1.1. The Council's budget plans for 2016-17 have been based on estimates of government funding which incorporate the impact of high-level government expenditure announcements. The Spending Review 2015 in November, and the provisional Local Government Finance Settlement 2016-17 published for consultation on 17 December 2015, have provided further clarity about the Council's funding for next year.
- 1.2. This paper sets out details of the key announcements and changes to the Council's funding forecasts based on the Spending Review, Autumn Statement and provisional Local Government Finance Settlement.

2. Spending Review 2015 and Autumn Statement

- 2.1. The Chancellor of the Exchequer announced the outcomes of the Spending Review 2015 on Wednesday 25 November. The Spending Review set out plans for departmental budgets for the next four years, up to the next general election in 2020. This announcement incorporated the annual Autumn Statement.
- 2.2. The Spending Review announced that local government funding from central government is expected to decrease by 56% in real terms, although this is expected to be offset in part by increased Business Rates and Council Tax. The Government anticipates overall local government spending to rise by £0.2bn in cash terms (from £40.3bn in 2015-16 to £40.5bn in 2019-20), representing a total real terms decrease of 6.7%, based on current

inflation forecasts. It is important to note that this is based on Government assumptions about local decisions to raise Council Tax, and forecast growth in the Council Tax base, explained in further detail in the section on Spending Power below.

2.3. The Chancellor made a number of announcements with implications for local government. These included:

- Confirming plans to move to a system of full Business Rates retention by the end of the Parliament, and the phasing out of Revenue Support Grant funding;
- A transfer of “new responsibilities” to local government;
- Greater flexibility to raise Council Tax to fund Adult Social Care;
- Changes to distribution mechanisms for funding, taking into account the ability to raise revenue locally; and
- Changes to New Homes Bonus grant funding.

2.4. These issues are discussed in further detail within this briefing document.

2.5. Following the Spending Review, the Council’s budget planning assumptions remained broadly unchanged.

3. Provisional Local Government Finance Settlement 2016-17

3.1. The Department for Communities and Local Government (DCLG) announced the detail of the provisional finance settlement for local government on 17 December 2015. This provided provisional details of the following for 2016-17:

- Settlement Funding Assessment including:
 - Business Rates
 - Revenue Support Grant
 - Figures for the Norfolk Business Rates Pool
- Some specific grants

3.2. The publication of the settlement represents the start of the consultation period for the 2016-17 Draft Local Government Finance Report. The deadline for the submission of responses to the consultation is 15 January 2015.

3.3. Most of the Council’s central government funding is received via the Business Rates Retention Scheme and Revenue Support Grant, with some additional funding paid as specific grants. A council funding share is published as its Settlement Funding Assessment (SFA) which is made up of Revenue Support Grant and the Business Rate Retention Scheme (incorporating the council’s local share of retained rates, plus a top-up amount). The local share of Business Rates has been fixed for 2016-17 and the Government is consulting on changes to the system with a view to moving to 100% local retention before the end of the parliament. The local share provides councils with an incentive to promote growth. As a result of these arrangements, changes to the Settlement Funding Assessment (for example to distribute reductions in overall Local Government Departmental Expenditure Limits) are made through adjustments to the Revenue Support Grant amounts.

Briefing to all Members and Chief Officers
23 December 2015

3.4. For 2016-17 the Government has made some fundamental changes to the Settlement Funding Assessment. The Government has therefore published adjusted 2015-16 Settlement Funding Assessment figures for comparative purposes. The table below shows the breakdown of the provisional 2016-17 Settlement Funding Assessment compared to the actual and adjusted 2015-16 allocations.

	2015-16 Actual	2015-16 Adjusted	2016-17 Provisional	% Change (actual to provisional)	% Change (adjusted to provisional)
	£m	£m	£m		
Upper-tier funding within Baseline Funding Level		133.542	134.655		0.83%
Fire and Rescue within Baseline Funding Level		7.156	7.215		0.83%
Total Baseline Funding Level	140.698	140.698	141.870	0.83%	0.83%
Upper-tier funding within RSG		138.803	101.696		-26.73%
Fire and Rescue within RSG		8.006	6.816		-14.86%
Total Revenue Support Grant	138.416	146.809	108.511	-21.60%	-26.09%
Total Settlement Funding Assessment	279.113	287.507	250.382	-10.29%	-12.91%

3.5. This funding will be received as follows:

	2015-16 Actual £m	2016-17 Provisional £m
Settlement Funding Assessment	279.113	250.382
<i>Received through:</i>		
Revenue Support Grant	138.415	108.511
Business Rates Baseline	140.698	141.870
<i>Via: Top-up</i>	<i>114.729</i>	<i>115.685</i>
<i>Retained Rates</i>	<i>25.969</i>	<i>26.18</i>

3.6. The Government did not publish any indicative allocations for the 2016-17 Settlement Funding Assessment in 2015-16 and as such the Council's forecasts for next year's budget have up to now been based on high-level estimates of Government spending reductions.

3.7. The Provisional Settlement Funding Assessment indicates a lower overall reduction, of £28.732m, compared to the previous forecast for a reduction of £32.000m, reported to

Policy and Resources Committee in October. However, the settlement includes a number of significant changes, and in particular most of the individual funding streams which used to be separately identified within the Settlement Funding Assessment have now been consolidated into the “Upper Tier Funding” allocation. The net result of these changes is a reduction in the resources available to the Council as set out below.

3.8. The remaining funding streams within the Settlement in 2016-17 are:

- Upper Tier Funding
- Fire and Rescue Funding

3.9. The following funding streams from 2015-16 have been consolidated into the Upper Tier and Fire and Rescue lines in the 2016-17 Settlement Funding Assessment:

- Council Tax Freeze Compensation Part 1 (2015-16 £8.483m)
- Early Intervention Funding (2015-16 £20.084m)
- Lead Local Flood Authority Funding (2015-16 £0.195m)
- Learning Disability and Health Reform Funding (2015-16 £41.550m)
- Rural Services Delivery Funding (now to be paid as a specific grant 2015-16 £0.762m)
- Council Tax Freeze Compensation Part 2 (2015-16 £7.003m)
- Local Welfare Provision (2015-16 £1.713m)

3.10. In addition to these changes, Care Act funding and the Lead Local Flood Authority funding previously paid as specific grants have been included in the settlement totals. New funding is to be received within the settlement for Sustainable Drainage Systems relating to new duties to act as statutory consultees (£0.018m in 2016-17). These changes have the effect of increasing the amounts for the Upper Tier and Fire and Rescue streams by £51.055m compared to the actual allocations for 2015-16. However this is more than offset by the removal of all the remaining streams listed above, which amount to £79.789m. The amounts for historic Council Tax Freeze Grant have been allocated to the two remaining streams based on the respective proportions of formula funding before floor damping in 2013-2014. This consolidation has the effect that all these previously distinct funding streams will be subject to the overall reductions which are applied to the Council's Revenue Support Grant.

3.11. Outside the settlement, there are also a number of changes to our assumptions about specific grants as follows:

Increases:

- Rural Services Delivery Grant (£0.762m in 2015-16) has been removed from core settlement funding and will now be paid as a separate grant increasing to £0.983m in 2016-17.
- Compensation for business rates caps imposed in 2014-15 and 2015-16 will continue (£2.052m in 2015-16).

Decreases:

- Care Act funding has been rolled into the settlement (£5.629m in 2015-16).
- The previously non-RSG element of Lead Local Flood Authority funding has been rolled into the settlement (£0.207m in 2015-16).

- Council Tax Freeze Grant for 2015-16 has been rolled into the settlement (£3.542m).
- New Homes Bonus grant payable will be £0.819m lower than forecast.
- Reduction in Education Services Grant increased by £0.454m.

3.12. As set out above, the Settlement Funding Assessment, made up of Revenue Support Grant and Business Rates funding, is **£3.267m higher** than expected in 2016-17. However, the adjustments to specific grants, including those grants being transferred in to and out of the main settlement, mean that specific grants are forecast to be **£7.616m lower** than previous budget planning assumptions.

3.13. This means that the Council's overall position following the Provisional Settlement announcement reflects a **worsening by £4.349m** when compared to previous assumptions.

4. Spending Power

4.1. The Government has previously published details of changes in spending power, which included the Better Care Fund and Public Health Grant. This year the Government has introduced a replacement measure of **core spending power**, which consists of:

- Settlement Funding Assessment (Business Rates Baseline Funding and RSG)
- New Homes Bonus
- The local government element of the Improved Better Care Fund (from 2017-18)
- Rural Services Delivery Grant
- Council Tax Requirement

4.2. Core funding is thus intended to more closely reflect the resources over which councils have discretion.

4.3. In 2016-17 the assessment of core funding has been used as a mechanism to distribute reductions in Revenue Support Grant 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 receive the same percentage change in settlement core funding. The inclusion of Council Tax in this calculation represents a significant change in Government policy. The Spending Review document stated that this is 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."* (Spending Review, Para 1.242).

4.4. Analysis by the Society of County Treasurers has identified that amongst authorities with social care responsibilities, shire counties experience the greatest loss of funding in the settlement as a result of the inclusion of council tax requirements in the funding distribution calculation. This is due to the gearing effect whereby shire counties tend to derive a higher proportion of their funding from Council Tax. For shire counties the new calculation means an average reduction in Revenue Support Grant of 30.0% from 2015-16 to 2016-17. However, as a result of Norfolk's relatively low percentage of core funding from Council Tax (51.5% in 2015-16), the Council is comparatively protected from this, facing a reduction of 21.6% to RSG.

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4.5. It is important to note that the Government's new methodology for funding distribution assumes that:

- Councils will raise Council Tax in line with the Office for Budget Responsibility's (OBR) forecast for CPI inflation (an annual average of 1.74% over the period)
- Relevant councils will raise the maximum 2% Adult Social Care precept in each year.
- Average annual growth rates in the Council Tax base between 2013-14 and 2015-16 will recur for the period to 2019-20.

4.6. Therefore **any decision to raise Council Tax by less than the government's inflation assumptions, or a decision not to exercise the full discretion to raise a social care precept, will lead to a progressively greater underfunding of the Council through the Spending Review period.** At this point it is unclear whether future year settlements will be adjusted for local decisions about Council Tax, but the settlement announcement indicates that changes will only be made in exceptional circumstances, suggesting this is unlikely.

4.7. The table below sets out the changes to our funding assumptions following the Provisional Settlement compared to the position reported to Policy and Resources Committee in October.

Funding Changes	2016-17	2017-18	2018-19
Provisional Settlement change in Settlement Funding Assessment	3.267	-0.890	2.170
New Homes Bonus forecast	-0.819	0.029	-1.981
Improved Better Care Fund indicative allocation	0.000	1.900	15.800
Council Tax Freeze Grant rolled into Settlement	-3.542	0.000	0.000
S31 Business rates capping continuing	2.052	0.000	0.000
Academy conversion - Education Service Grant	-0.454	0.000	0.000
Rural Services Grant rolled out of Settlement	0.983	0.737	0.738
Care Act rolled into Settlement	-5.629	0.000	0.000
Lead local flood rolled into Settlement	-0.207	0.000	0.000
Total	-4.349	1.776	16.727

4.8. The Provisional Settlement for 2017-18 and 2018-19 is broadly in line with expectations, with the exception of the indicative allocations for the Improved Better Care Fund, further details of which are set out Section 12 below. These amounts are subject to consultation.

5. Dedicated Schools Grant

5.1. On 17 December 2015, the Department for Education announced Dedicated Schools Grant (DSG) allocations of £553.675m for 2016-17 (compared to £546.548m in 2015-16, which was subsequently updated in November 2015 to £553.605m). This funding is ring-fenced for schools.

5.2. The schools block unit of funding has been adjusted in respect of former non-recoupment academies, to include the cash amount added in 2015-16. There has also been an

increase in the number of pupils, which results in an increase in the schools block funding.

5.3. The early years block is unchanged from 2015-16 comprising:

- the three and four year old entitlement – set at the 2015-16 per pupil rate;
- funding for disadvantaged two year olds – set at the 2015-16 per child rate; and
- the early years pupil premium – set at the 2015-16 per pupil rate.

5.4. The high needs block includes the high needs block baseline for 2015-16 plus an additional £1.344m high-needs block top-up funding.

5.5. The DSG allocation is subject to deductions for the following:

- academies recoupment from the schools block;
- updates to the funding for three and four year olds;
- updates to the funding for disadvantaged two year olds;
- updates to the early years pupil premium; and
- deductions for national copyright licences.

6. Education Services Grant

6.1. The Department for Education has also confirmed allocations of Education Services Grant (ESG). The ESG settlement for 2016-17 includes:

- the ESG retained duties rate maintained at £15 per pupil;
- the ESG general funding rate reduced to £77 per pupil as a first step towards achieving the savings announced in the Spending Review; and
- continued protection to limit reductions in academy budgets as a result of changes to the ESG.

6.2. The Council will receive ESG amounting to £6.855m in 2016-17, a reduction of £1.180m compared to the £8.035m received in 2015-16.

7. Rural Services Delivery Grant

7.1. The Government has confirmed that funding for the most sparsely populated rural areas will be continued and from 2016-17 this will be paid as a separate grant. Nationally, the grant is being increased from £15.5m this year to £65m in 2019-20.

7.2. At a Norfolk level this translates to an increase of £0.221m in 2016-17 meaning we will receive £0.983m next year. By 2019-20 the indicative allocations show it will increase by a total of £2.433m compared to 2015-16, reaching £3.195m.

8. Local Welfare Assistance

8.1. This funding has ceased in 2016-17, having been rolled into upper tier funding within the Settlement. The impact of this is reflected within the overall changes in the Settlement.

9. Extended Rights to Free Travel

- 9.1. It has been announced in a bulletin published 17 December that the grant for extended rights to home to school transport grant will continue in 2016 to 2017. Specific allocations will be confirmed in early 2016.

10. Public Health

- 10.1. The Government confirmed in the Spending Review that Public Health Grant will continue as a separate ring-fenced grant in 2016-17 and 2017-18. In subsequent years, the Government has indicated that this funding may be included within the Business Rates Retention Scheme, although this will be subject to consultation and is not shown in the four-year allocations published.
- 10.2. The Department of Health has confirmed that public health grant allocations for 2016-17 will not be announced until the New Year. A letter from Public Health England, on 27 November 2015, has indicated that the savings to be achieved from the Public Health grant amount to a real terms reduction of 3.9% annually to 2020-21. The letter also indicates that the overall funding amount for 2016-17 would be reduced by 2.2% from a 2015-16 baseline which assumes 0-5 funding was available for the whole year and took account of the £200m in-year reduction which was made to the grant. This would equate to a reduction of £0.925m for Norfolk, assuming cuts are evenly distributed across all local authorities.

11. Care Act

- 11.1. The Government has incorporated funding for the implementation of the Care Act in the Settlement, with the exception of those elements funded as part of the Better Care Fund, and the separate specific grant for social care in prisons. The funding rolled into the main settlement totalled £5.629m in 2015-16.

12. Better Care Fund

- 12.1. It has been confirmed in the Settlement that the Better Care Fund (BCF) will continue. Nationally, the NHS has set aside £3.519bn in 2016-17 compared to £3.460bn in 2015-16 (a £59.000m increase). Locally discussions are ongoing with Community Commissioning Groups (CCGS) to agree the share of BCF that will be allocated to the Council in 2016-17.
- 12.2. The Government has also set out further details of an “Improved” Better Care Fund which will see an additional £1.5bn of funding for Local Authorities to deliver Adult Social Care services by 2019-20. However this funding, which will be paid as a specific grant, will not start to appear until 2017-18 when it will be worth £105.000m nationally and then £825.000m in 2018-19. It is proposed that this funding be allocated using a methodology which provides greater funding to those authorities with the least scope to raise additional Council Tax. This will be subject to consultation, but the indicative allocations see Norfolk receiving £1.900m in 2017-18, £15.800m in 2018-19 and £28.400m in 2019-20.

13. New Homes Bonus

- 13.1. Provisional New Homes Bonus allocations for 2016-17 have been announced, and the Government has confirmed that this will be paid on the same basis as in 2015-16. The Council will receive £5.300m in 2016-17 (£4.581m in 2015-16).
- 13.2. The Government announced as part of the Settlement that the New Homes Bonus would be retained “indefinitely” but that it will also be consulting on proposals to “sharpen the incentive to reward communities for additional homes.” This includes proposals to reduce the grant period from six years to four, and to make savings of at least £800m which will be made available to support adult social care cost pressures.

14. Council Tax

- 14.1. As part of the Spending Review, the Chancellor announced that there would be greater flexibility for councils providing social care to levy a precept of up to 2% on Council Tax annually. This is to be used exclusively to fund Adult Social Care, and is over and above the existing Council Tax referendum limit.
- 14.2. The Local Government Finance Settlement confirmed that the Council Tax referendum limit would be set at 2%.
- 14.3. A 2% increase in Council Tax would yield approximately £6.3m in 2016-17.
- 14.4. No Council Tax Freeze Grant is on offer for 2016-17, and historic allocations for Council Tax Freeze grants have been rolled into the main settlement funding streams. As set out in the spending power section above, the Government has made assumptions in its financial planning which are based on Councils raising Council Tax in line with CPI inflation and also taking full advantage of the additional discretion available to levy a social care precept.
- 14.5. The table below sets out the Council Tax increases being assumed in the Provisional Settlement, which include an assumption for both annual increases in line with CPI, plus growth in the Council Tax Base. **A 1.2% increase in Council Tax, in line with the OBR’s assumptions about CPI published at the Spending Review, would raise approximately £3.800m in 2016-17.**

	2016-17	2017-18	2018-19	2019-20
	£m	£m	£m	£m
Council Tax for previous year in DCLG spending power assumptions	311.433	321.328	333.173	345.794
DCLG assumed Council Tax increase including tax base growth and levels increasing by CPI	9.895	11.845	12.621	13.451
Total DCLG assumed Council Tax for year (excluding amounts for Adult Social Care)	321.328	333.173	345.794	359.245

**Briefing to all Members and Chief Officers
23 December 2015**

Cumulative additional Council Tax revenue from 2% precept for Adult Social Care	6.344	13.253	20.812	29.089
Grand Total DCLG assumed Council Tax including Adult Social Care precept	327.672	346.426	366.605	388.334

15. Business Rates and Business Rates Pool

- 15.1. Norfolk County Council currently is part of a business rates pool with Breckland District Council, Broadland District Council, Borough Council of King's Lynn & West Norfolk, North Norfolk District Council, South Norfolk District Council, and Norwich City Council.
- 15.2. An email has been received from the Department of Communities and Local Government confirming that the pool will continue for 2016-17 unless they receive notification that any member of the pool wishes to make a revocation within 28 days of the publication of the Provisional Settlement.
- 15.3. The settlement provides information for both individual councils and pools. The settlement therefore shows pools as a single authority for top-up/tariffs and levy and safety net purposes. This will enable authorities to see both their pooled and individual position relative to the pool figures and will allow them to establish if they still wish to pool.
- 15.4. Local authorities in the pool have 28 days to consider if they wish to continue to be designated as a pool. Provided that no authority within the pool requests the Secretary of State to make a revocation during that period, the pool will come in to effect on 1 April 2016, meaning that all local authorities covered by the designation will remain in the pool for the full financial year. However, if a member of the pool decides it no longer wishes to be designated as part of a pool for 2016-17 it must notify DCLG by 13 January 2016. If any council in the pool requests a revocation of the designation before this date the rest of the pool cannot continue. The Secretary of State will then revoke this designation and all local authorities identified as part of this pool will revert to their individual settlement figures.

23 December 2015

15.5. The following settlement information is provided in relation to the Norfolk business rates pool.

Provisional Settlement information for the Norfolk Business Rates Pool 2016-17

	Breckland	Broadland	Kings Lynn and West Norfolk	North Norfolk	Norwich	South Norfolk	Norfolk CC	Pool
Baseline funding level	£3,623,589	£2,631,654	£5,025,478	£2,951,673	£5,478,821	£2,856,693	£141,870,393	£164,438,301
Top-Up / (Tariff)	- £7,967,737	- £8,995,788	- £11,819,834	-£6,805,051	- £26,100,934	-£8,238,363	£115,685,468	£45,757,761
Levy Rate	50%	50%	50%	50%	50%	50%	0%	0%
Safety Net Threshold	£3,351,820	£2,434,280	£4,648,567	£2,730,297	£5,067,909	£2,642,441	£131,230,113	£152,105,429

16. Summary

- 16.1. This paper provides an update on the funding announcements set out in the provisional local government finance settlement for 2016-17, which will have an impact on the strategic and financial planning process leading up to the setting of the Budget in February 2016.

Background Papers

Re-imagining Norfolk – a medium term strategy and financial plan – *report to Policy and Resources Committee 1st June 2015*

Developing Re-imagining Norfolk – *reports to Service Committees in September 2015*

Strategic and Financial Planning 2016-17 to 2018-19 – *report to Policy and Resources Committee 28th September 2015*

Re-imagining Norfolk: Service and Financial Planning 2016-17 to 2018-19 – *reports to Service Committees in October 2015*

Strategic and Financial Planning 2016-17 to 2018-19 – *report to Policy and Resources Committee 26th October 2015*

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.

APPENDIX 1 – Details of Provisional Settlement

	2015-16 Actual	2016-17 Provisional
	£m	£m
Settlement Funding Assessment (RSG and Business Rates)	279.113	250.382
Other Grants / Funding		
New Homes Bonus	4.124	5.300
New Homes Bonus adjustment	0.457	0.000
Education Services Grant	8.035	6.855
Fire Revenue Grant	1.004	1.004
PFI Grant - Salt Barns	0.141	0.141
PFI Grant - Schools	4.839	4.839
PFI Grant - Street Lighting	3.066	3.066
Extended Rights to free travel	0.719	0.719
Inshore Fisheries*	0.152	0.152
Local Flood Grant	0.207	0.000
Local Reform and Community Voices*	0.563	0.563
S31 Grant for business rates initiative	2.052	2.052
Council Tax Freeze Grant	3.542	0.000
Rural Services Grant	0.000	0.983
New Burdens 15-16: Local Reform & Community Voices: new social care in prisons	0.371	0.371
New burdens 15-16: Early Assessment	3.121	0.000
New burdens 15-16: Deferred Payment agreement	1.542	0.000
New burdens 15-16: Carers & Care Act Implementation	0.966	0.000
Dedicated Schools Grant	546.548	553.675
Pupil Premium Grant	29.752	29.752
Public Health Grant	35.159	41.127
NHS Funding including Better Care Fund	56.381	56.381

Unconfirmed amounts are shaded in the table.

* Denotes grants where no information has been received in respect of 2016-17.

Summary of findings of Public Consultation

The full and detailed Equality Impact Assessment and Consultation Findings reports can be found on the Council's web site. These are available online because they are large documents, and because of the need to keep formal committee papers a manageable size. The reports are here:

www.norfolk.gov.uk/budgetconsultation

These give more details about the nature and context of people's responses, details of any groups and organisations that responded, and any quotations or ideas submitted by respondents. They also provide full details of the evidence and findings of the equality impact assessments.

Committee Members should review these documents alongside this report.

APPENDIX 4

Budget change forecasts for 2016-19 Adult Social Care					
Consultation Ref	Reference		2016-17 £m	2017-18 £m	2018-19 £m
		OPENING BUDGET	241.470	246.777	238.513
		Changes agreed at 2015-16 County Council	0.727		
		REVISED OPENING BUDGET	242.198		
		ADDITIONAL COSTS			
		Inflationary			
		Basic Inflation - Pay (1% for 2016-19)	0.339	0.345	0.354
		Basic Inflation - Prices	2.869	4.537	4.907
		Demand / Demographic			
		Demographic growth	6.134	6.134	6.134
		Purchase of Care reverse cost for leap year	-0.400		
		Legislative Requirements			
		Single tier pension pressure	0.677		
		National Living Wage - NCC staff	0.002		
		NCC Policy			
		War Veterans charging	0.100		
			9.721	11.016	11.395
		REMOVAL OF 2015-16 SAVINGS AND ONE-OFF ITEMS			
		1b - Organisational Change - Systems			
	COM018	Review Care Arranging Service	0.140		
	COM026	Change the type of social care support that people receive to help them live at home	0.200		
15163c	ASC002	Redesign Adult Social Care pathway. Work with Procurement on areas of the pathway to drive out further efficiencies	0.395		
		4c - Assumptions under Risk Review			
1516NA	ASC005	One Off: Use of Earmarked Reserves in 2015/16	3.156		
			3.891	0.000	0.000

Budget change forecasts for 2016-19 Adult Social Care					
Consultation Ref	Reference		2016-17 £m	2017-18 £m	2018-19 £m
		SAVINGS			
		1b - Organisational Change - Systems			
16171b	ASC006	Promoting Independence - Customer Pathway - where the focus will be on connecting people with ways to maintain their wellbeing and independence thereby reducing the numbers of service users receiving care in a residential setting	-1.258	-11.983	-13.628
16171b	ASC007	Promoting Independence - Reablement - net reduction - expand Reablement Service to deal with 100% of demand and develop service for working age adults	-3.158	-1.500	-0.500
16171b	ASC008	Promoting Independence - Housing with Care - develop non-residential community based care solutions		-0.500	-0.500
16171b	ASC009	Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced	-0.500	-0.250	-0.250
16171b	ASC010	Reduce Training & Development spend following implementation of Promoting Independence		-0.200	
16171b	ASC011	Move service mix to average of comparator family group or target - all specialisms	-0.120	-0.962	-1.444
16171b	ASC013	Radical review of day care services		-1.000	-2.500
16171b	ASC015	Move service mix to lowest of comparator family group - all specialisms		-0.200	-2.190
		1d - Terms and Conditions			
141504	GET016	Reducing the cost of business travel	-0.090		
		2a Procurement			
141506	COM042	Review of Norse Care agreement for the provision of residential care	-0.750		
		4a Reducing Standards			
141533	COM034	Changing how we provide care for people with learning disabilities or physical disabilities	-1.500		
141536	COM040	Reduce the number of adult service users we provide transport for	-0.150		
15165a	ASC003	Service users to pay for transport out of personal budgets, reducing any subsidy paid by the Council	-0.900	-0.800	

Budget change forecasts for 2016-19 Adult Social Care					
Consultation Ref	Reference		2016-17 £m	2017-18 £m	2018-19 £m
		4b Ceasing Service			
141531	COM033	Reduce funding for people receiving support from Adult Social Care through a personal budget including for wellbeing activities	-3.000		
			-11.426	-17.395	-21.012
		BASE ADJUSTMENTS			
		Better Care Fund		-1.885	-13.943
		Care Act	5.629		
			5.629	-1.885	-13.943
		COST NEUTRAL ADJUSTMENTS i.e. which do not have an impact on overall Council Tax			
		Business Travel savings from Adults to Communities	0.057		
		Adults Debt Management increase from Finance General	0.000		
		Budget for NALC service to move back to CES Business Support	-0.026		
		Part funding for Business Development Manager transferred to Cultural Services	-0.029		
		Transfer of Community Safety balance to Fire Service from Adults	-0.001		
		Transfer of REFCUS charges for Community Safety from Adults	-0.092		
		Stationery budgets to Customer Services from Adults	-0.002		
		Adults depreciation charges decrease to Finance General	-0.015		
		Blue Badge Team to Customer Services	-0.252		
		DAAT transfer from Adults to Public Health	-0.222		
		Property transfer from Adults to Corporate Property Team	-0.739		
		REFCUS	-1.915		
			-3.236	0.000	0.000
		NET BUDGET	246.777	238.513	214.953

Capital programme 2016-19

The draft proposed Norfolk County Council capital programme is summarised on the following pages which show:

- The total programme for the three years 2016-19
- Existing schemes carried forward into 2016-19
- New schemes for 2016-19

The programme is still in development, and the final proposed programme will be presented to the Policy and Resources Committee on 8 February 2016.

Proposed new schemes relevant to this committee include:

- Customer Service Strategy Phase 2: c£0.970m

The Customer Service strategy phase 2 bid is an invest to save proposal for a Customer Relationship Management (CRM) system which will both enhance the experience of Council customers, improve the efficiency in the ways customer contacts are managed, and also promote channel shift throughout the authority. The CRM forms part of the wider Customer Service Strategy scheme, agreed by Full Council in April 2015, will contribute to savings targets throughout the authority. The project will be funded from prudential borrowing and capital receipts.

- Elm Road, Thetford – Community Hub project: £0.800m

The Elm Road – community hub project is a spend to save proposal, to be funded from ASC unallocated government capital grant. The ASSD Capital Steering Group have agreed to fund the cost of refurbishing an unused NCC premise at Elm Road, Thetford to be used as a community hub providing day services and respite care. This will deliver significant revenue savings mainly in transport costs, and also property running costs. The project will therefore contribute to delivery of the ASSD 2016-17 and 2017-18 savings plan.

- Social Care System re-procurement £8m over 2 years

A robust and effective system for the management of social care is fundamental to the Council's "supporting vulnerable people", as well as supporting joint working with the police, schools and a number of NHS organisations. The current contract for the supply of a Social Care System ends July 2016 and the contract is being extended by 2 years to July 2018. In order to specify, procure and commission the database and replacement systems required a significant capital investment is needed. The project will be funded from prudential borrowing and capital receipts.

Capital Programme 2016-19																						
DRAFT																						
Department/Project	2016-17							2017-18							2018-19							TOTAL PROGRAMME
	Supported Borrowing & Invest To Save	Deferred Borrowing	Unsupported Borrowing	Capital Receipts	Revenue and Reserves	Grants and Contributions	TOTAL	Supported Borrowing & Invest To Save	Deferred Borrowing	Unsupported Borrowing	Capital Receipts	Revenue and Reserves	Grants and Contributions	TOTAL	Supported Borrowing & Invest To Save	Deferred Borrowing	Unsupported Borrowing	Capital Receipts	Revenue and Reserves	Grants and Contributions	TOTAL	
Department/Project	£m				£m	£m	£m	£m				£m	£m	£m	£m				£m	£m	£m	£m
Children's Services	3.091	0.000	0.200	0.000	0.000	86.977	90.268	0.250	0.000	0.115	0.000	0.000	46.616	46.981	0.000	0.000	0.000	0.000	0.000	0.000	0.000	137.249
A1 - Major Growth	0.857					29.942	30.799	0.250					30.699	30.949								61.748
A2 - Master Planning						0.230	0.230															0.230
A3 - Area Growth & Reorganisation						19.997	19.997						3.840	3.840								23.837
A4 - Growth - Minor Adjustments						5.691	5.691						0.305	0.305								5.996
B1 - Special Educational Needs (SEN)						10.225	10.225						2.238	2.238								12.463
B2 - Additional Needs	1.231					3.409	4.640															4.640
B4 - Early years	0.242					0.702	0.944															0.944
C1 - Efficiency	0.300					0.298	0.598															0.598
C2 - Major Capital Maintenance	0.261					7.955	8.216						9.534	9.534								17.750
C3 - Premises Statutory Compliance	0.200						0.200															0.200
D - Other schemes						8.528	8.528															8.528
Whitlingham capital improvements			0.200				0.200			0.115				0.115								0.315
Adult Social Care	0.013	0.000	0.000	0.000	0.000	8.590	8.603	0.000	0.000	0.000	0.000	0.000	2.000	2.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.603
Adult Care - Unallocated Capital Grant						8.601	8.601						2.000	2.000								8.601
Elm Road Thetford						0.800	0.800															0.800
Failure of kitchen appliances	0.013						0.013															0.013
Adult Social Care IT Infrastructure																						
Prospect Housing - formerly Honey Pot Farm						0.318	0.318															0.318
Great Yarmouth Dementia Day Care																						
Strong and Well Partnership - Contribution to Capital Programme																						
Bishops Court - King's Lynn																						
Supported Living for people with Learning Difficulties																						
Redevelopment of Attleborough Enterprise Centre																						
Young Peoples Scheme - East																						
DoH - Extra Care Housing Fund (Learning Difficulties)																						
Care Act Implementations						0.871	0.871															0.871
Community & Environmental Services	30.979	0.000	0.000	0.000	1.000	99.706	131.684	16.798	0.000	0.000	0.000	0.000	56.849	73.647	0.800	0.000	0.000	0.000	0.000	3.600	4.400	209.731
Highways Capital Improvements						25.845	25.845															25.845
Cycling						2.500	2.500															
KL Edward Benet Way access						2.965	2.965															
Structural Maintenance						28.081	28.081						20.459	20.459								48.540
NDR & Postwick Hub	17.245				1.000	38.200	56.445	15.528					38.390	51.918	0.800					3.600	4.400	112.781
Norfolk Energy Futures Ltd	7.050						7.050															7.050
Drainage Improvements	0.189						0.189															0.189
Scotrow Enterprise Park (Indicative)	3.558						3.558	1.272						1.272								4.830
Real Fire Training Unit est 14-15	0.499						0.499															0.499
Other Fire Station improvements						0.083	0.083															0.083
Flood Rescue VPM (lightweights)	0.158						0.158															0.158
Flood Rescue Grant - Deira						0.101	0.101															0.101
Kings Lynn Satellite Station	0.125						0.125															0.125
Portable generators & wiring	0.040					0.220	0.259															0.259
North Lynn Improvements	0.150						0.150															0.150
Aerial ladder platform - Earlham FS (ALP)						0.111	0.111															0.111
Fire Premises PV solar panels	0.078						0.078															
Compact Fire Appliances (CLG bid) est 14-15						0.900	0.900															0.900
Unallocated capital grant (est 2014-15)																						
LPSA Domestic Violence						0.100	0.100															0.100
Gressenhall Farm and Workhouse Voices from the Workhouse						0.600	0.600															0.600
CES - Customer Services Strategy	0.970						0.970															
Libraries Open+ scheme	0.920						0.920															0.920
Resources	9.543	0.000	0.000	0.000	0.000	5.167	14.710	0.667	0.000	0.000	0.000	0.000	6.683	7.350	0.000	0.000	0.000	0.000	0.000	5.000	5.000	27.060
Better Broadband	9.543					5.167	14.710	0.667					6.683	7.350						5.000	5.000	27.060
Coroners Tables																						
Finance	11.000	0.000	1.897	0.600	0.000	0.000	13.497	0.000	0.000	5.034	0.600	0.000	0.000	5.634	0.000	0.000	0.995	0.000	0.000	0.000	0.995	20.126
County Hall Refurbishment																						
County Hall Refurbishment (Workstyle elements)																						
Great Yarmouth Property Rationalisation																						
Asbestos Survey & Removal Prog (Chief Exec)	1.000						1.000															1.000
Alterations to Offices to Comply with Disability Discrimination Act																						
Fire Safety Requirements																						
Corporate Minor Works																						
County Farms				0.600			0.600				0.600			0.600								1.200
Social Care Systems replacement			1.897				1.897			5.034				5.034			0.995				0.995	7.928
Capital loans facility - NCC subsidiary companies	10.000						10.000															10.000
TOTAL	54.625	0.000	2.097	0.600	1.000	200.440	258.761	17.715	0.000	5.149	0.600	0.000	112.148	135.612	0.800	0.000	0.995	0.000	0.000	8.600	10.395	404.768

Capital Programme 2016-19 (Existing Schemes)				DRAFT																			
	2016-17							2017-18							2018-19							TOTAL PROGRAMME £m	
	Supported Borrowing & Invest To Save £m	Deferred Borrowing £m	Unsupported Borrowing £m	Capital Receipts £m	Revenue and Reserves £m	Grants and Contributions £m	TOTAL £m	Supported Borrowing & Invest To Save £m	Deferred Borrowing £m	Unsupported Borrowing £m	Capital Receipts £m	Revenue and Reserves £m	Grants and Contributions £m	TOTAL £m	Supported Borrowing & Invest To Save £m	Deferred Borrowing £m	Unsupported Borrowing £m	Capital Receipts £m	Revenue and Reserves £m	Grants and Contributions £m	TOTAL £m		
Department/Project	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		£m
Children's Services	3.091	0.000	0.000	0.000	0.000	86.977	90.068	0.250	0.000	0.000	0.000	0.000	0.000	46.616	46.866	0.000	0.000	0.000	0.000	0.000	0.000	0.000	136.934
A1 - Major Growth	0.857					29.942	30.799	0.250						30.699	30.949								61.748
A2 - Master Planning						0.230	0.230																0.230
A3 - Area Growth & Reorganisation						19.997	19.997							3.840	3.840								23.837
A4 - Growth - Minor Adjustments						5.691	5.691							0.305	0.305								5.996
B1 - Special Educational Needs (SEN)						10.225	10.225							2.238	2.238								12.463
B2 - Additional Needs	1.231					3.409	4.640																4.640
B4 - Early years	0.242					0.702	0.944																0.944
C1 - Efficiency	0.300					0.298	0.598																0.598
C2 - Major Capital Maintenance	0.261					7.965	8.216							9.534	9.534								17.750
C3 - Premises Statutory Compliance	0.200						0.200																0.200
D - Other schemes						8.528	8.528																8.528
Whitlingham capital improvements																							
Adult Social Care	0.013	0.000	0.000	0.000	0.000	8.590	8.603	0.000	0.000	0.000	0.000	0.000	0.000	2.000	2.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.603
Adult Care - Unallocated Capital Grant						7.401	7.401							2.000	2.000								9.401
Elm Road Thetford																							
Failure of kitchen appliances	0.013						0.013																0.013
Adult Social Care IT Infrastructure																							
Prospect Housing - formerly Honey Pot Farm						0.318	0.318																0.318
Great Yarmouth Dementia Day Care																							
Strong and Well Partnership - Contribution to Capital Programme																							
Bishops Court - King's Lynn																							
Supported Living for people with Learning Difficulties																							
Redevelopment of Attleborough Enterprise Centre																							
Young Peoples Scheme - East																							
DoH - Extra Care Housing Fund (Learning Difficulties)																							
Care Act Implementations						0.871	0.871																0.871
Community & Environmental Services	29.089	0.000	0.000	0.000	1.000	99.706	129.794	16.798	0.000	0.000	0.000	0.000	0.000	56.849	73.647	0.800	0.000	0.000	0.000	0.000	3.600	4.400	207.841
Highways Capital Improvements						25.845	25.845																25.845
Cycling						2.500	2.500																2.500
KL Edward Benefer Way access						2.965	2.965																2.965
Structural Maintenance						28.081	28.081							20.459	20.459								48.540
NDR & Postwick Hub	17.245				1.000	38.200	56.445	15.526						36.390	51.916	0.800					3.600	4.400	112.761
Norfolk Energy Futures Ltd	7.050						7.050																7.050
Drainage Improvements	0.189						0.189																0.189
Scottow Enterprise Park (Indicative)	3.558						3.558	1.272						1.272									4.830
Real Fire Training Unit est 14-15	0.499						0.499																0.499
Other Fire Station improvements						0.083	0.083																0.083
Flood Rescue VPM (lightweights)	0.158						0.158																0.158
Flood Rescue Grant - Defra						0.101	0.101																0.101
Kings Lynn Satellite Station	0.125						0.125																0.125
Portable generators & wiring	0.040					0.220	0.259																0.259
North Lynn Improvements	0.150						0.150																0.150
Aerial ladder platform Earham FS (ALP)						0.111	0.111																0.111
Fire Premises PV solar panels	0.076						0.076																0.076
Compact Fire Appliances (CLG bid) est 14-15						0.900	0.900																0.900
Unallocated capital grant (est 2014-15)																							
LPSA Domestic Violence						0.100	0.100																0.100
Gressenhall Farm and Workhouse Voices from the Workhouse						0.600	0.600																0.600
CES - Customer Services Strategy																							
Libraries Open+ scheme																							
Resources	9.543	0.000	0.000	0.000	0.000	5.167	14.710	0.667	0.000	0.000	0.000	0.000	0.000	6.683	7.350	0.000	0.000	0.000	0.000	0.000	5.000	5.000	27.060
Better Broadband	9.543					5.167	14.710	0.667						6.683	7.350						5.000	5.000	27.060
Coroners Tables																							
Finance	1.000	0.000	0.000	0.600	0.000	0.000	1.600	0.000	0.000	0.000	0.600	0.000	0.000	0.000	0.600	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.200
County Hall Refurbishment																							
County Hall Refurbishment (Workstyle elements)																							
Great Yarmouth Property Rationalisation																							
Asbestos Survey & Removal Prog (Chief Exec)	1.000						1.000																1.000
Alterations to Offices to Comply with Disability Discrimination Act																							
Fire Safety Requirements																							
Corporate Minor Works																							
County Farms				0.600			0.600				0.600			0.600									1.200
Social Care Systems replacement																							
Capital loans facility - NCC subsidiary companies																							
TOTAL	42.735	0.000	0.000	0.600	1.000	200.440	244.774	17.715	0.000	0.000	0.600	0.000	0.000	112.148	130.463	0.800	0.000	0.000	0.000	0.000	8.600	9.400	384.637

Capital Programme 2016-19 (New Schemes)																						
DRAFT																						
Department/Project	2016-17							2017-18							2018-19							TOTAL PROGRAMME
	Supported Borrowing & Invest To Save	Deferred Borrowing	Unsupported Borrowing	Capital Receipts	Revenue and Reserves	Grants and Contributions	TOTAL	Supported Borrowing & Invest To Save	Deferred Borrowing	Unsupported Borrowing	Capital Receipts	Revenue and Reserves	Grants and Contributions	TOTAL	Supported Borrowing & Invest To Save	Deferred Borrowing	Unsupported Borrowing	Capital Receipts	Revenue and Reserves	Grants and Contributions	TOTAL	
Children's Services	0.000	0.000	0.200	0.000	0.000	0.000	0.200	0.000	0.000	0.115	0.000	0.000	0.000	0.115	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.315
A1 - Major Growth																						
A2 - Master Planning																						
A3 - Area Growth & Reorganisation																						
A4 - Growth - Minor Adjustments																						
B1 - Special Educational Needs (SEN)																						
B2 - Additional Needs																						
B4 - Early years																						
C1 - Efficiency																						
C2 - Major Capital Maintenance																						
C3 - Premises Statutory Compliance																						
D - Other schemes																						
Whitlingham capital improvements			0.200				0.200			0.115				0.115								0.315
Adult Social Care	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adult Care - Unallocated Capital Grant						(0.800)	(0.800)															(0.800)
Elm Road Thetford						0.800	0.800															0.800
Failure of kitchen appliances																						
Adult Social Care IT Infrastructure																						
Prospect Housing - formerly Honey Pot Farm																						
Great Yarmouth Dementia Day Care																						
Strong and Well Partnership - Contribution to Capital Programme																						
Bishops Court - King's Lynn																						
Supported Living for people with Learning Difficulties																						
Redevelopment of Attleborough Enterprise Centre																						
Young Peoples Scheme - East																						
DoH - Extra Care Housing Fund (Learning Difficulties)																						
Care Act Implementations																						
Community & Environmental Services	1.890	0.000	0.000	0.000	0.000	0.000	1.890	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.890
Highways Capital Improvements																						
Cycling																						
KL Edward Benefer Way access																						
Structural Maintenance																						
NDR & Postwick Hub																						
Norbik Energy Futures Ltd																						
Drainage Improvements																						
Scotrow Enterprise Park (Indicative)																						
Real Fire Training Unit est 14-15																						
Other Fire Station improvements																						
Flood Rescue VPM (lightweights)																						
Flood Rescue Grant - Defra																						
Kings Lynn Satellite Station																						
Portable generators & wiring																						
North Lynn Improvements																						
Aerial ladder platform Earham FS (ALP)																						
Fire Premises PV solar panels																						
Compact Fire Appliances (CLG bid) est 14-15																						
Unallocated capital grant (est 2014-15)																						
LPSA Domestic Violence																						
Glessenhall Farm and Workhouse Voices from the Workhouse																						
CES - Customer Services Strategy	0.970						0.970															0.970
Libraries Open+ scheme	0.920						0.920															0.920
Resources	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Better Broadband																						
Coroners Tables																						
Finance	10.000	0.000	1.897	0.000	0.000	0.000	11.897	0.000	0.000	5.034	0.000	0.000	0.000	5.034	0.000	0.000	0.995	0.000	0.000	0.000	0.995	17.926
County Hall Refurbishment																						
County Hall Refurbishment (Workstyle elements)																						
Great Yarmouth Property Rationalisation																						
Asbestos Survey & Removal Prog (Chief Exec)																						
Alterations to Offices to Comply with Disability Discrimination Act																						
Fire Safety Requirements																						
Corporate Minor Works																						
County Farms																						
Social Care Systems replacement			1.897				1.897			5.034				5.034			0.995				0.995	7.926
Capital loans facility - NCC subsidiary companies	10.000						10.000															10.000
TOTAL	11.890	0.000	2.097	0.000	0.000	0.000	13.987	0.000	0.000	5.149	0.000	0.000	0.000	5.149	0.000	0.000	0.995	0.000	0.000	0.000	0.995	20.131

Adult Social Care Committee

Item No.....

Report title:	Re-Imagining Norfolk – the County Council Plan
Date of meeting:	
Responsible Chief Officer:	Managing Director Dr Wendy Thomson Executive Director of Adult Social Care Harold Bodmer
Strategic impact Re-Imagining Norfolk - the County Council Plan - provides strategic direction for the Council, to guide and shape choices about investments and priorities for the coming medium term period – 2016-2019	

Executive summary

The County Council Plan is the vehicle for articulating the role and priorities set out in Re-Imagining Norfolk, the Council's agreed strategic framework. The Plan is part of the policy framework and as such is subject to Full Council approval.

The Plan is a high level whole-council strategy which is not intended to describe and catalogue everything the Council does. It exists to :

- Outline the strategic context for the Council
- Provide direction and guide strategic and resource choices
- Establish the strategy for each of the themes set out in Re-Imagining Norfolk.
- Communicate and ensure the delivery of the Council's ambitions and priorities for Norfolk people, including:
 - How services will be provided in new ways in partnership with other public services
 - Improvements to the Council's internal organisation

Core to Re-Imagining Norfolk is to make a positive impact on Norfolk and its residents by focussing the council's activities and resources on its four priorities:

(agreed by Council):

- Excellence in education
- Real jobs
- Better infrastructure
- Supporting vulnerable people

At the same time meeting its statutory service responsibilities in new and innovative ways.

Recommendations: Members are asked to give their views on:

- the overall strategy for the County Council as set out in this paper
- the priority targets for the whole council as illustrated in the County Plan Tracker, Appendix One
- the service strategy for the areas which are the responsibility of this Committee as set out in section 10.

1. Background

- 1.1 At Council on February 22nd 2016, Councillors will be asked to agree a three-year medium term service and financial strategy, as well as an annual budget for 2016-17.
- 1.2 The County Council Plan, which is part of the Council's policy framework, will provide strategic direction for the council, to guide and shape choices about investments and priorities for the coming medium term period – 2016-2019.
- 1.3 The Council's priorities and strategic direction were initially considered in June 2015, when the Managing Director set out Re-Imagining Norfolk as a framework for the future direction of the Council in an era of reduced central government grant.
- 1.4 Within the framework of Re-Imagining Norfolk, each committee has been developing a medium term strategy, through considering how it would re-design its services with 75% and 85% of its current resources.
- 1.5 This report brings together a synthesis of those cross-council discussions into a draft County Council Plan for 2016-19, for consideration by all committees in the January cycle.
- 1.6 The report is being submitted to each committee to be discussed before the budget paper, in order that resource decisions can be made within a strategic framework for the council as a whole and ensure that the Council's final plan is developed through an iterative process leading to its final adoption by Council.

2. Purpose of the County Council Plan

- 2.1 The County Council Plan sets the strategic direction for the Council over the medium term. At a time of diminishing resources and rising demand, it has never been more important for the Council to focus its efforts and resources to secure an impact on the most important outcomes for residents.
- 2.2 The County Council Plan is intended to be a high level whole-council strategy; it does not describe and catalogue everything the council does. The purpose of the Plan is to:
 - Outline the strategic context for the Council
 - Provide direction and guide strategic and resource choices
 - Establish the strategy for each of the themes set out in Re-Imagining Norfolk.
 - Communicate and ensure the delivery of the Council's ambitions and priorities for Norfolk people, including:
 - How services will be provided in new ways in partnership with other public services
 - Improvements to the Council's internal organisation
- 2.3 Policy and Resources Committee at its meeting on September 28th 2015 agreed that individual service committees would ensure the delivery of the corporate strategy through their departmental and service responsibilities, and set out their

plans in a way that their impact and outcomes can be managed, tracked and communicated.

- 2.4 At this stage, each committee is being asked to comment on the overall framework for the County Council Plan, a set of whole-council priorities, with measurable targets.
- 2.5 The County Council Plan is part of the Council's policy framework; as such, responsibility rests with Policy and Resources Committee to recommend the plan to Council for agreement at its meeting February 22nd 2016.
- 2.6 More detailed committee service plans will then be developed and considered during the March committee cycle and reported to council in April.

3.0 Strategic context for the Council

- 3.1 This decade is witnessing huge changes in the scope and scale of public services. After several decades of growth, the new normal facing local government is continuing resource reductions at a time of growing demand for services.
- 3.2 In Norfolk, as in other parts of the country, there are challenges serving an ageing population, a more mobile population, rapid technological advances and social changes which, among other things, see people living further away from family support networks. There are high expectations from citizens who in other fields of society value 'one-touch' services which are efficient and individual to them.
- 3.3 In Norfolk, the numbers of births and deaths have stayed constant over the last five years, as has the number of people aged under 65. But within this there has been a substantial increase (12%) in the population aged over 65, imposing increasing strains on health and social care systems.
- 3.4 In Norfolk by 2026, one in three of our population will be aged over 60, and 18,000 people will be aged over 90, compared with 10,300 today. Whilst many enjoy good health, there are above rates of prevalence for people living with chronic diseases including diabetes, heart disease, chronic kidney disease and stroke.
- 3.5 Demographic and social changes are generating ever-increasing demand for services, particularly health and social care. The public service institutional landscape in Norfolk is complex and fragmented, with many local health and community service bodies commissioning and delivering services for our population. On the receiving end of this are Norfolk individuals and families who find themselves engaging with many different professionals and organisations through many different processes. Not only is this often frustrating to our customers, it is also inefficient and costly.
- 3.6 These trends of the last five years point to an urgent need for re-design of health and social care systems. Council provided services were set up for a different era. With many more people now living longer with multiple chronic conditions, there is a pressing need to shift services from residential to community care.
- 3.7 There are major infrastructure challenges for the county; road and rail investment is still seen as lagging behind other parts of the country, basic amenities are still

required to enable development and there are clear but unrecognised cost implication of delivering services to a rural area.

- 3.8 Local government responsibilities and financing are changing radically. The Cities and Local Government Devolution Bill sets out the latest terms for progressing the localism agenda. Following the referendum on Scottish sovereignty, and building on the commitment to fuel the Northern powerhouse, devolution of central government powers and functions within England has taken on a greater focus in Westminster. Local government is looking at a future where it is expected to be far less reliant on central government grant, and instead finance its services and economic development by the revenue it collects locally.
- 3.9 This means that over the coming years, the Council's resources will be tied to the county's prosperity and economic growth, making it ever more important for the county council to build the infrastructure and generate the jobs that enable people to be more independent. In four years time, government has announced that 100% of business rates will be retained locally and revenue support grant will be ended.
- 3.10 It has never been more important to be ambitious for Norfolk. The county is committed to deliver 65,000 new homes and 45,000 new jobs over the next ten years.
- 3.11 With a dynamic and changing population, we need to attract and keep the tech savvy generation - good graduates, young entrepreneurs, whilst still building the skills of an already strong and resilient workforce.
- 3.12 Norfolk County Council is well prepared to meet these challenges. In 2015 the Council agreed its four strategic priorities:
- Excellence in Education
 - Real Jobs
 - Improving Infrastructure
 - Supporting the vulnerable
- 3.13 The priorities of the Council are designed to make us a voice for Norfolk's future, with a well-educated population, well placed to benefit from a changing economic landscape, and with a local environment and business sector able to seize opportunities in a changing economy.
- 3.14 Norfolk itself has the potential to prosper in the coming decades. The county possesses;
- A thriving knowledge economy
 - The very best in scientific research
 - Thriving ports and offshore business
 - Cutting edge manufacturing
 - Improving connections – road, rail and high speed broadband
 - Vibrant culture, stunning landscapes and world class heritage giving a high quality of life
 - A location close to London and Cambridge, two of Europe's fastest growing cities.
- 3.15 There is a renewed sense of ambition and aspiration for Norfolk, energised by the opportunity to make a case of devolution in partnership with other councils in

Norfolk and Suffolk, and led by the Local Enterprise Partnership. Over the life of this strategy, regardless of the outcome of the devolution discussions, the Council will continue to make the case for Norfolk as a place to live, work and invest in.

- 3.16 In this socio-economic context, we also need to take account of changing policy agendas affecting local government. Looking to the recent past, public health has been transferred from the NHS to local government, providing additional capacity and powers to local government.
- 3.17 National education policy has encouraged the transfer of schools from local authority control to Academies and free schools, creating a challenging landscape for the council to meet its responsibilities for ensuring effective school improvement, and a school place for every Norfolk child that needs one.
- 3.18 Increasingly councils such as Norfolk have decided to commission more of its services via third party contracts rather than by directly employed staff. Over the past few years, the council has transferred many of its functions to external agencies such as Norse and Independence Matters as well as procuring many services through traditional procurement routes. This way of securing a mixed supply of services creates new challenges and opportunities for the council to deliver on its priorities.
- 3.19 In this changing context, local government and the wider public service needs to meet increasing demographic demands by doing things differently to make the most positive impact on people's lives.

4. Financial prospects

- 4.1 Since 2010, the Government's direction of travel has been "self-sufficiency" for local government, and this drive has increased significantly following the General Election in 2015, signalling devolution, and a move to 100% retention of business rates in 4 years time.
- 4.2 Over the last five years, we have met the triple challenge of:
- Grant reductions from government
 - Changing demographics, affecting particularly adults social care
 - No increase to council tax
- 4.3 Between 2011 and 2016, the Council will have made savings of £245m, many have been through efficiencies and staff transfers; the Council's directly employed staff has reduced by about 20% between 2010 and 2014.
- 4.4 The planned replacement of revenue support grant with 100% retention of business rates creates an incentive for local government to generate economic growth. Other national funding programmes, such as the New Homes Bonus, also incentivise growth through housing development, particularly a source of additional revenue for district councils.
- 4.5 The 2015 Spending Review announced that local government funding from central government is planned to decrease by 56% in real terms, although this is expected to be offset in part by retained business rates and higher council tax. The Government anticipates overall local government spending to rise by £0.2bn

in cash terms (from £40.3bn in 2015-16 to £40.5bn in 2019-20), representing a total real terms decrease of 6.7%, based on current inflation forecasts.

4.6 The 2015 spending review has these implications for the County Council going forward:

- Locally retained business rates and phasing out of revenue support grant by the end of the Parliament
- A transfer of as yet unspecified “new responsibilities” to local government;
- Greater flexibility to raise council tax to fund Adult Social Care;
- An assumption that more revenue will be raised locally by increased council tax
- Changes to New Homes Bonus grant funding.

4.7 Although the Government has now provided indicative four-year allocations of funding as part of the provisional local government finance settlement, it remains clear that the Council faces a substantial financial challenge, with the first two years of the Spending Review set to be the toughest for local government. Norfolk will see an overall reduction in core government funding (Settlement Funding Assessment) of 12.91% in 2016-17 compared to the adjusted 2015-16 baseline, and 11.10% in 2017-18.

4.8 Furthermore, the Government’s new methodology for the distribution of grant, takes into account the ability to raise funds locally via council tax. This approach has a disproportionately adverse impact on shire counties and results in significant reductions to revenue support grant (RSG). Shire counties will see an average reduction in RSG of 34.1% in 2016-17 against their adjusted 2015-16 allocations.

4.9 Although Norfolk is relatively protected amongst shire counties due to its higher dependency on government funding, the County Council is still due to receive a 26.09% reduction in RSG compared to the adjusted 2015-16 position. This is slightly below the average for all authorities in England (27.6%), but higher than the average reductions faced by inner London authorities (21.5%) and metropolitan districts (24.0%).

4.10 For the first time, the Government has made assumptions about the growth in local authorities’ funding from council tax, and in particular assumes that councils will raise council tax by both CPI and (where applicable) the Adult Social Care precept, alongside significant assumed increases in the tax base.

4.11 Councils which fail to raise council tax in this way will be increasingly underfunded against the Government’s funding expectations. For Norfolk County Council, an increase in council tax of £76.901m is forecast in the Government’s assumptions by 2019-20 compared to the 2015-16 baseline – amounting to a 24.7% increase in the funding from council tax across the period. The achievability of such significant increases is not certain.

5. Our strategy in response to Norfolk’s challenges

5.1 The county needs a forward-looking and ambitious strategy to promote the interests and future of Norfolk people and respond to the challenges we face. It must have

- An outward focus to promote the county as a place,
- A policy focus to deliver our priorities and services,
- An inward focus, to improve our organisation

- 5.2 The Council agreed four priorities in February 2015. These core commitments go beyond our statutory responsibilities and avoid retreating to minimum levels of service. We aim for:
- A well-**educated** and skilled population
 - With '**real**' **jobs** which pay well and have prospects,
 - **Improved infrastructure** - air, sea, road, rail, broadband and mobile network coverage.
 - Vulnerable people **supported** – more living independently and safely in their communities
- 5.3 The Council has to find ways of working which support communities and individuals to become more self-sufficient. These priorities do just that.
- 5.4 Helping more people into real jobs, obtaining good qualifications, within a county which is accessible and connected to the rest of the country are key to Norfolk's future. With economic growth and sustainable services, people living here will be able to lead independent and fulfilling lives. Just as important is for our most vulnerable residents to have access to a continuum of community services.
- 5.5 We will sustain a sharp, sustained focus on achieving these priorities, which are set out in more detail in figure 1. Over the life of this strategy there are a set of whole-council improvements which we consider critical to the overall strategic direction of the Council in the next three years - these are highlighted in bold.
- 5.6 **The' County Plan Tracker' (Appendix 1)** gives more background as to why these have been identified and includes measures and targets for each.

Fig.1

Priorities –the significant areas of work that Norfolk County Council are concerned with achieving as they represent key areas that will achieve the greatest impact for Norfolk and its Communities.			
Excellence in education	Real Jobs	Good Infrastructure	Supporting vulnerable people
Sub-Outcomes – This gives a clear indication of what 'good' looks like and what the people of Norfolk should expect to see and experience in their own lives.			
<ul style="list-style-type: none"> • Children and young people are ready and able to learn • Learners realise their potential • People value education as a means to living independently 	<ul style="list-style-type: none"> • Secure more high value jobs • Make Norfolk the first choice for business • More people who are able to work have the opportunity to do so 	<ul style="list-style-type: none"> • Infrastructure makes it a great place to live, work and visit • Communities are resilient, confident and safe 	<ul style="list-style-type: none"> • All vulnerable people who live, work, learn and are cared for will be safe • Vulnerable people are more self-reliant and independent
What you will see and hold us to account for			
<ol style="list-style-type: none"> 1. More children start secondary school (aged 11) at the expected level in reading and mathematics 2. All schools and education establishments are judged good or better by Ofsted 3. Children reach the expected early learning goals by the time they start key stage 1 (age 5) 4. Children make at least expected progress and most make better than expected progress at primary school 5. Children make at least expected and many make better than expected progress at secondary school 6. 14 to 19 year olds are encouraged & guided to make appropriate choices 7. Young people reaching adulthood feel equipped to make life choices and to take responsibility for themselves and their future 	<ol style="list-style-type: none"> 1. More people have jobs that pay more and have better prospects 2. People on benefits can find work quickly 3. More people are supported to start and successfully grow their own businesses 4. More people with learning disabilities secure employment 5. There are more high value jobs in Norfolk's growth sectors 6. Businesses are attracted here and prosper 7. Businesses grow sustainably 8. A highly-skilled workforce encourages investment 	<ol style="list-style-type: none"> 1. A good transport network and journey times 2. All of Norfolk is connected via fast internet 3. Growth from housing developments is delivered sustainably 4. Households produce less waste and we have lower costs of dealing with it 5. Fewer people are killed or seriously injured on Norfolk roads 6. People and their property are better protected from flooding and climate impact 7. Norfolk's environment is protected 8. Individuals, communities and public service working better together 	<ol style="list-style-type: none"> 1. Fewer children are unable to live with their families 2. More people live in their homes for as long as they wish 3. Fewer people need a social care service from NCC 4. Fewer vulnerable people die in accidents and incidents including fires 5. Children and young people are safe from harm 6. Vulnerable adults are safe from harm 7. People know who to ask for the right help, information or advice 8. Wherever possible people with long term conditions manage their own care

6. Towards a 'Norfolk public service'

- 6.1 Successfully tackling the challenging issues facing Norfolk will not be successfully achieved by the council working alone.
- 6.2 A key part of this strategy is to move towards a Norfolk public service, working across organisations and within communities to give people a seamless continuum of services, targeted at those who need them most. It's about redesigning services around people's lives, achieving better outcomes at less cost; working with partners and communities locally, and sharing premises.
- 6.3 Following the Norfolk Public Service Summit in September 2015, all 7 district councils, Norfolk Constabulary and the County Council have agreed to collaborate on a set of key themes. They reflect the key challenges facing the County Council, and also have potential to duplication and deliver better value.
- 6.4 There are the following themes:
- Promoting independence for adults – focusing on older people, people with disabilities, adults with learning difficulties and people with mental health issues. The emphasis is on better access to early help and prevention, re-directing people to community solutions, delaying the need for formal services.
 - Supporting children and families– preventing the cycle which leads children into the criminal justice system. The emphasis is on early help, sharing better intelligence, and planning with families whom agencies already know.
 - Economic growth for Norfolk – through collaboration across Norfolk and Suffolk on devolution.
 - One public estate – maximising our estates and buildings, supporting service re-design and looking for opportunities to co-locate services and reduce the space and number of buildings occupied by public sector partners in each locality.
 - Street scene – making better use of the resources and teams we have on the ground in different localities, removing duplication and reducing costs overall
 - Waste costs Norfolk taxpayers over £50m per year for services delivered across the public service organisations in the county: including collection, management, disposal and recycling.
 - Information and intelligence – pooling information – both client based and population based – where we can to respond better to families and communities, particularly those at risk from harm.

6.5 Norfolk whole health and social care system

- 6.6 The integration of health and social care is a critical element of our move towards a seamless Norfolk public service, and the government's agenda for public service reform. Hence alongside the development of the local public service summit, the County Council has initiated a process that brings together the leadership across Norfolk's five CCGs, three hospital trusts, two community health trusts, one mental health trust, the ambulance service, independent

service providers, NHS England (eastern region), and the newly established NHS Improvement.

6.7 After a series of productive planning sessions, enabled by Sir John Oldham, this group of agencies has defined the 'Norfolk Principles of Care' to be embedded in all of our services, and proposed a 'transformation executive' composed of Chief Executives across the local authority and NHS. Its overarching purpose is to improve health outcomes for the population of Norfolk through the delivery of successful programmes at scale.

6.8 It has established a series of workstreams to tackle the most important issues facing the health and social care system in Norfolk, and agreed to work at practical solution at pace, recognising the burning platform driving the system. The workstreams are:

- **Keeping me at home – particularly care for frail elderly** and those with multiple long term conditions, including mental ill health. The aim is to have a comprehensive approach to helping people avoid admissions to hospital.
- **Future care and sustainability** - Improving the care within and sustainability of acute and secondary care including mental health services across Norfolk. The workstream will also look at new designs for primary and community health care services.
- **Prevention and wellbeing** - Engaging and motivating citizens and their communities in preventing ill health, recognizing that many more people are able and willing to contribute to their own care.
- **Developing the right workforce for the future** - Recruitment of a new workforce to fit the future needs of health and social care in Norfolk, and training the existing workforce for future demands including health coaching and remote interventions.

6.9 In addition, further work will be done to communicate with the public and with staff within the NHS and the Care sector about these important developments.

7. Re-designing services

7.1 Managing demand for services is one of the most pressing issues facing the county council. When compared with other councils, we admit more proportionately more people into permanent residential care. Whilst this can be the right option for some people, for many there are alternatives which allow people to continue to live in their own homes, closer to their social networks and families. Our analysis has made us question the number of older people who go straight from hospital into permanent residential care – a life-changing, irreversible decision, taken at a time of often high anxiety.

7.2 Our analysis and benchmarking also shows that we have a much higher proportion of younger disabled people (18-64) in permanent residential care. We also could do more to help people with learning disabilities and mental health problems find paid employment.

7.3 In Children's services, we have higher numbers than similar councils of looked after children. Whilst all councils have seen a rise in these numbers since high profile child protection service failures, Norfolk is still significantly higher than it should be.

- 7.4 Whilst Ofsted found far-reaching improvements in our children's social care, the most recent inspection still found short-comings in outcomes for looked after children.
- 7.5 The other significant and potentially costly area of growth for the County Council is waste disposal. Projections show that, because of economic growth, increases in new homes and inflation, if we do nothing to reduce the amount of waste produced by each household then the cost of residual waste disposal will increase by more than £2m to around £25m in 2020.
- 7.6 These issues are not new, and inroads into tackling them have been made. However, what is new is the radical change in how the Government funds councils. The phasing out of the revenue support grant and the expectation of increased locally raised tax from individuals and from business – fuelled by an increase in economic growth – places the Council at a cross-roads, which requires whole-council transformation and re-design of services, based on more prevention and earlier intervention that delivers better outcomes for people and places in Norfolk.
- 7.7 During the last nine months, all Committees were asked to re-imagine their services with 85% and 75% of their current resources. In doing so, they adopted a systematically reviewed activity and spending by:
- 7.8 **Cutting costs through efficiencies** – by increasing productivity and stopping services that are not essential to our priorities. The Council has budgeted to deliver efficiency savings of £144.600m in the period 2011-12 to 2015-16. The Council has consulted on a further £101m of efficiencies for the period 2016-17 to 2018-19, which are on top of efficiencies of £23.26m agreed for 2016-17 and 2017-18 as part of the 2015-16 budget process.
- 7.9 **Getting better value for money on what we spend** – buying the right things at the best cost and doing differently, outsourcing, social enterprises and making the most of our purchasing power by buying things jointly with others. For example, the new park and ride contract which started in September means Norfolk has the only park and ride facility in England that does not require ongoing taxpayer subsidy. The service has been improved: new buses, increased frequency, wifi and improved site facilities such as toilet facilities – and it has generated £350,000 per year in savings. Looking forward, we are merging our fleet across transport, libraries and street scene. This will enable us to run a 24/7 workshop that could potentially trade with the private sector, for example, providing MOTs for HGVs and LGV. We estimate we can save at least £0.5m each year and potentially earn more externally. These are just two of many examples.
- 7.10 **Enabling communities and working locally.** Within a context of the public sector needing to find ways to do more with less, the County Council is committed to working differently with communities.
- 7.11 A critical lever for bringing about the changes we need in our services – moving to early help and managing demand – is having communities and neighbourhoods where there are vibrant networks of help, advice and support. An example of this recently is the campaign to promote dementia friendly towns and villages – places which go the extra mile to understand the condition and to adapt to a growing number of people living with dementia. It means people are

more likely to be able to stay longer in their own homes, and their carers feel less isolated.

- 7.12 We are shifting to a way of working that looks to build up and make more use of the informal, but highly effective support that already exists in many Norfolk communities. The role of the Council in taking this forward needs to be tested and developed with communities themselves; the establishment of a Communities Directorate demonstrates a shift for the Council, and over the lifetime of this Plan, we will collaborate with communities of place and communities of interest to develop a strategy for harnessing community capacity.
- 7.13 As part of this, we will be basing more of our staff in localities and fewer at County Hall. We believe this will increase the collaboration and joint working with our public and voluntary service partners, moving towards more joint arrangements, for example, shared buildings, joint teams and appointments. It will ensure we are better placed to listen to communities and to find local solutions.
- 7.14 **Early help and prevention** Both Adult and Children's services are focusing far more on prevention services. Our budget proposals include investment of £1.5m in re-ablement services for adult social care, because we expect to make a saving of more than £3 million and improve the quality of people's lives. The adults strategy Promoting Independence is based on preventing or delaying the need for funded social care services.
- 7.15 Norfolk Family Focus has helped 1,700 families in the county to change their lives, supporting parents into work and children to attend school. The approach looks at the needs of the whole family, builds on their strengths and tackles the root causes of their problems, helping to break a cycle that can affect many generations. The success of the approach in Norfolk has been acknowledged by national lead Louise Casey, and a further £2.6m has been awarded to the Council to deliver the second stage – working with a further 5000 families.
- 7.16 **Channel shift.** As well as being better for customers and matching their changing lifestyles, interactive web-based services also save money on paper transactions and processes. The transaction cost of a telephone call is around £4, an online transaction is 4p.
- 7.17 In April 2016 an all-new council website will go live as the first stage in a major move to providing more council services, including transactions, online. By making it easier to find information and advice about council services, along with information about third party and community services, demand should reduce for both services and for more expansive customer interactions. Already in 2015/16 the new Adult Education prospectus has become available online only but has seen a rise in the number of applications.
- 7.18 The new website will have a 'My Account' feature, letting residents track their interactions with council and allowing the council to send tailored information proactively to residents. By 2020 'My Account' will include schools admissions, childcare funding applications, library services and aspects of adult and children's social care. Eventually it will expand to include personal budget management. This will give residents greater control over their services while reducing council costs.

- 7.19 **A more commercial approach.** A new funding regime for local government requires a sharper commercial mind set from councils. We are taking this forward on a number of fronts.
- 7.20 The County Council already has the largest and most successful wholly-owned local authority company through the Norse Group. As the Group continues to expand and take on new work throughout the country, there are increasing benefits to the County Council through dividend payments, through volume discounts, and through Norse's corporate and social responsibility, for example in its work on apprenticeships.
- 7.21 Alongside Norse, the Council is committed to increasing other commercial opportunities. Investments such as Hethel Engineering have been well documented and continue to provide economic benefits through jobs and opportunities, as well as financial return for the Council. Looking forward over the life of this plan, the Council will consider establishing more commercial initiatives to develop houses or properties on land in its ownership where this offers a sound return on investment. Previously the approach has been to sell off land to others to develop; Policy and Resources Committee signalled the new approach in November 2015.
- 7.22 **Trading** - to understand where we should trade in the market, we need to understand what opportunities exist, review those areas already charging for their services to ensure that we are achieving the best return possible, and look for new areas where it may be appropriate to charge.
- 7.23 We are assessing the business prospects of an initial group of services:
- Trading Standards (metrology)
 - Registrars
 - Highways (laboratory and training)
 - Fleet management
 - Highways works service
- 7.24 The review is covering:
- Developing a detailed understanding of the total cost of providing the service (direct costs, including staff, labour, materials; indirect costs, including buildings, ICT, business rates, utilities).
 - Understanding the existing market in which they operate (including size of market, competitors, market growth / shrinkage, price elasticity).
 - Understanding our products, capabilities and skills and how this matches existing and potential markets (including expanding product offer – up or down supply chain – and new geographic market).
 - Business planning – including budgeting, P&L, branding / marketing, web presence, online capability, cost reduction, investment / development requirements, premises strategy.
 - Mentoring, entrepreneurship, and business skills – support package from Hethel Innovation Limited.
 - Assessment of NCC support and systems – what, if any, changes are necessary to finance and other support systems and processes to move to a more commercial approach.
 - Future options – at the appropriate time, a decision will need to be made to be made on a delivery model, or whether the activity will continue.
- 7.25 **Property** costs to the Council amount to some £19.5m a year; as the Council becomes a smaller organisation, and technology allows more mobile working,

fewer offices and depots are needed. Our target is £7 million saving on property over the next three years. There is a greater prize if we can look across the whole public estate – including district councils, health service, police –seeking to share properties where we can to deliver better value for the public purse. A grant from the Department of Communities and Local Government, 'One Public Estate' has been received to take this forward.

7.26 **Revenue Generation.** The County Council has adopted a strategy for generating income to support our key priorities through bids to National and European funding programmes. Led by a recently established Corporate Bid Team, our strategy is to develop corporate and service led priorities that lend themselves to support through external funding. This requires capacity building in services through running bid writing and project management training, and developing a clear focus in our approach – namely:

- Bids must be designed to save NCC money
- Develop and support the redesign of services
- Are sustainable when funding is withdrawn
- Clearly address an outcome objective
- Focused on priorities and be cost neutral
- Clearly meet the criteria of the funding body

7.27 The Council has a good track record in some areas. During 2015 total grant funding achieved was £42,527,258. Of this, just over £40 million was for large capital projects, whilst smaller grant funded awards totalled £2.4 million.

7.28 Examples of the smaller projects include:

- £545,555 from the Big Lottery for a project which brings people together from different generations and cultures to explore and share the rich history of their communities.
- £273,449 for the 'Get Healthy, Get Active' project.
- £200,000 for a programme to promote cultural tourism in East Anglia. Administered by the New Anglia Cultural Board.

7.29 Our strategy incorporates a target of 20% annual increase in external grant funding prioritising Corporate, Adult and Children's services.

7.30 This systematic framework has proved to be a sound basis for re-designing services so they are sustainable over the medium term. We will continue to apply this framework to continually review and re-shape services. It has helped to shift away from 'salami slicing,' and instead has helped the council to shape a future for its services which can still deliver some better outcomes at less cost.

7.31 The future direction for our main services is summarised here:

- **For Adult Social Services**, the strategy is **promoting independence**. It aims to manage demand by finding local community solutions for individuals and families. For people who do need a service, that service aims to get people back on their feet as soon as possible, expanding re-ablement service to help people to stay independent in their own homes for longer. The strategy requires a different approach to social work, which seeks to build on the strengths and assets in someone's life, rather than giving a service to meet assessed care needs.

- **For Children's Services**, the strategy **Getting in Shape**, sees greater investment in early help for families, clearer accountability for social work, and more staff based in localities. Children's Services will continue strengthen social work practice through 'signs of safety' – an approach which focuses on strengths and assets and aims to support families before their problems get too difficult, and put our teams back in communities where they can connect better with other community services. **For education - The Norfolk Good to Great strategy** is designed to deliver the ambition for all Norfolk pupils to go to a school which is rated as good or better. Whilst schools are responsible for their own improvement, the Council is committed to providing the challenge and support to schools to ensure they reach national benchmarks and standards.
- For **Environment, development and transport**, the principle of prevention underpins the waste strategy, making it second nature for people to re-cycle, re-use and reduce waste. Other big strategic changes for roads and environmental services will see many staff move out of county hall to be located closer to the communities they support. Staff will be working far more closely with other parts of the public service in order to avoid duplication and cutting costs.
- **For Community Services**, the direction of travel is for making the most of technology and self-service – such as in libraries. Open-plus technology investment will allow swipe card entry to some libraries out of hours, to reduce running costs, as well as seeing if there are other services that can be run from library buildings.

8.0 Improve the Council's internal organisation

- 8.1 The County Council will need to be a very different organisation to make the changes required for Re-Imagining Norfolk. It will be smaller, with fewer staff, different skills and attitudes, able to change at pace while taking out costs. It needs functions which are lean and efficient, which minimise bureaucracy, and support the Council's transformation and organisational change.
- 8.2 Critical to this is an efficient business infrastructure which aligns all our organisational levers in support of the strategy.
- 8.3 There will be re-structure of the council's internal support functions which reflects the future needs of front line services, and saves money.

9 Performance Framework

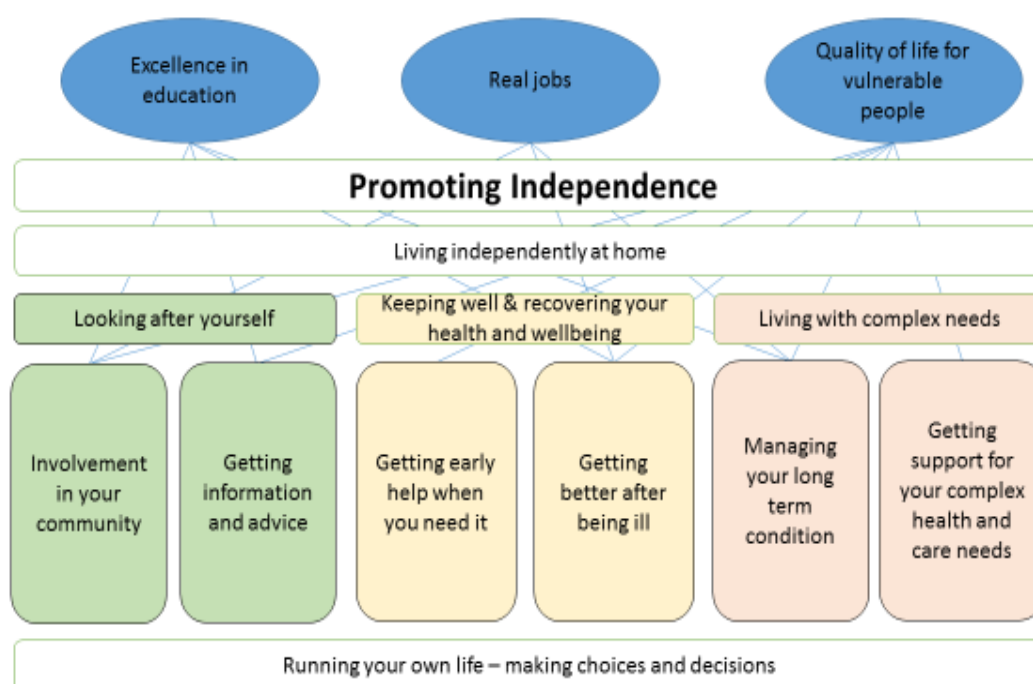
- 9.1 The Council's performance management system is key to ensuring that the resources we do have are used to best effect, and that by doing things differently the Council does deliver demonstrable results to the people of Norfolk. It is about the benefits people receive for the money spent. A review in 2015 of corporate performance management identified a series of improvements to current arrangements if we are to translate the Council's priorities and three-year budget proposals into results and impact for residents.
- 9.2 The review found a need for strengthened capacity for strategic research, forecasting demand, cross organisational problem solving; changes necessary to avoid a tendency to focus on process rather than results.

- 9.3 To begin to address this, a Re-Imagining Norfolk Team has been established via secondments to fulfil a role that will be carried out on a more permanent basis by a strategy and delivery unit, proposed as part of the changes arising within the Resources Department.
- 9.4 The Team's initial work programme is focused on the following priorities:
- Developing a target demand model to help deliver sustainable Adult Social Care in Norfolk.
 - Increasing the number of people with mental health problems and people with learning disabilities into work.
 - Re-ablement: working with adult social services to maximise the impact of the expanded re-ablement service.
 - Better outcomes for looked after children - working with Children's services to understand the current numbers and trends for looked after children and to ensure the outstanding health assessments happen and future assessments are timely.
 - Towards a Norfolk public service ensure summit workstreams have measurable plans to deliver against their targets.
- 9.5.1 Policy and Resources Committee has endorsed a performance pyramid to capture a hierarchy of performance information to show us how well we are achieving the strategy we have set. Discipline around the hierarchy will ensure that the right information is reported to committees to enable them to monitor and assure themselves about the overall Plan and specific service priorities. A series of Member workshops are taking place January and February, and the full framework will be reported subsequently.

10.0 A strategy for Adults Social Services

- 10.1 The main challenges for Adult Social Services are:
- a) Norfolk's population is ageing, particularly people aged over 85 years.
 - b) Radical change is needed for health and social care in Norfolk to be sustainable.
 - c) The financial pressures and need to deliver more for less, eg continue to face in year overspend on purchase of care, the budget that pays for packages of care
- 10.2 The Adult Social Care Committee agreed that 'Promoting Independence' should be the Adult Social Services response to Re-imagining Norfolk. Promoting Independence requires very significant remodelling of services, a change of practice within Adult Social Services and also a change in the culture for citizens in Norfolk, stakeholders and partners.
- 10.3 Given the statutory nature of the Authority's social care responsibilities and the increasing level of demand on the service it is difficult to see how a reduction of the levels necessary can be achieved without significant risk. However, the service can be run with less cost if there is major change in the way in which it operates. In order to address required reductions in cost, fundamental changes in the model underpinning social care for adults in Norfolk is essential.
- 10.4 We have compared our services with other similar councils and know that our pattern of service indicates that on a rate per 100,000 population, we do more assessments and we have more people receiving services. It is clear that the substantial change we need to make is in how we respond to people's needs to reduce their call on formal services from Norfolk County Council.

- 10.5 Work has been undertaken to understand the best practice from around the country and to consider how these models could be applied in Norfolk. There is good evidence from other authorities, that approaches which promote independence and community support can be effective in better managing the demand for services and therefore costs.
- 10.6 Our approach therefore is to manage demand for services better by ensuring that people remain independent from public services as long as possible and are provided with preventative, community alternatives to council social care where appropriate. This approach would be consistent with the responsibilities relating to wellbeing and prevention in the Care Act.
- 10.7 When people do need formal services our approach will always be to maximise their independence as far as possible. This is the key principle of the Promoting Independence strategy. The aim is to support as many people as possible to live safely at home and to recognise that at different stages people need different types of intervention, hence distinguishing three cohorts in the model. The strategy is set out in diagrammatic form below.



- 10.8 The key objective is to implement the new model of social care, Promoting Independence:
- Create networks of community opportunities for vulnerable people;
 - Implement a new customer pathway to seek alternative support for individuals;
 - Introduce a new model of professional social work based on a strengths-based approach, in alignment with Children's Signs of Safety model;
 - Ensure accessible and local sources of information and advice with an emphasis on community solutions;
 - Maximise the impact of the reablement service to reduce long term care costs;
 - Maximise the use of assistive technology and community equipment to reduce long term care costs;
 - Reduce the number of people, particularly of working age, in residential care.

- This will reduce the number of adults in our social care system to improve outcomes, promote their independence and save money.

10.9 Other objectives are:

- a) Transformation of the local health and social care system in Norfolk, including the further pooling of health and social care budgets
- b) Securing an efficient and sustainable care market;
- c) Rolling out redesigned health and care community services at local level;
- d) Roll out and optimise the new outcomes focused home care model;
- e) Deliver more Housing with Care schemes;
- f) Transform the ex-NCC residential provision in West Norfolk

11.0 Recommendations

Members are asked to give their views on:

- The overall strategy for the County Council as set out in this paper.
- The whole-council improvement areas, including the targets in Appendix One.
- The strategy for services covered by this Committee as set out in Section 10.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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Adult Social Care Committee

Item No.

Report title:	Risk Management
Date of meeting:	25 January 2016
Responsible Chief Officer:	Harold Bodmer, Executive Director of Adult Social Services
Strategic impact Monitoring risk management and the departmental risk register helps the Committee undertake some of its key responsibilities and provides contextual information for many of the decisions that are taken.	

Executive summary

At the Adult Social Care Committee meeting of 11 May 2015 Members requested a full report at the first meeting of the year followed by exception reports to subsequent meetings. The first exceptions paper was reported to the 9 September meeting.

This report includes the departmental risk summary together with an update on progress since the last committee meeting on 9 November 2015. There are no changes to risk scores for 2015/16 but it is proposed that two risks be removed, RM 14149 (the impact of the Care Act), until implementation of part 2 of the Care Act in 2019/20 and the portal element from the DNA risk score (RM 14150).

There is a proposal to delegate risk RM012 (Negative outcome of the Judicial Review into fee uplift to care providers) from the Corporate Risk Register to the Adult Social Care Committee risk register. There has also been an addition to the Corporate Risk Register in respect of a risk in respect of the pace of reduction in adult social services transport costs.

Risks are where events may impact on the Department and County Council achieving its objectives.

Recommendations: Committee Members are asked to:

- a) Note and comment on progress with departmental risks since 9 November 2015
- b) Note the addition to the Corporate Risk Register of RM014b (Inability to reduce the amount spent on adult social care transport)
- c) Consider recommendations to:
 - i) accept the delegation of risk RM012 from the Corporate Risk Register to the ASC Committee,
 - ii) temporarily remove risk RM14149 Impact of the Care Act until 2019/20, and,
 - iii) remove of the portal element from DNA risk RM14150
- d) Consider if any further action is required

1 Proposal

- 1.1 The Adult Social Care Risk Register has been reviewed and this report provides Members with an update of the most recent changes. Changes that have arisen to the Corporate Risk Register that are relevant to this committee are also included.

- 1.2 The Senior Management Team has been consulted in the preparation of the Adult Social Services risk register and this report.

2 Evidence

- 2.1 The Adult Social Services departmental risk register reflects those key business risks that need to be managed by the Senior Management Team and which, if not managed appropriately, could result in the service failing to achieve one or more of its key objectives and/or suffering a financial loss or reputational damage. The risk register is a dynamic document that is regularly reviewed and updated in accordance with the Council's "Well Managed Risk – Management of Risk Framework".
- 2.2 Each risk score is expressed as a multiple of the impact and the likelihood of the event occurring:
- a) Original risk score – the level of risk exposure before any action is taken to reduce the risk when the risk was entered on the risk register
 - b) Current risk score – the level of risk exposure at the time the risk is reviewed by the risk owner, taking into consideration the progress of the mitigation tasks
 - c) Target risk score – the level of risk exposure that we are prepared to tolerate following completion of all the mitigation tasks
- 2.3 In accordance with the Risk Matrix and Risk Tolerance Level set out within the current Norfolk County Council "Well Managed Risk - Management of Risk Framework", three risks are reported as "High" (risk score 16–25) and 11 as "Medium" (risk score 6–15). A copy of the Risk Matrix and Tolerance Levels appears at Appendix 2.
- 2.4 The prospects of meeting target scores by the target dates are a reflection of how well mitigation tasks are controlling the risk. It is also an early indication that additional resources and tasks or escalation may be required to ensure that the risk can meet the target score by the target date. The position is visually displayed for ease in the "Prospects of meeting the target score by the target date" column as follows:
- a) Green – the mitigation tasks are on schedule and the risk owner considers that the target score is achievable by the target date
 - b) Amber – one or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed
 - c) Red – significant mitigation tasks are falling behind and there are serious concerns that the target score will not be achieved by the target date and the shortcomings must be addresses and/or new tasks are introduced
- 2.5 The current risks are those identified against the departmental objectives for 2015/16 and have been updated for this report.
- 2.6 NCC Corporate Risk Register
- 2.6.1 A new item was introduced on the Corporate Risk Register in December 2015 for Adult Social Services: RM014b (Inability to reduce the amount spent on adult social care transport). This risk came from Risk RM14187 (Inability to reduce the amount spent on home to school and adult social care transport) which was raised to Corporate level by the Community and Environment Department. This risk was raised on the Corporate Risk register because it represents a large area of spend (£42m) involving both the Adult Social Care Committee and Children's Services.

Members are asked to note this addition to the Corporate Risk Register.

- 2.6.2 There is a proposal from the Corporate Risk Team to delegate the risk RM012 (Negative outcome of the Judicial Review into fee uplift to care providers) from the Corporate Risk Register to the ASC Committee as the mitigations mostly lie within the remit of this Committee.
Members are asked to comment on and consider this proposal.
- 2.6.3 After a review in November 2015 by the Audit team responsible for Corporate Risk Management the following risks will only appear on the Adult Social Care Risk Register going forward:
- RM14079 “Failure to meet the longer term needs of older people”
 - RM0207 “Failure to meet the needs of older people”
- 2.7 Changes to the Adult Social Services Risk Register
- 2.7.1 There are no changes to risk scores this time.
- 2.7.2 At the risk RM14149 ‘Impact of the Care Act’, there is a recommendation to temporarily remove this risk until 2019/20 when it is expected that Part 2 will commence, see para 2.9.1.
- 2.7.3 At the risk RM14150 ‘Impact of DNA’, there is a recommendation to remove the portal element from this risk as it will no longer form part of the Adult Care DNA programme, see para 2.9.1.
- 2.8 Appendix 1 provides Committee members with a summary of the risks on the register.
- 2.9 **Progress with departmental risks**
- 2.9.1 Since the last report to this Committee progress has been made with the following risks:

Risk Number	Risk Name	Progress Update
RM13926	Failure to meet budget savings	Overall at period 8 to 30 November there is a forecast overspend of £3.737m on a net budget of £241.7m (1.5 %). The budget assumes delivering savings of £16.296m and the forecast reflects current expectations for achievement in 2015/16. These savings include a reduction in the budgets used to pay for packages of care, which has meant reviewing and reducing elements of personal budgets. There is an action plan in place to bring the forecast back into line with the budget which is reviewed in terms of progress at every Adult Social Service Senior Management Team for progress and is also reported to every cycle to Adult Social Care Committee.
RM14149	Impact of the Care Act	Project delivered necessary changes for April 2015 (part one of the Care Act). On 17 July 2015 the Government announced that Part Two of the Care Act is deferred until 2020. It is recommended that this risk is temporarily removed until closer to Part Two (2019/20).

RM0207	Failure to meet the needs of older people	<p>The cost of care exercise is being carried out in 2015/16.</p> <p>The department is working on delivering Promoting Independence, the new strategy for Adult Social Services: keeping people independent in their homes, meeting their needs in the local community and reducing the need for paid services. Some of the CCGs are considering reducing their funding for social care in the Better Care Fund in 2016/17.</p>
RM13929	The speed and severity of change	The Promoting Independence training programme, for social work staff is underway.
RM14150	Impact of DNA	<p>The roll-out of DNA devices to Adult Social Services will be fully completed by mid January 2016 after the installation of Dragon software for a small number of accessibility users.</p> <p>The Customer Portal project was previously reported as 'on hold'. The portal will now form an Adult Care business requirement for the CareFirst Re-procurement project and this element is recommended to be removed from the DNA risk line as it will no longer be part of the Adult care DNA programme.</p>
RM14237	Deprivation of Liberty Safeguarding	<p>Recruitment to Best Interest Assessor posts has not been successful, only one application has been received to date.</p> <ul style="list-style-type: none"> • Ten Best Interest Assessor staff are in training – due to qualify June. All are current council employees so will offer sessional input to rota • Course 2016/17 planned – initial discussion to develop with UEA planned for early January • Training for locality staff re domestic Deprivation of Liberty Safeguards (DoLS) is being planned
RM14238	Failure in our responsibilities towards carers.	The Carer's audit is complete. A report with action plan will be presented to the Adult Social Services Finance and Performance Board in January 2016.

RM012	Negative outcome of the Judicial Review into fee uplift to care providers	<ul style="list-style-type: none"> • The process of collecting information about the market in Norfolk is complete • Returns and other financial information analysed • Consultation document issued • Consultation completes on 22 January • Outcome of the consultation will be brought to Committee for decision
RM14247	Failure in the care market	<ul style="list-style-type: none"> • A revised Harwood Charter scheme based on the Trusted Carer schemes and Code of Practice is under development for completion • A new real time quality (risk) dashboard has been produced and is circulated each month • A draft work force strategy as a key element with the market development strategy will be presented to SMT early in 2016

- 2.10 There remains a strong corporate commitment to the management of risk and appropriately managing risk, particularly during periods of organisational change. A clear focus on strong risk management is necessary as it provides an essential tool to ensure the successful delivery of our strategic and operational objectives.

3 Financial Implications

- 3.1 There are no financial implications other than those identified within the risk register.

4 Issues, risks and innovation

- 4.1 There are no further risks than those described elsewhere in this report.

5 Background

- 5.1 Appendix 1 provides the Committee members with a summary of the risks on the register. Appendix 2 is a copy of the risk scoring matrix to show the scoring methodology for Impact and Likelihood.
- 5.2 The review of existing risks has been completed with responsible officers.
- 5.3 There remains a strong commitment to the management of risk, particularly during periods of organisational change, such as the accelerated programme to deliver all the elements of the vision for the County Council.
- 5.4 An on-going clear focus on strong risk management is necessary as it provides an essential tool to ensure the successful delivery of our strategic and operational objectives.

6 Recommendations:












Committee Members are asked to:

- a) Note and comment on progress with departmental risks since 9 November 2015
- b) Note the addition to the Corporate Risk Register of RM014b (Inability to reduce the amount spent on adult social care transport)
- c) Consider recommendations to:
 - i) accept the delegation of risk RM012 from the Corporate Risk Register to the ASC Committee,
 - ii) temporarily remove risk RM14149 Impact of the Care Act until 2019/20, and,
 - iii) remove of the portal element from DNA risk RM14150
- d) Consider if any further action is required

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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Risk Register - Norfolk County Council												
Risk Register Name		Adult Social Care Departmental Risk Register - Appendix 1								Red		Worsening
Prepared by		Harold Bodmer and John Perrott					High			Amber		Static
Date updated		December 2015					Med			Green		Improving
Next update due		February 2016					Low			Met		
Area	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Risk Score	Target Date	Prospects of meeting Target Risk Score by Target Date	Direction of travel from previous review	Risk Owner	
Adult Social Services Transformation	RM14079	Failure to meet the long term needs of older people	If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation. With regard to the long term risk, bearing in mind the current demographic pressures and budgetary restraints, the Local Government Association modelling shows a projection suggesting local authorities may only have sufficient funding for Adult's and Children's care.	5	5	25	8	31/03/2030	Amber		Harold Bodmer	
Adult Social Services Transformation	RM13926	Failure to meet budget savings	If we do not meet our budget savings targets over the next three years it would lead to significant overspends in a number of areas. This would result in significant financial pressures across the Council and mean we do not achieve the expected improvements to our services.	4	5	20	10	31/03/2017	Red		Neil Sinclair	
Adult Social Services Transformation	RM14149	Impact of the Care Act 2014	Impact of the Care Act 2014/Changes in Social Care funding (significant increase in number of people eligible for funding, increase in volume of care - and social care - and financial assessments, potential increase in purchase of care expenditure, reduction in service user contributions)	1	5	5	3	31/03/2016	Green		Janice Dane	
Safeguarding	RM13931	A rise in hospital admissions	A significant rise in acute hospital admissions for whatever reason would lead to increased demand for social care services. This would result in budget pressures, possible overspends and could lead to delayed transfers of care which would negatively impact on user experience and on our reputation.	4	4	16	6	31/03/2016	Amber		Lorraine Barrett	
Adult Social Services Transformation	RM0207	Failure to meet the needs of older people	If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation.	3	4	12	8	31/03/2016	Amber		Harold Bodmer	
Support & Development	RM13925	Lack of capacity in ICT systems	A lack of capacity in IT systems and services to support Community Services delivery, in addition to the poor network capacity out into the County, could lead to a breakdown in services to the public or an inability of staff to process forms and financial information in for example Care First. This could result in a loss of income, misdirected resources, poor performance against NI targets and negatively impact on our reputation.	3	4	12	6	31/03/2016	Amber		John Perrott	
Adult Social Services Prevention	RM13923	Uncertainty around the shift towards investment in prevention services	There is uncertainty around achieving a general shift towards investment in prevention services by health care and housing organisations, meaning that key strategic strategies for older and disabled people were not met in line with Living Longer, Living Well. This results in poorer outcomes for service users and higher expenditure.	3	4	12	8	31/03/2016	Amber		Janice Dane	
Adult Social Services Transformation	RM13929	The speed and severity of change	The speed and severity of the changes in work activities and job cuts across all areas of the department outlined necessary to achieve budget savings targets could significantly affect the wellbeing of staff. This results in increased sickness absence, poor morale and a reduction in productivity.	3	4	12	8	31/03/2016	Amber		Lucy Hohnen	

Area	Risk Number	Risk Name	Risk Description	Current Likelihood	Current Impact	Current Risk Score	Target Risk Score	Target Date	Prospects of meeting Target Risk Score by Target Date	Direction of travel from previous review	Risk Owner
Adult Social Services Transformation	RM14150	Impact of DNA	Impact of DNA: impact on work to integrate with NHS; resources required to deliver departmental elements; impact on resources with DNA implementation and funding of DNA, removal of the customer portal to be part of the CareFirst re-procurement.	3	4	12	3	31/03/2016	Green	↔	John Perrott
Information Management	RM14085	Failure to follow data protection procedures	Failure to follow data protection procedures can lead to loss or inappropriate disclosure of personal information resulting in a breach of the Data Protection Act and failure to safeguard service users and vulnerable staff, monetary penalties, prosecution and civil claims.	3	4	12	3	31/03/2016	Green	↔	Harold Bodmer
Adult Social Services Transformation	RM13936	Inability to progress integrated service delivery	Inability to progress integrated service delivery between NCC and Health due to; different governance regimes, the lack of management capacity and the on-going NHS changes. This could result in the programmes objectives not being fully met.	2	5	10	5	31/03/2016	Green	↔	Harold Bodmer
SMT	RM14237	Deprivation of Liberty Safeguarding	The Cheshire West ruling March 2014 has significantly increased referrals for people in care homes and hospital. The demand outstrips the capacity of the DOLS team to assess, scrutinise, process and record the workload. Significant backlog has developed and priority cases are no longer met within timescales. Specific areas of risk are: <ul style="list-style-type: none"> • 222 of priority 1 cases not seen • Priority 2 and 3 cases not being seen at all • Staff unable to complete tasks appropriate to role c/o capacity issues • Outstanding reviews not being addressed • Litigation risk • Reputational risk • Delays in appointing paid reps • DOLS team staff wellbeing • Increased cost to the department 	3	4	12	8	31/03/2016	Amber	↔	Alison Simpkin
Adult Social Services Prevention	RM14238	Failure in our responsibilities towards carers	The failure of Adult Social Services to meet its statutory duties under the Care Act will result in poorer outcomes for service users and have a negative impact on our reputation.	2	3	6	1	30/11/2015	Green	↔	Lorna Bright
Adult Social Services Commissioning	RM012	Negative outcome of the Judicial Review into fee uplift to care providers	A successful Judicial Review being brought by a group of residential care providers may result in additional costs for 2015/16 which were not anticipated in budget planning for the year.	3	4	12	4	31/03/2016	Amber	↔	Harold Bodmer
Adult Social Services Commissioning	RM14247	Failure in the care market	The council contracts with independent care services for over £200m of care services. Risk of failure in care services would mean services are of inadequate quality or that the necessary supply is not available. The council has a duty under the Care Act to secure an adequate care market. If services fail the consequence may be risk to safeguarding of vulnerable people. Market failure may be faced due to provider financial problems, recruitment difficulties, decisions by providers to withdraw from provision, for example.	4	3	12	6	31/03/2016	Amber	↔	Catherine Underwood

Risk Matrix and Tolerance Levels

Impact Likelihood	Extreme 5	Major 4	Moderate 3	Minor 2	Insignificant 1
Almost Certain 5	25	20	15	10	5
Likely 4	20	16	12	8	4
Possible 3	15	12	9	6	3
Unlikely 2	10	8	6	4	2
Rare 1	5	4	3	2	1

Tolerance Level	Risk Treatment
High Risk (16-25)	Risks at this level are so significant that risk treatment is mandatory
Medium Risk (6-15)	Risks at this level require consideration of costs and benefits in order to determine what if any treatment is appropriate
Low Risk (1-5)	Risks at this level can be regarded as negligible or so small that no risk treatment is needed

Adult Social Care Committee

Item No.

Report title:	Social Care Systems Re-procurement
Date of meeting:	25 January 2016
Responsible Chief Officer:	Harold Bodmer, Executive Director of Adult Social Services
Strategic impact This paper asks the Adult Social Care Committee to recommend to Policy & Resources committee that it: <ul style="list-style-type: none">a) agrees to the procurement of a replacement social care recording system that meets current and future business requirements, effectivelyb) agrees the associated capital funding bidc) considers a recommendation to P and R for the £0.478m revenue funding for 2016/17 for the corporate social care system re-procurement, and £1.793m in future years, as part of the overall NCC budgetd) adds the risks associated with the transition to the Corporate Risk Registere) allows an exemption to Contract Standing Orders to extend the contract for the current CareFirst system to March 2018, to permit a phased transition <p>This will form the basis on which savings, integration and service improvements can be developed and delivered. CareFirst provides a platform for the council to deliver its statutory social care functions and in this regard there is no choice but to replace CareFirst as it reaches the end of its operating life.</p>	
Executive summary The Care First system provided by OLM has been in place for the past nine years and is a business critical social care recording system used by Adult Social Services, Children's Services, procurement (for contract administration) and, for social care charging, by Financial Exchequer Services. The OLM contract has been extended until March 2018 but procurement law will prevent further extension and there are a number of reasons for replacing CareFirst which are set out in the body of this report. The project to replace Care First has been provisionally planned as follows: <ul style="list-style-type: none">Phase 1 (Requirements) – market, user and stakeholder engagement to inform the development of an agreed Requirements Specification by March 2016Phase 2 (Procurement) – selection of a solution and supplier by October 2016Phase 3 (Implementation) – configuration of solution, business process review, training, migration of data and go-live by April 2018 <p>The key benefits are</p> <ul style="list-style-type: none">1) A resilient and adaptable system to underpin our delivery of social care through to 20252) Savings, integration and service improvement through an intuitive, flexible system3) Compliance with the legal and procurement imperatives <p>The major risks are:</p> <ul style="list-style-type: none">1) Being unable to resource the project to meet the April 2018 deadline2) Setting a scope that is either too ambitious or not challenging enough3) The market may not provide an affordable solution4) It may be difficult to establish costs and fund the project	

- 5) National and local agendas may cause our requirements to change radically between procuring and implementing the system

Recommendations:

Members of the Adult Social Care Committee are asked to recommend to Policy and Resources Committee that it:

- 1) agrees to the procurement of a replacement social care recording system that meets current and future business requirements, effectively
- 2) agrees the associated capital funding bid
- 3) considers a recommendation to P and R for the £0.478m revenue funding for 2016/17 for the corporate social care system re-procurement, and £1.793m in future years, as part of the overall NCC budget
- 4) adds the risks associated with the transition to the Corporate Risk Register
- 5) allows an exemption to Contract Standing Orders to extend the contract for the current CareFirst system to March 2018, to permit a phased transition

1. Proposal

- 1.1 The proposal is to replace the current CareFirst social care system through a re-procurement process to be in place by April 2018. The funding of the programme is proposed to be through the 2016/17, 2017/18 and 2018/19 capital programme.
- 1.2 While the procurement and implementation are carried out, CareFirst will continue to be our live Social Care system for a further two years, based on current estimates. A contract standing order exemption will be required to enable the extension of the CareFirst contract with OLM through to March 2018 under Regulation 72(1)(b)(i) as only OLM can provide maintenance services of this nature for this software for which we own a perpetual licence. The cost of this will be £260,000 per annum for two years. Earlier re-procurement of the system was not practical because in July 2013, when the re-procurement would have otherwise commenced, there was a significant amount of pressure and change being experienced in Children's Services. The advice received from the then Director of Children's Services was that any disruption with the CareFirst system could cause further complications.
- 1.3 As the new system is being procured for Adults, Children's, Procurement and Finance departments, similar reports will be taken to the Children's Services Committee and Policy and Resources Committee which will also be requested to approve the overall proposed programme including the proposed capital bid of £7.926m.
- 1.4 CareFirst is a major council system and four departments rely on its use as a business critical tool. CareFirst provides a platform for the council to deliver its statutory social care functions and there is therefore no choice but to replace CareFirst as it reaches the end of its operating life.

2. Evidence

2.1 The Business Case for Change

- 2.1.1 The CareFirst system provided by OLM has been in place since 2006/07 and is a business critical data recording system used by Adult Social Care, Procurement, Children's Services and Finance Exchequer Services (FES). The OLM contract needs to be extended until March 2018 during which time the re-procurement and transition will take place. There are a number of reasons for replacing CareFirst, and these include:

- a) CareFirst is increasingly described as a legacy system which no longer meets business needs – both the statutory framework and working practices have changed substantially since it was bought
- b) Age – CareFirst has been in operation at NCC since 2006/07 and its current configuration is fundamentally the original one, operating on a server infrastructure that reaches its original 5-year life expectancy in 2016. The risk of component failure is increasing along with the likely occurrence of unplanned downtime
- c) Value – CareFirst is operationally imbedded and is indispensable to essential business processes and business-critical with 3,000 users. These are a combination of council staff and partner organisations e.g. District Councils, the Police and increasingly NHS organisations
- d) Change – while some changes are accommodated effectively (such as forms development), other enhancements have proven difficult. The CareFirst environment has not to date been able to adapt easily and energise business change. The pressure to change is increasing (Health & Social Care and other partnerships working, Re-imagining Norfolk, Ofsted, Signs of Safety) and with it, this risk is also likely to increase
- e) Specialist skills – operation of the system and its platform revolves around some strong in-house specialist skills and knowledge that are uncommon in the market and not always available from the supplier. These skills are often in short supply which creates an ICT capacity deficiency within the council as a whole
- f) Usability – the system is sometimes described by users as ‘clunky’ to use, management information is not readily accessible to users and interfaces are limited to E-Business Suite and Tribal. In addition we have struggled to implement enhancements to the CareFirst system, particularly in the areas of flexible working and customer access
- g) Maintainability – OLM have a policy of lifetime support for the CareFirst product, but we should note that OLM’s social care system offered on the LASA framework is the new Eclipse product, not CareFirst. OLM have recently announced that CareFirst is in maintenance mode only and that development will be confined to their new product Eclipse

2.2 Data Volumes/Dimensions

- 2.2.1 The following tables are illustrative of the type and numbers of records held by CareFirst and will help to formulate the business requirement for the new system.

CareFirst Records	Numbers
Service users (past and present)	300,481
Carers (informal/foster/adoptive – past and present)	34,864
Employees and other professionals (past and present)	33,627
Other interested parties – family/friends/relatives (past and present)	330,698
Other records (missing persons, risk to children)	11,550

CareFirst System Users	Current Numbers
Adult Teams	1,487
Children’s Teams	1,813
NHS (Mental Health)	235
Finance	162
Shared/Other	284
Total	3,981

CareFirst Financial Transactions – Finance Exchequer Services (FES)	Numbers in 2014/15
Financial assessments for service users in residential provision	8,273
Financial assessments for service users in non- residential provision	13,665
Total Financial Assessments	21,938
Payments made to service providers	212,478
Invoices submitted to service users	102,850

Information on Children in Norfolk	2013/14	2014/15
Number of children and young people living in Norfolk under age of 18		166,507
Number of children living in poverty		17%
Number of contacts		37,000
Number of Children in Need	9,967	10,249
Number of referrals	9,729	7,943
Number of initial assessments completed	8,925	Combined with core below.
Number of core assessments completed	2,579	7,398
Number of children subject to S47s ¹ which started during the year ending 31 March	1,349	2,057
Number Children who were the subject of a child protection plan at 31 March	537	572
Children who became the subject of a plan during the year	825	855
Number Child Protection Plans ended in year	832	808
Number of children looked after at 31 March	1,150	1,070
Number of children who started to be looked after during the year ending 31 March	530	420
Number of children who ceased to be looked after during the year ending 31 March	465	510
Number of children adopted during the year ending 31 March	80	105
Care Leavers aged 19, 20 and 21	415	

¹ A S47 requires a LA to carry out an investigation when a child is suspected of suffering significant harm

Adults – the information below is from the Norfolk Story

Living status	2015	2020	2025	2030
Total population aged 65-74 predicted to live alone	28,310	29,330	28,230	31,290
Total population aged 75 and over predicted to live alone	47,837	54,800	66,498	73,181
Total population aged 65 and over living in a care home with or without nursing	6,480	7,507	8,894	10,422

Support arrangements	2015	2020	2025	2030
Domestic tasks: total population aged 65 and over unable to manage at least one domestic task on their own	84,980	95,437	107,419	120,615
Providing care: total population aged 65 and over providing unpaid care	30,469	32,700	35,271	38,713
Self-care: people aged 65 and over unable to manage at least one self-care activity on their own	69,787	78,013	87,679	98,750

2.3 Summary of the specification of requirements

- 2.3.1 In phase 1 (Requirements) we will specify requirements for a solution that will meet our strategic business process requirements and provide the flexibility and the tools to allow us to refine and improve our ways of working. The final product of phase 1 will be a Requirements Statement in the prescribed format to send to suppliers for the procurement process.
- 2.3.2 Appendix 1 sets out information requirements to inform the initial scope for the Statement of Requirements.

2.4 Project Scope

- 2.4.1 The proposed Strategic Approach defines the strategic principles as follows:-
- 1) A joined-up social care system for Adults, Children's, Finance & Procurement in order to enable and support more integrated approaches with the whole family, transition from child to adult, contracts, commitments and forecasting
 - 2) Integration with Health and other partners is key, reflecting our integrated commissioning and delivery in Adults, including direct working together under section 75, and the new locality-based multi-agency hub approach in Children's
 - 3) Supporting vulnerable people – the solution must be an enabler for our corporate outcome framework - that all vulnerable people who live, work, learn and are cared for will be safe; and that vulnerable people are more resilient and independent
 - 4) Simplicity with straightforward recording, automated workflows and readily accessible information, in order to improve efficiency and release practitioner time while supporting our compliance with relevant legislation
 - 5) Information and our use of it drives the system. Information sharing with partners underpins commissioning and delivery within a 'whole system' approach. We also need to make citizens' own records more accessible to them
 - 6) Transformation – from the National Information Board digital strategy through to local initiatives ("Re-imagining Norfolk", "Signs of Safety" and "Promoting Independence") - will require a system and supplier that are flexible and offer innovative solutions
 - 7) The strategic ICT&IM architecture requires integration of the social care system - with Identity Management, the Information Hub, Records Management, Customer Relationship Management, portals, and a granular access control model - in order to support the corporate programme and exploit wider benefits

- 2.4.2 Based on these strategic principles, the scope of the project is as follows:

Phase 1 (Requirements)

- a) An agreed Requirements Specification ready to go to market for a joined-up Adults, Children's (including Early Help), Finance and Procurement system, associated business process review and implementation, with a signed off business case
- b) Based on a blueprint for social care's strategic business processes, including integration with partners and statutory returns
- c) Having undertaken user and stakeholder engagement
- d) And clarified requirements of strategic ICT&IM architecture and deliverables of other projects and initiatives

Phase 2 (Procurement)

- a) A procurement process resulting in a contract with a selected supplier.

Phase 3 (Implementation)

- a) Configuration of solution, business process review, training, migration of data and go-live by April 2018

Excluded from Project Scope

The scope of the project specifically excludes the following:-

- a) Tribal and other Children's Services education systems and processes

2.5 Procurement

2.5.1 Procurement of the new system has been planned on the basis of the following assumptions:-

- a) Under procurement law, we have to undertake a tender process
- b) There is a system in the market that meets our requirements
- c) We have already undertaken market engagement to inform the requirement and the process
- d) It is mandatory that the solution provides Adult social care, Children's social care (including Early Help), and associated finance and contracts functions
- e) The process must test that the selected supplier is in a position to deliver to our timeframe
- f) All business functions need to be operational on the new system by March 2018
- g) CareFirst and supporting infrastructure will continue to be fit for purpose until March 2018

2.5.2 The Council's Head of Procurement will advise on procurement options as the specification of requirements takes shape.

2.6 Project Resources

2.6.1 Appendix 2 shows the staffing resource estimates for the project that have been constructed by the procurement consultant providing quality assurance to the project. Funding for 2015/16 of £0.150m has been made available from the councils Innovations Reserve to enable the project to be 'kick started'. Funding arrangements for the capital programme from April 2016 onwards are set out in section 3.

2.7 Benefits Realisation

2.7.1 A Benefits Workshop is planned for phase 1 and this will feed into the detailed business case. A Benefits Pack will be completed as the outcome of the benefits workshop to include a benefits map, a benefits log and a benefits profile for each project benefit. This will be reviewed and more detail added as the project develops.

2.7.2 Balanced Score Card

The balanced score card is an initial strategic view of benefits. Work is in progress to quantify the benefits. The Score Card will enable the SCS project team to set, track, and achieve its key business strategies and objectives.

<i>Service/Customer</i> More integrated approaches with whole family, transitions, contracts, commitments and forecasting More effective support for vulnerable people Citizens' records more accessible	<i>Performance</i> Compliance with statutory obligations Improves integration including direct working together and locality-based hubs Better information underpinning commissioning and delivery System resilience
<i>Staff</i> Simplicity Better information Releases practitioner time Opportunity to work in more integrated ways	<i>Financial</i> Early intervention Better information leading to better financial controls Potential staff and third party cost savings Potential system running cost savings

2.8 **Consultation**

2.8.1 The broad approach for stakeholder engagement in phase 1 will be to focus efforts on internal stakeholders (CareFirst users, other staff, senior managers and related change governance groups) to ensure involvement of appropriate individuals and enable validation of requirements and approach.

We intend to manage relationships with partners through existing communication routes and limit public communication at this time to material submitted through the democratic (committee) process.

In addition some partners, e.g. representatives of Clinical Commissioning Groups and NHS Provider Trusts, will be invited to form part of the procurement process in Phase 2 (Procurement).

2.8.2 The provisional list of interested groups appears below and this will be reviewed by the project team. These are notated as either C (Consult) or I (Inform). A communications strategy will be developed by the project team.

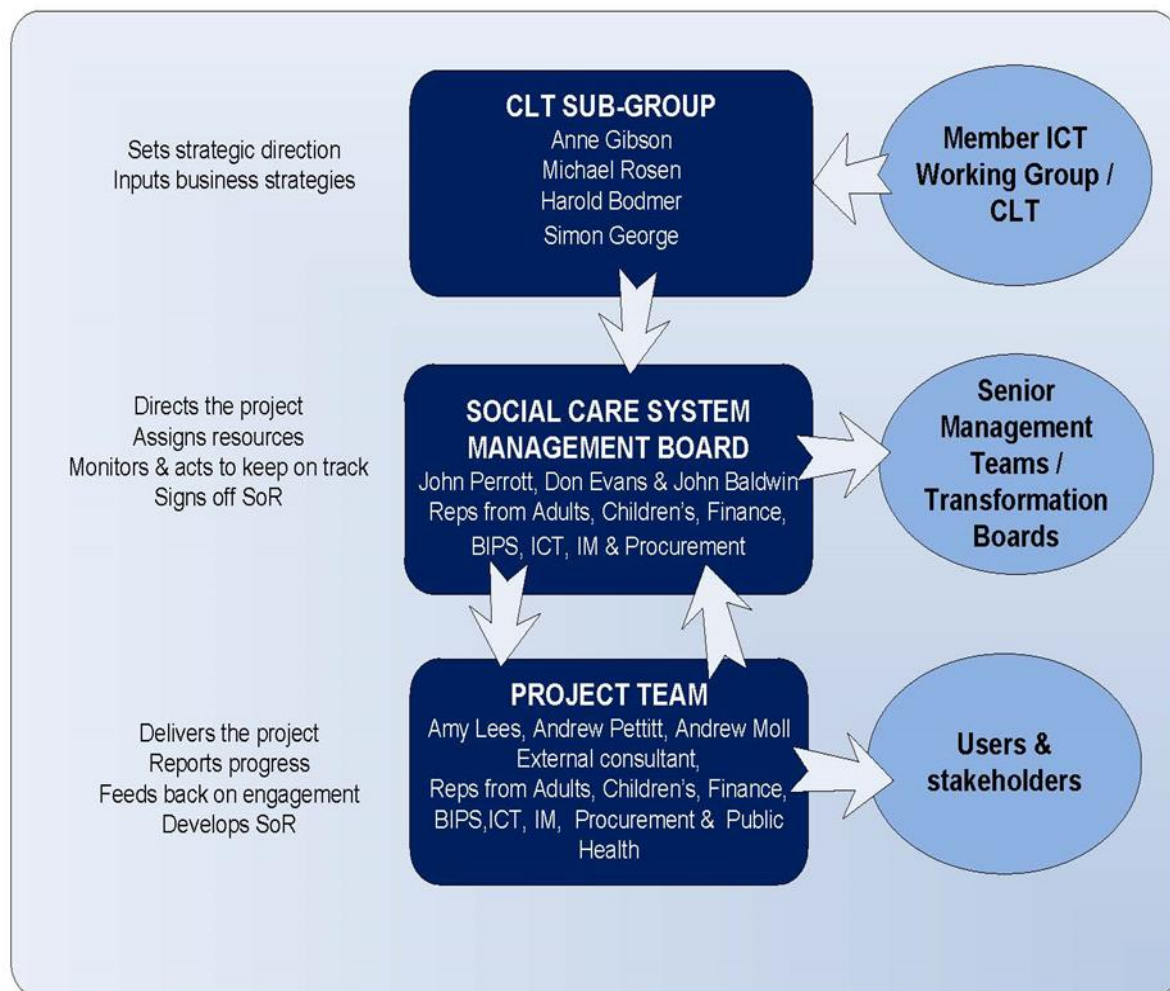
Ref	Group	Includes	Consult-C Inform-I	Proposed communications Jan-Mar 2016
1.	Regulators	Ofsted, CQC, CIPFA, DfE, Other	I	None, other than possible early notification of intentions to DfE.
2.	Customers	Citizens. service users	C	None, other than via committee reporting.
3.	Potential suppliers	-	C	Via pre-market engagement process
4.	Potential integration suppliers	TPP (SystemOne), Tribal, CRM, EMIS , etc.	C	As needed via dependency owners

5.	Site visit candidates	Kent CC, Essex CC, Lincs CC, others	C	Request to visit / discuss in Jan/Feb.
6.	Partners - Police	Norfolk Constabulary	C	Via MASH
7.	Partners – Suffolk CC	Suffolk CC	C	Monthly update via current contacts
8.	District Councils	All Norfolk DCs	C	Notify once committees have approved.
9.	NHS partners	CCGs, NELCSU, NCH&C, ECCH, CCS, Acute Hospitals, NSFT	C	Via Digital Roadmap development
10.	Partnership Boards	Health & Wellbeing Board, C&YP Strategic Partnership Board, Norfolk Safeguarding Children Board	I	Current attendees to update on procurement plans in normal schedule.
11.	Partners – other	Probation, Schools, Voluntary sector.	I	Notify once committees have approved.
12.	Trade unions	Unison	C	Notify once committees have approved.
13.	Media	EDP, BBC	I	None
14.	Users & staff		C	Via Finance, Adults and Children's reference groups / user forums... Publicise to all staff once committees have approved.
15.	Internal groups	Public Health, Transformation boards, Tribal Mgt, Early Help Mgt.	I	Notification via SCS project team

Key: CQC - Care and Quality Commission, CRM – Customer Relationship Management, DfE – Department for Education, EMIS - Egton Medical Information Systems, CCGs - Clinical Commissioning Groups, NELCSU - North East London Commissioning Support Unit, NCHC – Norfolk Community Health and Care, ECCH – East Coast Community Health, NSFT, Norfolk and Suffolk Foundation Trust.

2.9 Project Plan

2.9.1 Phases 1, 2 and 3 of the re-procurement are shown on the high level plan across years. Appendix 3 shows the plan broken down into more detailed components on a quarterly timeline.



2.11 Progress with the Project

- 2.11.1 The current position is that the core Project Team was appointed just before Christmas 2015 and arrangements are in hand to 'backfill' their posts while seconded to the project. Space for the team has been provided on floor 7 at County Hall to support co-ordination, planning and effective communication and this has been occupied from 4 January 2016.
- 2.11.2 During November and December 2015 five bidders' days were arranged for potential suppliers to present their systems to project staff and other professional staff. The five potential suppliers included: CoreLogic, Azeus, LiquidLogic, OLM and Tribal. The bidders' days play no part in selection of the supplier but have been helpful to establish what current systems are capable of and how they are being used on other local authorities. This information will be used to inform NCC requirements for the new system.
- 2.11.3 The outlook for January to March is that work on the business requirements will be completed together with work to prepare for data migration. Planned work also includes:
- completion and sign-off of benefits cards
 - completion and sign-off of the detailed business case
 - documentation and sign-off of business requirements
 - documentation and sign-off of other requirements, including links with corporate programmes such as Customer Services Strategy
 - preparation of data for migration
 - preparation of business readiness plans

3. Financial Implications - funding the re-procurement and the Capital Programme 2016/17, 2017/18 and 2018/19

3.1 The comparable cost of introducing the CareFirst social care database in 2006/07 was £9.923m capital and £4.225m revenue totalling £14.148m.

3.2 Initial estimates for the replacement CareFirst programme total £10.348m. Overall these are approximately £3.8m less compared to 2006/07. The differences are set out in the table below:

Programme	Capital £m	Revenue £m	Total £m
2006/07	9.923	4.225	14.148
2016/17	7.926	2.422	10.348
Difference	-1.997	-1.803	-3.800

The reasons for the difference are, for capital at £1.997m less than last time:

- A supplier-hosted solution will reduce/remove upfront hardware and database licence costs – market intelligence suggests that the current annual maintenance fee for CareFirst (which excludes hardware and Oracle maintenance) would cover both hosting and maintenance of a new system
- Standard configuration and migration approaches which will require less consultancy effort than the migration to CareFirst from legacy in-house systems

And for revenue costs at £1.803m less than last time:

- The reduction/removal of hardware and Oracle licence/maintenance costs as a result of supplier hosting;
- No revenue costs for consultancy are planned;
- Staff training is being undertaken within the NCC this time and over a shorter period.

Table A

PROJECT CAPITAL ESTIMATES	2016-17 £	2017-18 £	2018-19 Apr-June £	Total £
Staff Costs	1,051,000	2,788,000	551,000	4,390,000
Non Staff Costs	99,000	264,000	52,000	415,000
Supplier Implementation	431,000	1,143,000	226,000	1,800,000
Consultancy				
Contingency 20%	316,000	839,000	166,000	1,321,000
Total Project Capital	1,897,000	5,034,000	995,000	7,926,000

Table B

PROJECT REVENUE ESTIMATES	2016-17 £	2017-18 £	2018-19 £	Total £
Staff costs related to procurement	399,000	0	0	399,000
Training	0	762,000	732,000	1,494,000
Contingency 20%	79,700	152,400	146,500	378,600
Total Project Revenue	478,700	914,400	878,500	2,271,600
2015/16 set up costs				150,000
Overall revenue costs				2,421,600

NB Staffing costs total £6.433m - see Appendix 2

- 3.3 The Committee is asked, a) to agree the associated capital funding bid of £7.926m for recommendation to Policy and Resources Committee, and b) consider a recommendation to P and R for the £0.478m revenue funding for 2016/17 for the corporate social care system re-procurement, and £1.793m in future years, as part of the overall NCC budget

4. Key Risks

- 4.1 The project has identified the following key risks. These are currently at high level and will be developed into a full risk register for the overall project. It is proposed that the risk should be developed further and added to the Corporate Risk Register.

	Risk	Mitigation
1	TIMESCALE We may fail to meet the April 2018 deadline. The in-house resource time to deliver the project may be hard to secure – both core team and in the wider services. It may be difficult to obtain time from partners and other services.	Strategic direction, priority and commitment Planning Senior stakeholder engagement
2	SCOPE We may try to deliver too much and lengthen the project. We may narrow the scope too much and fail to deliver benefits. Migration may prove a significant task.	Review process Market discussions
3	MARKET The market may not provide a solution that meets all of our requirements. Solutions may be unaffordable.	Market discussions Procurement and decision-making process
4	COST It may be difficult to establish costs and fund them.	Narrow down cost estimates via procurement process
5	FUTURE CHANGES Emerging ICT, corporate, county and national initiatives may move the target Future business requirements after March 2016 will not be accommodated through the procurement process	Links with corporate programme, management teams and wider dependencies

5. Background

- 5.1 As the new system is being procured for Adults, Children's, Procurement and Finance departments, similar reports will be taken to the Children's Services Committee and Policy and Resources Committee which will be requested to approve the overall programme.

6. Recommendations

- 6.1 **Members of the Adult Social Care Committee are asked to recommend to Policy and Resources Committee that it:**
- a) **agrees to the procurement of a replacement social care recording system that meets current and future business requirements, effectively**
 - b) **agrees the associated capital funding bid**
 - c) **considers a recommendation to P and R for the £0.478m revenue funding for 2016/17 for the corporate social care system re-procurement, and £1.793m in future years, as part of the overall NCC budget**
 - d) **adds the risks associated with the transition to the Corporate Risk Register**
 - e) **allows an exemption to Contract Standing Orders to extend the contract for the current CareFirst system to March 2018, to permit a phased transition**

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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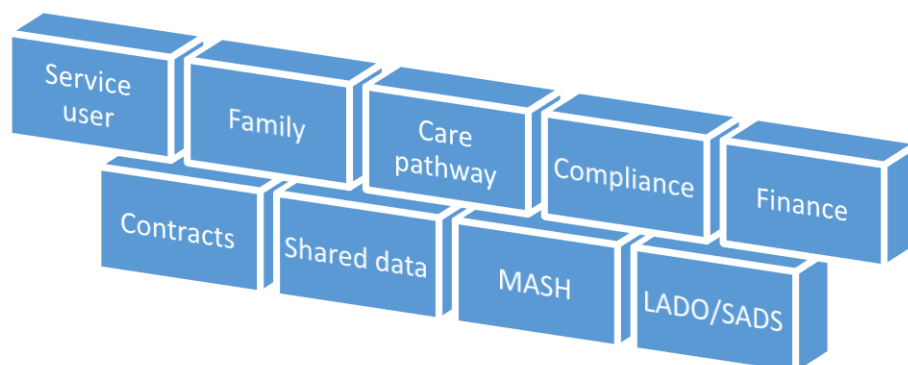
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If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

Appendix 1 – Initial Statement of Requirements

We need to hold the following types of information and use different views of this information to achieve our key outcomes. This sets the initial scope for the Statement of Requirements.



	Purpose	Outcomes
1	Service management and case management, with an electronic social care record and case chronology, tying in with the customer service process	<ul style="list-style-type: none"> • Service users' care pathway managed • Whole family approach to case recording, including Early Help • Children, young people and vulnerable adults are safe from harm • Most appropriate levels of intervention arranged • Fewer people need a social care service from NCC
2	Compliance with statutory guidance - Care Act and Children's Act data.	<ul style="list-style-type: none"> • To comply with legislation and meet our duty of care efficiently and effectively. • To produce statutory and other government returns automatically • To demonstrate the effectiveness of our services to the service user and regulatory and quality agencies
3	Sharing with partners ¹	<ul style="list-style-type: none"> • Frontline sharing of information to safeguard the service user and their family • Use of information to support seamless cross-organisational delivery and joint commissioning
4	Financial and contract management integrated with social care need and service provision.	<ul style="list-style-type: none"> • Contracts are set up in the system for social workers to use • Social workers commit spend and costs are held in the system. • Payment and billing are calculated in the system and processing interfaced with NCC's Finance system.
5	Business intelligence including reporting facilities and interfaces with the Information Hub, Tribal (Education) and ChildView (YOT).	<ul style="list-style-type: none"> • Automatic production of statutory returns • Management reports to better equip service managers to manage day by day • 'Finger on the pulse' expenditure information leading to best use of resources

¹While NCC will retain ownership of all social care service user data, the system must support sharing of this data with partners, and the facility to view data within the system

		<ul style="list-style-type: none"> • Performance, contractual and expenditure monitoring, forecasting and modelling information to support commissioners and contract managers
6	Smarter processes	<ul style="list-style-type: none"> • A complete social care record is appropriately accessible to inform decision-making and risk management • Improved productivity through automated workflows • Structured and secure electronic storage of documents linking to NCC's existing systems
7	Mobile working with secure access and update of social care records away from the workplace.	<ul style="list-style-type: none"> • Access in service users' homes, hot-desking environments, partner sites • Faster update of social care record • Reduced duplication of effort • Increase time available to service users
8	Service user access to their own data. With links to customer service process.	<ul style="list-style-type: none"> • Efficiencies of communicating with service users electronically, and more flexibility in the way people can contact us • People know who to ask for the right help, information or advice • Wherever possible people with long term conditions manage their own care
9	Commissioning of services, care arranging, letting and management of contracts and monitoring of service delivery.	<ul style="list-style-type: none"> • Provider access • Informed and effective provision of the right interventions • Performance, contractual and expenditure monitoring, forecasting and modelling information to support commissioners
10	Migration of current data in CareFirst and Early Help.	<ul style="list-style-type: none"> • A structured, manageable and timely process • Data quality improved and retention rules applied • A positive and successful start-up of the new system

Appendix 2 – Project Staffing Requirements

Resource Type	Duration	Max FTE	Total Cost £
Programme Management	Jan 2016 - Jun 2018	1	126,500
Project Manager	May 2016 - Mar 2018	2	360,000
Project Manager (Fin)	Jan 2016 - Jun 2018	1	126,500
Finance Specialist	Jan 2016 - Jun 2018	1	126,500
Finance Business Specialists	Oct 2016 - Mar 2018	4	303,600
Contracts management	Oct 2016 - Mar 2018	1	75,900
Care Arranging Service	Oct 2016 - Mar 2018	1	75,900
Business Analyst	Feb 2016 - April 2016	1	30,000
Systems Analysts	Nov 2016 - Dec 2017	2	250,000
Adults Business Lead (Phase 3)	Oct 2016 - Mar 2018	1	75,900
Business Leads (Project / A P1-2 / Ch)	Jan 2016 - Jun 2018	2	253,000
Sub Business leads	Jan 2016 - Jun 2018	2	253,000
Training Manager	Jun 2017 - Jun 2018	1	54,050
Data Migration Manager	Oct 2016 - Mar 2018	1	75,900
Trainers	Jan 2018 - Jun 2018	30	1,440,000
Communications / Change Manager	Jun 2017 - Mar 2018	2	144,000
Solutions Lead	Jan 2016 - Jun 2018	0.2	25,300
Technical Solutions Manager	Sep 2016 - Mar 2018	0.2	15,640
Technical support inc DBA	Jul 2017 - Mar 2018	0.4	15,640
Test Manager	Jan 2017 - Mar 2018	1	182,000
Data Quality Team (Post BAU)	Mar 2017 - Dec 2017	6.4	250,240
Reports & Outputs Developer	Jun 2017 - Dec 2017	3	180,000
Data Migration script developer	Dec 2016 - Nov 2017	1	110,000
Project Support Officer	Feb 2016 - Jun 2018	1	61,180
System administrator	Mar 2017 - Mar 2018	0.6	33,120
Interface Developers	Jun 2017 - Nov 2017	1	25,300
Business Intelligence lead	Jan 2016 - Jun 2018	0.4	50,600
External Consultant	Jan 2016 - Jun 2018	1	412,500
Early Help / Troubled Families *	Jan 2016 - Jun 2018	-	500,000
Integration Effort *	Oct 2016 - Jun 2018	-	400,000
Citizen Portal *	Jan 2018 - Dec 2018	-	400,000
Totals		69.2	6,432,270

Provisional sums *

Reconciliation of costs to Section 3, capital and revenue tables A and B (rounded)

Capitalised Staff Costs	4,390,000
Revenue Staff Costs research and procurement	399,000
Revenue Training Staff Costs	1,494,000
2015/16 Staff Costs	150,000
Total	6,433,000

SCISR High Level Plan

