

Scrutiny Committee

Date: **Wednesday 21 October 2020**

Time: **10am**

Venue: **Virtual Meeting**

Pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting will be held using video conferencing.

The Scrutiny meeting will be broadcast live via this link:

<https://youtu.be/LZRFWKm2nYE>

Scrutiny Members and other attendees: DO NOT follow this link, you will be sent a separate link to join the meeting.

Membership:

Cllr Steve Morphew (Chair)
Cllr Alison Thomas (Vice-Chair)

Cllr Roy Brame
Cllr Emma Corlett
Cllr Phillip Duigan
Cllr Ron Hanton
Cllr Chris Jones

Cllr Joe Mooney
Cllr Judy Oliver
Cllr Richard Price
Cllr Dan Roper
Cllr Stefan Aquarone
Cllr Haydn Thirtle

Parent Governor Representatives

Mr Giles Hankinson
Vacancy

Church Representatives

Ms Helen Bates
Mr Paul Dunning

A g e n d a

1 To receive apologies and details of any substitute members attending

2. Minutes

(Page 5)

To confirm the minutes from the Meetings held on 23 September 2020

3. Members to Declare any Interests

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

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

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

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

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

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

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

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

5 Public Question Time

Fifteen minutes for questions from members of the public of which due notice has been given. Please note that all questions must be

received by the Committee Team (committees@norfolk.gov.uk) by **5pm on Friday 16 October 2020**. For guidance on submitting a public question, please visit <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/councillors-meetings-decisions-and-elections/committees-agendas-and-recent-decisions/ask-a-question-to-a-committee>

6 Local Member Issues/Questions

Fifteen minutes for local member to raise issues of concern of which due notice has been given. Please note that all questions must be received by the Committee Team (committees@norfolk.gov.uk) by **5pm on Friday 16 October 2020**

7 The deadline for calling-in matters for consideration at this meeting of the Scrutiny Committee from the Cabinet meeting held on Monday 5 October 2020 was 4pm on Monday 12 October 2020

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|-----------|--|-----------------------------|
| 8 | COVID 19 – Return to School Report | 10.05 - (Page 12)
10.55 |
| | Report by the Executive Director of Children’s Services | |
| 9 | COVID 19 – Support for Vulnerable People in our Communities | 10.55 - (Page 19)
11.50 |
| | Report by the Executive Director of Adult Social Services | |
| | Break 11.50 am – 12.00pm | |
| 10 | Strategic and Financial Planning 2021-22 | 12:00 - (Page 31)
12.50 |
| | Report by Executive Director of Finance and Commercial Services | |
| 11 | Scrutiny Committee Forward Work Plan | 12.50 - (Page 81)
13.00 |
| | Report by Executive Director of Strategy and Governance | |

Tom McCabe
Head of Paid Service
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 13 October 2020



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Scrutiny Committee

Minutes of the Meeting Held on 23 September 2020
at 10:00 as a virtual teams meeting

Present:

Cllr Steve Morphew (Chair)
Cllr Alison Thomas (Vice-Chair)

Cllr Emma Corlett
Cllr Phillip Duigan
Cllr Ron Hanton
Cllr Chris Jones
Cllr Joe Mooney

Cllr Judy Oliver
Cllr Richard Price
Cllr Dan Roper
Cllr Haydn Thirtle

Substitute Members present:

Cllr David Harrison for Cllr Stefan Aquarone

Parent Governor Representative

Mr Giles Hankinson

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

Cllr Bill Borrett	Cabinet Member for Adult Social Care, Public Health and Prevention
Cllr Margaret Dewsbury	Cabinet Member for Communities and Partnerships
Cllr Graham Plant	Cabinet Member for Growing the Economy
Cllr Martin Wilby	Cabinet Member for Highways and Infrastructure
Cllr Andrew Jamieson	Cabinet Member for Finance
Tom McCabe	Head of Paid Service
Fiona McDiarmid	Executive Director of Strategy and Governance
Rob Walker	Chair of TSG and Executive Director Place, Breckland Council
Jon Peddle	Chair of Animal Welfare Cell and Food and Farming Manager, Trading Standards
Ceri Sumner	Director, Community, Information and Learning
Dr Louise Smith	Director of Public Health
Caroline Clarke	Head of Governance and Regulatory Services
Karen Haywood	Democratic Support and Scrutiny Manager
Tim Shaw	Committee Officer

1. Apologies for Absence

- 1.1 Apologies were received from Cllr Roy Brame and Cllr Stefan Aquarone (Cllr David Harrison substituting), Ms Helen Bates (Church Representative) and Mr Paul Dunning (Church Representative).

2 Minutes

- 2.1 The minutes of the meetings held on 19 August 2020 were confirmed as an accurate record and signed by the Chair.

3. Declarations of Interest

- 3.1 There were no declarations of interest.

4 Urgent Business

- 4.1 No urgent business was discussed

5. Public Question Time

- 5.1 There were no public questions.

6. Local Member Issues/Questions

- 6.1 No local Member questions were received.

7. Call in: County Council Highway Authority - Planning Consultation response to South Norfolk Planning Application 2018/2631

- 7.1 The annexed report (7A) related to the call-in of an item of the Cabinet papers of 7 September 2020 entitled "County Council Highway Authority - Planning Consultation response to South Norfolk Planning Application 2018/2631."
- 7.2 The Chair explained the way in which he would handle this item to best ensure a fair and balanced scrutiny process and to decide what (if any) issues the Committee would refer to the Cabinet.
- 7.3 In addition to welcoming Cllr Dan Roper (a member of the Committee who would present the reasons for the call-in) , the Chair welcomed to the meeting Graham Plant, Cabinet Member for Growing the Economy, Margaret Dewsbury, Cabinet Member for Communities and Partnerships and Martin Wilby, Cabinet Member for Highways and Infrastructure.
- 7.4 Cllr Roper explained the reasons for the call-in which were set out in Appendix A to the report. He said that the call-in was not about seeking to influence the way in which South Norfolk District Council determined the planning application. The call-in was about why the County Council had changed its highways view and about the evidence that Cabinet had used to reach its decision. The report to Cabinet had contained only a "narrow" highway view on the suitability of roundabouts as road junctions. It was important to ascertain where in the Council's economic strategy it said that the proposed development must be at this place with this exact roundabout. The evidence Cabinet used to reach a decision should be published in full or the reasons for not publishing it made clear.

- 7.5 The Executive Director of Community and Environmental Services said that the proposed roundabout was deemed to be safe and appropriate and could be built to the required standard to allow direct access onto the A140.
- 7.6 In reply to questions, Cllr Graham Plant, Cabinet Member for Growing the Economy said that the planning application was on behalf of Ben Burgess (a national farm machinery company) for the location of their new headquarters. The application provided for 90 jobs and included the provision of a training hub. In reply to questions the Cabinet Member said that the Cabinet had weighed up the relatively narrow highways view on the junction versus the broader impact of the proposed development on the Norfolk economy.
- 7.7 Cllr Martin Wilby, Cabinet Member for Highways and Infrastructure, said that he shared views expressed by the Executive Director of Community and Environmental Services and the Director of Highways and Waste that the proposed roundabout would be the correct form of junction on this type of road and would meet with the current and forecast traffic flow volumes.
- 7.8 Cllr Margaret Dewsbury, Cabinet Member for Communities and Partnerships referred to reduced traffic flows on the A140 (a part of the national Major Route Network) and said that the roundabout was a good solution to help keep this nationally significant business in Norfolk and at a site where the company wanted to locate.
- 7.9 During discussion the following key issues were raised:
- The economic benefit to the Norfolk economy (while not a direct consideration for the Highways Authority) was a significant consideration for Cabinet.
 - The Highway Authority had been engaged in lengthy discussion with the company before the application was submitted and at no time had officers said to the applicant that a roundabout would not provide a safe solution. The discussions with the applicant had come down to technical issues about the location of a roundabout rather than would a roundabout provide an appropriate solution.
 - This application now met with highways policy guidance.
 - There had been many other applications for vehicular access to the A140 which had not met with road safety requirements. Each application had to be considered on its own merits
 - Cllr Corlett said that there was no evidence to show that brown field sites had been considered as an alternative to the proposed site or that the application met with the County Council's plans to be carbon neutral by 2030.
 - In reply to questions officers said that a full route appraisal of the A140 (that included Suffolk Highways Authority) had yet to take place. The absence of an environmental development strategy and site selection issues were matters for SNDC to consider on planning grounds.
 - The Cabinet Member for Growing the Economy said that the company was committed to the use of low carbon farm machinery and to providing a training and development centre with opportunities for apprentices.
 - The hours of access to the site from the roundabout would be an issue for

South Norfolk District Council as the planning authority and not for the County Council to decide.

- 7.10 After further discussion, Cllr Dan Roper said that apart from the comment that could be found at paragraph 2.4.2 of the Cabinet report there did not appear to be any evidence presented to Cabinet to explain how the Council had gone from a position in 2019 where it had objections on highway grounds to where it now had no such objections.
- 7.11 Cllr Dan Roper, seconded by Cllr Emma Corlett, moved:
- To refer back to Cabinet the recommendation that there are no objections on highways grounds and instead ask Cabinet to put forward a County Council response that presents a “balanced view” between the original recommendation on highways grounds in 2019 and the advice Cabinet subsequently received from the Director of Highways and Waste.
- 7.12 In seconding the proposal Cllr Corlett said that it was important for Cabinet to explain its “workings out” as to how it had arrived at its decision and how it had taken account of the impact of wider Council strategic issues.
- 7.13 After further discussion, the motion was LOST there being 5 votes in favour and 7 votes against.

7.14 **RESOLVED**

That Scrutiny Committee note the report.

8. Banham Poultry Covid-19 Outbreak

- 8.1 The Director Public Health and the Head of Paid Service provided the Committee with a report that explained the recent Covid-19 outbreak at Banham Poultry and the measures that Norfolk County Council and partners had taken to contain the spread which had been reported to Cabinet.
- 8.2 Dr Louise Smith, Director of Public Health, Rob Walker, Chair of TSG and Executive Director Place, Breckland Council, Jon Peddle, Chair of Animal Welfare Cell and Food and Farming Manager, Trading Standards and Ceri Sumner, Director, Community, Information and Learning provided the Committee with a presentation about the following issues:
- Covid-19 cases each day in Norfolk since 1 August 2020. This enabled the Committee to better understand the impact of the Banham Poultry outbreak on the overall incidence of Covid-19 in Norfolk.
 - Inequalities amongst people already diagnosed with Covid-19.
 - The community response to the outbreak
 - The wider business and economic implications of Covid-19.
 - Animal welfare issues.
- 8.3 During discussion the following points were noted:
- The Director of Public Health explained the timeline of events since when on

Friday 21st August Norfolk County Council's Public Health Team became aware that a member of Banham Poultry's staff was admitted to the Norfolk and Norwich University Hospital and subsequently tested positive for Covid-19. This was set out in the report.

- An increased testing regime was put in place as a result of the outbreak at Banham Poultry.
- The numbers of positive cases from Banham Poultry were now mostly through the system and Norfolk was returning to "normal" levels. The data would be reviewed on 25 September 2020 to ascertain if there was further spread of Covid-19 or if the rapid measures that were taken by Banham Poultry, those working at the factory and by colleagues working in the community had contained the outbreak.
- At 10 September 2020, including all positive cases in Norfolk, the rolling 7-day incidence per 100,000 was 8.9 per cases per 100,000 compared to England with 33.8 cases per 100,000.
- There were a small number of people admitted to hospital as a result of the Banham Poultry outbreak, but no recorded deaths.
- Outbreaks of Covid-19 were more likely in meat processing plants because of environmental reasons.
- The mobilisation of early testing, the participation and support of all those associated with Banham Poultry, of Environmental Services Officers at Breckland District Council and of Trading Standards Officers at the County Council had significantly reduced the impact of the Banham Poultry outbreak. The outbreak had also been reduced by close working with employment agencies, landlords and the publication of information about the outbreak in different languages.
- The Banham Poultry site fell within Government regulations that specified types of premises of national significance where decisions regarding factory closure laid with the Secretary of State.
- The work of the Tactical Support Team set up to deal with the outbreak was now at an end. An analysis of the lessons learnt from the outbreak would be reported back to the Committee later.
- The main learning point from the outbreak was that the local NHS had to remain on constant alert to the unexpected ways in which Covid-19 might present itself to them. The local NHS needed to be able to identify patterns of cases of Covid-19 and work to a much lower number of such cases before notifying the multi-disciplinary outbreak team. The Director of Public Health agreed to take up the matter with the NHS and in particular the need for local hospitals to have a watch list of particular groups of people where it would take only one or two cases for them to be reported to the multi-disciplinary outbreak team.
- Hospitals and employment agencies needed to retain up to date information about those working in high risk industries.
- Cllr Bill Borrett, Cabinet Member for Adult Social Care, Public Health and Prevention, stressed the importance of personal health protection measures such as hand washing and social distancing in dealing with the pandemic. He said that the Government and all public and private bodies operating in Norfolk recognised the importance of joint working to deal with the pandemic. He praised all those who had worked hard to contain and control the outbreak including the company and its workers.
- The racist comments made by a small minority of people about some workers at Banham Poultry was condemned by the Cabinet Member and by Members

of the Committee.

8.4 RESOLVED

That Scrutiny Committee

- 1. Note the significant response by Public Health Norfolk and of our partners in district councils, New Anglia Local Enterprise Partnership, the voluntary sector. along with regional and national government agencies, in working to contain a Covid-19 outbreak at Banham Poultry in Attleborough.**
- 2. Acknowledge, recognise and thank everyone associated with the large amount of work carried out by Norfolk County Council and partners (including the owners and managers of Banham Poultry) in containing this Coronavirus outbreak and in implementing Norfolk's Outbreak Control Plan.**
- 3. Continue to support and promote Protect Yourself, Protect Others Protect Norfolk public health messages to keep residents safe.**
- 4. Ask to hear back at a future meeting about the lessons learnt from the outbreak.**
- 5. Place on record thanks to the workers at Banham Poultry who, while not in a strong financial position, have shown an excellent example to other Norfolk residents about how to respond when faced with an outbreak of this kind.**
- 6. Ask that hospitals and employment agencies be alerted to the importance of keeping up to date information about those working in high risk industries.**

9 Strategic and Financial Planning 2021-22

- 9.1 The Committee received a report by the Executive Director of Finance and Commercial Services and the Executive Director of Strategy and Governance about the development of the 2021-22 Budget.
- 9.2 Cllr Andrew Jamieson (Cabinet Member for Finance) in introducing the report said that saving proposals to aid in closing the budget gap would be presented to Cabinet in October 2020, after being developed based on the approaches set out in Sections 4-8 of the Cabinet report presented to this meeting of the Scrutiny Committee and following input from Select Committees about the overall strategy in each Department during September 2020.
- 9.3 The issues that were discussed included the following:
- Councillors spoke about the difficulty that the Scrutiny Committee and the Select Committees had in commenting on broad budget planning proposals that were not yet set out in enough detail and of the need for cross party support to deal with budgetary pressures that arose from the significant impact of Covid-19.
 - The scale of the budget gap to be closed remained subject to considerable uncertainty and there were issues which could have a material impact on the level of resources available to the Council to deliver services in the future.
 - While there remained a continuing rise in council tax collection rates as a result of more homes being built there was likely to be more people seeking

Council Tax support due to the impact of Covid-19 on the economy.

- It was pointed out that the Corporate Select Committee had suggested that to provide more focus broad budget planning proposals should be brought to Select Committees in July each year and that this should be suggested for future years.
- It was noted that the County Council awaited a Government announcement about the White Paper on Adult Social Care.

9.4 RESOLVED

That Scrutiny Committee note the key issues for 2021-22 budget setting and the broad areas proposed for savings development asset out in the appended Cabinet report.

10 Children's Services Scrutiny Sub-Committee

- 10.1 The Committee received a report by the Executive Director of Strategy and Governance that asked Councillors to agree the most appropriate way forward for the scrutiny of Children's Services issues.

10.2 RESOLVED

That Scrutiny Committee agree

- 1. Scrutiny of Children's Services be undertaken by a Children's Services Scrutiny Sub Committee with the membership being: 5 Members (3 Conservatives, 1 Labour, 1 Lib Dem) (with substitution being permitted from the wider County Council membership than the Scrutiny Committee)**
- 2. The proposed programme of work and meeting dates outlined in the report.**

11. Scrutiny Committee Forward Work Programme

- 11.1 The Committee received a draft of the forward work programme.

11.2 RESOLVED

That the Scrutiny Committee agree the forward work programme as set out in a report by the Executive Director of Strategy and Governance subject to an opportunity at the October 2020 meeting (as part of an officer report) to examine the systemic issues that arise from ongoing outbreaks of Covid-19 in care homes and in public sector settings.

The meeting concluded at 15:30

Chair

Scrutiny Committee Item 8

Decision making report title:	Return to School Report
Date of meeting:	07 October 2020
Responsible Cabinet Member:	Cllr John Fisher (Cabinet Member for Children's Services)
Responsible Director:	Sara Tough
<p>Introduction</p> <p>Schools returned to open for all pupils this September, in line with government expectations. A presentation on the key activity to support schools will be provided at the meeting by the Director for Learning and Inclusion. In addition, Headteacher representatives from the Headteacher Associations will be present to answer any specific questions, from their perspective.</p> <p>Executive Summary</p> <p>Norfolk schools prepared well for re-opening their schools to all children in September. They worked closely with their governance and with the local authority to ensure clear and safe procedures to welcome children back, were in place. As a result, all maintained Norfolk schools opened successfully.</p> <p>Attendance was slightly better than the average across the country and at the time of writing is holding at around 89%. <i>(More up to date figures will be included in the presentation at the meeting).</i></p> <p>Significant infrastructure and support was provided by the local authority to enable and schools to open safely. This included not only the Children's Services, but other NCC services, for example Health and Safety, and key partners such as Public Health and NHS England and the CCGs. <i>(Expanded evidence of the range of services involved will be included in the presentation).</i></p> <p>Schools continue to face some unprecedented challenges in delivering a curriculum which recognises the impact of the last six months of life. All children will respond differently, some have thrived both emotionally and educationally, some have not. Schools are working with children and families to understand how they can support children appropriately and catch up learning for those who have fallen behind.</p> <p>Recommendations</p> <ol style="list-style-type: none"> 1. To read and recognise the range of services and support provided to schools to support them in opening fully from September 2. To explore the key challenges for schools, in supporting children and families and understand the strategies that are in place to help children catch up with their learning. 	

1. Background and Purpose

- 1.1. Committee have requested that this item focuses on reviewing what has happened since schools returned in September and the role Children's Services has played in providing additional support.
- 1.2. Furthermore, we have been asked to provide an up to date view of the position for schools, by primary and secondary, to recognise some distinctions.
- 1.3. The final ask relates to children catching up in learning. It is not possible to quantify the baseline in order to have a view about an average loss of learning, however there will be an opportunity for committee to understand the approaches that schools will be taking to support children and young people to catch up.
- 1.4. In keeping with the enhanced expectation on Local Authorities, since Lockdown to ensure that support and co-ordination was provided to the whole system, this report refers to schools which includes those maintained by the Local Authority and those that are Academies.

2. Update on Return to School and the key challenges

- 2.1. Schools in Norfolk opened for all children and young people to return to school at the beginning of September. To do this, they have received much national and local guidance to support the expectations on schools for creating a safe and practical learning environment for pupils and students.
- 2.2. The work of Children's Services to support schools since March 23rd 2020, was reviewed and refined, ready for the start of the school autumn term. Support and challenge is in place, some of which is business as usual, and some of which reflects the specific context for schools, children and families currently.
- 2.3. Engagement with school leaders and governors, including Academy leaders and CEOs has been routine and frequent. This has enabled us to have a very clear and current view of the key challenges and to work collaboratively with education providers, across our services and wider partners to support schools.
- 2.4. Schools worked hard during the final months of the summer school term and many, across the school summer holidays, to prepare for September and convince parents and carers that their schools were safe to return to. The local authority and partners supported this, with media campaigns and shared messaging.
- 2.5. Close working, across a number of the council's departments, ensured consistent advice and support, and a dialogue with schools to make sure they had help in re-opening for all children.
- 2.6. Children's Services has provided support and challenge from across its directorates. For example, support and challenge has been provided to ensure schools have opened swiftly to all children, and this has included:

- 2.6.a • communicating key messages to parents and schools to build confidence,
- 2.6.b • support for families and school staff with regard to children's wellbeing in returning to school,
- 2.6.c • enhanced support for children with a social worker,
- 2.6.d • named adviser support, organised by cluster for every school, curriculum resources, support for catch up learning.

2.7 The return to school has been largely positive in Norfolk. Schools opened across the first week for all children, with only a small number of special schools implementing a slower, phased return to manage the needs and safety of more complex children and young people. All schools opened at the start of term. Attendance has been above the national average for the last few weeks and at the time of writing this report, attendance has been holding at approximately 92%. In order to protect the need for schools to complete a daily data return on attendance, we do not collect this information locally. We have access to the DFE's daily data submissions for our schools. A number of schools, approximately 16% currently, are not able to complete the DFE return daily. Across the week, however, only about 5% never complete the return (please note 2.8.i).

Attendance figures for the 9th October 2020 – for Norfolk maintained schools only

Attendance	Norfolk	National
All pupils	91.4%	88%

2.8 Schools have faced a number of challenges since September. Children's Services has maintained a high degree of cluster-based support around schools. We continue to send out 'Alerts' each week, which help school leaders to see COVID-related support, advice and guidance in one place. There has been further support and most recently training for wellbeing in addition to extra resources to support curriculum delivery and remote learning.

2.8.a Since September some of the biggest challenges for schools have included:

- 2.8.b • **Implementing significant Health and Safety risk assessments for accommodating children and young people back into school, safely.** There have been several toolkits for risk assessment, provided nationally, by Trade unions, by individual Multi-Academy Trusts, and by the Local Authority. All take the national guidance, and schools have been able to select a format to use that suits them.
- 2.8.c • **Creating a positive and safe environment for children and young people, which builds the confidence of parents and carers to return children to school.** This has been a significant challenge and schools have found a range of creative ways to show children what school would look like when they return to school.
- 2.8.d • **Managing the introduction of a modified, recovery curriculum.** Schools have spent considerable time refining their curriculum and resetting schemes of work and learning, to recognise the disruption to the last academic year.

- 2.8.e
- **Assessing and identifying children's needs following the absence from school, including social and emotional health, as well as learning.** This is a school-led process, which takes account of the wider impact on children and young people as a result of their individual experiences during COVID. There are no 'curriculum levels' anymore, by which you can measure where children are compared to other children. It is therefore not possible to aggregate or find an average as schools will be using different mechanisms to assess the impact on children and young people. (Some children have gained in other ways and have advanced their knowledge by working on the resources provided for remote learning by their school, and or supplementing that with self-study, or study supported by parents and carers.) For those with some curriculum gaps, due the absence for the last third of the school year, there is a catch-up curriculum and a national tutoring programme in place. Some children and young people may need time and support, in different ways, before they feel able and ready to 'catch up' or return to a more normal school curriculum.
- 2.8.f
- **Creating catch up provision to meet needs and identifying further support needed.** Schools are experienced in designing catch up curriculum, although not previously on this potential scale. All schools are used to designing catch up for children who have had long periods of absence from school, or who have otherwise fallen behind in their curriculum knowledge and skills.
- 2.8.g
- **Managing symptoms, prospective and actual cases of COVID, and following local and national expectations.** This is now a challenge in every school across Norfolk. For many, it has not progressed beyond recognising symptoms as not being COVID-related and maintaining the confidence of children, parents, staff and governors that they have clear and robust systems in place. For just over 50 schools in Norfolk, at the time of writing this report, there have been confirmed cases of COVID. This presents an enormous challenge to managing the school, reassuring children, families, staff and governors.
- 2.8.h
- **Managing tired and sometimes anxious children and young people, families, and staff is probably one of the greatest challenges.** This has been the role of Headteachers and Principals, since lockdown, many of whom opened their schools, themselves during the school holidays and sometimes weekends. Many spent the summer working on plans and risk assessments and have begun the autumn term, tired themselves. They have daily responsibility to run their schools against this complex landscape, which still sees considerable. Guidance and expectations from the DFE, often with no warning and little time to implement, and also nationally, seeing Wave 2 of COVID progressing.
- 2.8.i
- **Daily data returns to the DFE.** This has been a feature for schools for many months. Since September the expectation is for schools, of all types, including Independent, Early years settings and Colleges, their attendance data. This return, has at the time of writing this report, been enhanced, to now collect information about the number of remote learning hours that have been set for children and young people, where this is needed. It is a considerable undertaking and some schools are not able to complete this every day.

- 2.9 Until very recently, daily contact with the Department for Education has been the norm for the local authority. In the last few weeks, the Executive Director and Director of Learning and Inclusion, with other senior colleagues meet weekly with the DfE, via the office of the Regional Schools Commissioner, in order to share concerns and issues, and to share data and intelligence. This enables a flow of information to discuss school attendance, and COVID cases across schools.

3. Impact of the current situation

- 3.1. School leaders and many staff are tired, and the pressure is high and relentless. We have introduced an out of hours contact line for school leaders for support where issues do not relate to the safety or wellbeing of children or COVID case enquiries. This line is manned by the senior leadership team in Learning and Inclusion and is being used by Headteachers and CEOs.
- 3.2. The challenges arising for Norfolk schools, both primary and secondary are widely shared across the country. Regular weekly meetings across the region are held for the Director of Learning and Inclusion to share practice and issues with similar colleagues in every local authority in the Eastern region. Similarly, regular local authority network meetings are held regionally to look at issues relating to children and young people with SEND, and these are regularly attended by the DfE. Frequent engagement with the Regional Schools Commissioner has been valuable and important to enable clarity of messages to schools, reduce bureaucracy, duplication and avoid mixed messages.
- 3.3 Regular meetings are held with school leaders, including weekly meetings with the Chairs of the Headteacher Associations and Colleges representative and Chair of Norfolk Governance Network. There are also regular meetings with Academy CEOs and Local Authority maintained Headteachers.
- 3.4 The national programme of Wellbeing support to children has been developed and enhanced by joint working across Children's services, health and other stakeholders. This provides training and support for every school across Norfolk.
- 3.5 A small trial of developing our integrated wrap around support to schools, is in development following work over the summer period. The focus is to work with schools at an early stage of concern, to build on strengths within the family and to create the opportunity for a more holistic response, which draws together a range of professionals. This is at an early stage, but it is hoped that this can be extended swiftly.
- 3.6 Systems for communication and re-aligned multi-agency/virtual teams are well placed to support and help create solutions. For example, the COVID testing of children, their families and school staff is an ongoing challenge, as mirrored nationally. The work of the NCC Outbreak Management Centre, the School duty line, Public Health and NCC Health and Safety teams, who work daily to solve problems, interpret guidance and communicate practical strategies and support has resulted in an increasingly effective

system across Norfolk for education providers. (Other current examples will be shared in the presentation.

4. Evidence and Reasons for Decision

4.1. N/A

5. Financial Implications

5.1. N/A

6. Resource Implications

6.1. **Staff:** Staff continue to be realigned to deliver additional support and challenge, as well as delivering some business as usual services.

6.2. **Property:** N/A

6.3. **IT:** N/A

7. Other Implications

7.1. **Legal Implications:** N/A

7.2. **Human Rights implications:** N/A

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

7.4. **Health and Safety implications** (where appropriate): N/A

7.5. **Sustainability implications** (where appropriate): N/A

7.6. **Any other implications:** N/A

8. Risk Implications/Assessment

8.1. N/A

9. Select Committee comments

9.1. N/A

10. Recommendations

10.1. N/A

11. Background Papers

11.1. N/A

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Report to Scrutiny Committee

Report title:	COVID 19 – Support for Vulnerable People in our Communities
Date of meeting:	21 October 2020
Responsible Cabinet Member:	Bill Borrett – Cabinet Member for Adult Social Care, Public Health and Prevention
Responsible Director:	Executive Director of Adult Social Services
Is this a key decision?	N/A
<p>Actions required</p> <p>The Scrutiny Committee is asked to consider:</p> <ul style="list-style-type: none"> the attached presentation and updates in the meeting. whether there are any issues for further scrutiny at a future meeting, focusing on lessons learnt that could be fed into any current emergency planning and issues for longer term recovery planning. 	

1. Background and Purpose

- 1.1. At the Scrutiny Committee held on 27 May 2020 Members considered a forward programme of scrutiny regarding the County Council's response to COVID 19. The Committee have looked at issues regarding how the Council is supporting vulnerable and shielded people in our communities at meetings held on [22nd July 2020](#) and [19 August 2020](#). These reports have reflected on lessons learnt from the pandemic to date and also preparations for a second wave of COVID 19, along with the usual winter pressures affecting Adult Social Care.
- 1.2. Earlier scrutiny has highlighted that the COVID 19 pandemic has placed a strain on the health and social care systems within Norfolk and this coming winter will present greater challenges than recent years on top of what is already a period of increased pressure. The attached report reflects on work being undertaken within Adult Social Care and with other stakeholders to plan for Winter 2020/21 based on lessons learnt from last winter and the experiences of the past 6 months.
- 1.3. At the last Scrutiny Committee meeting on [23 September 2020](#) Members considered some of the early lessons learnt from the COVID outbreak at Banham Poultry and agreed to examine the systematic issues that may arise from the ongoing outbreaks of COVID 19 in care home settings and the public sector at a future meeting.

2. Proposals

- 2.1. Each year, Norfolk Adult Social Services develops a winter plan in partnership with the

wider health system to ensure the best quality health and social care is delivered during what is traditionally a time of intense pressure for the system.

Joint planning for winter 2020/21 clearly brings particular challenges. The attached plan from Norfolk Adult Social Services responds to the national planning framework issued by the Government in September. It continues to be refined and developed with partners in the wider health and social care system.

This Committee has already considered the Adults response to COVID and has expressed interest in understanding how learning from March 2020 onwards will be taken forward, particularly in respect of the wider care market. With this in mind, it is suggested that the Committee focuses its scrutiny today on:

- Support for care providers over the winter
- Effective use of the Infection control grant
- Effective arrangements for discharge home from hospital

3. Resource Implications

3.1. Staff:

The County Council is still in the middle of this crisis and the main focus for Officers will be in dealing with the crisis. Some Officers may be redeployed from their current roles elsewhere to support ongoing work during the pandemic and the Committee may need to be mindful of focusing requests on essential information at this time.

3.2. Property:

None

3.3. IT:

None

4. Other Implications

4.1. Legal Implications:

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ("the Regulations") sets out the framework for Councils to hold Council meetings remotely.

4.2. Human Rights implications

None

4.3. Equality Impact Assessment (EqIA) (this must be included)

None

4.4. Health and Safety implications (where appropriate)

None

4.5. Sustainability implications (where appropriate)

None

4.6. Any other implications

None

5. Risk Implications/Assessment

5.1. None

6. Select Committee comments

- 6.1. People and Communities Select Committee received a report at their meeting on 18 September considering Adult Social Services Winter Resilience Planning. A copy of the report and draft minutes are attached for information [here](#).

7. Recommendation

- 7.1. The Scrutiny Committee is asked to consider:

- the attached reports and presentations in the meeting.
- whether there are any issues for further scrutiny at future meeting, focusing on lessons learnt that could be fed into any current emergency planning and issues for longer term recovery planning.

8. Background Papers

- 8.1. [Scrutiny Committee meeting : 27 May 2020](#)

[Scrutiny Committee meeting – 22nd July 2020 Item 8 COVID 19 – Support for Shielded and Vulnerable People in our Communities](#)

[Scrutiny Committee meeting – 19 August 2020 – Item 8 – Support for Shielded and Vulnerable People in our Communities.](#)

[People and Communities Select Committee – 18 September 2020 – Adult Social Services Winter Resilience Planning](#)

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Adult Social Services: 2020/21 Winter Plan Framework

- Objectives
- Learning to inform framework development
- Highlights of framework content on care market support

*Scrutiny
October 2020*

Objectives

Adult Social Services (ASS) is developing a winter plan that sets out intentions for service delivery and design during the 2020/21 winter period. The purpose of the plan will be to prepare the organisation to maintain high quality and safe service provision during winter, and supporting system partners to deliver effective flow between providers. **This framework document details the key themes and actions that are beginning to guide that plan.**

Traditionally winter is not an emergency or considered an unusual event but recognised as a period of increased pressure due to demand both in the complexity of people's needs and the capacity demands on resources within social care and the wider system. **However, winter in 2020/21 will present greater challenges than in previous years.** The COVID-19 pandemic has placed strain on Norfolk's social care and health system, and a risk remains of further outbreaks during winter. In addition, winter often brings with it untoward events such as widespread infectious diseases including pandemic flu which can affect our residents and staff alike.

Adult Social Services (ASS) winter planning in 2020/21 looks significantly different to usual planning processes. Across operational and commissioning teams, planning for winter is being built in to the heart of ongoing service planning due to the COVID-19 pandemic. A necessity to prepare for further outbreaks, and the interdependency of that with overall capacity and resilience during winter, means Adult Social Services are preparing for winter with urgency and rigour. Consequently, this framework document reflects the significant work already underway within the department, and jointly with other system stakeholders, and highlights potential areas requiring further development before a finalised plan. NCC is also closely involved with NHS-lead winter planning via joint health and care processes stimulated by the COVID-19 pandemic response, presenting new opportunities for joint working.

The framework, and subsequent final plan, will not remain as static documents but be updated and built on as winter progresses. Learning from the COVID-19 pandemic and processes recommended within the framework advocate the ability to change and adapt plans as needed, particularly in response to the emerging risks this winter may present.

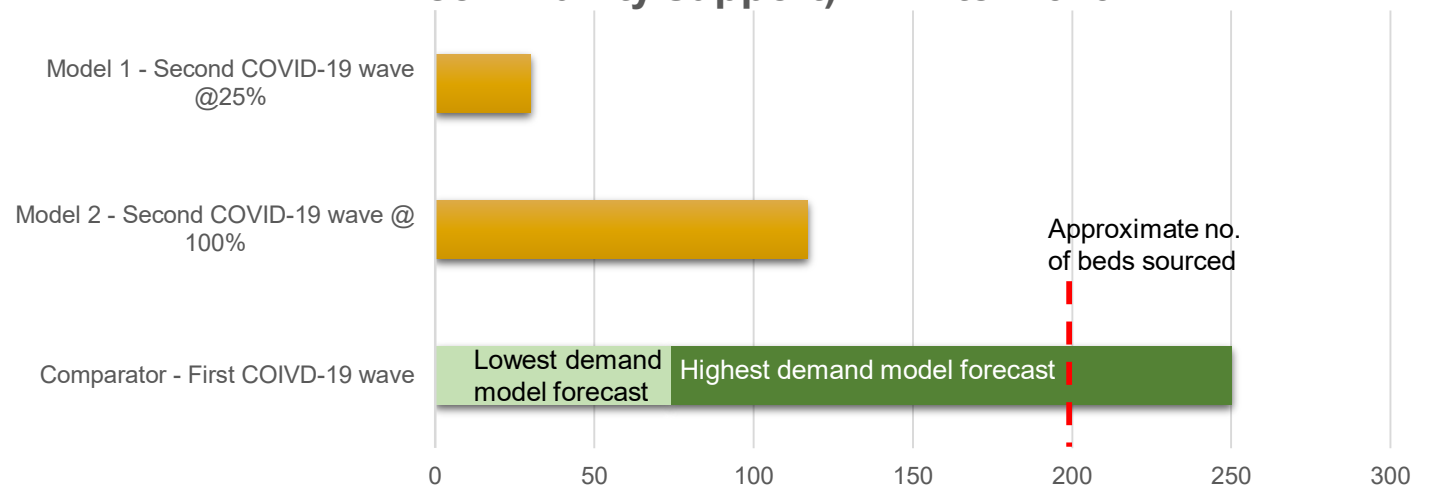
Challenges this winter

There are a number of key areas ASS, and wider partners, winter plans will need to address to support the extraordinary situation presenting this winter. These include:

- **Supporting Norfolk's care market as we enter winter following the impact of COVID-19 – the focus of this paper**
- Supporting our NCC workforce during a winter period that follows pressures resulting from COVID-19
- New hospital service discharge requirements nationally could shift pressure around 'flow' in to the community, and NHS funding for packages across health and care for up to the first 6 weeks post-hospital discharge could support a new community offer.
- Ensuring Community Response Teams (CRTs) supporting hospital discharge during COVID-19 are enabled to continue over the winter period, supporting people safely out of hospital and back home
- Developing our local discharge to assess (D2A) processes further and ensuring existing processes deliver the best outcomes for all our residents, including those with disabilities and mental health problems
- Working with system partners to ensure robust flu planning, both for our residents and staff

As part of the winter and COVID-19 planning approach, ASS are working with information and analytics colleagues to identify potential demand in a variety of scenarios. This modelling also includes the potential impact resulting from NHS activity in acute and community hospitals. **It should be noted this is an early forecast and is subject to change as we develop a more advanced model** with a greater range of detailed emerging assumptions. However, it does identify a potential increase in demand in a scenario with further waves of COVID-19.

DRAFT model of potential additional post-acute care demand (additional instances of people requiring community support) - Winter 2020/21



Adult Social Services learning from last winter

In the weeks prior to the COVID-19 pandemic, an initial exercise was completed internally to identify lessons learnt during winter 2019/20 to inform this year's winter planning. A series of key points were raised that are influencing the shape of the winter plan framework:

Provision of care

- ✓ Winter funding was utilised to provide extra care capacity across the care market, reducing pressures on the care market and supporting discharge from hospital
- The care market remained under pressure, accentuated since by COVID-19

Additional capacity

- ✓ A mixed economy of beds were available in the market to support hospital discharge
- ✓ Since last winter, health and social care quality teams are now working together as one, an approach that will support the winter response
- Care provision for people with dementia and/or behaviours of concern was a challenge requiring market development supported by ASS
- The join up between capacity in the care market reported by providers versus available required more focus

Enhanced Home Support

- ✓ Increased capacity to support discharge home for people with more enhanced needs

Transfers of care and flow

- ✓ Improvements in social care delayed transfers of care (DToCs) for parts of the system and reduction in wait for residential placements
- Remaining pressure on latter week transfers - however COVID-19 has seen a transformation in DToCs but there is a risk this winter

System learning

Emerging from the COVID-19 pandemic, Adult Social Services have also been closely engaged in system-wide planning for winter and associated COVID-19 recovery. A series of key points relevant to social services winter planning have been identified through that process which will also influence the shape of the winter plan framework:

- Supporting a 'home first approach' across the social care and health system – with a whole-system commitment to a 'home first' approach advocated by NCC
- Early hospital discharge planning to commence on admission, and following the High Impact Change model (key to the Better Care Fund), would support both our resident's social care and health outcomes upon leaving hospital
- Review our 'step-up' and 'step-down' options to increased population need during winter without increased admissions to hospital
- Increased wrap around care support (in care settings and at home) support's complex and growing needs during winter

Summary: ASS Winter Plan Framework 2020/21

Aims:

- understand the pressure that could be presented by COVID-19 and mitigate that risk as far as possible throughout the plan
- focus on prevention and promoting independence
- create capacity to meet increased demand
- provides ownership of winter preparedness and response within NCC ASSD
- communicate and co-operate with other organisations
- use data to understand demand and manage flow
- recognise the role and importance of the commissioned market and voluntary sector
- maintain quality, safety and experience
- develop a response that meets the diversity of needs of Norfolk residents



Highlight: Supporting the provider market 1/2

Theme	Action	Aim
Improving pathways & engagement	<ul style="list-style-type: none"> Embed new care market support structures A single communications approach with care providers embedded between Adult Social Services and CCG – building on the approach started during COVID-19 and with close working with NORCA - and aligning with other key public messaging campaigns lead by public health and other partners 	<ul style="list-style-type: none"> Ensuring collaborative planning to supporting the care market during the winter period Ensure clear and joined up messaging and communications to care providers during the winter period
Wrap-around support for care settings	<ul style="list-style-type: none"> Wrap-around support to enable discharges for complex needs from MH and LD settings offered by NSFT (MH) and NCH&C and HPFT (LD) Post-COVID-19 working arrangements within the ASS Quality Team that support providers during a pandemic – including how we work remotely whilst driving improvement Within primary care networks, support the role of a GP lead for each care home, in place for winter Develop multi-disciplinary teams supporting care homes, with social care engagement 	<ul style="list-style-type: none"> Provide targeted support for care homes during winter that support resident's health and wellbeing Ensure social care support for care homes, as part of the primary care network model, meets residents needs over winter
Education & Training to support care providers	<ul style="list-style-type: none"> Embedding education and training that will support care providers to help pick up when someone is becoming less well and know how to respond Ensuring training is carefully targeted at care providers to support their needs during winter – enabled by the joint social services and health Enhanced Health in Care programme 	<ul style="list-style-type: none"> Care providers are supported to safely help individuals with a growing complexity of need exacerbated by the winter period. Ensuring access to training and support that will enable better outcomes for residents

Highlight: Supporting the provider market 2/2

Theme

Action

Aim

Supporting care providers during a pandemic

- Joint working with partners across the system on a **robust flu programme**
- Implement ongoing **COVID-19 health protection measures**, ensuring they align with wider winter approaches, **including rolling out the infection control grant locally over winter announced in recent government guidance**
- Work with system partners to develop workforce models that support recruitment across social care and health

- Reduce risk of flu to population during winter
- To provide a swift and effective response to outbreaks, minimising their impact during the winter period
- To prevent the spread of COVID-19 in the care sector through best practice infection control and health protection practice – contributing to reducing winter pressures where possible

Post-COVID recovery & resilience in care

- **Piloting population health management approaches** utilised during COVID-19 to support the health and wellbeing of residents in care settings
- Developing a strategy for implementation of national and local programmes that will support people at home and in residential care with specific health and wellbeing needs arising from COVID (e.g., cardiac and thoracic, post-intensive care syndrome)– to prevent escalation of need during the winter period
- Ensuring models, pilots and evaluations consider impact and outcomes for all residents, including those with LD, MH and A

- Reduce impact during winter on care providers and their residents of after-care needs of people recovering from COVID-19, from a health, social and wellbeing perspective

Scrutiny Committee

ITEM 10

Decision making report title:	Strategic and Financial Planning 2021-22
Date of meeting:	21 October 2020
Responsible Cabinet Member:	Cllr Andrew Jamieson (Cabinet Member for Finance)
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services
<p>Introduction</p> <p>Saving proposals identified as part of the process to address the Council's overall gap position as forecast in the Medium Term Financial Strategy agreed by Full Council in February 2020 were considered by Cabinet at its meeting 5 October 2020. Ultimately these proposals will support the preparation of a balanced and robust Budget for 2021-22, but further savings will be required to bridge the remaining gap as discussed in the appended 5 October Cabinet report. The appended report represents a key milestone within the budget planning process for 2021-22 and includes details of the approach to public consultation on the budget.</p> <p>Executive Summary</p> <p>This report supports the Committee's scrutiny of the Council's process for developing the 2021-22 Budget, and in particular represents an opportunity for the Committee to consider the new budget proposals identified to date, the approach to public consultation, and the further actions required to deliver a balanced budget for the year.</p> <p>Recommendations</p> <ol style="list-style-type: none"> 1. To consider and comment on the Strategic and Financial Planning report to 5 October Cabinet (Appendix 1) including: <ol style="list-style-type: none"> a. the savings proposals developed to date to support the setting of a balanced budget for 2021-22; b. the planned next steps in the budget process for 2021-22 including the approach to public consultation and the development of further saving proposals; and c. the key areas of risk and uncertainty relating to the 2021-22 Budget. 	

1. Background and Purpose

- 1.1. At its meeting 23 September 2020, Scrutiny Committee considered the latest information about key issues for the Council's 2021-22 budget setting and the broad areas proposed for savings development. This report now provides an opportunity to further review:

- The latest assumptions about the significant uncertainties facing local government finances as a result of COVID-19 and other issues.
- The proposals brought forward by each Department to contribute to closing the forecast budget gap.
- The latest MTFs position for 2021-22 onwards, which will be updated further through the remainder of the budget setting process.
- The context for public consultation on 2021-22 Budget proposals.
- Some of the remaining key issues and risks facing services in relation to their financial strategy.

2. Proposals

2.1. The appended report to the October Cabinet meeting provides the latest overview of:

- the overarching timetable for 2021-22 budget setting;
- the key issues being identified in relation to 2021-22 budget setting;
- the approaches and themes for the development of savings, and the latest proposed savings by each service department;
- the impact of the Covid-19 response on services; and
- the next steps which will contribute to the Council setting a balanced budget for 2021-22.

2.2. In considering the progress of budget setting for 2021-22, the Committee may wish to consider (1) key issues for 2021-22 budget setting and (2) the level of savings proposed for 2021-22 including the changes to existing planned savings, in order to comment on budget development for 2021-22, and the identification of key pressures and priorities for the 2021-22 Budget.

2.3. Committee members may in particular wish to refer to the following sections of the appended October Cabinet report:

- Section 4 – saving proposals for 2021-22 including proposals brought forward and changes to existing planned savings.
- Services' financial strategies and approaches to developing 2021-22 Budget proposals:
 - Section 5 – Adult Social Services
 - Section 6 – Children's Services
 - Section 7 – Community and Environmental Services
 - Section 8 – Strategy and Governance
 - Section 9 – Finance and Commercial Services / Finance General
- Section 10 – the latest MTFs position as set out in table 11, including budget assumptions (10.1), risks and pressures (10.2-10.4), and the need for further savings (10.6).
- Section 11 – the Executive Director of Finance and Commercial Service's latest comments in relation to the robustness of the budget and key risks.
- Section 12 – Council tax and adult social care precept assumptions.
- Section 13 – Approach to public consultation activity.

3. Impact of the Proposal

3.1. Highlighted in appended report.

4. Evidence and Reasons for Decision

4.1. Highlighted in appended report.

5. Financial Implications

5.1. As previously reported to Scrutiny Committee, the ongoing Covid-19 pandemic, along with continued unprecedented levels of uncertainty about future year pressures and funding, represent a very significant challenge for Norfolk County Council in developing budget plans for 2021-22. The scale of the budget gap to be closed remains subject to considerable uncertainty and there are a number of issues which could have a material impact on the level of resources available to the Council to deliver services in the future. As part of responding to these challenges, services will need to bring forward balanced, sustainable budget proposals which enable the Council to continue to deliver essential services to Norfolk's people, businesses and visitors.

Full financial implications are highlighted in the appended report.

6. Resource Implications

6.1. Staff:

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

6.2. Property:

There are no direct property implications arising from this report although existing saving plans include activities linked to property budgets and assumptions around capital receipts to be achieved. In addition, activities planned within Business Transformation will include further work to deliver property related savings.

6.3. IT:

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

7. Other Implications

7.1. Legal Implications

Highlighted in appended report.

7.2. Human Rights implications

No specific human rights implications have been identified.

7.3. Equality Impact Assessment (EqIA) (this must be included)

Highlighted in appended report. EQIAs will be undertaken later in the budget process. The dynamic EQIA in respect of the Council's response to COVID-19 can be found [here](#).

7.4. Health and Safety implications (where appropriate)

None identified.

7.5. Sustainability implications (where appropriate)

None identified.

7.6. Any other implications

None identified, beyond those highlighted in appended report.

8. Risk Implications/Assessment

8.1. Highlighted in appended report.

9. Select Committee comments

9.1. The Council's three Select Committees considered the broad approach to developing budget proposals for the services within their remit at meetings held in September. Select Committees considered the key issues for 2021-22 budget setting in order to provide input to the October Cabinet meeting and inform the saving proposals put forward. Specific comments are detailed in the appended report.

10. Recommendations

- 10.1. **1. To consider and comment on the Strategic and Financial Planning report to 5 October Cabinet (Appendix 1) including:**
- a) the savings proposals developed to date to support the setting of a balanced budget for 2021-22;
 - b) the planned next steps in the budget process for 2021-22 including the approach to public consultation and the development of further saving proposals; and
 - c) the key areas of risk and uncertainty relating to the 2021-22 Budget.

11. Background Papers

- 11.1. Norfolk County Council Revenue and Capital Budget 2020-21 to 2023-24, County Council 17/02/2020, agenda item 5 ([here](#))
Briefing on Strategic and Financial Planning, Scrutiny Committee 23/09/2020, agenda item 9 ([here](#))
Strategic and Financial Planning 2021-22, Cabinet 05/10/2020, agenda item 11 ([here](#))

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Cabinet

Decision making report title:	Strategic and Financial Planning 2021-22
Date of meeting:	5 October 2020
Responsible Cabinet Member:	Cllr Andrew Jamieson (Cabinet Member for Finance)
Responsible Director:	Simon George, Executive Director of Finance and Commercial Services Fiona McDiarmid, Executive Director of Strategy and Governance
Is this a key decision?	Yes

Introduction from Cabinet Member

The 2021-22 Budget is being developed in a climate of almost unprecedented risk and uncertainty. Not only are settlement funding allocations beyond the current year (2020-21) unknown, key reforms to local government funding including the Fair Funding Review, Business Rates localisation, and reform of Adult Social Care funding have all been repeatedly delayed. The Council therefore awaits the outcome of the Comprehensive Spending Review and any accompanying national financial announcements, expected later in the year, with considerable interest.

Compounding these wider uncertainties, the Council faces a potential double impact of the COVID-19 pandemic in terms of significant risks to both the underlying cost base and demand side pressures within the Budget, alongside an anticipated shock to key local sources of income (council tax and business rates), which remains difficult to forecast at this stage with any degree of confidence.

It is in this context that the Council continues to work to deliver a balanced position for 2020-21, as discussed within the Financial Monitoring report, while simultaneously proposals for the 2021-22 Budget are being developed. The demands of responding to the pandemic have inevitably resulted in more limited organisational capacity to fully develop savings for next year than would normally be the case. Taking this into account, alongside the wider uncertainty, the potential scale of the remaining Budget gap to be addressed, and a number of other issues which could have a material impact on the level of resources available to Norfolk County Council to deliver services in the future, it is only prudent that this report also considers the next steps in the process of developing a robust and balanced Budget for 2021-22. It remains the case that it will be critical to bring forward balanced, sustainable budget proposals which will enable the Council to continue to deliver the essential services which are relied on by all Norfolk's people, businesses and visitors.

This report therefore represents a key milestone in the development of the 2021-22 Budget and provides an opportunity for Members to consider saving proposals prior to wider consultation.

Executive Summary

As in previous months, the latest estimates of the financial impact of the COVID-19 pandemic are set out in the Financial Monitoring report. Many of the additional costs, lost income and undeliverable savings in the current year will have an extended impact on the 2021-22 Budget. This report, and the Financial Monitoring paper, together provide an overview of the anticipated financial implications of COVID-19, for both the current year and for the Council's Medium Term Financial Strategy as originally agreed in February 2020. This reflects the profound impact on the organisation's ability to achieve planned budget savings and income for 2020-21, as well as on the capacity to develop and deliver new budget proposals for 2021-22, and on the wider budget position, which, as a result, is the subject of extremely high levels of uncertainty.

This report forms a key part of the budget planning process for 2021-22, providing an overview of the saving proposals which have been identified as part of the process to address the Council's overall gap position as forecast in the Medium Term Financial Strategy agreed by Full Council in February 2020. It summarises the proposed approach to public consultation on the 2021-22 Budget and sets out details of the emerging service budget pressures which have been identified to date, a summary of the budget strategy for each service, and key areas of risk and uncertainty.

Recognising the fundamental uncertainty around the planning position for 2021-22, the report also addresses the next steps required in the process leading to budget-setting in February 2021, which has been designed to recognise that there remains a need for ongoing flexibility to respond to changing circumstances. In this context, the report provides the latest summary of key areas of wider risk and uncertainty for Cabinet to consider. The MTFS position will continue to be updated in light of future government announcements and as the scale of the impact on the Council becomes clear. This will be reported to Cabinet and to Scrutiny Committee as the budget setting process progresses.

Cabinet decisions based on this information will ultimately help to support the development of a robust, balanced 2021-22 Budget for the Council.

Recommendations

- 1. To note the County Council strategy as set out in section 2 and how the Budget process is aligned to the overall policy and financial framework;**
- 2. To consider and agree for planning purposes:**
 - the latest assessment of significant areas of risk and uncertainty around emerging budget pressures for the 2021-22 Budget and Medium Term Financial Strategy, which remain to be resolved and which may have a material impact on budget planning (section 10);**
 - the uncertainty about national funding announcements (section 3);**

- the assumptions about the level of council tax and Adult Social Care precept for 2021-22 (section 12); and
 - that subject to the above, and the proposed savings in recommendation 3, a budget gap in the order of £15.062m remains to be closed for 2021-22 (paragraph 10.5 and table 11).
3. To consider and agree the proposed savings as set out in sections 5-9 (tables 5-10) to be taken forward in budget planning for 2021-22, subject to final decisions about the overall Budget in February 2021, noting the level of savings already included from the 2020-21 Budget process, and the anticipated changes to those existing savings (including the replacement of Business Transformation savings with service proposals) (paragraph 4.3 and table 2);
 4. To agree that public consultation be undertaken on the 2021-22 Budget and saving proposals, and the level of council tax and Adult Social Care precept for 2021-22, as set out in section 13;
 5. To note the responsibilities of the Executive Director of Finance and Commercial Services under section 114 of the Local Government Act 1988 and section 25 of the Local Government Act 2003 to comment on the robustness of budget estimates as set out in section 11;
 6. To agree the proposed next steps in the Budget planning process for 2021-22, including the actions in paragraph 10.6 required to develop further saving proposals in light of the significant uncertainty about the overall financial position, and the remaining Budget planning timetable (Appendix 1); and
 7. To note and thank Select Committees for their input, and agree to seek to provide earlier opportunities for Select Committees to support the Budget development process for 2022-23 (section 21).

1. Background and Purpose

- 1.1. The County Council agreed the 2020-21 Budget and Medium Term Financial Strategy (MTFS) to 2022-23 at its meeting 17 February 2020, prior to the significant escalation in the COVID-19 pandemic. Inevitably, the 2020-21 Budget agreed in February could not foresee the adjustments which would be needed to respond to COVID-19, but since the Budget was set, Cabinet has considered reports on the overall budget position (in June and September) and has also received regular updates on the anticipated financial implications of the COVID-19 pandemic. This report represents a continuation of these, providing an update on the developing 2021-22 Budget and associated MTFS. To inform discussion of the budget position it also:
 - Summarises the latest position in relation to some of the significant uncertainties facing local government finances as a result of COVID-19 and other issues.

- Sets out the latest view of the MTFS position for 2021-22 onwards, updating the position considered in September 2020. This position will continue to be kept under review and updated throughout the remainder of the Budget process.
 - Provides an overview of some of the key issues facing services in relation to their financial strategy, pressures, risks and uncertainties and details the saving proposals identified by each Service in order to contribute to meeting the targets agreed by Cabinet in July.
- 1.2. This report represents the next stage in the Council's 2021-22 Budget setting process and brings together a range of information, to enable Cabinet to consider the emerging saving proposals and to agree the approach to public consultation for 2021-22. Ultimately, it is intended to support the Council in developing the 2021-22 Budget and considering savings proposals which will assist in delivering a balanced budget for the year.
- 1.3. The content of the report is based on circumstances that are changing frequently and therefore some areas may become superseded by new information on an ongoing basis.

2. County Council strategy

2.1. Impact of COVID-19

The COVID-19 pandemic and the public health measures taken to contain it have delivered one of the largest shocks to the UK economy and public finances in recent history. Data from the ONS shows that while the summer saw the UK economy move towards recovery, it still has to make up nearly half of the GDP lost since the start of the pandemic.¹ The Office for Budget Responsibility has predicted that the UK's deficit is likely to be between £263bn to £391bn this year, significantly higher the £55bn predicted at the budget in March.²

- 2.2. In responding to this public health crisis, the Council has taken action to maintain the delivery of vital services across all areas of its operations, support the NHS and health system through enhanced hospital discharge processes to free up capacity, protect vulnerable people, support businesses, and ensure the safety of all staff delivering this vital work.
- 2.3. As we move into a difficult winter, the ongoing impact of COVID-19, along with continued uncertainty about future funding, represent a significant challenge for public finances.
- 2.4. This report sets out an approach for the budget process that takes account of this and the requirement to identify savings options that fit within the overall policy and financial framework, aligning resources to the Council's key strategic objectives set out in 'Together, For Norfolk'.

¹ <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/july2020>

² <http://obr.uk/coronavirus-analysis/>

2.5. **County Council Strategy and Transformation**

'Together, for Norfolk' sets out three overriding ambitions which drive the Council's priorities: A growing economy, thriving people, and strong communities. Our Plan also underpins and contributes to the delivery of the New Anglia Local Enterprise Partnership Norfolk and Suffolk Economic Strategy.

2.6. The plan provides a whole-Council view of significant activities, including, service change or redesign, infrastructure, assets and technology, including capital programmes or projects, strategy or policy development. Our services support our ambition by ensuring children and young people have the best start in life, protecting vulnerable people, developing strong infrastructure and helping improve the economy. This will be aligned to our COVID-19 recovery plans.

2.7. The Council's transformation programme is core to the Council's objectives and ambitions. In all that we do, we continue to be guided by four core principles that frame our recovery and transformation work:

- Offering our help early to prevent and reduce demand for specialist services;
- Joining up work so that similar activities and services are easily accessible, done once and done well;
- Being business-like and making best use of digital technology to ensure value for money; and
- Using evidence and data to target our work where it can make the most difference.

3. **National financial context**

3.1. As described in the introduction, the Council continues to face very significant uncertainty about national funding announcements and allocations. The Chancellor of the Exchequer, Rishi Sunak, announced the launch of the **2020 Comprehensive Spending Review (CSR)** on 21 July 2020³. The Council submitted its representation on the CSR to HM Treasury on 24 September 2020, which addressed the points endorsed by the September meeting of Cabinet. The CSR is due to conclude in the autumn and was originally expected to set out the Government's spending plans for the parliament, covering a three-year period for resource budgets (2021-22 to 2023-24) and a four-year period for capital budgets (2021-22 to 2024-25). As previously reported to Cabinet, reflecting wider economic uncertainty, the Chancellor did not set a "*spending envelope*" for the CSR but confirmed that departmental spending "*will grow in real terms across the CSR period*". At the same time, the Chancellor also stated that "*there will need be tough choices in other areas of spending at the review. As part of their preparations for the CSR departments have been asked to identify opportunities to reprioritise and deliver savings.*"

3.2. However, recent announcements, including the commissioning of the Office for Budget Responsibility to "*prepare an economic and fiscal forecast to be published in mid to*

³ <https://www.gov.uk/government/news/chancellor-launches-comprehensive-spending-review>

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*late November*⁴ without setting a date for the Budget, indicated that the Chancellor was retaining the option to delay the Autumn Budget – and on 23 September the Treasury confirmed that there “will be no Budget this autumn”⁵. The Chancellor instead outlined details of a winter economy plan⁶ on 24 September 2020, which was focussed on protecting jobs and supporting businesses through the remainder of the financial year. There are also emerging suggestions that the CSR announcement may cover one year only. Ultimately it remains the case that **the Council is unlikely to receive detailed information about funding allocations for 2021-22 and beyond until December 2020 at the earliest**. At this stage 2021-22 Budget planning assumes a further rollover settlement maintaining funding at the same level as 2020-21. Any changes to these levels of funding could have a material impact on the planning position.

- 3.3. The introduction to this report highlights that critical reforms to local government funding remain outstanding. These include the Fair Funding Review, Business Rates localisation, and reform of Adult Social Care. It now appears that the plans for social care may be further delayed following the recent statement made by the Department of Health and Social Care’s innovation minister Lord Bethell *“I cannot commit to a social care plan before the end of the year. It will require a huge amount of political collaboration and I suspect it will take longer than the next few months.”*⁷ The continued and repeated delays and lack of clarity surrounding all of these long overdue reforms, alongside the impact of the COVID-19 pandemic and the absence of a long term funding settlement for local government (or even any outline indications of funding for the next financial year), combine to establish an almost unprecedented climate of uncertainty for 2021-22 Budget setting.

4. Saving proposals for the 2021-22 Budget

- 4.1. The 2020-24 MTFs agreed in February 2020 included planned savings of £63.786m as shown by Department in the table below. Savings to close the forecast 2021-22 gap need to be identified in addition to the existing savings of £20.747m for that year. However, as set out in the Financial Monitoring report elsewhere on the agenda, the response to the COVID-19 pandemic is having an impact on the delivery of savings in the current year. This report considers the implications of this, and the impact on existing planned savings for 2021-22 and beyond, in the context of the new proposals being brought forward as part of this year’s budget process.

⁴ <https://hansard.parliament.uk/commons/2020-09-11/debates/20091126000006/OfficeForBudgetResponsibilityEconomicAndFiscalForecast>

⁵ <https://www.bbc.co.uk/news/business-54267795>

⁶ <https://www.gov.uk/government/news/chancellor-outlines-winter-economy-plan>

⁷ <https://hansard.parliament.uk/Lords/2020-09-15/debates/A97D2379-244A-477F-8510-62F078C97ED2/Covid-19NHSLong-TermPlan>

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Table 1: Existing savings in MTFS 2020-21 to 2023-24

Department	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	Total £m
Adult Social Services	-22.897	-7.344	-0.235	0.000	-30.476
Children's Services	-9.250	-6.400	-2.000	0.000	-17.650
Community and Environmental Services	-5.013	-2.765	1.264	0.000	-6.514
Strategy and Governance Department	0.613	0.000	0.000	0.000	0.613
Finance and Commercial Services	-1.290	-0.650	0.000	0.000	-1.940
Finance General	-1.647	0.800	0.000	0.000	-0.847
Business Transformation	-0.760	-4.388	-1.412	-0.412	-6.972
Total	-40.244	-20.747	-2.383	-0.412	-63.786

- 4.2. A detailed review of the existing savings planned for 2020-21 and 2021-22 has at this stage identified that adjustments are required to reflect the impact of COVID-19 and other decisions on saving implementation as set out in the table below. The status of savings delivery will continue to be kept under review in the context of the in-year financial monitoring position up until final 2021-22 Budget setting in February 2021.

Table 2: Changes to existing planned savings

Service	Saving	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
Adult Social Services	Remove non-deliverable element of existing 2021-22 savings plans - ASC036: Maximising potential through digital solutions.	1.000	0.000	0.000	0.000	1.000
Adult Social Services	Remove non-deliverable element of existing 2021-22 savings plans - ASS001: Expanding home based reablement.	0.750	0.000	0.000	0.000	0.750
Adult Social Services	Remove non-deliverable element of existing 2021-22 savings plans - ASS001: Expanding accommodation based reablement.	0.250	0.000	0.000	0.000	0.250
Adult Social Services	Remove non-deliverable element of existing 2020-21 savings plans - ASC038: Procurement of current capacity through NorseCare at market value.	1.000	0.000	0.000	0.000	1.000
Adult Social Services	Defer implementation of existing 2020-21 and 2022-23 savings plans - ASC046: Revise the NCC charging policy for working age adults to apply	3.000	0.235	0.000	0.000	3.235

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Service	Saving	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
	the government's minimum income guarantee amounts.					
Children's Services	Delay budgeted delivery of existing 2020-21 and 2021-22 savings plans by six months to reflect impact of COVID-19 on implementation plans - CHS001: Prevention, early intervention and effective social care.	0.500	-0.500	0.000	0.000	0.000
Children's Services	Delay budgeted delivery of existing 2020-21 and 2021-22 savings plans by six months to reflect impact of COVID-19 on implementation plans - CHS003: Transforming the care market and creating the capacity that we need.	1.900	-1.900	0.000	0.000	0.000
CES	Delay budgeted delivery of existing 2020-21 savings plans by twelve months to reflect impact of COVID-19 on implementation plans - CES001: Increasing the income we get from Adult Learning.	0.240	-0.240	0.000	0.000	0.000
CES	Delay budgeted delivery of existing 2020-21 savings plans by twelve months to reflect impact of COVID-19 on implementation plans - CES017: Reviewing the operation of Museum catering facilities to make them more commercial.	0.035	-0.035	0.000	0.000	0.000
Finance General	Remove existing 2021-22 to 2023-24 savings plans which will be delivered within new service proposals - BTP001-5: Business Transformation savings.	4.388	1.412	0.412	0.000	6.212
	Total changes to existing savings	13.063	-1.028	0.412	0.000	12.447

- 4.3. It should be noted that the MTFS agreed in February assumed £4.388m of savings from business transformation in 2021-22. As set out in the table above, it is now proposed that this centrally held saving target be removed from budget planning, to recognise that it has been replaced with a number of detailed service proposals totalling £4.860m in respect of 2021-22 and delivering business transformation and smarter working principles included within the total proposals in tables 5-10. A report on the progress of business transformation was considered by the September meeting of the Corporate Select Committee and a further report is due to be presented in January 2021.

- 4.4. The savings targets for 2021-22 by Department as originally agreed by Cabinet in July are set out in the table below. The proposals developed in response to these targets are set out in the following sections.

Table 3: Allocation of saving targets 2021-22 to 2024-25

Department	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	2021-25 £m	%
Adult Social Services	-17.723	-4.597	-4.628	-4.628	-31.576	46%
Children's Services	-8.782	-2.223	-2.213	-2.213	-15.431	22%
Community and Environmental Services	-8.771	-2.232	-2.207	-2.207	-15.417	22%
Strategy and Governance Department	-0.844	-0.215	-0.213	-0.213	-1.484	2%
Finance and Commercial Services	-1.753	-0.439	-0.430	-0.430	-3.052	4%
Finance General	-1.120	-0.294	-0.309	-0.309	-2.032	3%
Total	-38.992	-10.000	-10.000	-10.000	-68.992	100%

- 4.5. Since July, Services have been working to identify proposals to meet these targets. The new proposals identified go some way to meeting the targets, as shown in the table below. The broad strategic approaches being adopted to underpin the development of savings were set out in the September report to Cabinet. The following sections of the report (sections 5-9) provide the detailed proposals by Department, along with further information about the individual plans and any significant considerations associated with them.

Table 4: Summary of proposed new savings 2021-22 to 2024-25

Department	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	2021-25 £m
Gross new proposals 2021-22					
Adult Social Services	-24.014*	3.275	2.000	0.000	-18.739
Children's Services	-7.400	-3.600	-3.500	-2.000	-16.500
Community and Environmental Services	-6.858	1.587	0.000	0.000	-5.271
Strategy and Governance Department	-0.959	0.075	0.000	0.000	-0.884
Finance and Commercial Services	-1.578	-0.145	-0.100	0.000	-1.823
Finance General	-2.620	1.000	1.500	0.000	-0.120
Total	-43.429	2.192	-0.100	-2.000	-43.337
Less service removals (per Table 2)					
Adult Social Services	6.000	0.235	0.000	0.000	6.235
Children's Services	2.400	-2.400	0.000	0.000	0.000
CES	0.275	-0.275	0.000	0.000	0.000
Total	8.675	-2.440	0.000	0.000	6.235
Net new proposals 2021-22					
Adult Social Services	-18.014*	3.510	2.000	0.000	-12.504
Children's Services	-5.000	-6.000	-3.500	-2.000	-16.500
Community and Environmental Services	-6.583	1.312	0.000	0.000	-5.271
Strategy and Governance Department	-0.959	0.075	0.000	0.000	-0.884
Finance and Commercial Services	-1.578	-0.145	-0.100	0.000	-1.823
Finance General	-2.620	1.000	1.500	0.000	-0.120
Total	-34.754	-0.248	-0.100	-2.000	-37.102

*Note: The Adult Social Services proposals include a recommendation to increase the Adult Social Care precept by 2%. This is subject to the Government confirming that local authorities will have the flexibility to increase the precept for 2021-22. This announcement is expected alongside the Local Government Settlement, which is currently anticipated in December 2020.

5. 2021-22 Budget proposals – Adult Social Services

5.1. Financial Strategy

At a time of such uncertainty, the service remains committed to our clear vision – to support people to be independent, resilient and well. Our strategy to achieve this is Promoting Independence – which is shaped by the Care Act with its call to action across public services to prevent, reduce and delay the demand for social care.

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In pursuit of delivering our Promoting Independence strategy, we are focussed on six priorities:

- Safeguarding people.
- Strong partners for integrated working.
- Strengthen social work so that it prevents, reduces and delays need.
- Supporting the Social Care market.
- Accelerate the use of technology.
- A positive working culture which promotes people's independence and uses public resources fairly.

More so than ever, our continued embedding of our Living Well ethos enhances our desire to work alongside our partners in supporting thriving local communities and within micro economies. Alongside the Council's other departments, and Norfolk's other Councils, we work towards the infrastructure that enables and promotes jobs, education, housing, health and wellbeing. Our integrated arrangements with our Health colleagues allow us to jointly pursue models of health and care that build upon a person's strengths, abilities and support networks (current or potential). With our joint 'home first' culture, we continue to recognise the importance, and stability, of a person's home, whether it's a person's ability to stay there, or return there, should they require the support of Norfolk's Health and Social Care system.

We are very proud of how Norfolk's care market has responded to the recent challenges we have all faced. During the last six months we have worked closely with the care market, and its care association, to ensure a consistency of safe and quality provision of care. We have invested both funding and time in supporting the stabilisation of income levels, but also advice and guidance for providers at this most difficult time. As we look towards 2021-22, it remains one of our key priorities to support the sustainability of Norfolk's care market, ensuring carers are paid fairly for the excellent work they do.

To give us the best possible chance of delivering our ambitions we have created our Promoting Independence programme. With a programme and project management approach, we seek to give our priorities the focus they deserve and deliver real change at pace. Our change programme is now providing us with the internal infrastructure to realign our resources to enhance the quality and value for money of the services we provide. We can take some comfort in our previous ability to deliver meaningful change, and when the environment is right, again begin to accelerate progress wherever possible.

Over time we have measured the success of promoting independence with a range of indicators that tell us how effective our 'front door' is, the proportion of people receiving reablement who remain independent, the effectiveness of processes around social care practice, and through the rate of people who need formal long term care services. Whilst recent months may have impacted Adult Social Care performance, we have still seen longer term change associated with:

- Reablement services – which over time have a good record of accepting growing numbers of referrals and achieving high numbers of people ‘re-abled’
- Our holding list – where people are waiting for a form of social care assessment or intervention – has significantly reduced in the last 12 months.
- The proportion of people receiving a review within timescale has grown positively and consistently during recent months.
- Reductions in people permanently admitted to residential and nursing care. We measure this for 18-64 and 65+ age groups, and efforts through Promoting Independence have seen both figures drop consistently and significantly in recent years. We do always need to review these alongside short term care home usage, which has seen a rise. As a result, this is a specific area of focus for our future savings proposals.

Overall, current performance data shows a return to more ‘normal’ levels, and to addressing familiar challenges around supporting people during crises, maximising independence through timely social work and reablement, and through improving outcomes for people that go on to require longer term care. However, significant changes to hospital discharge arrangements, along with the risk of a second wave of COVID-19, mean we are reviewing performance and other data more regularly.

We believe the time is right to embrace technology. This means we not only fully consider its application within our day to day work, but also challenge ourselves to seek innovation. We believe with the right support, we can live in a digitally enabled society that can thrive by unlocking its potential. Our Adult Social Care Technology Programme (ASTEC) allows us to give focus to this key area of development

Finally, we remain committed to listening. Listening to those who access or have accessed our services. Listening to those who may one day need our services. Listening to those who help us provide our services.

5.2. COVID-19 Impact and Context

As we set our budget for 2021-22, we continue to manage the unprecedented impacts of COVID-19. Within each year, the Adult Social Care budget faces financial pressures driven by a combination of the economic factors of supply (price) and demand. Whilst we rightfully celebrate our ability to continue to live longer with complex conditions, we do see the associated social care needs increasing and therefore **demand for Adult Social Care continues to rise**. Whilst demand rises, we need to ensure we have the right type, quality and quantity of services available to meet this need. For us to have stability, and a required market equilibrium, we must continue to pay fair prices that attract care providers and their associated workforce. Whilst care work remains relatively low paid, **unit prices for care rise** as Central Government increase wage costs through the continued upward movement in the National Living Wage (NLW).

COVID-19 has caused a seismic and immediate refocus of services, process and planning. The financial consequences of this continue to emerge, but it is having a material impact on the **ability to deliver our transformation** and therefore the full level of **planned savings** in both 2020-21 and 2021-22. Currently, advice remains to

avoid all but emergency visits to care homes and public health advice to avoid transferring people, both mean that much of the previously successful demand management work as part of the Promoting Independence strategy has temporarily stopped. Adult Social Services is working to assess original plans, evolve them where appropriate, and restart areas of change governance where feasibly possible. As a result, alongside the longer term delivery of Promoting Independence, the immediate priority and context for Adult Social Services' financial planning in 2021-22 is the post-pandemic recovery – with services facing unprecedented challenges this year (2020-21) and continued uncertainty – particularly relating to demand, funding and the wider market.

The COVID-19 pandemic has inevitably had a major impact on the provision of support and services to vulnerable adults in Norfolk. The Council continues to support the care market, while recognising that the demand and supply of care services will change in the short, medium and longer term. For some services where future demand is less clear, the **long term sustainability of the care market** will be a key issue, and there may also be cost implications for the Council from this. For services such as residential care, it may well be that non-council related demand changes and has a destabilising impact on the market. For other services, such as day opportunities and transport, it may well be the ability and **capacity of providers to supply COVID secure services** that presents us with a risk. In addition to any capacity constraints, the cost of providing services in a safe way may well increase provider costs. During June-September Central Government has provided £12m of funding in Norfolk to support infection control. Despite this we continue to see a likely **COVID related rise in the average fees we secure care from the market** for as some of our key care markets evolve. We therefore need to look at the likely longer term costs for some providers and ensure that fees are appropriate.

For some vulnerable adults, the pandemic has created an **escalation in social care needs**. Supporting these people, and their families, will continue to be a priority for the Council, and has increased some costs, at least in the short term.

The COVID-19 response has given rise to some opportunities as well through some closer links with health and joint responses around discharge from hospital. However, as part of the recently published phase three plans for the overall health service, the revision to the hospital discharge arrangements only cover the remainder of the financial year. As part of the revised guidance we will have the continuation of the hospital discharge services requirements for the remainder of this year, but with only up to the first six weeks of care to be funded by NHS England and NHS Improvement (NHSEI) from 1 September. In addition, there is an expectation that from 1 September any previous hospital discharge placements will begin to begin their journey back towards the funding pathway they would have taken pre-COVID. Our ability to manage this transition back to normality is **crucial for the Council not to be holding onto costs beyond the cessation of the NHSEI hospital discharge funding route**.

5.3. Savings proposals 2021-22

As well as improving outcomes for people, our approach to service delivery has helped the department to deliver the significant financial savings needed to continue to meet the increasing demands for social care across Norfolk. In order to truly provide the strong foundation Adult Social Care needs to thrive, we strongly believe that there is an imperative for Central Government to deliver meaningful reform of the social care funding system, which needs to work alongside the development of a long term plan for Adult Social Care.

Within the overall strategy for Promoting Independence our financial strategy for delivering against the financial challenges we face are underpinned by the following principles:

- We should recognise the power of excellent social work in helping people regain and retain independence by doing more of it.
- We must continue to invest in early intervention and targeted prevention where there is strong evidence to its ability to keep people independent for longer.
- We must work in partnership with others to reduce system demand and improve outcomes.
- We should commission services which enable and re-able people so they achieve and maintain as much independence as they can.
- We should know that a stable and sustainable market for social care reduces inefficiency and improves value for money.
- We must get the full value for what we pay for by strengthening the contract management of our commissioned contracts.
- We should not be afraid to use of technology, and pursue innovation, to enable more people to live independently for longer.
- We must charge people appropriately for their care and provide welfare rights support.

Alongside our existing programme of work, our new savings proposals for 2021-24 seek to utilise our principles and can be grouped into five main themes:

- **Independence and enabling housing (new)**
Adult Social Services is already working to develop more alternative types of accommodation to give people other choices and more independence. Proposals will look to extend this, focusing on making better use of existing accommodation, collaboration with health partners, and putting in place strategic funding arrangements for developing alternative accommodation.
- **Revising the short term out of hospital offer (new)**
Adult social services has historically played a significant role in funding and delivering out of hospital care. New Discharge to Assess guidance, post-COVID, highlights the importance of this for the health and social care system as a whole. We want to review what our offer is – as part of a health and social care intermediate care offer. This will allow us to focus more resources on home first services, including greater therapy input, and moving away from reliance on short-term beds.

- **Our commissioned models of care (new)**
We will seek savings from some commissioned services, particularly maximising block contracts and re-shaping those which are no longer value for money. Part of this will include looking at the cost of care, given the significant changes in the market as a result of COVID.
- **Self-direction, prevention and early help (new)**
Our prevention and early help approach has enabled us to achieve significant savings in demand, by preventing, reducing and delaying the need for formal care. We will look to consolidate initiatives, strengthening those which are effective and ceasing some activities if there is duplication.
- **Digital efficiency, value for money (extension)**
We are already delivering significant savings through exploiting digital technology. Proposals will look to extend this, taking up new opportunities to improve productivity and drive out costs.

Table 5: Adult Social Services gross new saving proposals 2021-22 to 2024-25

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 ASS001: Supporting more people to move into independent housing , reducing the reliance on residential care.	-0.500	0.000	0.000	0.000	-0.500
21-22 ASS002: Strategic approach with health partners to manage joint funding of packages to support better use of resources across the health and social care system.	-1.000	0.000	0.000	0.000	-1.000
21-22 ASS003: Revising the short term out of hospital offer - We want to review what our offer is – as part of a health and social care intermediate care offer. This will allow us to focus more resources on home first services, including greater therapy input, and moving away from a reliance on short-term beds.	-3.670	2.000	2.000	0.000	0.330
21-22 ASS004: Efficiency targets for some core contracts and ensuring that we maximise the usage of block contracts.	-0.500	0.000	0.000	0.000	-0.500
21-22 ASS005: Introduce more individual service funds as an alternative to commissioned care for some people, to give them more control and choice over their care - This gives people the opportunity to choose a provider and work with that provider to arrange services and support. Similar to a direct payment, but the individual does not have to manage the money as the provider does it for them.	-0.069	-0.200	0.000	0.000	-0.269

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 ASS006: Working with our partners to reshape and refocus our approach to supporting people upon their initial contact with Adult Social Care.	-0.500	0.000	0.000	0.000	-0.500
21-22 ASS007: Reducing the amount we have set aside to cover potential bad debts. (One-off benefit).	-1.000	1.000	0.000	0.000	0.000
21-22 ASS008: Releasing amounts previously carried forward in one-off reserves. (One-off benefit).	-0.475	0.475	0.000	0.000	0.000
21-22 ASS009: Digital business transformation and staffing efficiencies across Adult Social Care, embedding efficiencies from smarter working.	-0.800	0.000	0.000	0.000	-0.800
21-22 ASS010: Capitalisation of Assistive Technology Equipment - the use of capital funding as an alternative to revenue funding for our Assistive Technology equipment purchases.	-0.500	0.000	0.000	0.000	-0.500
21-22 ASS011: Capitalisation of Adult Social Care Transformation programmes - the use of capital receipts as permitted by Government to fund transformational activity which will deliver future savings.	-1.000	0.000	0.000	0.000	-1.000
21-22 ASS012: Contract renegotiation - Ensuring the requirements of commissioners are reflected in the Norsecare contract.	-3.000	0.000	0.000	0.000	-3.000
21-22 ASS013: Working with NORCA (Norfolk Care Association) to develop a targeted approach to the annual price uplift for 2021-22 recognising the overall local authority budget pressure.	-2.500	0.000	0.000	0.000	-2.500
21-22 ASSN/a: Applying a 2% increase in the Adult Social Care Precept , subject to Government making this option available in 2021-22.	-8.500	0.000	0.000	0.000	-8.500
Total	-24.014	3.275	2.000	0.000	-18.739

6. Service financial strategy and approach to developing 2021-22 Budget proposals – Children's Services

6.1. Financial Strategy

The core strategy and transformation approach remains unchanged and Children's Services continues to project benefits from existing schemes and new schemes in the same strategic areas. Specifically these are:

1. Inclusion
2. Prevention and Early Intervention

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3. Quality of Practice
4. Edge of Care and Alternatives to Care
5. Re-shaping the care and specialist support market

The new savings proposals contained within this report have been developed in line with these existing themes and represent some continuation of existing programmes as well as some major new elements, such as the “No Wrong Door” model, which is intended to achieve good outcomes at lower long-term cost for the children with the most complex need. We are continuing with this core strategy because it is working. At the time of preparing this report, the Council has approximately 180 fewer children looked after (excluding unaccompanied asylum seeking children whose needs are met through specific government funding) than at the peak in January 2019. On average it costs approximately £50k per annum for a child looked after placement, and so our success in keeping families together and reducing numbers in care will have delivered avoided cost pressure and savings of approximately £9m per annum delivered through the core strategy and transformation approach. The new proposals will build upon this success. However, whilst numbers of children in care have decreased, the average unit cost of placements has been rising and in particular the very high costs for the children and young people with the most complex needs have offset the financial gains. As such, we are bringing forward a number of schemes including the ‘No Wrong Door’ Model with a specific focus on meeting those high needs differently and at lower cost.

The core strategy and transformation approach is an ongoing programme of work for the department with work ongoing to enable the identification of further new initiatives that could deliver substantial transformation.

These areas are now supported by a major focus on modernisation, efficiency and opportunities to work differently which will be enabled by technology and the cultural shift that is being accelerated by COVID-19. These include:

- Efficient Processes
- Reduced Travel
- Using Buildings Differently
- Exploiting Technology

Proposals have sought to identify areas for efficiency but will require significant support to deliver, for example to drive out the benefits of technology, to enable teams to operate with reduced reliance on buildings, to progress the staff skills agenda. The department is proposing fairly substantial savings targets in these areas, over and above those to be delivered through the major transformation programme.

The department is also commencing a close internal review of staffing – especially in support and ‘back office’ teams. This review will look through a number of lenses such as whether we can automate processes, identify any areas of duplication and how we can build on the recent move to remote and flexible working to drive out cost savings – for instance from reduced travel cost claims. This work will take further time to complete and whilst the focus will be upon achieving efficiency without compromising quality and effectiveness of service, there is a risk that the quality and quantity of

service that can be provided will reduce to enable the required savings to be delivered in the context of the Council's very challenging financial circumstances.

On 5 January 2020, the Government announced £165m of funding for 2020-21 to continue the Troubled Families programme for an additional year (originally set to run for 5 years from 2015 to 2020). The funding is made up of various elements including a payment by results amount that is driven by the number of families supported in the programme. Delivery of these results is through social care staff embedded in the social care operating model as part of their core offer. No further funding announcements have been made at this time.

6.2. COVID-19 Impact and Context

COVID-19 has had a significant impact on Children's Services. Initially, demand for core statutory services fell by around 40-50%, although this has now returned to normal levels. Numbers of children in care remained fairly stable, albeit with unit costs rising, and some additional costs have been incurred in managing the disrupted care market.

The department is anticipating and has planned for a significant spike in demand in the autumn following the return of schools; in turn this may translate into higher demand for statutory services and children in care, although this remains highly uncertain.

In a best-case scenario, the number of children in care will continue to fall in line with the recent trend – more likely is, at least a temporary rise aligned to the surge in demand. Some authorities are projecting a significant rise over an extended period and so this will need to be closely monitored and an additional financial pressure could emerge which is not currently accounted for as the business planning cycle progresses. At the time of writing, the level of demand in social care has not yet, significantly increased above normal levels but it is still very much 'too early to tell' in terms of the scale of the anticipated rise.

Due to the timing of the outbreak of the pandemic, COVID-19 has resulted in a significant delay to the introduction and embedding of the new social care operating model. Some elements had to be put on hold with the focus turned to meeting the immediate needs arising from the pandemic and ensuring resilience of service, utilising all available staff. The implementation of the new operating model has recommenced, alongside the re-starting of the whole transformation programme. The impact of the delay is being mitigated where possible, and it is as yet unclear how any surge may affect it further, but it could result in future medium-term cost pressures and will be kept under close review.

The service has identified a range of other, less obvious, impacts on demand – including hidden need, trauma, and economic factors. It is hard to know what the experiences of children will have been during lockdown and how that will play out in the medium to longer term. Some key external markets are also under major strain, for example transport, early years, the voluntary sector as well as care. This includes

some specialist provision from external providers that has been reduced during the pandemic and, in some cases, on an ongoing basis, to ensure that they are 'COVID secure.' That, alongside lengthy absence from school-based educational provision, may result in additional demand that will need to be sourced.

As a result of COVID, the expectations upon the Council with respect to its leadership role within the whole education sector in Norfolk has significantly changed. This has led to staff being redeployed to support the significantly increased workload, many of whom previously provided traded services and / or support to improve achievement and increased inclusion in schools. Therefore, there has been major disruption to the normal work of Learning and Inclusion staff, including the traded services model with schools, for which there is a review now underway. At this stage, it is not clear what the Government's expectations are of local authorities with respect to support and leadership to the education sector in the medium-to-long-term, and whether these will be deliverable within the current funding envelope available.

There are likely to be some opportunities emerging from the COVID-19 response, including:

- The relationship with the school system, in particular, has been strengthened, creating an opportunity to wrap support around in a preventative way;
- Greater family resilience is being evidenced and family networking is thriving in the current context, and this is an area to build on;
- Increasing responsiveness to meet families' needs at times better for them and professional assessment purposes rather than being constrained by office opening hours;
- The potential to unlock the capacity and budgets normally tied up at the higher tiers;
- Significant opportunity to strengthen recruitment and retention through greater flexible working and opportunity to increase workforce stability;
- In the mental health arena, the crisis has accelerated the move away from the previous clinic-based model;
- Volunteers have come forward in much greater numbers than previously;
- Virtual working is unlocking creative practice and improved relationship and engagement with families and young people that could be included in the overall offer as a "new normal" is established;
- Potential to move 'upstream' together and have more and better 'early help' across cohorts; and
- Partnership working has deepened and accelerated.

6.3. Savings proposals 2021-22

The impact of COVID-19 is projected to cause delays to the delivery of existing saving plans which will impact on 2021-22 as well as the current year, meaning the Service is currently planning to make up for any potential shortfall on previously planned savings as well as delivering against new targets.

In total, new proposals shown below, combined with existing savings within the Medium Term Financial Strategy will result in Children's Service delivering £11.4m savings in 2021-22.

Table 6: Children's Services gross new saving proposals 2021-22 to 2024-25

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 CHL001: Expansion of 2019-20 CHS001: Prevention, early intervention and effective social care (Reduced Family Court Costs) - Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care. As we aim for fewer children to be looked after as a result of changes to how we work, we anticipate a reduction in legal advice and associated fees.	-0.200	0.000	0.000	0.000	-0.200
21-22 CHL002: Expansion of 2019-20 CHS002: Alternatives to care (No Wrong Door) - Investing in a range of new services which offer alternatives to care using enhanced therapeutic and care alternatives, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises. Conversion of two in-house residential homes to create spaces to provide services for children and young people that offer alternatives to long-term care. This will be delivered in partnership with North Yorkshire County Council, based on their successful No Wrong Door model with financial support provided by the Department for Education.	-2.200	-5.100	-3.500	-2.000	-12.800
21-22 CHL003: Expansion of 2019-20 CHS003: Transforming the care market and creating the capacity that we need - Creating and commissioning new care models for children in care – achieving better outcomes and lower costs. Continuation of the transformation of the care market to keep children and young people who require placements close to home and based in Norfolk wherever possible and appropriate to do so. This includes the introduction of in-county solo/dual placements for young people with complex needs resulting in the reduction of expensive out of county placements and more effective use of our residential	-1.000	-0.100	0.000	0.000	-1.100

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
estate. Additionally, we will embed the transformation of cost-effective support arrangements and placements for unaccompanied asylum seekers, reducing reliance on external providers through in-house provision of young parent and baby semi-independent accommodation, and ensuring cost-effective practice for special guardianship orders.					
21-22 CHL004: NEW TRANSFORMATION PROGRAMME INITIATIVE: Inclusion (Home to School Transport) - Through finding school places closer to home for children and young people with Special Educational Needs and Alternative Provision requirements, we will reduce the home to school transport costs associated with long journeys.	-0.500	0.000	0.000	0.000	-0.500
21-22 CHL005: Smarter Working - Efficiencies through increased use of automation and robotics, continued modernisation through shift to different ways of working (accelerated by COVID-19 and enabled through use of IT), departmental review of posts to ensure no duplication of activity, and promotion of flexible working arrangements advantageous to employees and the department.	-1.900	0.000	0.000	0.000	-1.900
21-22 CHL006: Rationalisation and relocation of office accommodation - It is proposed that office accommodation needs of the department are reviewed in light of smarter working (accelerated by the COVID-19 pandemic and enabled through use of IT) with the view to rationalising accommodation whilst still meeting ongoing service needs. (One-off capital receipt in range £1-2m).	-1.600	1.600	0.000	0.000	0.000
Total	-7.400	-3.600	-3.500	-2.000	-16.500

7. Service financial strategy and approach to developing 2021-22 Budget proposals – Community and Environmental Services

7.1. Financial Strategy

Community and Environmental Services (CES) has responsibility for the delivery of a wide range of services; there is no hierarchy as each area has a vital role to play in achieving better outcomes for the whole of Norfolk. CES proactively provide information and advice to help people to make better choices that enable them to live fulfilling, independent lives. Teams continue to provide vital services to ensure that residents are safe, both in their own homes and when out and about in the county.

In terms of an overall strategy for developing budget proposals, the broad range of services and outcomes means that a single approach would not be beneficial. Instead, CES is focussing on two general approaches:

- Cost reduction – including through use of new technology and contract renegotiations.
- Ways of working – including efficiencies in back office processes and organisational re-design.

We will continue to prioritise delivery of savings from these approaches ahead of changes to front line services.

In previous years, the department has also had a focus on income generation. However, given the current pressures and risks associated with existing income generation targets (as set out in paragraph 7.2) it is not considered prudent for new income generation to be a key strand of the financial strategy for next year.

7.2. COVID-19 Impact and Context

A significant number of staff within CES were redeployed in roles to support the emergency response efforts throughout the county. The service also plays a crucial role in supporting communities and businesses to respond to and recover from the impacts of COVID-19.

Some of the longer term impacts and potential future budget pressures for CES arising from COVID-19 include:

- Significant work will be needed to support delivery of the Norfolk and Suffolk Economic Recovery Restart Plan, working with New Anglia LEP. A number of projects and measures have been developed to support the Norfolk economy including through advice for businesses, support for the visitor economy, investment in infrastructure and support for individuals to reskill and upskill.
- The department is heavily reliant on generating external income, such as museums admissions income, Adult learning and Libraries. Given the extended period that services were not able to operate in their normal way, and new restrictions in the foreseeable future, this will have a significant impact on the income generating activities already built into the budget.

- Higher volumes of residual waste are anticipated due to residents being at home rather than places of work, therefore generating more waste through the kerbside collections.
- Whilst Government have provided support to transport operators, both directly and through the County Council, CES continues to work with operators to ensure there is resilience of the public transport network including home to school transport. Work is also underway with operators to ensure they have the ability to provide viable services under social distancing measures and through a period where there may be low public confidence in using public transport.
- Increased costs are also expected for the delivery of capital schemes to accommodate safe working practices.
- Some services in the department continue to carry out significant work specifically on COVID-19 response and recovery, in particular the Public Health, Growth and Development, Trading Standards and Resilience teams. It is anticipated that there will continue to be a need for significant support from these areas for some time.

7.3. Savings proposals 2021-22

The new savings proposals for 2021-22 are set out in the table below.

Table 7: Community and Environmental Services gross new saving proposals 2021-22 to 2024-25

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 CES001: Back office savings across CES (non-staff budgets) - Savings from reduction in travel and subsistence, printing, postage and telephone budgets.	-0.137	0.000	0.000	0.000	-0.137
21-22 CES002: Back office savings in CES (staff budgets) - Restructure and review the number of posts in a number of back office teams.	-0.356	0.000	0.000	0.000	-0.356
21-22 CES003: One off use of reserves to fund projects budget - Remove the remaining economic projects budget and fund from reserves in 2021-22 (one-off), with the revenue budget reinstated for 2022-23.	-0.174	0.174	0.000	0.000	0.000
21-22 CES004: Back office savings in CES Growth and Development - Savings from reduction in back office activities (travel budgets and other back office activities).	-0.047	0.000	0.000	0.000	-0.047
21-22 CES005: Savings achieved through procurement of new contract - Reductions in waste disposal costs delivered through procurement of new contract.	-1.800	0.000	0.000	0.000	-1.800

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 CES006: Reduction of opening hours at Recycling Centres - Reduce the opening hours at Recycling Centres to harmonise summer opening hours with current winter opening hours.	-0.070	0.000	0.000	0.000	-0.070
21-22 CES007: Back office savings in CES Highways and Waste (non-staff budgets) - Savings from reduction in travel and subsistence budgets.	-0.012	0.000	0.000	0.000	-0.012
21-22 CES008: Culture and Heritage - Service redesign and additional fee income	-0.330	0.000	0.000	0.000	-0.330
21-22 CES009: Staff savings at the Norfolk Record Office (NRO) - Savings through efficiencies in back office processes and service re-design.	-0.066	0.000	0.000	0.000	-0.066
21-22 CES010: Reduce Norfolk Arts Service (NAS) budget - Reduce the NAS budget via limited service redesign.	-0.037	0.000	0.000	0.000	-0.037
21-22 CES011: Libraries - Cease purchase of newspapers and periodicals for Norfolk libraries, except for local history purposes. Newspapers and periodicals will continue to be available to access for free via the Libraries app.	-0.050	0.000	0.000	0.000	-0.050
21-22 CES012: Library service re-design (community library staff) - Reduce the number of community librarians by 20%.	-0.118	0.000	0.000	0.000	-0.118
21-22 CES013: Fire Service - back office savings through reduction in fuel costs, printing and photocopying, and advertising expenses.	-0.101	0.000	0.000	0.000	-0.101
21-22 CES014: Savings in Culture and Heritage including staffing savings - Savings delivered through service redesign, back office savings and vacancy management.	-0.383	0.000	0.000	0.000	-0.383
21-22 CES015: Fire and Rescue Service - Review of managerial and functional posts including contract arrangements. Reviewing equipment purchases and staff training budget.	-0.261	0.000	0.000	0.000	-0.261
21-22 CES016: One off use of reserves - One off use of street lighting PFI reserve.	-1.383	1.383	0.000	0.000	0.000
21-22 CES017: Further Street Lighting LED upgrade - Upgrade 15,000 street lights on main roads, along with the CMS (central management system), to enable energy savings.	-0.900	0.000	0.000	0.000	-0.900
21-22 CES018: Income Generation / recharging for services - Additional income from charging for services / roundabout sponsorship and charging for activities on the highway.	-0.345	0.000	0.000	0.000	-0.345

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 CES019: Reduction in grass cutting - Saving delivered by reducing urban grass cutting from 5 cuts per year down to 4 cuts per year, and reducing rural grass cutting on C and U class roads from 2 cuts per year down to 1 cut per year.	-0.100	0.000	0.000	0.000	-0.100
21-22 CES020: Back office savings in CES Highways and Waste - Savings from reducing overtime budgets and deletion of vacant posts.	-0.106	0.000	0.000	0.000	-0.106
21-22 CES021: Reduction in contract spend - Savings from renegotiation of contract rates as part of a package to extend some current Highways contracts.	-0.082	0.030	0.000	0.000	-0.052
Total	-6.858	1.587	0.000	0.000	-5.271

8. Service financial strategy and approach to developing 2021-22 Budget proposals – Strategy and Governance

8.1. Financial Strategy

The Strategy and Governance department brings together a number of professional services which fulfil different functions, and need to be differentiated in the way they operate and the focus of their advice and support. These provide a continuum of services including strategic direction, and resource stewardship, as well as support to services, managers and staff. Strategy and Governance provides:

A **strategic focus** - to advise and support the political and managerial leadership of the Council in their strategic approach. At a time when resources are stretched, the organisation is expecting further COVID-19 pressures and there are so many “unknowns” in the financial and government policy space, it is essential to:

- have the capability to look to the future and anticipate change.
- provide analytical and problem-solving expertise to the executive team and the business units.
- offer **professional leadership** to the organisation and to Norfolk Resilience Forum (NRF) partners in key areas such as strategy, communications, intelligence and analytics to drive insights and actions.

A **support service** focus – to support and enable **transformational change** and seek to drive innovation, as well as operations at departmental and service level. Important to have capacity to:

- define transformational solutions to strategic problems.
- implement transformation initiatives.
- provide more responsive internal services to managers and staff, while achieving lower costs through greater use of technology, and simpler and more streamlined processes.

A **governance focus** – to ensure the organisation is **safe, compliant and governed effectively** and with strategic focus and purpose, with strong stewardship / control systems and processes, joining up across the local government system.

An **income generating focus** – to create value for NCC through maximising the opportunities provided through public service provision, for genuine fee earning activities which don't deviate from, but enhance, our statutory purpose and core offer. Strategy and Governance as a whole relies heavily on income, particularly Nplaw and Registrars, so proposals to review headcount need to take into account the potential for fee earning.

In the above context, budget proposals can have a significant impact on service departments. The proposals set out in section 8.3 have been developed in line with the department's strategic approach and are intended to:

- Ensure that we keep the organisation **safe and legal** as **efficiently** and **effectively** as possible.
- **Balance opportunities to maximise income for genuine fee earning services**, against cost savings, without deviating from our core service offering.
- Work to **drive our professional leads model**, in providing support across the organisation to maximise efficiency, and effectiveness.
- Maximise any saving opportunities arising from changed expectations and **working practices** as a result of COVID-19.

8.2. COVID-19 Impact and Context

As set out in previous reports to Cabinet, services within the Strategy and Governance Department fulfil a key role in supporting the organisation to operate in a safe, well-governed and compliant way during the response to the pandemic. This has included:

- Maintaining democratic functions and Member support;
- Ensuring effective communications internally, externally with key stakeholders, and through supporting delivery of key Public Health messaging both for the County Council and NRF partners;
- Providing advice on statutory and regulatory changes arising from the response to the pandemic;
- Maintaining effective HR functions and supporting the wider workforce through a period of radical change; and
- Supporting wider organisational capacity and the management of the response to the pandemic.

8.3. Savings proposals 2021-22

The new savings proposals for 2021-22 are set out in the table below.

Table 8: Strategy and Governance gross new saving proposals 2021-22 to 2024-25

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 SGD001: NPLaw Structural Review - Savings from structural review linked to development of the partnership agreement.	-0.200	0.000	0.000	0.000	-0.200
21-22 SGD002: Democratic Services Review - Democratic Services savings linked to changes arising from the Peer Review and Association of Democratic Services Officers (ADSO) review.	-0.030	0.000	0.000	0.000	-0.030
21-22 SGD003: Information Governance - Streamlining of Information Governance processes to deliver efficiencies.	-0.020	0.000	0.000	0.000	-0.020
21-22 SGD004: Your Norfolk Digitisation - Stopping paper production and distribution of Your Norfolk and moving to a more frequent digital solution.	-0.100	0.000	0.000	0.000	-0.100
21-22 SGD005: Strategy and Governance back office savings - Reducing print, post, stationery and travel expenditure across the whole Department.	-0.100	0.000	0.000	0.000	-0.100
21-22 SGD006: Professional Lead and Career Family Model - Implementation of the Professional Lead and Career Family Model across the Insight and Analytics (I&A), Communications, and Strategy capability across the organisation.	-0.250	0.000	0.000	0.000	-0.250
21-22 SGD007: Democratic Services (staff budgets) - Review and realign existing structure to deliver new post COVID-19 ways of working.	-0.075	0.000	0.000	0.000	-0.075
21-22 SGD008: Elections Funding underspend (one-off release of reserve) - More active and focussed management of the election facilitation, with District Councils, to deliver an underspend against budgeted provision.	-0.075	0.075	0.000	0.000	0.000
21-22 SGD009: Further savings to deliver a net 2.75% reduction in staffing budgets across Strategy and Governance teams - Targeting vacancy management and natural turnover as a priority; savings will be linked to achieving efficiencies through the HR and Finance System replacement.	-0.109	0.000	0.000	0.000	-0.109
Total	-0.959	0.075	0.000	0.000	-0.884

9. Service financial strategy and approach to developing 2021-22 Budget proposals – Finance and Commercial Services / Finance General

9.1. Financial Strategy

Finance and Commercial Services provides the capacity to enable the organisation to act swiftly, innovatively and effectively in the context of rapid change. Core departmental priorities include:

- Enhancing financial performance.
- Supporting and training service managers.
- Effective management of property assets to make best use and maximise the return on investments.
- Efficient and effective contract management.
- Providing information which supports good decision making.
- Reducing the costs of our services whilst improving their effectiveness, utilising new technology and implementing smarter ways of working.
- Rolling out technological infrastructure, improving customer service and saving money.

The savings proposals set out in this report for 2021-22 have been developed with reference to the above objectives and are intended to:

- Ensure critical functions and capability are maintained.
- Maximise any opportunities arising from changed expectations and working practices as a result of COVID-19.
- Protect the quality of service and level of support to front line services and colleagues across the Council.

Finance General is a corporate budget, which includes council wide expenditure such as corporate pension payments; grant payments; audit fees; member allowances; and capital financing costs. Income includes funding through the Business Rates Retention System; interest from investments; and depreciation on capital from services.

9.2. COVID-19 Impact and Context

As reported to Cabinet in September, Financial and Commercial Services continues to deliver essential and resilient support functions which have enabled the Council to continue operating effectively throughout the response to the COVID-19 emergency, and have played a key role in supporting the wider organisational response, including:

- Ensuring safe, effective and appropriate use of property and assets;
- Effective procurement of vital equipment including PPE;
- Provision, development, delivery, and maintenance of effective ICT solutions to enable remote working and organisational resilience;
- Maintaining effective, prompt and secure payment systems, and ensuring appropriate financial control and oversight of decision-making;
- Supporting wider organisational capacity and the management of the response to the pandemic.

9.3. Savings proposals 2021-22

The new savings proposals for 2021-22 are set out in the table below.

Table 9: Finance and Commercial Services gross new saving proposals 2021-22 to 2024-25

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 FCS001: Automation of IMT processes (staff budgets) - Automation for simple repetitive tasks such as provision of access rights to file shares. Staffing reductions to be delivered by targeting vacancy management and natural turnover, although some potential for redundancies.	-0.200	0.000	0.000	0.000	-0.200
21-22 FCS002: New network and telephony support arrangements - Reduced administrative effort to maintain network and telephone systems. Review small scale headcount reduction and / or reduced expenditure on third party support contracts.	-0.100	0.000	0.000	0.000	-0.100
21-22 FCS003: Reduced expenditure on the corporate printing contract - Contract renegotiation and reductions in volumes.	-0.100	0.000	0.000	0.000	-0.100
21-22 FCS004: Schools IT reduced cost and increased income - Implement a range of measures to improve profitability of the Schools IT operation, through increased efficiency / reduced costs to provide service, and ceasing trading in areas where the income does not cover the full cost of provision.	-0.050	0.000	0.000	0.000	-0.050
21-22 FCS005: Switching all IMT mobile phones over to bring your own device (BYOD) - Reduced expenditure on mobile telephony through BYOD, usage policies and contract management.	-0.020	0.000	0.000	0.000	-0.020
21-22 FCS006: Reduced expenditure on software applications such as Adobe Acrobat and MS Project - Challenging current use and requirements, and providing lower cost alternatives.	-0.020	0.000	0.000	0.000	-0.020

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Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 FCS007: Travel and transport budget in IMT - Reduced costs through increased mobile and flexible working, more virtual visits and reduced courier / delivery costs.	-0.010	0.000	0.000	0.000	-0.010
21-22 FCS008: Increased Data Centre Income - Sharing the NCC data centre more widely with Norwich City Council, and possibly other partners, enabling income targets to be overachieved.	-0.003	0.000	0.000	0.000	-0.003
21-22 FCS009: One-off use of reserves - One-off savings and use of reserves within Budgeting and Financial Management.	-0.255	0.255	0.000	0.000	0.000
21-22 FCS010: Vacancy management within Internal Audit Service - Vacancy management and team structure review, and review of contracted services budget.	-0.015	0.000	0.000	0.000	-0.015
21-22 FCS011: Introduction of new technology and reduction in posts in Finance Exchequer Services - Savings from reduction in headcount enabled by introduction of new technology including additional employee self-service.	-0.075	0.000	0.000	0.000	-0.075
21-22 FCS012: Benefits realisation from the HR & Finance System replacement project in Finance Exchequer Services - Benefits realisation work is still underway to quantify value of saving from the HR & Finance System replacement, but current forecast reflects savings of £0.4m in 2022-23 which will be delivered by a combination of reduction in posts and changes to licence costs. Expected full year effect of the project being implemented is currently estimated as a further £0.1m from 2023-24.	0.000	-0.400	-0.100	0.000	-0.500
21-22 FCS013: Corporate Property savings in direct revenue costs - Savings achieved through reduced maintenance, security and other revenue costs based on exiting some additional sites, enabled by changes to ways of working due to COVID-19.	-0.358	0.000	0.000	0.000	-0.358
21-22 FCS014: Further savings to deliver a net 2.75% reduction in staffing budgets across Finance and Commercial Services teams - Targeting vacancy management and natural turnover as a priority; savings will be linked to achieving efficiencies through the HR and Finance System replacement.	-0.372	0.000	0.000	0.000	-0.372
Total	-1.578	-0.145	-0.100	0.000	-1.823

Table 10: Finance General gross new saving proposals 2021-22 to 2024-25

Saving proposal	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m	Total £m
21-22 FIN001: One off release of Organisational Change Fund - Underlying annual budget provision for organisational change and redundancy costs is £2.7m (2019-20). Assessment of amount required to be held against organisational need, experience of actual costs incurred, and the likely organisational and staffing impact of emerging saving proposals for 2021-22, indicate that it would be possible to continue release £0.500m from this budget on the same basis as 2020-21. This reflects a delay of cost pressure for 2021-22 to 2022-23.	-0.500	0.500	0.000	0.000	0.000
21-22 FIN002: Insurance review (One-off use of reserves) - Review of Insurance reserves, claims and risks allows £0.500m to be released on a one-off basis.	-0.500	0.500	0.000	0.000	0.000
21-22 FIN003: Interest Payable / Receivable - Revised estimates of interest payable and receivable budgets for 2021-22 based on latest forecasts enable a reduction in budget provision.	-0.120	0.000	0.000	0.000	-0.120
21-22 FIN004: Employer pension contribution payment in advance - Deliver a saving by paying the County Council employer pension contribution in advance, benefiting from the investment returns achieved by the Pension Fund over a longer period. Value of saving currently being confirmed/refined.	-1.500	0.000	1.500	0.000	0.000
Total	-2.620	1.000	1.500	0.000	-0.120

10. Latest Budget and Medium Term Financial Strategy position

10.1. A summary of the cost pressures and savings provided for in the February MTFS analysed by Service was reported to Cabinet in July. As set out in that report, the MTFS includes significant unavoidable ongoing pressures from 2021-22 to reinstate Minimum Revenue Provision (MRP) budgets following the saving delivered over recent years. In September, Cabinet then considered a number of changes to the 2021-22 planning assumptions and noted a revised forecast gap position of £129.779m, incorporating a gap of £45.434m for 2021-22. This position was based on the following significant assumptions:

- 2020-21 funding levels being broadly maintained (i.e. a further rollover settlement).
- Pay inflation running at 3% from 2021-22 onwards, and providing for the additional 0.75% pay award for 2020-21, as the current year increase has now been confirmed as 2.75%, compared to the budgetary provision of 2%.
- Non-pay inflation provided for on some budgets being reduced from 2% to 1%.

- General council tax being increased by 1.99% per year, (this remains subject to both Member decision-making and Government announcements about referendum thresholds annually). This is discussed further in section 12 below.
- Previous increases in the National Living Wage (NLW) being continued. The Government could set a more significant increase, without additional funding. Announcements about the April 2020 level were made in January 2020. Each 1p rise in the NLW increases the costs of care by £0.200m. Many organisations have lobbied central government to make further increases in the NLW and in particular to seek higher increases for care workers. Either would increase costs significantly above the current budget assumptions.
- The tax base increasing by 0.5% in 2021-22 and thereafter by 1% each year to 2023-24 (1.39% growth was forecast for 2020-21).
- A Collection Fund surplus arising of £3m in 2021-22, £2m 2022-23, and £1.5m 2023-24. This remains an area of significant uncertainty and will be reviewed further as the budget process continues.

10.2. The forecast gap is kept under continuous review through the Budget process. However, **it is not proposed to update the forecast budget pressures from the September position at this point**, taking into account the wider uncertainty about the impact of COVID-19 on local authority finances and the absence of both government funding announcements and updated forecasts for local income streams including council tax and business rates. It is nevertheless important to note that as at October, **further revenue budget pressures are beginning to emerge** in relation to items such as specific Government funding ceasing (for example the Troubled Families Grant which is likely to end in March 2021), pressures linked to the National Living Wage (the level of which remains uncertain) and further service specific pressures. **Work is underway to fully quantify and validate these emerging pressures and they will be included in the final Budget proposals in February where they are shown to be appropriate and unavoidable.** This reflects the fact that local authorities continue to face a growing gap between funding and service pressures, driven in part by a combination of demographic changes, unfunded burdens, policy decisions, and the needs of vulnerable social care users becoming increasingly complex. Further risks are also emerging around the potential economic impact of a “no deal” exit from the European Union (Brexit), and associated cost pressures in areas such as Trading Standards. Brexit-related cost pressures may also be anticipated in the event of any delays in the process of exporting waste, which could give rise to additional costs relating to waste storage and / or more expensive disposal points. Similarly, any disruption to the food supply chain could result in additional costs related to the need to provide support to vulnerable members of society. Any resulting pressures in this area will be identified through the remainder of the budget process. Children’s services, in both social care and education (particularly the High Needs Block), are also under very significant stress. There remains a risk, as previously highlighted to Cabinet, that these pressures increase in the medium-term as a result of additional needs driven by the impacts of COVID-19.

10.3. The profound short-term effects on Council finance of the response to COVID-19 are being regularly presented to Cabinet in the Financial Monitoring report elsewhere on the agenda, but as previously identified, it remains unclear precisely what the medium-

and longer-term financial impacts will be, and as such the full implications for the council's Budget in 2021-22 have yet to be confirmed. What is clear is that some very significant financial risks associated with the pandemic exist in terms of the long-term design of some services, in relation to joint working, public expectations, levels of demand, and the underlying cost base. Risks also remain that adult social services will incur changed volume and market prices into 2021-22, which are not included within the current budget plans. Other key risks are linked to the changes to the hospital discharge service arrangements from September 2020. This could mean that higher than usual volumes and prices of care, following transition of the NHS funding arrangements, are incurred by the council going forward. In addition, some providers have needed to change business models to operate services in line with social distancing rules, which will reduce capacity and increase unit costs. Risks within Children's Services include the potential for additional cost pressures linked to surges in demand, particularly in relation to looked after children. In addition, there is a risk that the wider operating environment has shifted, which may put pressure on assumptions about trading with schools. Across a wide range of CES budgets there are significant risks to assumed income budgets and it remains uncertain how quickly demand will recover in 2020-21 and 2021-22. Any or all of these additional costs could persist into the next financial year if the pandemic and associated Government and local control measures continue. Critically, it remains to be seen in such a case to what extent emergency Government funding and support will be extended into 2021-22. As a result, **COVID-19 cost pressures will only be incorporated into Budget planning when there is greater certainty that they will remain and that they will not be mitigated by Government.**

- 10.4. Further details of both potential COVID-19 and "routine" revenue cost pressures for services have been set out in sections 5 to 9. As previously reported, it should also be noted in this context that the level of pressures included in the Children's Services budget for future years is substantially lower than has been provided for in 2020-21 and this may therefore be a particular area of risk for future cost pressures emerging through the remainder of the 2021-22 budget process. As set out above, the Adult Social Care budget for next year is also subject to significant uncertainty particularly in relation to ongoing costs of care that are currently funded by health under the Hospital Discharge Service requirements and market prices affected by COVID-19 measures and national living wage. **Further savings will therefore be required to address these pressures, should they arise, and to close the identified budget gap.**
- 10.5. The latest indicative MTFS position is shown in the table below, reflecting the forecast budget gap as at September and incorporating the savings proposals set out in this report. It should be noted that these saving proposals remain subject to further validation work to ensure that they are fully robust and deliverable, and **no final decisions on the implementation of savings will be made until February 2021 when the County Council considers the Cabinet's proposed Budget for 2021-22, including the findings of public consultation and equality and rural impact assessments.** With this caveat and assuming that all proposals in this report were to be progressed, **the indicative MTFS gap would be £98.057m, incorporating a gap of £15.062m for 2021-22.** This position will be impacted by any emerging pressures

as outlined in paragraphs 10.2 and 10.3 and will be further updated and kept under continuous review through the remainder of the Budget process.

Table 11: Updated Medium Term Financial Strategy 2021-22 to 2024-25

	2021-22	2022-23	2023-24	2024-25	Total
	£m	£m	£m	£m	£m
<u>Medium Term Financial Strategy 2020-25</u>					
Gap as reported to Cabinet 7 September 2020 (Surplus)/Deficit	45.434	26.974	32.830	24.540	129.779
Remove Business Transformation savings held centrally (delivered within new service proposals) (table 2)	4.388	1.412	0.412	0.000	6.212
Removal, delay and deferral of existing 2020-21 to 2022-23 savings already in MTFS planning (table 4)	8.675	-2.440	0.000	0.000	6.235
Gross new 2021-22 proposals as at October Cabinet (excluding ASC precept)	-34.929	2.192	-0.100	-2.000	-34.837
Adult Social Care precept 2% increase for 2021-22	-8.505	-0.268	-0.286	-0.273	-9.332
Latest forecast gap position as at 5 October 2020 Cabinet (Surplus)/Deficit	15.062	27.871	32.857	22.268	98.057

10.6. In view of the scale of the remaining gap, the significant risks to the overall financial position, and the wider levels of uncertainty described throughout this report, **it is the recommendation of the Executive Director of Finance and Commercial Services that a further process to generate robust and sustainable service savings proposals in addition to those set out in tables 5 to 10 should be instigated.** This will need to be undertaken through the remainder of the financial year including a third round of “Budget Challenge” in December 2020 in order to provide Cabinet with further options to consider to support in recommending a balanced Budget for 2021-22 to Council in February 2021. Ultimately the options to close the remaining Budget gap will include:

- Government providing additional funding;
- Further increases in locally raised sources of income;
- Corporate / centrally identified savings opportunities including the use of capital receipts to support transformation; and
- Service departments identifying further savings or removing budget pressures.

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

- 11.1. The Executive Director of Finance and Commercial Services is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure. In addition, duties under section 25 of the Local Government Act 2003 establish a requirement to report on the robustness of the estimates made for the purposes of the calculation of the precept (and therefore in agreeing the County Council's budget).
- 11.2. As a result, these duties require a professional judgement to be made by the Executive Director of Finance and Commercial Services as the officer ultimately responsible for the authority's finances. The Executive Director takes a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy and this will be fully reported to Members as part of the budget setting process in February 2021.
- 11.3. Taking this duty into account, along with the considerable uncertainty about funding levels for next year, the Executive Director of Finance and Commercial Services considers that the proposals set out in this report, and the new savings proposals developed to date for 2021-22 will help to establish a solid platform for the development of a robust budget in future years, but that **a number of key risks to the 2021-22 Budget exist and significant further work will be required to develop sufficient sustainable savings proposals, to achieve the required level of savings, and ultimately enable a balanced budget for 2021-22 to be proposed.** This judgement is naturally subject to any further Government announcements about financial support for both the current year, and for the medium term as part of the Local Government Settlement for 2021-22, and the way in which the COVID-19 pandemic and associated cost, income and saving pressures continue to develop.
- 11.4. The Council needs to continue to develop the 2021-22 Budget in a way which offers flexibility to respond to any changes in the wider environment and operating context. This reflects a prudent response to the challenges and uncertainties present in the 2021-22 planning process and will ultimately enable the Council to develop a robust budget for the year. As such this report outlines in paragraph 10.6 the next steps that the Executive Director of Finance and Commercial Services considers are required in the budget process and the need for additional savings to be brought forward to Cabinet in February 2021. The Executive Director of Finance and Commercial Services is keeping the overall Budget position under review and will consider the need to propose further saving targets for services as budget planning continues through the remainder of the year. As part of setting the 2021-22 Budget, the Executive Director of Finance and Commercial Services will also consider the adequacy of the overall General Fund balance, as well as the need for a general contingency amount within the revenue budget, in light of the increasing level of the Council's net Budget, uncertainty about Government funding and the implications of Brexit, COVID-19, and the Council's wider value for money position.

11.5. The 2021-22 Budget needs to be prepared with reference to the **Financial Management Code** (the FM Code) published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The FM Code provides guidance about the principles of good and sustainable financial management, and requires authorities to demonstrate that processes are in place which satisfy these principles. It identifies risks to financial sustainability and sets out details of a framework of assurance which reflects existing successful practices across the sector. In addition, the Code establishes explicit standards of financial management, and highlights that compliance with these is the collective responsibility of elected members, the chief finance officer and the wider Corporate Board. Full compliance with the FM Code is required from the 2021-22 Budget and further details of how this has been achieved will be set out in the February Cabinet report as appropriate.

12. Council tax and Adult Social Care precept

12.1. The MTFs as approved by Members in February 2020 assumed a 1.99% increase in council tax for 2021-22 and subsequent years. At the time of writing, the Government has not announced details of the referendum threshold for core council tax, or any further flexibility to raise the Adult Social Care (ASC) precept for 2021-22. However, it is proposed that the Council's budget planning should assume that the Government will allow councils to raise council tax by 4% in 2020-21 (reflecting a 2% general increase and 2% for the ASC precept).

12.2. After considering the currently available information, **the Section 151 Officer anticipates recommending that Members agree the maximum council tax increase available within the referendum threshold.** This judgement reflects:

- the levels of emerging service pressures balanced against saving proposals to date;
- consideration of the robustness of the Council's overall 2021-22 budget;
- the need to ensure that a resilient budget can be set in future years,
- the very considerable remaining uncertainty and significant risks around funding in 2021-22 and beyond.

12.3. **It is therefore proposed that the Council's budget planning should include an assumption for a 3.99% council tax increase in 2021-22 (incorporating a 1.99% increase in general council tax and a 2% increase in the ASC precept).** Based on current tax base estimates, this would raise approximately £16.984m of additional funding for next year (made up of £8.478m general council tax and £8.505m from the ASC precept). An increase of this level would represent an indicative £56.43 increase in the Norfolk County Council Band D charge to £1,472.94 (increase of £28.17 to general council tax and £28.26 to the ASC precept). The precise final level of any change in council tax will be confirmed in February 2021 and is subject to Member decision making annually.

Table 12: Latest Council Tax assumptions

	2020-21	2021-22	2022-23	2023-24	2024-25
General council tax	1.99%	1.99%	1.99%	1.99%	1.99%

Adult Social Care precept	2.00%	2.00%	0.00%	0.00%	0.00%
Total increase	3.99%	3.99%	1.99%	1.99%	1.99%

13. Public consultation on the 2021-22 Budget

- 13.1. As set out above, budget proposals for 2021-22 currently assume that general council tax will increase overall by 1.99%. As in previous years we are inviting comments on this approach through our consultation hub on Citizen Space, as well as seeking views on the scope for a larger increase, should the Government set a higher referendum threshold. In addition, we will be consulting on implementing a 2% precept for adult social care, although we await confirmation from Government as to whether this will be available in 2021-22, and at what level.

We will publish our budget consultation on the Council's online consultation hub, Citizen Space. We will produce large print, downloadable and easy read versions as standard and make any consultation documents available in other formats on request.

As well as alerting key stakeholders to the consultation, we will promote opportunities for people to have their say on budget proposals and council tax through news releases, online publications, social media, and by sharing with as many diverse community groups and networks as possible.

Our consultation will take place between October and the end of the year. Consultation feedback on both budget proposals and council tax will be available for Cabinet in February 2021. We will make extra effort to find out the views of people who may be affected by our proposals and we will also report on the equality and rural impact assessments we are undertaking.

14. Impact of the Proposal

- 14.1. This paper sets out further details of the Council's budget planning process for 2021-22, while recognising that significant risks and uncertainties remain. The proposals in this report will:

- set the context for public consultation on 2021-22 Budget proposals;
- provide an opportunity for Cabinet to comment on and provide guidance about the departmental saving proposals and emerging pressures; and
- determine the next steps which will contribute to the Council setting a balanced budget for 2021-22.

15. Evidence and Reasons for Decision

- 15.1. The County Council faces an unprecedented financial and public health crisis which has the potential to have significant implications for future budget setting. It remains essential to continue to engage with Government, MPs and other stakeholders to campaign for adequate and sustainable funding for Norfolk to continue to deliver vital services to residents, businesses and visitors. It is also important that Government issues guidance on financial planning assumptions, particularly indicative funding allocations for 2021-22, as soon as possible. Otherwise there is a significant risk that

the Council will be obliged to reduce service levels. The Council's MTFS planning builds on the position agreed in February 2020 and this continues to be updated as more reliable information about cost pressures and funding impacts emerges through the process. The report confirms that further savings are expected to be required to close the underlying gap.

- 15.2. The proposals in the report reflect a prudent response to the challenges and uncertainties present in the 2021-22 planning process and will ultimately support the Council to develop a robust budget for the year.

16. Alternative Options

- 16.1. This report forms part of the framework for developing detailed saving proposals for 2021-22 and at this stage no proposals have been agreed, meaning that a range of alternative options remain open.

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

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

- 16.3. Final decisions about the overall shape of the 2021-22 Budget, savings, and council tax will not be made until February 2021, when they will be informed by Local Government Finance Settlement figures, forecasts supplied by District Councils, and the findings of EQIA and public consultation activity.

The deliverability of all saving proposals will continue to be kept under review by the Section 151 Officer as further detailed implementation plans are developed and up until final budget setting proposals are presented to Cabinet in February 2021.

17. Financial Implications

- 17.1. Financial implications are discussed throughout the report. This paper sets out the initial savings proposals developed to address the targets agreed in June and which will need to be delivered by each department to contribute to closing the 2021-22 and future year budget gap, subject to formal approval by Full Council in February 2021. The proposals in this paper will require departments to seek to identify further significant savings in addition to the latest proposals. The scope to achieve additional savings at the level required may continue to be limited by delivery of the response to COVID-19.
- 17.2. The Council is legally required to set a balanced Budget annually and should plan to achieve this using a prudent set of assumptions. However, Members could choose to vary the allocation of indicative targets between Directorates, establish an alternative approach to identifying savings, or substitute proposals brought forward. Work to deliver additional Government funding could also have an impact on the overall budget gap to be addressed. As a result, the budget setting process and savings targets will continue to be kept under review as budget planning progresses. It is recommended that Departments be asked to bring forward further saving proposals; in the event that additional budget pressures for 2021-22 emerge through the remainder of budget planning, there may be a requirement to revisit the saving targets.
- 17.3. However, the scale of the budget gap and savings required are such that if the Council is required to deliver savings at this level there is a risk that this could result in the Council failing to fulfil its statutory responsibilities. As such the Government's response and decisions about Council funding in 2021-22 will be hugely significant. Government has an opportunity as part of the COVID-19 response to deliver a permanent step change in the recognition of the importance of social care, and to fund local authorities to provide a key contribution as part of the national recovery. Any changes in Government funding could have a material impact on both the level of savings to be identified, and the Council's wider budget process. Fundamentally there is a need for a larger quantum of funding to be provided to local government both to meet the immediate pressures of the COVID-19 pandemic, and to provide local authorities with a sustainable level of funding for future years.

18. Resource Implications

18.1. Staff:

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

18.2. Property:

There are no direct property implications arising from this report although existing saving plans include activities linked to property budgets and assumptions around capital receipts to be achieved. In addition, activities planned within Business Transformation will include further work to deliver property related savings.

18.3. IT:

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

19. Other Implications

19.1. Legal Implications

This report forms part of the process that will enable the Council to set a balanced budget for 2021-22 in line with statutory requirements, including those relating to setting council tax, and undertaking public consultation.

19.2. Human Rights implications

No specific human rights implications have been identified.

19.3. Equality Impact Assessment (EqIA)

Any saving proposals with an impact on service delivery will require public consultation, and an Equality and Rural Impact Assessment of all proposals will need to be completed as part of budget-setting in due course. The results of public consultation and the findings of all EqIAs will be presented to Cabinet in February 2021 in order to inform budget recommendations to County Council.

No specific EqIA has been undertaken in respect of this report, although the dynamic EqIA in respect of the Council's response to COVID-19 can be found [here](#).

20. Risk Implications/Assessment

20.1. The ultimate impact and financial cost of the response to the COVID-19 outbreak will be highly dependent on a wide range of factors including the length of time that the pandemic continues, the severity of the impact (both nationally and in Norfolk), the impact of any second wave of infection, and the wider actions taken in response.

20.2. Further (non COVID-19) cost pressures may emerge through the 2021-22 budget setting process, these would increase the gap to be closed. Similarly, central Government funding decisions could have a material impact on the level of the budget gap.

20.3. The ongoing COVID-19 pandemic may continue to impact on the county council's budget setting process in a number of ways, most significantly:

- The council's available resources and capacity to plan robust future year savings while responding to a rapidly changing operating environment;
- The ability to adhere to the proposed process and timetable;
- The need to provide for any immediate or ongoing cost pressures emerging for the council; and
- The medium to long term financial implications including the impact on the wider economy and council tax and business rates base and income. As reported to Cabinet in September, it remains highly likely that key income sources including council tax (through both the Collection Fund and tax base growth) and business rates will be under significant pressure in 2021-22, potentially

requiring further revision to planning assumptions. Detailed work is continuing with District Councils to forecast the likely Norfolk impacts on both business rates and council tax. At this stage this remains a key risk in relation to these elements of the Budget, but it is not yet possible to produce a definitive forecast for 2021-22.

- 20.4. It will be necessary to operate with some flexibility in response to these and any other issues which may arise during the budget setting process.
- 20.5. As set out elsewhere in the report, the overall gap position will be kept under review throughout the budget setting process to inform changes to the MTFS gap. In the event that any other additional budget pressures for 2021-22 emerge through budget planning (for example as funding reductions, non delivery of savings, or additional pressures in services), it should be noted that there may be a further requirement to revisit the indicative saving targets for 2021-22.
- 20.6. The Council's Corporate Risk Register provides a full description of corporate risks, including corporate level financial risks, mitigating actions and the progress made in managing the level of risk. A majority of risks, if not managed, could have significant financial consequences such as failing to generate income or to realise savings. Chief Officers have responsibility for managing their budgets within the amounts approved by County Council. Chief Officers will take measures throughout the year to reduce or eliminate potential over-spends.
- 20.7. Other significant risks around budget setting are detailed in the 2020-21 budget papers to County Council⁸, and these will continue to apply in 2021-22, including risks associated with the departure from the European Union (Brexit). Any saving proposals with an impact on service delivery will require public consultation and an Equality and Rural Impact Assessment of all proposals will need to be completed as part of budget-setting.
- 20.8. There remains considerable uncertainty about reforms to local government finance and any funding changes that will be faced in 2021-22 as reflected in the report. The Norfolk County Council Corporate Risk Register details key financial risks in this area, and all risks associated with COVID-19 are also documented in the Risk Register.

21. Select Committee comments

- 21.1. The Council's three Select Committees considered the broad approach to developing budget proposals for the services within their remit at meetings held in September, and noted the opportunities for Members to continue to contribute through the remainder of the 2021-22 Budget process. Specific comments included:
- A suggestion that Select Committees be engaged earlier in the budget setting process for 2022-23, ideally in July next year. [Corporate Select Committee]
 - Support for the value and importance of transformation proposals which should form a key element of 2021-22 proposals. [Corporate Select Committee]

⁸ [Agenda Item 5](#), County Council, 17 February 2020

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- Endorsement of the approach to lobbying Government for further funding and support, and the specific approach to responding to consultation on the Comprehensive Spending Review. [Corporate Select Committee]
- That there is limited scope for savings and a reliance on generating income in relation to many of the services within the Committee's remit. [Infrastructure and Development Select Committee]
- That the Council faces a difficult planning environment, with risks to the delivery of statutory duties, and that in this context there should be a focus on growing the local economy, attracting inward investment and pushing for further Government funding. [Infrastructure and Development Select Committee]
- A consideration of the level of uncertainty and risk, including the extent of potential risks to the ability to deliver statutory services, and the importance of raising the Adult Social Care precept in full (if available). [People and Communities Select Committee]

22. Recommendations

22.1. Cabinet considers the recommendations as set out in the Executive Summary.

23. Background Papers

23.1. Norfolk County Council Revenue and Capital Budget 2020-21 to 2023-24, County Council 17/02/2020, agenda item 5 ([here](#))

COVID-19 financial implications for Norfolk County Council, Cabinet 11/05/2020, agenda item 9 ([here](#))

NCC response to COVID-19, Cabinet 11/05/2020, agenda item 8 ([here](#))

Strategic and Financial Planning 2021-22, Cabinet 08/06/2020, agenda item 12 ([here](#))

Strategic and Financial Planning 2021-22, Cabinet 07/09/2020, agenda item 11 ([here](#))

Norfolk County Council Budget Planning 2020-21:

- Corporate Select Committee, agenda item 12 ([here](#))
- Infrastructure and Development Select Committee, agenda item 10 ([here](#))
- People and Communities Select Committee, agenda item 10 ([here](#))

Officer Contact

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Appendix 1: Budget setting timetable 2021-22

Activity	Date
June Cabinet (to consider 2021-22 budget process and timetable, agree allocation of savings required and framework for service planning).	08/06/2020
Scrutiny Committee	23/06/2020
<i>FFR exemplifications to be published by Government</i>	<i>Originally Spring / Summer, now delayed</i>
Treasury Fundamental Business Rates Review	July 2020 to Spring 2021
Comprehensive Spending Review	July 2020 to 24/09/2020
NCC Financial Regulations update	Autumn 2020
Budget Challenge (Corporate Board and portfolio leads to consider proposals at extended Corporate Board / Budget Challenge session)	July 2020 (Round 1) September 2020 (Round 2)
September Cabinet (to review MTFs assumptions, proposed areas for savings, and agree any revisions to 2021-22 budget gap targets)	07/09/2020
Select Committees to consider proposed areas for savings	September 2020
Scrutiny Committee	23/09/2020
October Cabinet (to consider final 2021-22 savings proposals for consultation, and overall budget position. Key decision – agree 2021-22 budget proposals for consultation)	05/10/2020
Scrutiny Committee	21/10/2020
Public consultation on 2021-22 Budget proposals	Late October 2020 to December 2020
Autumn Budget 2020 and Provisional Settlement (5 December Government's target date for provisional Local Government Finance Settlement)	<i>November-December*</i>
NEW: Budget Challenge (Corporate Board and portfolio leads to consider proposals at extended Corporate Board / Budget Challenge session)	8 December 2020 (Round 3)
Final Settlement	<i>January 2021*</i>
February Cabinet (to recommend 2021-22 Budget and council tax to County Council).	01/02/2021
Scrutiny Committee (scrutiny of 2021-22 budget proposals, consultation and EQIA)	17/02/2021
County Council Budget Setting (to agree final 2021-22 Budget and level of council tax)	22/02/2021

Notes:

- *Dates or activities to be confirmed.
- Additional reports to Cabinet to be presented through the year as required (e.g. in the event of FFR or CSR announcements, or the ongoing COVID-19 response impacting on the planning assumptions).

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Report to Scrutiny Committee

Report title:	Forward Work Plan
Date of meeting:	21 October 2020
Responsible Cabinet Member:	N/A
Responsible Director:	Executive Director of Strategy and Governance
Is this a key decision?	N/A
Actions required The Scrutiny Committee is asked to consider and agree the forward work plan and any future items for scrutiny	

1. Background and Purpose

- 1.1. Since May 2020 Scrutiny Committee have been considering a forward programme of scrutiny regarding the County Council's response to COVID 19. Members have been focusing areas for consideration on lessons learnt that could be fed into any current emergency planning and issues for longer term recovery planning.
- 1.2. Attached at Appendix A is the proposed programme of work for the remainder of the year, including pre-March 2020 issues, for approval by the Committee.

2. Proposals

- 2.1. The Scrutiny Committee has been mindful that the County Council is still in the middle of the COVID 19 crisis and any programme of scrutiny work needs to be able to adapt to constantly changing situations. Proposed longer term areas of work may therefore need to be adapted and changed as the crisis evolves.
- 2.2. In considering any work programme the Committee should consider the following:
 - Is this something that the County Council has the power to change or influence
 - How this work could engage with the activity of the Cabinet and other decision makers, including partners such as the Norfolk Resilience Forum
 - What the benefits are that scrutiny could bring to this issue?
 - How the committee can best carry out work on this subject?
 - What the best outcomes of this work would be?
- 2.3. The Committee may wish to hold additional meetings in the coming months considering any issues highlighted for the work programme.

3. Resource Implications

3.1. Staff:

The County Council is still in the middle of this crisis and the main focus for Officers will be in dealing with the crisis. Some Officers may be redeployed from their current roles elsewhere to support ongoing work during the pandemic and the Committee may need to be mindful of focusing requests on essential information at this time.

3.2. Property:

None

3.3. IT:

None

4. Other Implications

4.1. Legal Implications:

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ("the Regulations") sets out the framework for Councils to hold Council meetings remotely.

4.2. Human Rights implications

None

4.3. Equality Impact Assessment (EqIA) (this must be included)

None

4.4. Health and Safety implications (where appropriate)

None

4.5. Sustainability implications (where appropriate)

None

4.6. Any other implications

None

5. Risk Implications/Assessment

5.1. None

6. Select Committee comments

6.1. Select Committees have received updates on COVID 19, addressing the response from their own service areas. The Scrutiny Committee should take into consideration any future comments raised by the Select Committees regarding their own forward work plans to avoid duplication. Forward work plans are attached as follows:

[Corporate Select Committee](#)

[Infrastructure and Development Select Committee](#)

[People and Communities Select Committee](#)

7. Recommendation

7.1. The Scrutiny Committee is asked to consider and agree the forward work plan and any future items for scrutiny

8. Background Papers

8.1. [Scrutiny Committee meeting : 27 May 2020](#)

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Scrutiny Committee Forward Work Programme

Date	Report	Issues for consideration	Cabinet Member	Exec Director
21 October	COVID 19	Normalisation and Recovery Planning - Childrens and Young People - Support for vulnerable people in our communities - How does the 'new normal' feel for service users	John Fisher Bill Borrett	Sara Tough James Bullion
	Strategic and Financial Planning 2021/22		Andrew Jamieson	Simon George
18 Nov	COVID 19	Normalisation and Recovery Planning Norfolk economy and support for businesses (New Anglia LEP also attending)	Graham Plant Tom FitzPatrick	Tom McCabe
14 December				
23 December	Call ins only			

To be scheduled:

- Lessons learnt from the Banham Poultry Outbreak (update following scrutiny at meeting held on 23rd September 2020)

Items to be scheduled from pre-March 2020:**Regional Schools Commissioner:**

Report postponed from 17 March 2020 meeting

Peer Review:

Consideration of action plan agreed at Cabinet on 2 March 2020.– Report postponed from 17 March meeting

Changes to the Child and Family Support Service:

Six-month review of changes

New Anglia LEP*:

Update on LEP activities and issues raised on 17 December meeting in particular:

- LEP Board action plan in climate change
- LEP tourism strategy

*The LEP have been invited to attend the Scrutiny Committee meeting on 18 November 2020 and these issues can be picked up at this meeting.