

# Infrastructure and Development Select Committee

**Minutes of the Meeting Held on Wednesday 14 July 2021**

**10.00am, held at County Hall, Norwich**

**Present:**

Cllr Barry Stone – Chair

Cllr James Bensly (Vice-Chair)

Cllr Steffan Aquarone

Cllr David Bills

Cllr Chris Dawson

Cllr Jim Moriarty

Cllr William Richmond

Cllr Emma Corlett

Cllr Robert Savage

Cllr Vic Thomson

Cllr Colleen Walker

Cllr Tony White

**Cabinet Members Present:**

Cllr Martin Wilby

Cabinet Member for Highways, Infrastructure and Transport

Cllr Andrew Jamieson

Cabinet Member for Finance

**Also Present:**

Grahame Bygrave

Director of Highways and Waste, CES

David Cummings

Strategic Transport Team Manager

Sarah Rhoden

Assistant Director, Performance and Governance, CES

John Jones

Head of Environment, CES

Steve Miller

Director, Culture and Heritage

Katy Dorman

Apprenticeship Strategy Manager

Following agreement by the Committee, item 11: Strategic and Financial Planning 2022-2023 was moved to the first item on the agenda.

**1. Strategic and Financial Planning 2022-2023**

**1.1** The Committee received the annexed report (11) which appends the latest information about the 2022-23 budget in order to support Select Committee discussion and enable them to provide input to future meetings of Cabinet to inform budget discussions. Cllr Jamieson also gave a presentation to the Committee and the presentation is appended at Appendix B.

**1.2** During the discussion, the following points were noted;

**1.2.1** One of the biggest benefits of de-silo was when users and residents were able to access what they want more easily. It would help citizens find the services faster and with more ease. Only so much could be achieved from an inside perspective and it would be really beneficial to have an outside in, user experience type project to help shape the project.

**1.2.2** There was a need to invest in public transport for many reasons, including the climate issues. Officers reported that this was being taken forward with the 'Bus, Back, Better' Government initiative.

- 1.2.3** In order to fulfil obligations around decarbonisation, investment was necessary and this expenditure fell within the Community and Environmental Services budget. It would need to be itemised, and this process was being carried out.
- 1.2.4** Officers confirmed that general passenger figures were currently at 65-70% of pre Covid and Park & Ride passenger figures were lower at around 30-35% of pre Covid levels. The cost of bus subsidies was approximately £2.9 million.
- 1.2.5** Cllr Jamieson confirmed that the £1.5million which had been allocated for flooding would remain in the budget. Officers explained to Committee that the enhanced gulley cleaning and drainage works were ongoing and there had been a considerable amount of repairs already completed from the December 2020 flooding event.
- 1.2.6** A report would be brought to Cabinet in September 2021 regarding the £10million capital funding for potholes.
- 1.2.7** The Director for Property could inform Members what property estates were in their divisions.
- 1.2.8** The Director of Highways and Waste confirmed that the new government strategy called Bus Back Better may consider reinstating previously held bus subsidies, and that a funding bid was currently being developed by the Council. There was concern from Members that more and more bus services were being reduced and people were unable to use their bus passes.
- 1.3** The Committee **RESOLVED** to;
1. Consider the Budget and Medium Term Financial Strategy position as reported to Cabinet (Appendix 1), which forms the context for 2022-23 budget setting.
  2. Consider and comment on the overall service strategies as set out within this report.
  3. Consider and comment on the key issues for 2022-23 budget setting and the broad areas the Select Committee would recommend for savings development as they pertain to the services within the Select Committee's remit, in order to provide input to the 2022-23 budget process and inform the saving proposals put forward to Cabinet later in the year.

## **2. Apologies and substitutions**

- 1.1** Apologies were received from Cllr Claire Bowes, Cllr Chrissie Rumsby (sub'd by Emma Corlett)

## **3. Minutes**

- 3.1** The minutes of the meeting held on 28 January 2021 were agreed as a correct record.

## **4. Declarations of Interest**

- 4.1** There were no interests declared.

## **5. Items of Urgent Business**

- 5.1 There were no items of urgent business.

## **6. Public Question Time**

- 6.1 There was one public question received and the response is given at Appendix A.

## **7. Local Member Issues / Questions**

- 7.1 The list of Local Member questions/issues is attached at Appendix A.

## **8. Greenways to Greenspaces: Green Travel and Green Networks along Highway Corridors**

- 8.1 The Committee received the annexed report (8) outlined how NCC was looking to expand the provision of off-road cycling and walking trails across Norfolk, in line with its adopted Environmental Policy to help tackle climate change and help people adopt healthier more active and sustainable lifestyles.

- 8.2 During discussion, the following points were noted:

- 8.2.1 Roadside cutting in rural areas needed attention. As there were limited paths, and mostly C and Unclassified roads, it was important to ensure that the roadsides were maintained for road safety. Officers explained that part of the cutting proposals implemented in the current year ensured safety at junctions by cutting visibility splays. There would always be competing priorities such as the timing of the cuts. The best time to cut from an environment point of view would be October, whereas for road safety reasons mid-July would be better.

- 8.2.2 Ragwort could cost landowners a significant amount of money if it gets entwined into the hay for horses and livestock. A metre cut back would not affect the pollinators which were needed for the environment aspect and Ragwort was an effective pollinator. The Director for Highways and Waste would pass the concern onto the Highway Engineer for the area. The Chair suggested encouraging Parish Council's to become more involved, however Members highlighted that many may not be keen.

- 8.2.3 Members were pleased to see the recommendations from the Environmental Member Oversight Group coming forward and also that Norwich and King's Lynn were receiving funding for their walking routes. However, one of the biggest needs, from conversations with constituents, was for circular routes for the rural villages. Many routes that did exist were reliant upon use of closed permissive paths or other restricted access routes and this issue needed some attention. Officers reported that there seemed to be some suggestion that issues like this could be highlighted soon through various new initiatives from central government through funding from Defra.

- 8.2.4 The relationship with parish councils was important in order to try and help educate and encourage residents that everyone could do something to help climate change. The idea of having an award scheme or similar was suggested and the Head of Environment would talk further with interested Members.

8.2.5 With reference to page 42 regarding pesticides. Members asked if more emphasis could be placed upon the council's policy about using pesticides, and other chemicals. It would be useful if Members received briefings on what currently exists within the policy or what was planned as it was a question that was received quite often from constituents and members felt they had limited knowledge to pass on.

8.2.6 It was important to recognise that as the city divisions did not have parishes, they should be treated differently. Members from city wards asked if they could be actively engaged regarding verge cutting as previous years had been significantly problematic and they received limited information to pass on.

8.3 The Committee **RESOLVED**

1. To review and comment on the following proposals prior to consideration by Cabinet:-
  - The Norfolk Pollinator Plan (as set out in Appendix 3) which identifies the key role that a thriving network of verges plays for Norfolk insect species (including pollinators for agriculture)
  - The Active Travel Programme for 2021/22 (as set out in Appendix 4) aimed to encourage behaviour change leading to increased take-up of walking and cycling
  - The expansion of the Norfolk Roadside Nature Reserves (RNR) scheme to 300 reserves by 2024 to improve habitat connectivity of the verges network and other benefits (as set out in Appendix 5)
  - The Local Cycling and Walking Investment Plans (LCWIPs) for Great Yarmouth and King's Lynn (as set out in Appendix 6) and Norwich (as set out in Appendix 7)
2. To note the following additional activity already planned or underway:-
  - A refreshed Cycling and Walking Strategy 2021-2030 for Norfolk is in development
  - A new highways Verge Management Policy will be developed which will include information for parish and town councils wishing to take on responsibility for verge cutting in their local area.
  - Work on a 3-year nature recovery demonstrator pilot project for roadside verges with Suffolk County Council to inform development of a monitoring mechanism for habitat connectivity for the emerging Norfolk and Suffolk 25 Year Environment Plan

## 9. Local Transport Plan

9.1 The Select Committee received the annexed report (9) which set out the statutory document required by the Local Transport Act 2000. The plan set out the county council's approach to transport, including development and delivery of scheme as part of the council's capital programme.

9.2 The following points were noted in response to questions from the Committee:

9.2.1 The plan had been updated and refreshed to take into account the impact on carbon as well as other factors and challenges such as recovery from the pandemic. It was about balancing the sociological, economic and environmental factors. It is known in

Norfolk that some of the infrastructure is in need of updating but the change of this plan was that carbon reduction was at the heart of it. The Cabinet Member for Highways, Infrastructure and Transport confirmed that there was a priority list of infrastructure projects such as Northern Western Link and the 3rd river crossing which all help the economy and it was inevitably about balancing needs.

- 9.2.2 On carbon reduction, the carbon impact of major projects are assessed during design of the project in both the construction and the future use of the project. It might not be appropriate to do this for all different types and sizes of project: The point of the usage was taken on board and a proportionate approach was used dependent on the project.
- 9.2.3 The behavioural change would be a huge ask of people and it was feared that some Covid-19 messages could stick such as not using public transport which would present a problem. A range of discussions were being held with transport operators who were working hard to counter these messages. Work was needed to carry on throughout the industry to help this. Behaviour change was definitely something that needed to be pushed as people needed to understand why it was important and needed to be engaged as part of the process. The model that would be used would be developed as the initiative went on.
- 9.2.4 The maintenance policy that covered potholes would hopefully give some reassurance that routes that were encouraged to use would be maintained and looked after.
- 9.2.5 On public transport, it is important that all partners, from big operators to smaller parts such as community car schemes were involved as they all had a part to play. As part of the 'Bus Back Better' initiative, an improvement plan would be compiled which would cover all partners.
- 9.2.6 After a proposal by Cllr E Corlett, and seconded by Cllr S Aquarone, the Committee AGREED to set up a Member task and finish group to consider public transport elements of the local transport plan implementation plan. The membership and terms of reference would be brought to the next meeting after consultation with groups.
- 9.3 The Select Committee **RESOLVED** to
1. Provide views on the Local Transport Plan, included as Appendix A of the report, that Committee wishes to be considered by Cabinet prior to its adoption
  2. Confirm that the LTP Implementation Plan be brought directly to Select Committee for comment prior to adoption by Cabinet
  3. Agree on how Select Committee wants ongoing reporting of Local Transport Plan delivery.

## **10 Apprenticeship Strategy and Action Plan**

- 10.1 The Select Committee received the annexed report (10) which set out a strategic vision, aims and objectives and an operational action plan for apprenticeships in Norfolk across all relevant areas of NCC, cohesively bringing together the three strategic strands identified by the Local Government Association (LGA) review; Children's Services, Growth and Development and Human Resources.
- 10.2 The following points were noted in response to questions from the Committee:

- 10.2.1 There were currently 3080 Norfolk apprentices with NCC employing 382.
- 10.2.2 Although Members were regarded as corporate parents for looked after children (LAC) and had a duty to keep track, the data surrounding them was sometimes unknown as they did not have to disclose when applying for apprenticeships or employment that they were a looked after child. There was, however strategies being developed to promote apprenticeship participation amongst those with Special Educational Needs and Disabilities (SEND) and LAC. This work was taking place across the directorates and with leaving care staff. The number of those with SEND in apprenticeships would be circulated to Members.
- 10.2.3 'System leaders' on page 339 of the report referred to Headteachers and Principals. Officers explained that all school and sixth forms all have different set ups to offer career advice but there was now a 'Pathway to Working' where Officers were working alongside educational establishments to promote various career pathways. The Committee asked for more information regarding this in future reports.
- 10.2.4 Officers reported that data regarding retainment in employment after apprenticeship was reported nationally and locally on a quarterly basis 90% of apprenticeships offered at NCC were on a permanent contract. The report of data was from a variety of sources and there was regular communication with training providers to look at Norfolk as a whole.
- 10.2.5 There were challenges around the social care workforce with an ageing population and this was being addressed by working alongside Norfolk and Suffolk Care Support to publicise careers and apprenticeships in this area as well as initiatives such as Health and Social Care careers week.
- 10.3 The Committee **RESOLVED** to **NOTE** the proposed Apprenticeship Strategy and Action Plan with the amendment of chair of the Apprenticeship Board to 'Cabinet Member for Growing the Economy' rather than a named Member.

## **11. Policy and Strategy Framework – Annual Report**

- 11.1 The Select Committee received the annexed report (11) which set out information on the policies and strategies aligned to the work of the Committee, in the form of a policy and strategy framework.
- 11.2 The following points were noted in response to questions from the Committee:
- 11.2.1 Norse fell under the remit of the Corporate Select Committee and under the Cabinet Member with the portfolio for Commercial Services and Asset Management, s well as the Norse Shareholders Committee.
- 11.2.2 There would be regular updates on employment statistics and economic development.
- 11.2.3 It would be possible to bring back the Environmental Policy for review if the committee so wished.

- 11.3 The Committee **RESOLVED** to review the policy and strategy framework at Appendix A and identify any appropriate items for inclusion on the Forward Work Programme (where not already included).

## **12. Forward Work Programme**

- 12.1 The Select Committee received the annexed report (12) by the Executive Director of Community and Environmental Services setting out the Forward Work Programme to enable the Committee to review and agree it.
- 12.2 The Bus Back Better and Bus Service Improvement Plan work would be reviewed at this Committee once developed.
- 12.3 The Environmental Working Group were keen to establish a regular report back which indicated the progress towards the environment targets. The report should be considered by Cabinet as the 'parent' of the working group.
- 12.4 Officers agreed to find out where projects and working groups which may have had funding halted would report too.
- 12.5 The Select Committee reviewed the report and **RESOLVED** to
- **Agree** the Forward Work Programme for Infrastructure & Development Select Committee.

The meeting closed at 12.35pm

**Chair**



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## INFRASTRUCTURE AND DEVELOPMENT SELECT COMMITTEE

14 July 2021

## Public &amp; Local Member Questions

|                      |   |
|----------------------|---|
| <b>Agenda item 5</b> | <b>Public Question Time</b>   |
| 5.1                  | <p><b>Question from Sophia Hale-Sutton</b></p> <p><b>Your TAMP plan states that Tarmac is responsible for cutting verges for NCC (where this has not been delegated to a town council).</b></p> <p><b>Question: How can I find out who cuts the verges in my parish and, for example, whether Tarmac has subcontracted this work?</b></p> <p><b>Supplementary question: How can my parish council go about bringing verge cutting in our parish in house (as is done in some urban districts in Norfolk)?</b></p> <p><b>Response from the Chair, Cllr Barry Stone</b></p> <p>We have delegated agreements with a number of District, Town and Parish Councils across the county. These can be seen on our website, here: <a href="https://www.norfolk.gov.uk/roads-and-transport/roads/road-maintenance/trees-hedges-and-grass-verges/grass-cutting">https://www.norfolk.gov.uk/roads-and-transport/roads/road-maintenance/trees-hedges-and-grass-verges/grass-cutting</a> under the question “who is responsible for grass cutting?”. These agreements are only considered for the urban cuts.</p> <p>Tarmac is responsible for grass cutting across the county and use their network of sub-contractors in order to complete this work within the required timescales. Their subcontractors are mostly local farmers or dedicated horticultural service providers.</p> <p>In terms of bringing urban grass cutting in-house for a parish, contact should be made with your local highway engineer who will assess the request and the associated cost of undertaking this work. If the parish are happy to proceed (based on the payment they will receive) an agreement will be required to delegate this function to them. The payment is based on what it costs NCC to cut the same verge.</p> |



| Agenda item 6 | Local Member Issues / Questions   |
|---------------|---|
| 6.1           | <p><b>Question from Cllr Jim Moriarty</b><br/> Minerals and Waste Local Plan – Shouldham/March area concerns<br/> If the intention was for SIL 02 is being removed (as have other areas in their entirety) from the plan as part of the previous consultation exercise following comments from the MoD about such work being inappropriate so close to RAF Marham, why is a large percentage of it possibly still going forward (approx 35%), albeit under the banner of AOSE ?</p> <p><b>Response from the Chair, Cllr Barry Stone</b><br/> This question relates to the contents of the Preferred Options version of the Minerals and Waste Local Plan which was published for consultation in September 2019. The Regulation 19 publication version of the Minerals and Waste Local Plan is currently being completed in order for the legal representations period to take place before submission to the Secretary of State for examination next year.</p> <p>Area of Search E and proposed site SIL 02 should be considered as entirely separate entities. An Area of Search is based on the British Geological Survey inferred mineral resources and within which area it is considered that a planning application could be submitted for a specific site for mineral extraction in the future, particularly if there is a potential shortfall in the supply of silica sand. As an Area of Search details such as working methods and restoration remain to be addressed. SIL 02 is a specific site that has been proposed by a mineral company which they propose to work wet. Whilst no restoration plans have been provided, it is highly likely that if the site is worked wet it would be restored to open water. The Ministry of Defence (Defence Infrastructure Organisation) objected to site SIL 02 due to the likely restoration to large areas of open water which could attract waterfowl. The MOD did not object to AOS E but raised safeguarding concerns and said they would require further information on any future proposals to determine whether a site located within AOS E could be managed with design principles and a Bird Management Plan.</p> <p>Based on the responses it was concluded that while it would not be appropriate to allocate SIL02, future proposals for extraction using alternative working practices could not be ruled out, so the land in question was retained in the Area of Search. Policies would require any future planning application to contain a bird hazard assessment and a bird hazard management plan on which the MOD (DIO) would be consulted.</p> |
| 6.2           | <p><b>Question from Cllr Jamie Osborne</b><br/> The Sustainability Appraisal framework for the current Local Transport Plan (LTP3) has an objective ENV1 “to reduce CO2 emissions from transport”. Transport emissions in Norfolk have increased each year since 2013. The agenda papers at page 222 describe the duty under the Transport Act 2000, section 109. for the Council to keep its LTP under review and alter or replace it if considered appropriate to do so. How has the persistent breach of the objective of carbon reductions in the LTP3 been reported within the Council, and why was it not considered appropriate to review the LTP3 earlier to address rising carbon emissions?</p> <p><b>Response from the Chair, Cllr Barry Stone</b><br/> Carbon emissions is one of several objectives in the Sustainability Appraisal for the current Local Transport Plan, LTP3. The plan itself also contains a number of targets. These are monitored annually and help to inform future delivery.</p>  |

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|     | <p>Many factors need to be taken into account in considering whether to review the LTP including government and local policy objectives. Taking all of these factors into account led to Members agreeing to review the plan in 2019. This followed a roll-forward of the LTP Implementation Plan, agreed by Members in March 2015, which took account of relevant factors at that time.</p> <p>A full review of the Local Transport Plan is a significant task and takes into account a wide range of factors and views. This helps us to develop the best possible strategy moving forward, taking account of relevant priorities. The review of the Strategy enables us to give detailed thought to what more we can do to address carbon emissions in the county, including to deliver the carbon net zero commitment set out in the Environmental Policy agreed by Members.</p> <p>We have not been complacent whilst LTP4 has been developed and further work to support carbon reduction has continued during this period. This includes further investment in active travel and development of an electric vehicle strategy, which the Select Committee will be reviewing later this year.</p> <p>Moving forward, the LTP4 report on the Select Committee agenda asks that Members of the Committee agree on how they would want ongoing reporting of Local Transport Plan delivery in order to ensure that appropriate arrangements continue to be in place.</p> <p><b>Supplementary Question</b></p> <p>I refer to Monitoring Framework for the LTP4 SA, given at page 325 of the agenda, within the Sustainability Appraisal: SA Post Adoption Statement (DRAFT: June 2021). The Sustainability Appraisal framework for the LTP4 has an SA3 objective “to reduce carbon emissions”, which is the successor of ENV1 for the LTP3. Why have you relied on modelling that has not been independently validated in the LTP4 GHG Assessment documents to conclude that there are no “residual significant effects” on carbon emissions in the plan, when the monitoring data, based on real world monitoring has recorded a persistent breach of the carbon reduction objective since 2013?</p> <p><b>Response from the Chair, Cllr Barry Stone</b></p> <p>The Sustainability Appraisal was undertaken by independent consultants WSP on behalf of Norfolk County Council. The Sustainability Appraisal was a separate commission from the Norfolk Transport Greenhouse Gas Assessment and did not rely on the modelling undertaken for that.</p> |
| 6.3 | <p><b>Question from Cllr Maxine Webb</b></p> <p>A petition, signed to date by over 700 residents from across Norfolk, is calling for Norfolk County Council to stop the use of glyphosate herbicides and pesticides on our streets, council owned farms and other facilities. Given the growing health and environmental concerns over the use of weed killers containing glyphosates and the importance of pollinators - as evidenced in Norfolk’s Pollinator Action Plan, including ‘Top tip 6 – Ditch the pesticides’- will the committee include a review of the Council’s use of pesticides and especially glyphosate herbicides, on the future work programme of the Environment Member Oversight Group?</p> <p><b>Response from the Chair, Cllr Barry Stone</b></p> <p>Norfolk County Council takes a careful approach to the use of herbicides and pesticides across its estate, including highways, County Farms and other locations</p>   |

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|     | <p>and one which is always led by national legislation and directives, including the Plant Protection Products (Sustainable Use) Regulations 2012.</p> <p>As laid out in the Pollinator Action Plan, the Council's approach to its Roadside Nature Reserves (RNRs) is to avoid the use of pesticides.</p> <p>Officers are currently working on a new policy with regard to the Council's use of herbicides and pesticides and this will be shared with the Environment Member Oversight Group in due course ahead of any committee review as part of the Council's overarching approach to its policy framework.</p>  |
| 6.4 | <p><b>Question from Cllr Richard Price</b></p> <p>There have been several instances of RNR's being cut in my Division, which has caused great concern. Poor communication because of the chain of subcontracting. The Committee needs to emphasise that all subcontractors show greater diligence. Will the Committee adopt the Plantlife advice that the cut be delayed until the end of August or early September? The Parishes and Public also need to know who else is authorised to cut verges, Members, Parishes and the Public have a right to know. Will the Committee specify the criteria to include variety, number, rarity of plants to qualify to be a RNR and include information on how communities can apply?</p> <p><b>Response from the Chair, Cllr Barry Stone</b></p> <p><b>Question 1:</b></p> <p>A fine balance between road safety and the environment must be met with regards to the grass cutting operations across the county. Each year the growing season is subtly different. The prolonged wet and mild weather this year has seen significant growth and we are also receiving requests to undertake an earlier cut to ensure safety. The second rural cut has historically commenced in mid-July. We are currently exploring whether this second rural cut can be deferred to later in August. In light of the high level of growth and reported visibility issues across the network, this may not be possible for the current season. The feasibility of delaying the cut will be explored further for future cutting seasons.</p> <p>Roadside Nature Reserves (RNRs) are cut later in the year to allow the rare species to both flower and seed for the next season. RNRs are currently only marked on-site by means of wooden posts, which are easy to miss in long grass and subsequently knock over. It is proposed, to ensure RNRs are not mistakenly cut going forward, that GPS points are shared with those undertaking the cutting. An example of this may be marking the existing cutting maps with their locations.</p> <p>Norfolk County Council are responsible for cutting the roadside verges as the Highway Authority. The County Council employs contractors to undertake this work but also has delegated agreements in place with Parish, Town and District Councils. These can be seen on our website, here: <a href="https://www.norfolk.gov.uk/roads-and-transport/roads/road-maintenance/trees-hedges-and-grass-verges/grass-cutting">https://www.norfolk.gov.uk/roads-and-transport/roads/road-maintenance/trees-hedges-and-grass-verges/grass-cutting</a> under the question "who is responsible for grass cutting?". These agreements are only in place for the urban cuts.</p> <p><b>Question 2:</b></p> <p>The method and criteria for designating RNR are very similar to how County Wildlife Sites are determined. They differ, in the main, because they are too small to meet the minimum site for County Wildlife Sites. More detailed information can be provided to interested communities on request.</p> |

# 2022-23 Budget: Select Committee strategic and financial planning 2022-23

Cllr Andrew Jamieson, Cabinet Member for Finance

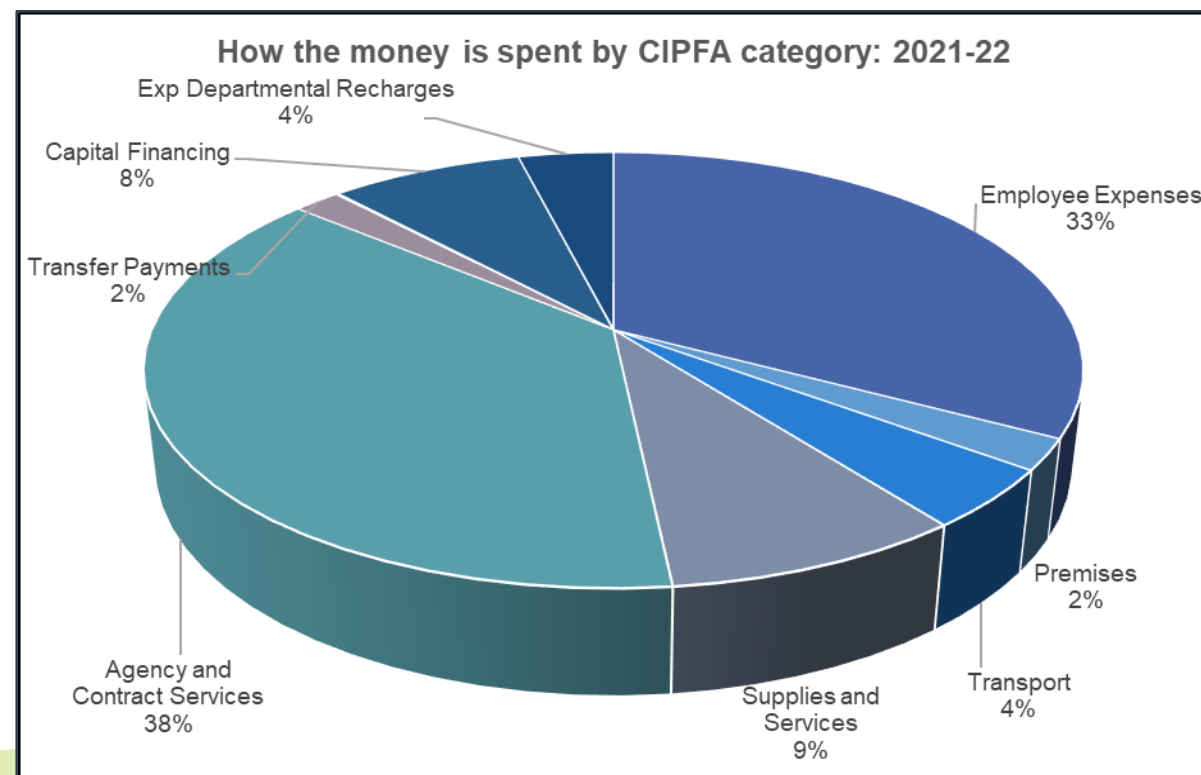
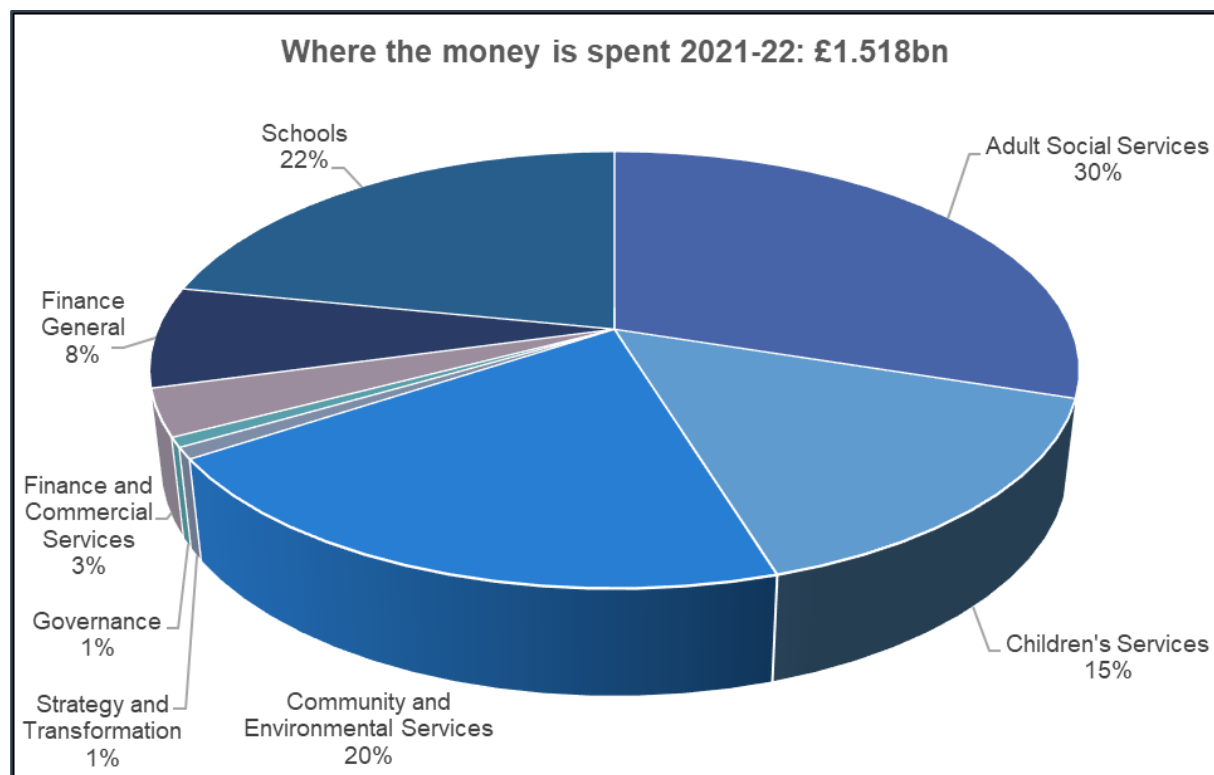
July 2021

# 2022-23 Budget process

| Activity/Milestone   | Time frame                   |
|--|------------------------------|
| Cabinet review of the financial planning position for 2022-26 – including formal allocation of targets   | 5 July 2021                  |
| Select Committee input to 2022-23 Budget development   | 12, 14, 16 July 2021         |
| Cabinet considers emerging proposals and service budget strategies   | 6 September 2021             |
| Cabinet considers full savings proposals and agrees proposals for public consultation  | 4 October 2021               |
| Public consultation on 2022-23 Budget and council tax and Adult Social Care precept options  | TBC October to December 2021 |
| Reporting to Cabinet as appropriate on Government funding announcements / changes to planning assumptions  | November – December 2021     |
| Provisional Local Government Finance Settlement announced including provisional council tax and precept arrangements   | TBC around 5 December 2021   |
| Confirmation of District council tax base and business rate forecasts  | 31 January 2022              |
| Cabinet considers outcomes of service and financial planning, EQIA and consultation feedback and agrees revenue budget and capital programme recommendations to County Council | 31 January 2022              |
| Final Local Government Finance Settlement  | TBC January / February 2022  |
| Scrutiny Committee 2022-23 Budget scrutiny   | 16 February 2022             |
| County Council agrees Medium Term Financial Strategy 2022-23 to 2025-26, revenue budget, capital programme and level of council tax for 2022-23                                | 21 February 2022             |

# 2021-22 Budget context

The graphs indicate how the Council's gross 2021-22 Budget is spent by service and type of spend. The scale of the budget provides important context when considering 2022-23 savings.



# Medium Term Financial Strategy: Key assumptions

The Medium Term Financial Strategy (MTFS) agreed in February 2021 reflected the following assumptions:

- Significant cost pressures as set out in the appended report, however further pressures may emerge through the process;
- COVID-19 pressures cease after 2021-22;
- 2021-22 funding levels continue in 2022-23 (excluding COVID-19 funding);
- Pay inflation assumed at 3%;
- 1.99% council tax increase in all years, 1% ASC precept increase (2022-23 only);
- Limited tax base growth (0.5% in 2022-23, 0.75% 2023-24 and 1.0% thereafter);
- Collection fund deficit £2.4m 2022-23, £0.6m 2023-24, £0 2024-25.

|   | 2022-23<br>£m | 2023-24<br>£m | 2024-25<br>£m | 2025-26<br>£m | Total<br>£m    |
|---|---------------|---------------|---------------|---------------|----------------|
| Cost pressures and funding decreases        | 58.164        | 45.629        | 40.522        | 31.372        | <b>175.687</b> |
| Change in forecast council tax income       | -16.882       | -14.390       | -14.822       | -14.604       | <b>-60.697</b> |
| Existing planned savings in 2021-22 MTFS    | -2.245        | -1.600        | -2.500        | 0.000         | <b>-6.345</b>  |
| <b>Gap as reported to July 2021 Cabinet</b> | <b>39.037</b> | <b>29.639</b> | <b>23.200</b> | <b>16.768</b> | <b>108.645</b> |



# Medium Term Financial Strategy:

## Existing savings

- Planned savings already included in the 2021-25 MTFS agreed by Council in February total £47.524m.
- Savings to close the forecast 2022-23 MTFS gap of £39.037m are required **in addition** to existing savings of £2.245m.

|   | 2021-22<br>£m  | 2022-23<br>£m | 2023-24<br>£m | 2024-25<br>£m | Total<br>£m    |
|---|----------------|---------------|---------------|---------------|----------------|
| Adult Social Services                   | -17.858        | 4.275         | 2.000         | 0.000         | <b>-11.583</b> |
| Children's Services                     | -11.300        | -6.900        | -3.500        | -2.500        | <b>-24.200</b> |
| Community and<br>Environmental Services | -8.288         | -0.466        | 0.000         | 0.000         | <b>-8.754</b>  |
| Strategy and Transformation             | -0.553         | -0.180        | 0.000         | 0.000         | <b>-0.733</b>  |
| Governance                              | -0.353         | 0.000         | 0.000         | 0.000         | <b>-0.353</b>  |
| Finance and Commercial<br>Services      | -1.927         | 0.026         | -0.100        | 0.000         | <b>-2.001</b>  |
| Finance General                         | -0.900         | 1.000         | 0.000         | 0.000         | <b>0.100</b>   |
| <b>Grand Total</b>                      | <b>-41.179</b> | <b>-2.245</b> | <b>-1.600</b> | <b>-2.500</b> | <b>-47.524</b> |



# Medium Term Financial Strategy:

## Saving targets for 2022-23

- Savings targets agreed by Cabinet 05/07/2021.
- Uncertainty around funding (fair funding, social care reform) and additional cost pressures.
- Detailed funding allocations for 2022-23 unlikely before late autumn 2022.
- Risks include COVID-19 pressures persisting into 2022-23.
- **Freezing council tax would add approximately £8.8m to the savings target to be found in 2022-23.**

|                                      | 2022-23<br>£m | 2023-24<br>£m | 2024-25<br>£m | 2025-26<br>£m | Total<br>£m    |
|--------------------------------------|---------------|---------------|---------------|---------------|----------------|
| Adult Social Services                | <b>17.700</b> | 13.600        | 10.700        | 7.800         | <b>49.800</b>  |
| Children's Services                  | <b>8.700</b>  | 6.500         | 5.000         | 3.600         | <b>23.800</b>  |
| Community and Environmental Services | <b>8.700</b>  | 6.500         | 5.100         | 3.700         | <b>24.000</b>  |
| Strategy and Transformation          | <b>0.500</b>  | 0.400         | 0.300         | 0.200         | <b>1.400</b>   |
| Governance                           | <b>0.400</b>  | 0.300         | 0.300         | 0.200         | <b>1.200</b>   |
| Finance and Commercial Services      | <b>1.800</b>  | 1.300         | 1.000         | 0.700         | <b>4.800</b>   |
| Finance General                      | <b>1.300</b>  | 1.000         | 0.800         | 0.600         | <b>3.700</b>   |
| <b>Total savings target</b>          | <b>39.100</b> | <b>29.600</b> | <b>23.200</b> | <b>16.800</b> | <b>108.700</b> |

Options to address any shortfall in savings to close the 2022-23 Budget gap will include:

- Government providing additional funding;
- Corporate / centrally identified savings opportunities; and
- Service departments identifying further savings at a later stage in the process.

# Suggested lines of enquiry

Suggested **key questions for Select Committee** to consider:

1. What learning from the pandemic can be used to assist us in finding financial savings?
2. What areas of the Council's operations could benefit from the transformation programme?
3. Where can Members see scope for 'de-siloing', both internally and with partners?
4. What ideas are there for rationalising the property estate as we focus our operation on County Hall and other hubs?

Further considerations for saving proposals:

- **Long-term implications:** What is the likely impact on preventative services, invest to save, third-party income?
- **Strategic fit:** What are the links to wider organisational strategy and objectives?
- **Synergy:** Any alignment to other savings, and Smarter Working initiatives – which could be an opportunity to go bigger/share overheads?
- **Replicability:** Could this type of saving be repeated in any other service?
- **Key risks:** Including:
  - the extent it is in our gift – i.e. could be difficult, but in our power to deliver, or relies on cost avoidance/people's behaviours/culture change etc.
  - Wider risks and acceptability.
  - Double counting and overlap with other departments?
- **Challenges and costs:** Are the costs of implementation all included?
- **Consultation:** Does it require a policy change?
- **Equity:** Does it create a policy, employment or service delivery imbalance between service departments and service users?