

Adult Social Care Committee

Item No.....

Report title:	Strategic and Financial Planning 2018-19 to 2021-22
Date of meeting:	9 October 2017
Responsible Chief Officer:	James Bullion – Executive Director of Adult Social Services

Strategic impact

This report provides an update on the Service Committee's detailed planning to feed into Norfolk County Council's (the Council) budget process for 2018-19. The Council's budget setting activity is informed by a range of documents including the Medium Term Financial Strategy, and the County Council Plan, which is currently being updated. Together these help to set the context for the Council's medium term service and financial planning, which will support the development of a robust, balanced budget for 2018-19.

Executive summary

This report forms part of the strategic and financial planning framework for Service Committees. It provides an update on the Council's budget setting process, and sets out details of the actions required by Service Committees to enable the Council to set a balanced budget for 2018-19.

Recommendations:

Adult Social Care Committee is asked to:

- a) Recommend to Policy and Resources Committee that budget planning for 2018/19 assumes a 3% Adult Social Care council tax precept**
- b) Consider and agree the service-specific budgeting issues for 2018-19 as set out in section 3 and 4**
- c) Agree that there are no planned savings for 2018-19 which could be implemented during 2017-18 to provide an in-year saving**
- d) Consider and agree whether any savings identified for 2019-20 have the capacity to be brought forward to 2018-19**
- e) Agree proposed new savings for 2018/19 (Table 5), for recommendation to Policy and Resources Committee, including those which will require consultation**

1. Introduction

- 1.1 The Council's approach to medium term service and financial planning includes a rolling medium term financial strategy, with an annual budget agreed each year. The County Council agreed the 2017-18 Budget and Medium Term Financial Strategy (MTFS) to 2019-20 at its meeting 20 February 2017. At this point, the MTFS identified a gap for budget planning purposes of £35.015m.

1.2 The MTFs position is updated through the year to provide Members with the latest available financial forecasts to inform wider budget setting work across the organisation. As previously reported to Committees, Policy and Resources Committee considered a report “Strategic and Financial Planning 2018-19 to 2021-22” on 3 July 2017, which set out a forecast gap of £100.000m for the period to 2021-22.

1.3 This year, the budget-setting process is closely aligned with development of the new Council Plan and associated corporate strategy work, to be completed in the autumn. Further details of this were set out in the report “Caring for your County” and in the Strategic and Financial Planning reports considered by Policy and Resources Committee.

1.4 This report builds on the position reported to Service Committees in September and represents the next stage of the Council’s budget planning process. In particular, the paper sets out details of the saving proposals identified for 2018-19 and subsequent years, for the Committee’s consideration.

1.5 **2017-18 budget position**

1.5.1 The latest details of the 2017-18 budget position are set out in the budget monitoring report elsewhere on the agenda. The Council’s overarching budget planning assumptions for 2018-19 continue to assume that the 2017-18 Budget will be fully delivered (i.e. that all savings are achieved as planned and there are no significant overspends).

2. **2018-19 Budget planning**

2.1 **2017-20 Medium Term Financial Strategy**

2.1.1 County Council approved the 2017-18 Budget and the Medium Term Financial Strategy for the period 2017-18 to 2019-20 on 20 February 2017. The Medium Term Financial Strategy to 2019-20 set out a balanced budget for 2017-18, but a deficit remained of £16.125m in 2018-19, and £18.890m in 2019-20. The Medium Term Financial Strategy’s aim is to ensure a balanced budget to aid forward planning and help mitigate financial risk. The Medium Term Financial Strategy position is shown in the table below.

Table 1: Budget surplus / deficit as reported to Full Council on 20 February 2017

	2017-18 £m	2018-19 £m	2019-20 £m
Additional cost pressures and forecast reduction in Government grant funding	74.212	58.719	52.819
Council Tax base increase	-19.853	-14.722	-9.338
Identified saving proposals and funding increases	-54.359	-27.872	-24.591
Budget gap (Surplus) / Deficit	0.000	16.125	18.890

2.2 The £58.719m assumed cost pressures and forecast reduction in Government grant funding in 2018-19 consists of:

- a) Inflationary cost pressures for pay and non-pay budgets of £11.548m
- b) Legislative changes of £22.891m including responsibilities at the time anticipated relating to the improved Better Care Fund, and pension revaluation costs
- c) Demographic cost pressures of -£2.866m. Demographic pressures in Adult Social Services were offset by the fact that additional funding for Children’s Services was one-off in 2017-18 and so reversed in the plans for 2018-19. This pressure has subsequently been made ongoing during 2018-19 budget planning
- d) NCC policy changes of £2.552m
- e) Forecast funding reductions of £24.594m

- 2.3 It should be noted that the budget gap of £16.125m in 2018-19 **assumes a CPI (1.9%) increase in council tax** above the 3% Adult Social Care precept, based on the assumptions used by the Government at the time of the 2016-17 local government settlement. Any reduction in this increase will require additional savings to be found. The assumed increases in Council Tax for the Adult Social Care Precept and inflation (the OBR forecast of CPI) are set out in the table below. It should be noted that currently CPI is running at 2.6%¹ and the Council awaits guidance from the Government on the council tax referendum threshold for 2018-19. The assumed council tax increases are of course subject to Full Council's decisions on the levels of Council Tax, which will be made before the start of each financial year. In addition to an annual increase in the level of Council Tax, the budget assumes modest annual tax base increases of 0.5%
- 2.4 The Medium Term Financial Strategy (MTFS) for 2017-20 agreed by Full Council in February therefore set out a forecast gap for the years 2018-19 and 2019-20 of **£35.015m** and included planned net savings of **£72.737m**. Detail of these savings is shown in **Appendix 1**.
- 2.5 **Latest forecast budget gap 2018-19**
- 2.5.1 As reported to Service Committees in September, since the preparation of the Medium Term Financial Strategy, further pressures on the budget have been identified, resulting in changes to the Council's budget planning position. In September Service Committees also considered the budget planning principles for 2018-19. Alongside the assumptions about Council Tax, other key assumptions within the Council's current budget model include:
- a) **That Revenue Support Grant will substantially disappear in 2020-21. This equates to a pressure of around £36m, but significant uncertainty is attached to this and clearly the level of savings required in year three could be materially lower should this loss of funding not take place**
 - b) 2017-18 Budget and savings delivered in line with current plans (no overspend)
 - c) Use of additional Adult Social Care funding during 2017-18 and future years as agreed by Adult Social Care Committee 10 July 2017
 - d) 2017-18 growth in Children's Services is included as an ongoing pressure
 - e) Ongoing annual pressures will exist in waste budgets
 - f) Council tax increases are agreed (subject to annual decision by Full Council) as shown in the table above for 2018-19 to 2020-21 (including Adult Social Care precept in 2018-19) with no increase in council tax in 2021-22
 - g) Moderate council tax base growth over the period of the MTFS
- 2.5.2 The latest estimate of the budget gap for the four year planning period up to 2021-22 is **£100.000m**. The table below sets out the summary County Council forecast position. Further details of the budget planning changes as reported to Policy and Resources Committee are shown in the September report to this Committee.

¹ UK consumer price inflation: July 2017, published by the Office for National Statistics:
<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/july2017>

Table 2: Norfolk County Council budget gap forecast

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Gap as at MTF5 February 2017	16.125	18.890	0.000	0.000	35.015
New pressures	13.135	-6.897	20.773	21.366	48.377
Funding changes	-11.612	5.998	42.343	0.000	36.729
Savings changes	0.878	0.535	-10.000	0.000	-8.587
Council tax increase <i>(1.99% 2020-21, 0% 2021-22)</i>	0.000	0.000	-7.657	0.000	-7.657
Council tax base growth <i>(0.5%)</i>	0.000	0.000	-1.914	-1.962	-3.877
Revised gap as at P&R July 2017	18.526	18.526	43.544	19.404	100.000
Reallocate year 4 saving to years 1-3 <i>(split 20/60/20)</i>	3.881	11.642	3.881	-19.404	0.000
Total new savings to find <i>(in addition to savings in 2017-18 MTF5)</i>	22.407	30.168	47.425	0.000	100.000
Note: Budget planning assumes:					
Forecast council tax	373.535	382.873	392.445	394.407	n/a
Forecast increase in council tax in budget planning <i>(including ASC precept, council tax increase and council tax base growth)</i>	14.723	9.338	9.572	1.962	35.595
Council tax increase	1.9%	2.0%	2.0%	0.0%	
Adult Social Care precept increase	3.0%	-	-	-	

- 2.5.3 The Council is already implementing a number of strategic initiatives focused on demand management, prevention and early help, and a locality focus to service provision. As referenced in the Strategic and Financial Planning 2018-19 to 2021-22 report presented at Policy and Resources 3 July 2017, the County Leadership Team has identified a number of corporate priorities (known as Norfolk Futures).
- 2.5.4 Norfolk Futures will focus on delivering the administrations manifesto priorities over the MTF5 plan period and include:
- a) Local Service strategy
 - b) A new deal for families in crisis
 - c) Promoting independence for vulnerable adults
 - d) Smarter information and advice
 - e) Towards a Housing Strategy
 - f) Digital Norfolk
 - g) Commercialisation
- 2.5.3 The budget position and the associated assumptions are kept under continuous review, and will be updated to reflect any changes arising from the Government's Autumn Budget, or further information about the Council's funding position as it becomes available. Reports on the latest financial planning position will be presented to Policy and Resources Committee up until budget-setting by County Council in February.

2.5.4 The outline budget-setting timetable for 2018-19 is set out in **Appendix 2** to this report.

2.6 Allocation of savings required

2.6.1 The following table sets out the indicative savings by department (excluding Schools and Public Health) as reported to the Committee in September.

Table 3 Allocation of new MTFS 2018-22 savings required by Committee

Allocation of new 2018-22 MTFS savings by Committee excluding Schools and Public Health	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Adult Social Care	-1.477	-11.480	-18.047	0.000	-31.004
Children's Services	-7.134	-6.369	-10.013	0.000	-23.516
Communities	-2.461	-2.197	-3.454	0.000	-8.112
Environment, Development and Transport	-6.663	-5.950	-9.353	0.000	-21.966
Policy and Resources	-3.553	-3.172	-4.987	0.000	-11.712
Business and Property	-0.362	-0.323	-0.507	0.000	-1.192
Digital Innovation and Efficiency	-0.757	-0.677	-1.064	0.000	-2.498
Total	-22.407	-30.168	-47.425	0.000	-100.000

3. Committee response

3.1 In September, Adults committee reviewed the current budget position. Relevant issues noted and agreed were:

- a) The additional social care grant and improved Better Care Fund is committed and has been incorporated into the budget planning assumptions
- b) Adult Social Services budget for 2017/18 includes £4.197m which is one-off grant from the Government. This has meant that we have been working towards finding additional savings this year rather than add further savings to be found in 2018/19. However, the forecast position for purchase of care indicates that these savings are unlikely to be made in full this year – this will create a pressure for 2018/19
- c) Committee agreed to amend the transport savings figure from £3.8m over the next two years (2018/19, 2019/20) to £1.7m, and to meet the difference through savings from the purchase of care budget. Information from Period 5 shows that our changes to transport policy are beginning to have an impact, so there may be more savings than we had anticipated to mitigate against other pressures and risks

3.2 Since preparing initial forecasts, further work has been completed on the adequacy of some internal budgets, highlighting that the annual amount that we include for provision for general bad debts is no longer adequate. This is because the level of income the service collects has increased. We have compared our debt collection rates with other councils and our performance compares well, with the level of write-offs below the average. Members are therefore asked to agree that a new cost pressure of £0.150m is added to budget plans for 2018-19 to address the current shortfall. A further £0.150m savings will be required to manage this new cost.

4. 2018-19 Budget

4.1 Adult Social services has already committed to savings this year of £14m, and further savings of £18m in 2018-19 and £10m in both 2019-20 and 2020-21. The existing programme of savings is shown at **Appendix 3**.

4.2 Our financial strategy for achieving these savings is:

- a) To invest in early intervention and targeted prevention to keep people independent for longer
- b) To invest in excellent social work which helps people regain and retain independence, and reduces, prevents and delays the need for formal social care
- c) To commission services which enable and re-able people so they achieve and maintain as much independence as they can and reducing the amount of formal social care they need
- d) To reduce the proportion of people who are placed in permanent residential and nursing care
- e) To lead and develop the market for social care so that it is stable and sustainable and aligns with the ambitions of Promoting Independence
- f) To work with health partners to reduce system demand and improve outcomes
- g) To increase the use of technology to enable more people to live independently for longer
- h) To charge people appropriately for their care and providing welfare rights support
- i) To strengthen the contract management of our commissioned contracts, and pursuing efficiencies in all areas of our work

4.3 Our planning suggests that whilst hugely challenging, given the trends and pressures, this financial strategy avoids an inevitable retreat to providing statutory minimum services based on higher thresholds, and helps achieve a sustainable model of service for the medium term.

4.4 Alongside this strategy, Committee has already recognised the importance of continued lobbying central government to address the longer term funding issues associated with providing social care.

4.5 Our financial strategy takes account of the need to be a strong partner in the health and social care system, and the additional funding announced by the Government is critical to protect social care, provide stability in the care market and play a significant role in reducing delayed discharges of stay in hospitals – acute, community and mental health.

4.6 **Additional savings proposals for 2018/19**

4.6.1 In order to address the increase in pressures previously agreed, and to meet this Committee's share of the additional overall council budget gap, further savings are required. Table 4 below sets out the revised position.

Table 4: new savings target for 2018/19

	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Additional savings target	-1.477	-11.480	-18.047	0.000	-31.004
Reversal of Transport Savings	-2.300	0.200	0.000	0.000	-2.100
Additional provision for debt write-offs	-0.150	0.000	0.000	0.000	-0.150
Total new savings target	-3.927	-11.280	-18.047	0.000	-33.254

4.6.2 In identifying how best to achieve these savings we have sought to identify areas which do not undermine Promoting Independence and financial strategy. For this reason, we have avoided

proposing savings which are based on any further assumptions around reducing the number of people we support. Our cost and demand model has shown that additional reductions in demand for older people services is not achievable, and that current plans for younger adults will be challenging.

4.6.3 Our first call on savings has been further efficiencies and ensuring we are getting the most we can out of existing contracts. We have avoided reducing prevention and early intervention activities and focussed more attention on savings that could improve the value of money through better care arrangements, procurement and contract management.

4.7 **Capitalisation of equipment spend; 2018-19 £1.800m savings, 2019-20 £0.535m cost; 2020-21 £0.535m cost and 2021-22 £0.530m cost**

4.7.1 *Why is this being considered?*

Currently all assets to deliver equipment and assistive technology are purchased on an annual basis from revenue. These assets have a lifespan of a number of years and therefore it is proposed that these are accounted for and financed as capital, with a five year lifespan, which would deliver a short-term saving.

4.7.2 *What would be required?*

The assets will be accounted for on the Council's balance sheet and capital expenditure will be incurred, with financing costs managed over a five year period.

4.7.3 *What are the implications of the proposal?*

The proposal will reduce the revenue costs incurred for this purpose in 2018-19, but will require additional capital borrowing costs over the next five years. The proposal delivers a net saving in each of the next four years, with a recurrent net cost of £0.125m from 2022-23.

4.8 **Accommodation based reablement; 2018-19 £0.550m saving**

4.8.1 *Why is this being considered?*

Reablement is central to promoting independence. We already have a good track record in supporting people in their own homes, but have identified the need for a further type of reablement. This is for people who are able to leave hospital, but not quite ready to go home. The new service helps regain and learn practical skills so they can build up confidence and carry out basic day to day tasks when they return home. Without this sort of service, there is a risk that people with the potential to regain independence move into residential care and lose the opportunity to stay in their own homes.

4.8.2 *What would be required?*

This is an 'invest to save' proposal. Through a mix of internal and commissioned provision, the service will create additional bed capacity for a new reablement service. The savings will be delivered through reducing or delaying the demand for long term formal care by offering an alternative discharge from hospital pathway.

4.8.3 *What are the implications of the proposal?*

The introduction of the new service is being funded through the additional monies from the Government for adults as part of the Better Care Fund. This saving is based on increasing the likelihood of more people being able to remain in their home long term and decrease the number of people that have no choice but to be cared for within a residential setting, which can lead to long term placement.

4.9 **Reduction in management and finance budget –invest to save funding; £0.191m saving**

4.9.1 *Why is this being considered?*

Following the introduction of the Care Act, funding was made available to support implementation. Adults chose to plan for some of this on a recurrent basis in order to support

ongoing development and enable investment where needed. This was in addition to the budget identified to support the Promoting Independence programme. Review of future plans and investment required means that this budget can be reduced without jeopardising the service's plans.

4.9.2 *What would be required?*

This would require a reduction to the budget.

4.9.3 *What are the implications of the proposal*

The assessment of investment needs indicates that this will not have a negative impact on the service's planned programme of work.

4.10 **Prevent carer breakdown by better targeted respite. 2018-19 £0.686m saving**

4.10.1 *Why is this being considered?*

We have already changed our approach for supporting carers, and a new service has been commissioned which begins on October 1st 2017. Alongside this, we plan to strengthen our approach to respite, targeting it in a timely and effective way to prevent carer breakdown.

4.10.2 *What would be required?*

Our current practice is variable with some significant differences between client groups on provision of respite. We propose to implement an approach across all adult client groups which is fair and transparent and ensures equitable and consistent provision of respite for carers.

4.10.3 *What are the implications of the proposal?*

The impact of this would be to target respite so that it is timely and prevents carer breakdown. Respite care can help to sustain caring relationships, promote good health and wellbeing, prevent a crisis situation, and reduce the likelihood of neglect and family breakdown. This proposal will help improve and sustain the wellbeing of carers and those they care for, and reduce or delay the need for formal care, including long term residential care.

4.11 **Change the way we work out how much people pay towards the cost of their non-residential care services by taking into account people's actual disability related expenses 2018-19 £0.400m saving**

4.11.1 *Why is this being considered?*

Norfolk County Council carries out a financial assessment to work out how much, if anything, people have to pay towards the costs of their care. In 2017-18 the Council agreed to change the charging policy to better reflect what people actually spend on disability related expenses. Disability related expenses are the additional expenses people face because of their disability. We changed the standard amount we take into account for disability related expenditure from £15.00 a week to £7.50. If people were spending more than £7.50 week on disability related expenditure this change did not affect them as they could ask for their full costs to be taken into account.

This change was implemented from April 2017. We are now proposing to consult on a further change to our charging policy. We are now proposing to stop using a standard amount and instead take people's actual disability related expenses into account.

4.11.2 *What would be required?*

A consultation would be undertaken to ensure that public and stakeholder views are considered prior to any further amendment of the policy.

4.11.3 *What are the implications of the proposal?*

Currently, we assume that all of our service users have some disability related expenses. We therefore take into account a standard amount of £7.50 when assessing someone's financial position. Where people can show that they spend more than £7.50 on disability related

expenses we take the full amount into consideration when working out how much they need to pay for their care.

The proposal will not affect anyone with disability related expenses above £7.50 per week. If people have no disability related expenses or they spend less than £7.50 per week on these, we will assess them as having more income available. Depending on people's individual circumstances, this could mean that these people may have to contribute more to the costs of their care.

4.12 Strengthened contract management 2018-19 £0.300m saving; 2019-20 £0.300m saving; 2020-21 £0.200m saving

4.12.1 Why is this being considered?

Adult Social Services currently commissions some £260m of care, outside of contracts with NorseCare and Independence Matters. The commissioning and procurement teams focus work on supporting the development of the market, retendering and providing commissioning support for the Promoting Independence programme of work. The services have less capacity for daily contract management, which can mean that teams and providers are not supported to maximise value for money and outcomes. The proposal is an invest to save to spend more on managing our contracts in order to get the most out of them and therefore save more in the long run.

4.12.2 What would be required?

The proposal is for additional posts to support the commissioning and procurement teams to improve value for money. New resource would focus on key contracts and categories to target efficiencies.

4.12.3 What are the implications of the proposal?

The expectation is that the new posts would target key contracts to maximise utilisation and avoid duplication, resulting in a focus on areas where contracts need to be renegotiated or alerting teams to areas where performance could be improved. Savings arising from the posts would be tracked to monitor the benefits and viability of this level of investment.

4.13 Procurement of current capacity through NorseCare at market value; 2019-20 £0.600m; 2020-21 £1.000m

4.13.1 Why is this being considered?

The Council has a contract with NorseCare for the provision of residential, dementia and housing with care services. The contract was put in place in 2011 when the company was set up and contained legacy costs due to TUPE (transfer of undertakings protection of employment) of staff and the transfer of older properties, which required investment that would otherwise have been costs to the Council. These legacy costs mean that it has not been possible to buy services from NorseCare at the same price as some of the market. However, the Council is committed to working with NorseCare to enable a model that will mean that the Council can buy services at market value, whilst recognising the legacy costs placed on the company and the work that is ongoing to reduce these. Work is continuing to set out detailed proposals, which will mean revision to the profile and value of savings estimated at this stage.

4.14 Make more use of assistive technology - equipment, software or products that can help people remain independent and reduces the need for more formal care and support; 2019-20 £0.300m saving; 2020-21 £0.500m saving; 2021-22 £0.700m saving

4.14.1 Why is this being considered?

Whilst the Council already provides equipment and assistive technologies, there remains opportunity to bring about a step change in the use of assistive technology, and make it quicker and easier for people to make the most of new developments. The savings are based on early studies completed by the Local Government Association and indicative benefits from

a study by the London School of Economics. Further work is needed as part of the Norfolk Futures programme to explore the opportunities available to Norfolk and the extent that people could be supported further through making better use of technology.

4.15 Make the most of new digital innovations; 2019-20 £1.000m saving; 2020-21 £2.000m saving; 2021-22 £3.000m saving

4.15.1 Why is this being considered?

In November, the Council will be implementing a new social care and finance system. This provides further opportunities for developing more efficient ways to work with the provider market to share care requirements, purchase care and undertake contact management, as well as being able to provide better information to the wider population about available care across Norfolk. The potential is being explored across a number of the Norfolk Futures workstreams including Smarter information and advice, Promoting Independence and Digital Norfolk.

Table 5: New 2018-19 Saving Proposals

Proposal Note: savings are shown as a negative figure	Saving 2018-19 £m	Saving 2019-20 £m	Saving 2020-21 £m	Saving 2021-22 £m	Total 2018-22 £m	Risk Assessment
Capitalisation of equipment spend	(1.800)	0.535	0.535	0.530	(0.200)	Green
Accommodation based reablement	(0.550)				(0.550)	Amber
Reduction in funding for invest to save	(0.191)				(0.191)	Green
Prevent carer breakdown by better targeted respite	(0.686)				(0.686)	Green
Review charging policy to align to actual disability related expenses	(0.400)				(0.400)	Amber
Strengthened contract management function	(0.300)	(0.300)	(0.200)	(0.200)	(1.000)	Green
Procurement of current capacity through NorseCare at market value		(0.600)	(1.000)		(1.600)	Red
Investment and development of Assistive Technology approaches		(0.300)	(0.500)	(0.700)	(1.500)	Amber
Maximising potential through digital solutions		(1.000)	(2.000)	(3.000)	(6.000)	Amber
Total savings proposals	(3.927)	(1.665)	(3.165)	(3.370)	(12.127)	

4.16 Committee discussions about proposed new savings will be reported to Policy and Resources Committee in October 2017 and used to inform development of the Council's 2018-19 Budget to enable an overall assessment of the budget position to be made.

4.17 Due to the level of lead in times and the need for consultation of the proposals it is not proposed that the new service saving proposals could be delivered earlier than 2018-19.

4.18 Future savings will be considered as part of the Norfolk Future programmes and there may be potential for savings earmarked for 2019-22 to be brought forward when more detailed business cases have been prepared.

4.19 **2018-19 Budget proposals requiring consultation**

4.19.1 Over the autumn Norfolk County Council will begin engaging residents in a discussion about the council's ideas for the future. We will be giving people the chance to hear more about how Norfolk County Council could change in the future, ask questions and offer their own ideas and aspirations for the county. As well as feeding in their views online, opportunities for people to find out more and contribute their ideas will include a series of roadshows where people can get involved and share their thoughts face-to-face.

4.19.2 Whilst it's important to focus on what Norfolk County Council will look like in the future we also have an immediate need to set a balanced budget for 2018/19. Our budget proposals for 2018/19 are based on the assumption that council tax will increase overall by (1.9% for general council tax and 3.0% for the Adult Social Care precept). As in previous years we are inviting comments on this approach via our consultation hub on Citizen Space.

4.19.3 Where any of our individual budget saving proposals require consultation we will publish them on the Council's consultation hub, Citizen Space. We will make any consultation documents available in other formats on request, make extra effort to find out the views of people who may be affected and carry out impact assessments. Our consultation will take place between November and the new year. Consultation feedback on both individual budget proposals and council tax will be available for Committees in January.

4.19.4 We will promote opportunities for people to get engaged in the discussion around Norfolk County Council's ideas for the future – as well as how to have their say on budget proposals and council tax - through the Your Norfolk residents magazine, news releases, online publications and social media.

4.19.5 As part of the 2018-19 budget planning process, it is considered that consultation will be required prior to a decision on reviewing the charging policy to align to actual disability related expenses as well as stakeholder consultation to help shape our plans for respite care.

5. Financial implications

5.1 Financial implications for the Committee's Budget are set out throughout this report.

6. Issues, risks and innovation

6.1 Significant risks or implications have been set out throughout the report. Specific financial risks in this area are also identified in the Corporate Risk Register, including the risk of failing to manage significant reductions in local and national income streams (RM002) and the risk of failure to effectively plan how the Council will deliver services (RM006).

6.2 Decisions about significant savings proposals with an impact on levels of service delivery will require public consultation. As in previous years, saving proposals, and the Council's Budget as a whole, will be subject to equality and rural impact assessments later in the budget-setting process.

6.3 Some of the savings proposals include a level of delivery risk. The additional savings proposed have sought to avoid significant increase to targets to reduce demand, which based on our cost and demand model would be challenging. However, savings for future years will seek to reduce and shift management of need, as new approaches such as assistive technology are explored. The risk is increased by the level of savings the service is already committed to deliver. The current savings programme is set out in **Appendix 3**. The

Promoting Independence programme of work is implementing significant changes, which will see transformation across practice, workforce capacity, choice for service users and commissioning of new services. This work and the new savings proposals is now further supported by Norfolk Futures. The actions to deliver the corporate priorities, targeting promoting independence for vulnerable adults, smarter information and advice, a Norfolk housing strategy, digital Norfolk and commercialisation, will enhance delivery of the adult social care programme and help mitigate delivery risk.

7. Background Papers

7.1 Background papers relevant to the preparation of this report are set out below.

[Norfolk County Council Revenue and Capital Budget 2017-20, County Council, 20 February 2017, Item 4](#)

[Norfolk County Council Budget Book 2017-20, May 2017](#)

[Caring for your County, Policy and Resources Committee, 3 July 2017, Item 7](#)

[Strategic and Financial Planning 2018-19 to 2021-22, Policy and Resources Committee, 3 July 2017, Item 9](#)

[Finance Monitoring Report Outturn, Policy and Resources Committee, 3 July 2017, Item 11](#)

[Additional Social Care Funding, Adult Social Care Committee, 10 July 2017, Item 11](#)

Officer Contact

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

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Previously agreed MTFS savings 2017-20

Agreed MTFS savings 2017-20 by Committee

	2017-18	2018-19	2019-20	Total
	£m	£m	£m	£m
Adult	-11.213	-18.716	-10.000	-39.929
Children's	-1.854	-0.859	-0.535	-3.248
Communities	-1.906	-0.102	0.000	-2.008
EDT	-5.340	-0.605	0.000	-5.945
Policy and Resources	-23.646	9.100	0.290	-14.256
Business and Property	-1.710	-1.751	-1.000	-4.461
Digital Innovation and Efficiency	-2.105	-0.726	-0.059	-2.890
Total	-47.774	-13.659	-11.304	-72.737

Categorisation of saving	2017-18	2018-19	2019-20	2017-20
	£m	£m	£m	£m
A) Cutting costs through efficiencies	-32.813	8.967	-0.245	-24.091
(i) Efficiency savings	-32.531	9.589	-0.245	-23.187
(ii) Reducing service standards	-0.282	-0.622	0.000	-0.904
B) Better value for money through procurement and contract management	-1.161	-1.044	0.000	-2.205
(i) Efficiency savings	-1.161	-1.044	0.000	-2.205
C) Service Redesign: Early help and prevention, working locally	-8.978	-18.411	-10.000	-37.389
(i) Efficiency savings	-0.458	-0.950	-0.500	-1.908
(ii) Reducing service standards	-1.170	-7.199	-0.800	-9.169
(iii) Ceasing a service	-0.350	0.000	0.000	-0.350
(iv) Providing statutory services differently	-7.000	-10.262	-8.700	-25.962
D) Raising Revenue; commercial activities	-3.059	-1.561	0.000	-4.620
(i) Efficiency savings	-3.049	-1.561	0.000	-4.610
(ii) Reducing service standards	-0.010	0.000	0.000	-0.010
E) Maximising property and other assets	-1.763	-1.610	-1.059	-4.432
(i) Efficiency savings	-1.763	-1.610	-1.059	-4.432
Total	-47.774	-13.659	-11.304	-72.737

Further details of savings by Department can be found in the 2017-18 Budget Book.

2018-19 Budget Timetable

Activity/Milestone	Time frame
County Council agree recommendations for 2017-20 including that further plans to meet the shortfall for 2018-19 to 2019-20 are brought back to Members during 2017-18	20 February 2017
Spring Budget 2017 announced	8 March 2017
Consider implications of service and financial guidance and context, and review / develop service planning options for 2018-20	March – June 2017
Executive Director of Finance and Commercial Services to commission review of 2016-17 outturn and 2017-18 Period 2 monitoring to identify funding from earmarked reserves to support Children's Services budget.	June 2017
Member review of the latest financial position on the financial planning for 2018-20 (Policy and Resources Committee)	July 2017
Member review of budget planning position including early savings proposals	September – October 2017
Consultation on new planning proposals and Council Tax 2018-21	October to December 2017 / January 2018
Service reporting to Members of service and budget planning – review of progress against three year plan and planning options	November 2017
Chancellor's Autumn Budget 2017	TBC November / December 2017
Provisional Local Government Finance Settlement	TBC December 2017
Service reporting to Members of service and financial planning and consultation feedback	January 2018
Committees agree revenue budget and capital programme recommendations to Policy and Resources Committee	Late January 2018
Policy and Resources Committee agree revenue budget and capital programme recommendations to County Council	29 January 2018
Confirmation from Districts of council tax base and Business Rate forecasts	31 January 2018
Final Local Government Finance Settlement	TBC February 2018
County Council agree Medium Term Financial Strategy 2018-19 to 2020-21, revenue budget, capital programme and level of Council Tax for 2018-19	12 February 2018

2018-19 to 2021-22 Summary position and existing savings programme

Summary Table	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Reported gross savings - agreed by County Council	-18.716	-10.000			-28.716
Removal of IAA	0.250				0.250
Addition of 2020/21 savings deferred from 2017-20 budget cycle			-10.000		-10.000
Transport adjustment	2.300	-0.200			2.100
Sub-total 2017-20 adjusted (see detail below)	-16.166	-10.200	-10.000	0.000	-36.366
Corporate allocation of 2018-22 budget gap	-1.477	-11.480	-18.047		-31.003
Additional bad debt pressure	-0.150				-0.150
Additional savings to Transport adjustment	-2.300	0.200			-2.100
Sub-total 2018-22 Additional	-3.927	-11.280	-18.047	0.000	-33.254
Total requirement	-20.093	-21.780	-28.047	0.000	-69.620

2018-19 to 2021-22 Summary position and existing savings programme

Detail of existing savings programme 2018-22

Saving Description	2018-19	2019-20	2020-21	2021-22	Total
	£m	£m	£m	£m	£m
Promoting Independence - Reablement	-0.500				-0.500
Promoting independence - younger adults	-5.630	-5.307	-10.000		-15.937
Promoting independence - older people	-1.632	-3.393			-10.025
Remodel contracts for support to mental health recovery	-0.275		0.000		-0.275
Home care commissioning - an improved framework for procuring home care services in Norfolk	-0.549				-0.549
Housing With Care	-0.500	-0.500			-1.000
Promoting Independence - Integrated Community Equipment Service - expand service so through increased availability and access to equipment care costs will be reduced	-0.250				-0.250
Building resilient lives: reshaping our work with people of all ages requiring housing related support to keep them independent	-3.400				-3.400
Radical review of daycare services	-2.500				-2.500
Align charging policy to more closely reflect actual disability related expenditure incurred by service users	-0.230				-0.230
Transport	-0.700	-1.000			-1.700
Total Adjusted 2017-20 proposals	-16.166	-10.200	-10.000	0.000	-36.366