



Norfolk County Council

BUDGET BOOK 2024-28

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NORFOLK COUNTY COUNCIL – OVERVIEW

We spend **£1.964 billion** on our priorities, of which £0.414 billion is spent directly by schools.

As the largest democratic body in Norfolk, the County Council plays a leading role in ensuring that Norfolk has a growing economy, thriving people, and strong communities by giving the people we serve every opportunity to improve their lives.

The Council's Budget and Medium Term Financial Strategy are informed by the Council's strategy, [*Better Together, for Norfolk*](#), which represents the Council's strategic priorities:

- A vibrant and sustainable economy
- Better opportunities for children and young people
- Healthy, fulfilling and independent lives
- Strong, engaged and inclusive communities
- A greener, more resilient future

The Council's [*Corporate Delivery Plan*](#), reflects these five strategic priorities and is focused on the Council's most significant activities, including those which “*support the delivery of the outcomes and objectives in our strategy, and our Medium-Term Financial Strategy.*” It also covers Operational Effectiveness and details the work which aims to transform the Council – our property, technology, ways of working, engagement, and workforce.

Along with the Budget, both of these were also informed by [*Together, for Norfolk*](#), the County Council's plan for 2019-2025.

BUDGET OVERVIEW 2024-25

Please note that some tables in this document unavoidably contain intentionally blank cells. These have been minimised as far as possible to maximise accessibility of the document.

Please also note that (other than Table 1) the budget totals reflect the departmental totals as at [budget papers to Full Council in February 2024](#) and have not been updated for the departmental changes agreed at March's [Employment Committee](#).

The following departmental changes from Employment Committee will be reflected in budget monitoring throughout 2024-25 and 2025-26 budget setting:

- Creation of a Communities and Environment department from Community and Environmental Services
- Creation of an Infrastructure department from Community and Environmental Services
- Creation of a Fire and Rescue department from Community and Environmental Services
- Transfer of Procurement from Community and Environmental Services to Finance

Table 1: 2024-25 Employment Committee Budget restructuring adjustments since Full Council

Department	Adult Social Services	Children's Services	Community and Environmental Services	Communities and Environment	Infrastructure	Fire and Rescue	Strategy and Transformation	Chief Executives Directorate	Finance	Total
Value	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Net Budget 2024-25 as per Full Council February 2024	281.967	238.592	203.268	-	-	-	30.184	4.384	-230.646	527.748
Communities and Environment	-	-	-20.896	20.896	-	-	-	-	-	0.000
Infrastructure	-	-	-145.047	-	145.047	-	-	-	-	0.000
Fire	-	-	-36.017	-	-	36.017	-	-	-	0.000
Procurement	-	-	-1.308	-	-	-	-	-	1.308	0.000
2024-25 Net Budget	281.967	238.592	-	20.896	145.047	36.017	30.184	4.384	-229.339	527.748

At the whole Council level, the changes are net nil and there is no change to the overall Council 2024-25 net budget.

Table 2: 2024-25 Gross Revenue Budget

Income	£m
Schools	429.823
Council Tax	527.748
Business Rates	205.305
Interest Receipts and Other Income	187.834
Sales, Fees and Charges	167.004
Government Grants	308.089
Other Grants, Reimbursements and Contributions	137.992
Total	1,963.795

Expenditure – Departmental Gross Budgets	£m
Adult Social Services	667.186
Children's Services (Non-Schools)	349.439
Community and Environmental Services	340.248
Strategy and Transformation	57.713
Chief Executive's Directorate	14.952
Finance	119.966
Schools	414.290
Total	1,963.795

Expenditure – Subjective Analysis	£m
Employee Expenses	628.248
Premises	40.662
Transport	89.991
Supplies and Services	158.361
Agency and Contract Services	772.340
Transfer Payments	38.442
Support Services	1.590
Capital Financing	137.782
Exp Departmental Recharges	96.379
Total	1,963.795

Note: Departmental gross expenditure in the table above excludes internal recharges.

THE BUDGET IN CONTEXT

KEY FACTS

Norfolk County Council has a **gross budget** for 2024-25 of **£1.964bn** (£1.550bn excluding schools). Just over a fifth of the budget is passed to schools, which have discretion over their own spending.

The Council has a **net budget** for 2024-25 of **£527.748m**. This is the amount we raise in Council Tax to fund the services we provide.

For 2024-25, the Council approved **an increase in council tax of 4.99%**. This includes an increase of 3% for general council tax, and 2% for the Adult Social Care (ASC) precept.

Norfolk County Council previously froze council tax for five years between 2010-11 and 2015-16, then raised it by 3.99% (including 2% for the ASC precept) in 2016-17, 4.8% (including 3% for the ASC precept) in 2017-18, 5.99% (including 3% for the ASC precept) in 2018-19, 2.99% in 2019-20, 3.99% in 2020-21 (including 2% for the ASC precept), 3.99% in 2021-22 (including 2% for the ASC precept), 2.99% in 2022-23 (including 1% for the ASC precept), and 4.99% in 2023-24 (including 2% for the ASC precept).

A **Band D** household pays **£1,672.11** per year or approximately **£32** a week for County Council services in 2024-25.

The County Council has agreed a **Capital Strategy and Programme** totalling **£1.299bn** for 2023-24 to 2027-28.

LOOKING AHEAD: 2025-26 TO 2027-28

The Council's budget forecasts a **remaining shortfall of £135.908m**, which will need to be addressed in the period 2025-28 (see Table 10).

In spite of the local government finance [Policy Statement](#) published by the Department for Levelling Up, Housing and Communities (DLUHC), the Council continues to face a high level of uncertainty around future Government funding decisions. Delay of the Fair Funding Review and lack of multi-year settlement, results in Council funding remaining the subject of very considerable uncertainty and although reflected as far as possible in the Council's 2024-25 planning processes, these impacts will need to be refined as further information is made available by Government.

With the expected General Election in 2024 it is extremely unlikely that the 2025-26 Settlement will provide any sort of multi-year allocation which would support the Council to develop its financial strategy with greater planning certainty. As always, the Government's decisions about Council funding in 2025-26 will be hugely significant. The continuing course of the national (and global) economy, Government spending, local government funding reform, and other changes may all offer opportunities to adequately fund local authorities to provide vital services and contribute towards national priorities. To date, Social Care funding reform announcements do not represent the comprehensive solution to funding challenges which might have been hoped for. Any changes in Government funding could have a material impact on both the level of savings to be identified, and the Council's wider budget process in future years. Fundamentally there remains a critical need for a larger quantum of funding to

be provided to local government to provide a sustainable level of funding for future years.

FUNDING REDUCTIONS AND BUDGET PRESSURES 2011-2025

GOVERNMENT FUNDING

Between 2011 and 2020, Norfolk County Council's settlement funding assessment (SFA) from the Government was cut by £220m. The period of significant cuts to core funding ended after 2019-20. However, material and ongoing unfunded cost pressures mean that this has not resulted in an end to the requirement to find budget savings year on year.

Table 3: Illustrative Core Spending Power

Core Spending Power	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Settlement Funding Assessment	191.343	194.461	194.679	195.903	205.875	216.926
Compensation for business rates multiplier	4.971	6.213	8.077	15.844	27.394	33.102
Council Tax Requirement	402.362	423.717	442.861	462.203	491.501	521.701
Improved iBCF	34.275	38.454	38.454	39.619	39.619	39.619
New Homes Bonus	2.926	2.934	2.269	1.833	0.628	1.076
Rural Services Delivery Grant	3.981	3.981	4.178	4.178	4.670	5.407
Winter Pressures Grant	4.179	0.000	0.000	0.000	0.000	0.000
Social Care Support Grant	7.139	0.000	0.000	0.000	0.000	0.000
Social Care Grant	0.000	24.755	30.342	41.495	66.525	87.506
Market Sustainability	0.000	0.000	0.000	2.821	9.785	18.282
ASC Discharge Fund	0.000	0.000	0.000	0.000	5.554	9.257
Services Grant	0.000	0.000	0.000	10.687	6.270	1.082
Grants rolled in	3.008	3.008	3.008	3.031	7.984	0.000
Total	654.183	697.523	723.867	777.613	865.741	933.959

Note: Core Spending Power figures include Government assumptions around taxbase increases and increases in the level of council tax. The Council tax requirement figures therefore do not match the levels of council tax local authorities actually raise through the precept.

SAVINGS AND EFFICIENCIES

Over the period 2011-12 to 2024-25 the Council has budgeted for savings of **£606m**. The Council has a strong track record of achieving planned savings with 87% of all savings delivered in the period 2011-12 to 2022-23. The percentage achievement of savings in each year is shown in the table below. The lower level of delivery in 2020-21 reflects the impact of COVID-19 on savings plans, this was mitigated by other unbudgeted savings achieved through changed and different activity levels, and Government compensation provided to support local authority budgets.

Table 4: Savings and efficiencies since 2011-12

Year	Budgeted Savings £m	Actual Savings £m	Savings Achieved %
2011-12	59.838	61.764	103%
2012-13	44.509	45.403	102%
2013-14	34.241	30.582	89%
2014-15	69.267	62.428	90%
2015-16	36.721	23.045	63%
2016-17	41.419	34.080	82%
2017-18	47.774	42.902	90%
2018-19	29.999	25.502	85%
2019-20	31.605	26.853	85%
2020-21	40.244	22.989	57%
2021-22	41.179	37.349	91%
2022-23	28.434	24.134	85%
2023-24	59.703	TBC	TBC
2024-25	41.532	TBC	TBC
Total	606.465	437.031	N/a

ADDITIONAL COSTS

During the same period, we have had to fund additional costs of **£938m**.

Table 5: Additional costs since 2011-12

Year	Inflation £m	Demand / Demographic £m	Legislative Requirements £m	NCC Policy £m	Total Cost Pressures £m
2011-12	16.058	21.728	13.126	6.996	57.908
2012-13	13.959	13.360	2.074	13.631	43.024
2013-14	14.053	10.635	2.305	19.067	46.060
2014-15	14.260	8.867	11.590	28.963	63.680
2015-16	10.904	21.230	13.113	-16.712*	28.535
2016-17	7.886	6.324	20.678	2.500	37.388
2017-18	9.661	16.194	11.109	5.622	42.586
2018-19	15.366	21.461	11.990	18.249	67.066
2019-20	15.806	24.698	15.155	-2.149*	53.509
2020-21	16.386	23.755	7.995	33.207	81.343
2021-22	17.730	13.097	10.462	53.976	95.265
2022-23	23.144	27.025	16.713	-15.875*	51.007
2023-24	41.527	20.495	31.069	55.746	148.837
2024-25	34.670	39.732	38.017	9.614	122.033
Total	251.411	268.601	205.395	212.834	938.241

Note: *The 2015-16, 2019-20 and 2022-23 NCC Policy pressures are negative figures which decrease the budget. This reflects the reversal of one-off investments and use of reserves.

The level of cost pressures experienced in 2023-24 was materially higher than in previous years, reflecting overall rates of inflation, including in particular rates on energy and fuel, and the wider cost of living crisis.

COUNCIL TAX - £528M

Council tax is a key source of locally raised income for the County Council. It helps make up the difference between the amount a local authority needs to spend and the amount it receives from other sources, such as business rates, government grants, and fees and charges.

Council tax is not directly linked to specific areas of expenditure but enables the delivery of all of the Council's key services across the county. These include services for adults and children, environmental management, maintaining highways, economic development activities, fire and rescue services, museums and libraries, as well as support services within the Council such as procurement, Information Management and Technology (IMT), HR and finance which enable effective front-line delivery. From 2016-17, the Government has offered an Adult Social Care precept which enables relevant councils to raise additional council tax specifically to fund adult care services.

ADULT SOCIAL CARE PRECEPT AND COUNCIL TAX ASSUMPTIONS

The Adult Social Care (ASC) precept has been available to councils with responsibilities for social care since the 2016-17 financial year. The precept is over and above the existing council tax referendum limit and is to be used exclusively to fund Adult Social Care.

The precept was initially made available as an increase of 2% on council tax each year in the period 2016-17 to 2019-20. Government subsequently provided greater flexibility for the precept to be increased by up to 3% in both 2017-18 and 2018-19, but the precept increase, however it was applied within the criteria, was limited to a maximum of 8% over the period 2016-17 to 2019-20.

Since 2019-20, Government has set the precept flexibilities on an annual basis as follows:

- 2020-21: 2%
- 2021-22: 3% (with an option for some or all of the precept to be deferred to 2022-23). Members chose to split the available 3% adult social care precept increase with 2% applied in 2021-22 and 1% in 2022-23.
- 2022-23: 1%, which could be taken in addition to the deferred element of the 2021-22 amount (1%).
- 2023-24: 2%

For 2024-25 the Government announced a core council tax referendum principle of 3% and an additional 2% adult social care precept.

The table below sets out the County Council's assumptions about general council tax and the Adult Social Care precept in the Medium Term Financial Strategy.

Table 6: Council Tax and Adult Social Care precept assumptions

Council Tax and Adult Social Care precept assumptions	2024-25	2025-26	2026-27	2027-28
Assumed increase in general council tax	2.99%	1.99%	1.99%	1.99%
Assumed increase in Adult Social Care precept	2.00%	1.00%	0.00%	0.00%
Total assumed council tax increase	4.99%	2.99%	1.99%	1.99%

Norfolk County Council has approved an increase in council tax of 4.99% for 2024-25. The increased council tax in 2024-25 means local taxpayers will contribute £527.748m to County Council services for the year. An average (Band D) property pays around £32 a week (£1,672.11 a year) for the County Council element of council tax (including the Adult Social Care precept).

The 2024-25 council tax includes a precept to fund adult social care. The breakdown of council tax for a Band D property in 2024-25 is shown in the following table.

Table 7: Breakdown of Band D Council Tax and change 2023-24 to 2024-25

Norfolk County Council Share Band D	£
2023-24 Total council tax	1,592.64
<i>Of which general council tax</i>	<i>1,396.26</i>
<i>Of which Adult Social Care precept</i>	<i>196.38</i>
General council tax increase 2024-25 (£1,592.64 x 3%)	47.70
Adult Social Care precept 2024-25 increase (£1,592.64 x 2%)	31.77
2024-25 Total council tax	1,672.11
<i>Of which general council tax</i>	<i>1,443.96</i>
<i>Of which Adult Social Care precept</i>	<i>228.15</i>

Note: The increase in the general council tax and the Adult Social Care precept is calculated based on the **total** Band D council tax charged by Norfolk County Council in 2023-24 (i.e., a 4.99% increase on £1,592.64).

HOW IS COUNCIL TAX CALCULATED?

The number of properties in each council tax band and in each district is converted into Band D equivalent properties and this gives us our council tax base.

The council tax base is then multiplied by the Band D amount (£1,672.11) to calculate the precept. The number of properties and the precept generated in each district is shown in Table 8 below, alongside the County's share of their collection fund surplus or deficit.

Table 8: Split of council tax 2024-25 precept by Billing Authority

Council	Tax Base (Number of Band D equivalent properties)	Precept £	Share of Collection Fund surplus / (deficit) £	Total payments due £
Breckland District Council	46,832.80	78,309,593	568,019	78,877,612
Broadland District Council	48,996.00	81,926,702	396,803	82,323,505
Great Yarmouth District Council	30,581.00	51,134,796	-57,223	51,077,573
King's Lynn and West Norfolk Borough Council	53,747.80	89,872,234	376,700	90,248,934
North Norfolk District Council	41,501.70	69,395,408	738,584	70,133,992
Norwich City Council	38,773.00	64,832,721	359,120	65,191,841
South Norfolk District Council	53,215.00	88,981,334	912,958	89,894,292
Total	313,647.30	524,452,788	3,294,961	527,747,749

THE COLLECTION FUND

Local authorities are statutorily required to account for both council tax and business rates income in a "Collection Fund". This is a separate accounting statement prepared by each billing authority (district council), which sets out the amounts that each billing authority forecasts to collect and how that has been distributed. From a budgeting perspective, councils recognise the forecast amount each year, with any actual surplus or deficit in the income collected being carried forward to the following year.

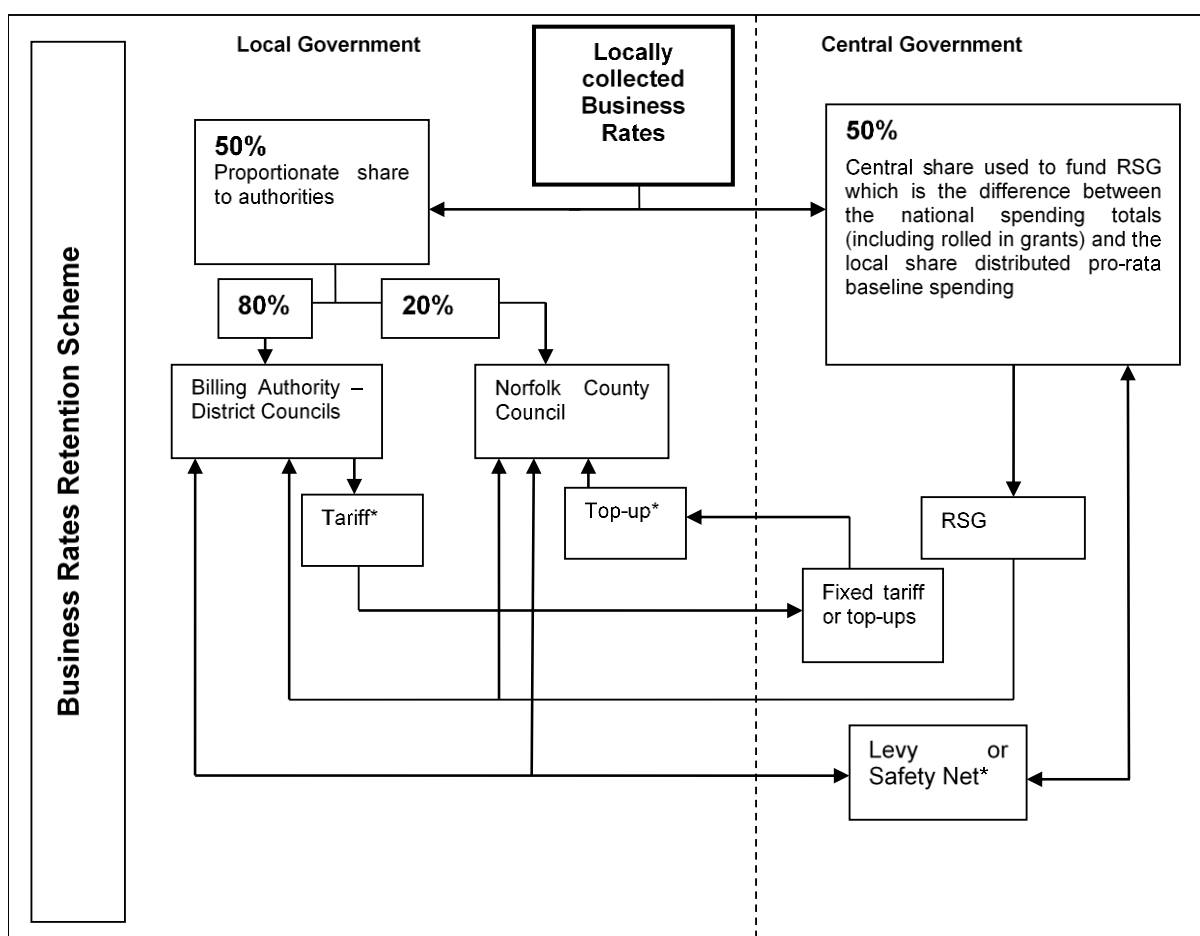
BUSINESS RATES - £205M

The Local Government Finance Act 2012 introduced changes to the funding system for local government. Since April 2013, councils have no longer received Formula Grant, but instead received funding from a mix of locally retained business rates and government grants that are allocated from centrally retained business rates.

The business rates retention scheme provides incentives for local authorities to increase economic growth, through retention of a share of the revenue generated from locally collected business rates. The scheme does not alter the way that business rates are set, as they continue to be controlled nationally by central government.

Figure 1 shows how this works within Norfolk, a two tier area before the impact of any Business Rate Pool is included.

Figure 1: Business Rates Retention Scheme (BRRS)



Note: *see below for description of tariff, top-up and levy

LEVY

A levy is payable to central government on any increase in business rates growth over and above the baseline funding level. The levy rate for all Norfolk district authorities is 50%.

TARIFF AND TOP-UP

In two tier areas such as Norfolk, the upper tier authority, in this case Norfolk County Council, will receive a top-up from the Government and the district authorities will pay a tariff to central government. Tariff and top-up payments are designed to realign business rates baselines with assessed need.

BUSINESS RATES POOL

The scheme allows councils to pool business rate resources where it makes local economic sense to do so. The creation of a pool within a two tier area can reduce or remove the levy on business rates growth paid to the Government by billing authorities. With the pool levy rate of 0%, no levy payment is made to central government, any increase in business rates growth over and above the baseline funding level remains in Norfolk.

Central government sees the pool as one authority, paying the lead authority (Norfolk County Council) a top-up of throughout the year. The district authorities pay tariffs to the lead authority throughout the year just as they would have done to central government had they not pooled.

For 2024-25, Norfolk councils have established a business rates pool with the following membership:

- Breckland District Council
- Broadland District Council
- Great Yarmouth Borough Council
- Borough Council of Kings Lynn and West Norfolk
- Norfolk County Council
- North Norfolk District Council
- Norwich City Council
- South Norfolk District Council

The saved levy from pooling is held by the lead authority. The first call on the levy is to fund potential safety-net payments. If an authority sees retained funding (after payment of tariff or receipt of top-up) lower than 92.5% of their baseline funding level they would be due a safety-net payment from central government.

However, as central government sees the pool as one authority, authorities in a designated pool forego their individual safety-net payment. This is the financial risk of pooling should retained rates outturn not be as high as forecast.

Any remaining saved levy after safety-net payments will then be distributed among the Norfolk local authorities in the pool, on the basis set out in the pool's governance agreement.

THE BUDGET 2024-28

HOW TO USE THE BUDGET BOOK

The following sections of this Budget Book provide details of the approved budget for 2024-25 and indicative budgets for 2025-26, 2026-27 and 2027-28, alongside details of key supporting documents used in setting the budget.

This Budget Book is based on the following full budget reports presented to County Council on 20 February 2024:

- Norfolk County Council Revenue and Capital Budget 2024-25 to 2027-28
- Norfolk County Council Revenue Budget 2024-25 and Medium Term Financial Strategy 2024-28
- Capital Strategy and Programme 2024-25
- Annual Investment and Treasury Strategy 2024-25

The original versions of these reports can be accessed [here](#)¹ (see Agenda Item 5).

¹<https://norfolkcc.cmis.uk.com/norfolkcc/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/2040/Committee/2/Default.aspx>

REVENUE BUDGET 2024-28

At its meeting on 20 February 2024, the County Council agreed the following:

- A net revenue budget of **£527.748m** for 2024-25.

Including:

- Savings of £41.532m;
- Additional costs of £122.033m; and
- Net funding increase of £46.460m; and
- A capital programme of £1.299bn for 2023-28.
- A minimum level of general balances of £26.660m in 2024-25, £27.910m in 2025-26, £29.160m in 2026-27 and £30.410m in 2027-28.
- Total earmarked reserves (excluding schools) of £98.056m forecast as at 31 March 2024, £85.411m as at 31 March 2025, £80.363m as at 31 March 2026, £80.170m as at March 2027 and £80.470m as at 31 March 2028.
- An increase in Council Tax for 2024-25 of 4.99% (including 2% for the Adult Social Care precept).

Table 9: Summary of net budget changes for 2024-25

Department	2023-24 Base Budget £m	Budget increase including costs and funding decreases £m	Budget decrease including savings and funding increases £m	2024-25 Recommended Budget before cost neutrals £m	Cost neutral changes £m	2024-25 Base Budget £m
Adult Social Services	249.526	59.348	-27.426	281.448	0.519	281.967
Children's Services	232.593	34.748	-30.756	236.585	2.007	238.592
Community and Environmental Services	189.743	16.816	-9.665	196.894	6.373	203.268
Strategy and Transformation	21.859	0.709	0.260	22.828	7.356	30.184
Chief Executive's Directorate	3.092	0.221	-0.330	2.983	1.401	4.384
Finance	-203.107	24.020	-33.903	-212.990	-17.656	-230.646
Total	493.707	135.862	-101.820	527.748	0.000	527.748

The Council agreed that further plans to meet the projected budget shortfalls in the period 2025-26 to 2027-28 should be developed to be brought back to Members during 2024-25.

Table 10: Summary of pressures and savings 2024-28

Pressures and savings	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Cost pressures	122.033	64.502	71.795	69.637
Savings identified	-41.532	-12.059	-8.989	-7.923
Funding changes	-46.460	10.066	0.000	0.000
Change in Council Tax / Taxbase / Collection Fund	-34.041	-17.788	-16.420	-16.914
Remaining gap	0.000	44.722	46.386	44.800

WHERE THE MONEY IS SPENT – SERVICE ANALYSIS OF THE 2024-28 BUDGET

Table 11: Summary of net income and expenditure by service 2024-28

Department	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Adult Social Services	281.967	294.360	311.305	331.350
Children's Services	238.592	251.497	255.582	261.536
Community and Environmental Services	203.268	210.134	216.546	223.622
Strategy and Transformation	30.184	32.310	33.087	34.232
Chief Executive's Directorate	4.384	4.919	5.177	5.320
Finance – detail analysis:				
Finance expenditure	119.966	146.219	176.762	204.129
Government grants	-57.386	-56.552	-56.552	-56.552
Business Rates	-205.305	-205.305	-205.305	-205.305
Other grants, reimbursements and contributions	-4.855	-4.870	-4.885	-4.901
Sales, fees and charges	-79.357	-78.451	-78.451	-78.451
Interest receipts and other income	-3.710	-4.003	-0.203	-0.203
Net Expenditure	527.748	590.258	653.064	714.778
Financed by Council Tax	-527.748	-545.535	-561.955	-578.870
Cumulative Gap	0.000	44.722	91.108	135.908

Table 12: Summary of 2024-25 gross income and expenditure by department

Gross income and expenditure by department (excluding internal recharges)

Department	Gross Expenditure £m	Gross Income £m	Net Budget £m
Adult Social Services	667.186	-385.220	281.967
Children's Services	763.729	-525.137	238.592
Community and Environmental Services	340.248	-136.981	203.268
Strategy and Transformation	57.713	-27.529	30.184
Chief Executive's Directorate	14.952	-10.567	4.384
Finance Directorate	119.966	-350.613	-230.646
Total	1,963.795	-1,436.047	527.748

Figure 2: Expenditure analysis 2024-25

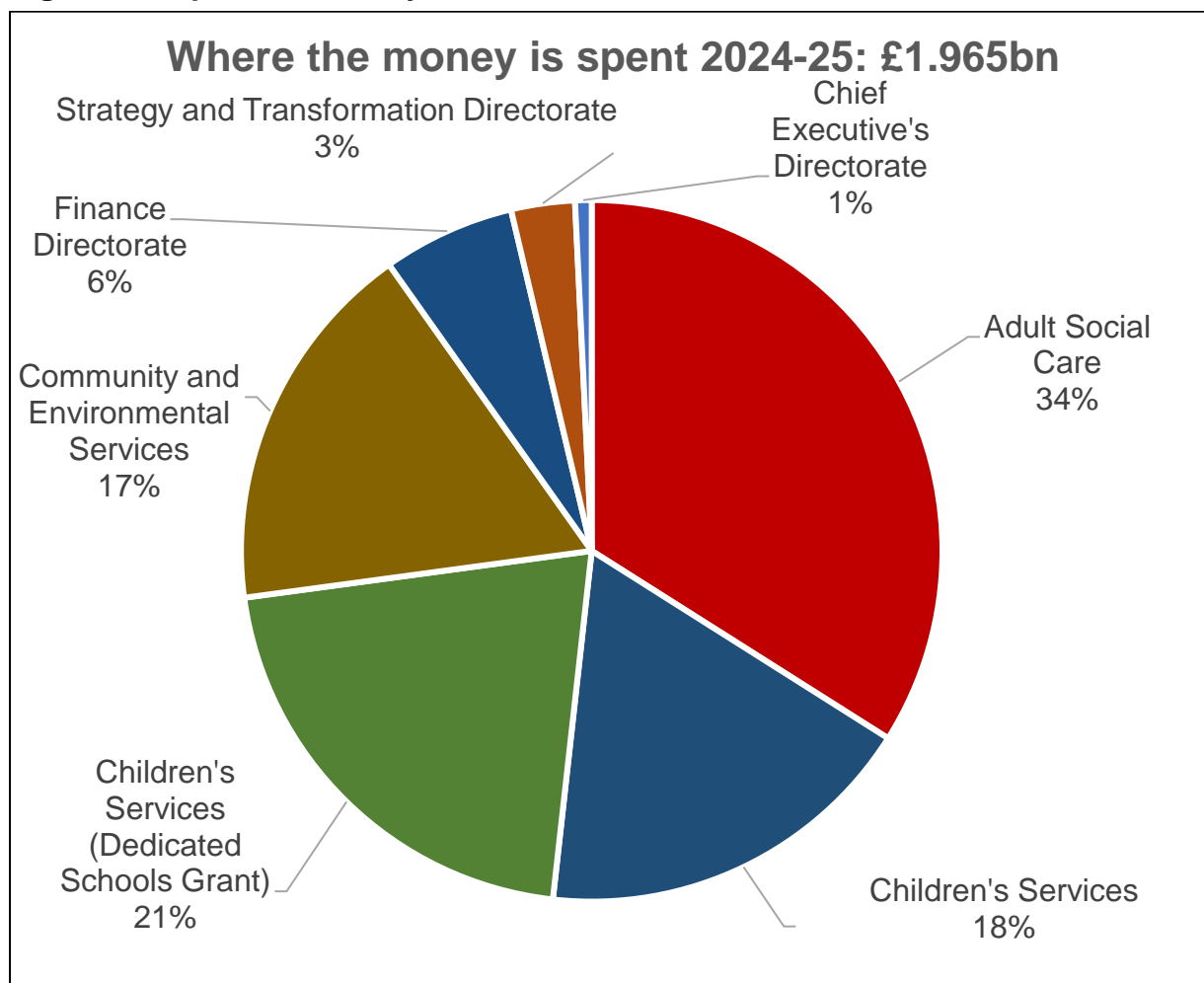
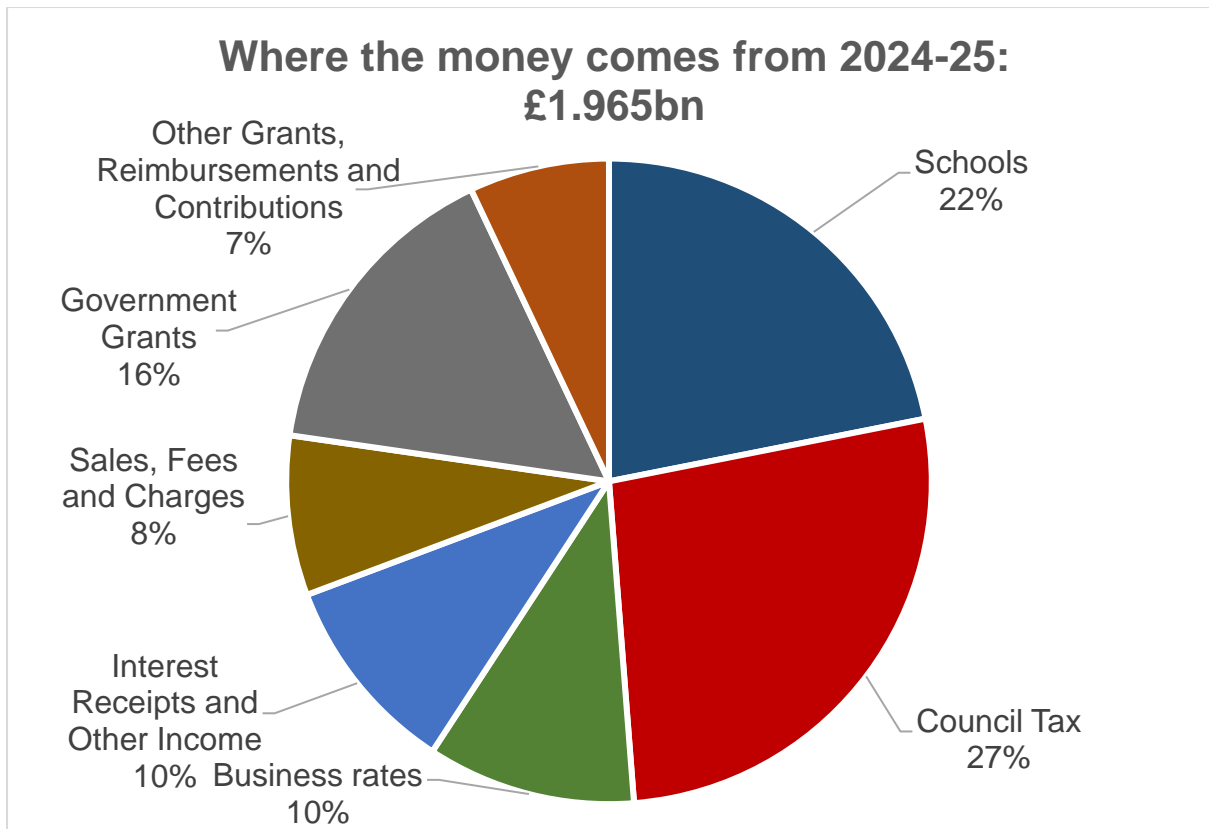


Figure 3: Income analysis 2024-25

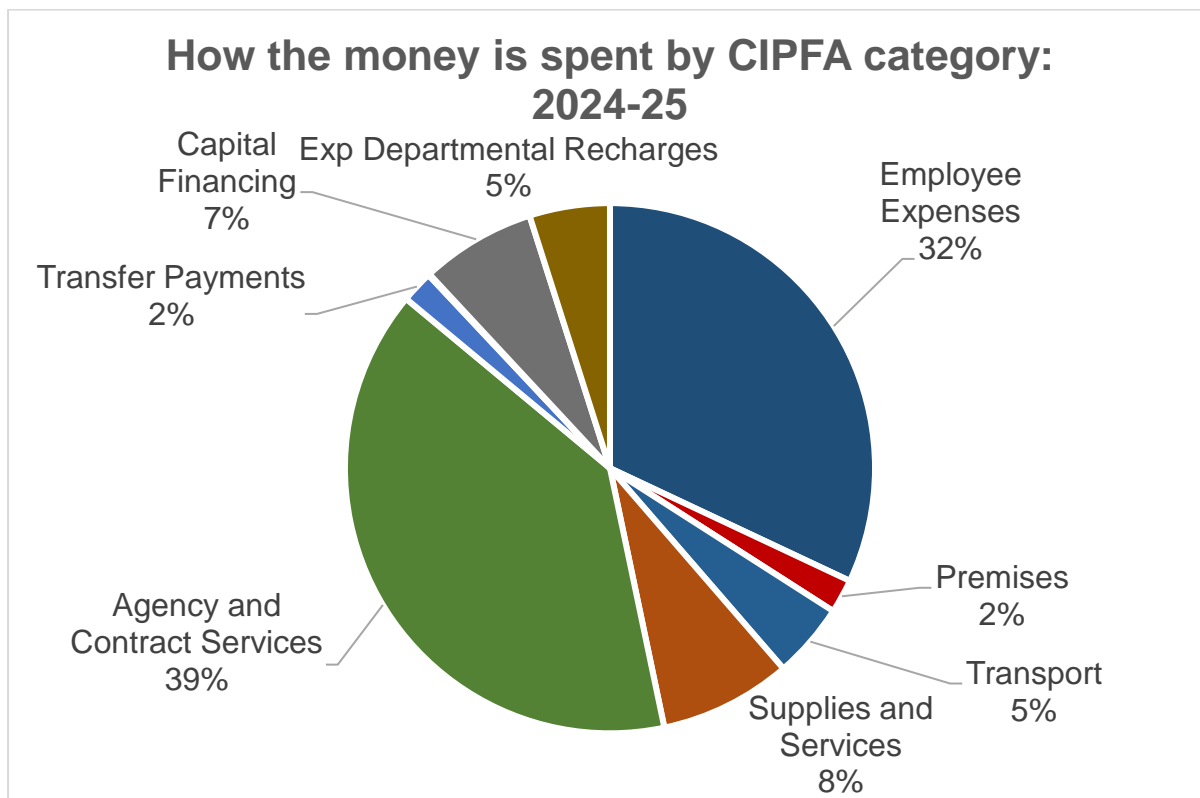


HOW THE MONEY IS SPENT – SUBJECTIVE ANALYSIS 2024-28 BUDGET

Table 13: Analysis of the budget by spending and income type

Spending and Income Type	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	628.248	635.220	646.573	657.366
Premises	40.662	40.829	41.173	41.523
Transport	89.991	93.804	95.576	97.387
Supplies and Services	158.361	187.680	221.851	259.401
Agency and Contract Services	772.340	777.109	787.956	801.550
Transfer Payments	38.442	38.632	38.825	39.022
Support Services	1.590	1.634	1.678	1.725
Exp Departmental Recharges	96.379	92.644	91.154	89.733
Capital Financing	137.782	141.002	144.956	144.956
Total Expenditure	1,963.795	2,008.553	2,069.741	2,132.664
Government Grants	-902.000	-890.432	-890.432	-890.432
Other Grants, Reimbursements and Contributions	-178.074	-169.512	-165.877	-165.477
Customer and Client Receipts	-168.139	-169.476	-169.867	-170.470
Interest received	-4.625	-3.875	-3.875	-3.875
Corporate Recharges (including Capital Finance)	-71.036	-71.036	-71.036	-71.036
Inc Departmental Recharges	-112.173	-113.964	-115.591	-116.596
Council Tax	-527.748	-545.535	-561.955	-578.870
Total Income	-1,963.795	-1,963.831	-1,978.633	-1,996.756
Cumulative Gap	0.000	44.722	91.108	135.908

Figure 4: Expenditure analysis 2024-25 (CIPFA)



COST PRESSURES 2024-28

Inflationary pressures: £34.670m 2024-25, £24.044m 2025-26, £24.360m 2026-27, £24.902m 2027-28

Pay inflation has been assumed at 3% for 2024-25 to 2027-28, with a 1% contingency in 2024-25. The County Council is currently part of the national agreement and therefore pay awards for 2024-25 onwards will be determined by any agreements reached. Every 1% variation in pay amounts to around £3m for the council. There is therefore a risk that pay awards could vary from this assumption over the planning period.

A significant proportion of the Council’s services continues to be delivered externally to the County Council – through partners, private sector contracts, and via the council’s own companies (including Norse). This means that contractual arrangements are a key driver of the Council’s cost pressures. A significant proportion of the Council’s spend is via third party contracts and the effective management of these contracts to ensure both value for money and proper standards of service, is critical. While difficult to identify separately, inflationary price rises are being driven by a range of factors including exceptional increases in fuel and energy costs. Many of the Council’s contracts are linked to specific inflation rates such as CPI or RPI and inflationary price rises are being experienced as a result of this. The level of inflation pressure in 2023-24 was materially higher than that seen in previous years and reflects the wider economic climate. The MTFs anticipates inflation to return to a more “normal” level in 2025-26 and this will be kept under review as part of budget planning.

Demographic pressures: £39.732m 2024-25, £37.608m 2025-26, £37.110m 2026-27, £38.230 2027-28

There are two key areas where demand and demographic pressures have a significant impact on the council's budget planning:

- Gross demographic pressures in Adult Social Care totalling £22.700m reflecting rising demand for services.
- Gross demand pressures of £14.500m in Children's Services reflecting additional costs including increasing demand in social care, alongside home to school transport pressures, particularly for children with special educational needs and disabilities.

Legislative changes: £38.017m 2024-25, £7.850m 2025-26, £6.500m 2026-27, £6.500m 2027-28

The budget estimates include the following assumptions with regard to current and future legislative changes:

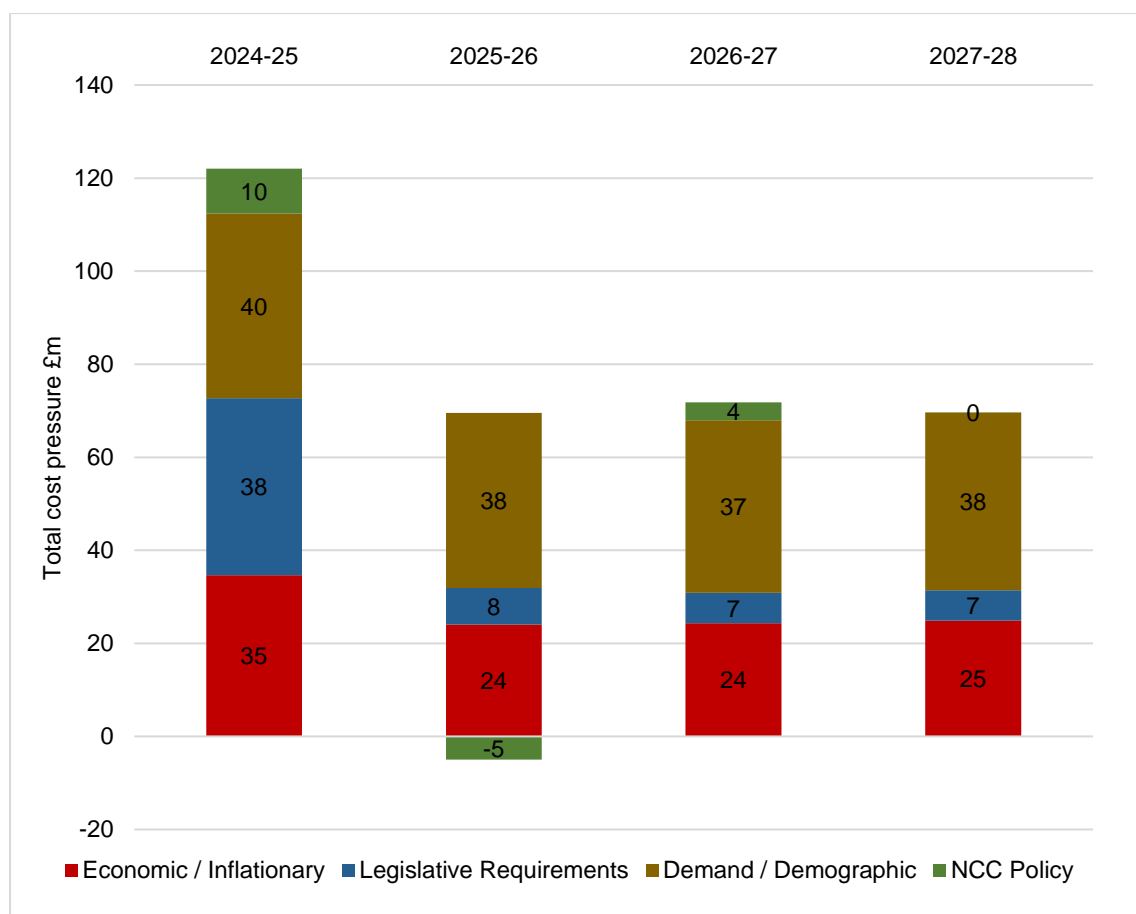
- The Government implemented a National Living Wage (NLW) from 2016-17, starting at £7.20. In April 2024 it will be increased to £11.44. The exact level at which the National Living Wage will be set in future years has not been confirmed, but further increases in line with Government policy are to be expected. Although assumed cost pressures relating to the National Living Wage have been included in budgets, there is a risk these could diverge in future.
- Cost pressures assuming an increase above the core price inflation for pay and price market pressures have been included.
- Cost pressures have been included associated with the increased grant income received in Adult and Children's Services.

NCC Policy: £9.614m 2024-25, -£5.000m 2025-26, £3.825m 2026-27, £0.005m 2027-28

The 2024-25 budget includes:

- £2.470m to address pressures in Children's Services;
- £0.870m to address pressures in Community and Environmental Services;
- £6.886m to address pressures in Finance.

Figure 5: Cost pressures by categorisation and year



SAVINGS 2024-28

Budget saving proposals were subject to consultation where required. Overall consultation activity in relation to the 2024-25 Budget was coordinated by Cabinet and reported to Members to inform budget-setting decisions.

Table 14: Savings identified 2024-28

Department	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	2024-28 Total £m
Adult Social Services	-14.252	-7.400	-4.900	-2.600	-29.152
Children's Services	-9.775	-6.113	-7.449	-5.703	-29.040
Community and Environmental Services	-9.665	0.543	-0.240	0.400	-8.962
Strategy and Transformation	0.460	2.201	0.040	-0.020	2.681
Chief Executive's Directorate	-0.330	0.290	0.000	0.000	-0.040
Finance General	-7.970	-1.580	3.560	0.000	-5.990
Savings total	-41.532	-12.059	-8.989	-7.923	-70.503

As in previous years, budget planning across the Council has also included work to review in detail the deliverability of planned savings and to understand service pressures. Following this activity, the 2024-25 Budget sees further investment in essential services through both the removal of previously planned savings and

recognition of budget overspend pressures. The changes to previously agreed savings proposed in this report contribute to ensuring that the 2024-25 Budget will be both robust and deliverable. The net saving position above reflects the removal or delay of £1.000m of saving proposals brought forward from previous budget rounds.

NET BUDGET CHANGES 2024-25 TO 2027-28

Changes to departmental revenue budgets for each year are shown in the following tables.

Table 15: Summary of net budget changes 2024-25

Net Budget Changes 2024-25	Adult Social Services £m	Children's Services £m	Community and Environmental Services £m	Strategy and Transformation £m	Chief Executive's Directorate £m	Finance £m	Total £m
Base Budget 2023-24	249.526	232.593	189.743	21.859	3.092	-203.107	493.707
Growth							
Economic / Inflationary	9.565	8.778	10.091	1.090	0.252	4.894	34.670
Legislative Requirements	27.083	9.000	1.694	0.200	0.000	0.040	38.017
Demand / Demographic	22.700	14.500	2.532	0.000	0.000	0.000	39.732
NCC Policy	0.000	2.470	0.870	-0.581	-0.031	6.886	9.614
Total Growth	59.348	34.748	15.187	0.709	0.221	11.820	122.033
Savings	-14.252	-9.775	-9.665	0.460	-0.330	-7.970	-41.532
Funding changes	-13.174	-20.981	1.629	-0.200	0.000	-13.734	-46.460
Cost neutrals	0.519	2.007	6.373	7.356	1.401	-17.656	0.000
Base Budget 2024-25	281.967	238.592	203.268	30.184	4.384	-230.646	527.748

Funded by: Council Tax	-524.453
Collection Fund Surplus	-3.295
Total	-527.748
2024-25 Budget Gap	0.000

Table 16: Summary of net budget changes 2025-26

Net Budget Changes 2025-26	Adult Social Services £m	Children's Services £m	Community and Environmental Services £m	Strategy and Transformation £m	Chief Executive's Directorate £m	Finance £m	Total £m
Base Budget 2024-25	281.967	238.592	203.268	30.184	4.384	-230.646	527.748
Growth							
Economic / Inflationary	10.694	6.923	4.365	1.143	0.127	0.792	24.044
Legislative Requirements	5.000	3.000	0.050	-0.200	0.000	0.000	7.850
Demand / Demographic	6.100	3.500	2.508	0.000	0.000	25.500	37.608
NCC Policy	-2.000	-3.110	-0.600	-1.219	0.118	1.811	-5.000
Total Growth	19.794	10.313	6.323	-0.276	0.245	28.103	64.502
Savings	-7.400	-6.113	0.543	2.201	0.290	-1.580	-12.059
Funding changes	0.000	8.706	0.000	0.200	0.000	1.161	10.066
Base Budget 2025-26	294.360	251.497	210.134	32.310	4.919	-202.962	590.258

Funded by: Council Tax	-545.535
Collection Fund Surplus	0.000
Total	-545.535
2024-25 Budget Gap	0.000
2025-26 Budget Gap	44.722

Table 17: Summary of net budget changes 2026-27

Net Budget Changes 2026-27	Adult Social Services £m	Children's Services £m	Community and Environmental Services £m	Strategy and Transformation £m	Chief Executive's Directorate £m	Finance £m	Total £m
Base Budget 2025-26	294.360	251.497	210.134	32.310	4.919	-202.962	590.258
Growth							
Economic / Inflationary	10.745	7.033	4.517	1.126	0.134	0.804	24.360
Legislative Requirements	5.000	1.500	0.000	0.000	0.000	0.000	6.500
Demand / Demographic	6.100	3.000	2.000	0.000	0.000	26.010	37.110
NCC Policy	0.000	0.000	0.135	-0.388	0.124	3.954	3.825
Total Growth	21.845	11.533	6.652	0.738	0.258	30.768	71.795
Savings	-4.900	-7.449	-0.240	0.040	0.000	3.560	-8.989
Base Budget 2026-27	311.305	255.582	216.546	33.087	5.177	-168.634	653.064

Funded by: Council Tax	-561.955
Collection Fund Surplus	0.000
Total	-561.955
2024-25 Budget Gap	0.000
2025-26 Budget Gap	44.722
2026-27 Budget Gap	46.386

Table 18: Summary of net budget changes 2027-28

Net Budget Changes 2027-28	Adult Social Services £m	Children's Services £m	Community and Environmental Services £m	Strategy and Transformation £m	Chief Executive's Directorate £m	Finance £m	Total £m
Base Budget 2026-27	311.305	255.582	216.546	33.087	5.177	-168.634	653.064
Growth							
Economic / Inflationary	10.944	7.158	4.676	1.160	0.143	0.821	24.902
Legislative Requirements	5.000	1.500	0.000	0.000	0.000	0.000	6.500
Demand / Demographic	6.700	3.000	2.000	0.000	0.000	26.530	38.230
NCC Policy	0.000	0.000	0.000	0.005	0.000	0.000	0.005
Total Budget Growth	22.644	11.658	6.676	1.165	0.143	27.351	69.637
Savings	-2.600	-5.703	0.400	-0.020	0.000	0.000	-7.923
Base Budget 2027-28	331.350	261.536	223.622	34.232	5.320	-141.283	714.778

Funded by: Council Tax	-578.870
Collection Fund Surplus	0.000
Total	-578.870
2024-25 Budget Gap	0.000
2025-26 Budget Gap	44.722
2026-27 Budget Gap	46.386
2027-28 Budget Gap	44.800

FUNDING

The final Local Government Finance Settlement 2024-25 included information on the Settlement Funding Assessment, which includes the authority's Revenue Support Grant (RSG) and business rates baseline funding level.

Table 19: Comparison of Settlement Funding Assessment 2023-24 to 2024-25

Funding	2023-24 Actual £m	2024-25 Final £m	Change £m
Settlement Funding Assessment	205.875	216.926	11.052
<i>Notional breakdown:</i>			
Revenue Support Grant	45.055	49.668	4.613
Baseline Funding Level	160.820	167.258	6.438
<i>Via: Top-up</i>	<i>132.936</i>	<i>138.476</i>	<i>5.540</i>
<i>Retained Rates</i>	<i>27.884</i>	<i>28.782</i>	<i>0.898</i>

KEY FUNDING STREAMS 2024-28

Table 20: List of key grants and funding streams 2024-28

Funding Streams	2023-24 Budget £m	2024-25 Estimated £m	2025-26 Estimated £m	2026-27 Estimated £m	2027-28 Estimated £m
Un-ring-fenced					
Business Rates	193.925	205.305	205.305	205.305	205.305
Revenue Support Grant	45.055	49.668	49.668	49.668	49.668
Rural Services Delivery Grant	4.670	5.407	4.670	4.670	4.670
Social Care Grant	66.525	87.506	78.799	78.799	78.799
ASC Market Sustainability and Improvement Fund	9.785	18.282	18.282	18.282	18.282
ASC Discharge Fund	5.554	9.257	9.257	9.257	9.257
Services Grant	6.022	1.082	1.082	1.082	1.082
New Homes Bonus	0.628	1.076	1.076	1.076	1.076
School Improvement Monitoring and Brokering Grant	0.725	0.725	0.725	0.725	0.725
Fire Pension Grant	1.629	1.629	1.629	1.629	1.629
Fire Revenue	1.184	1.184	1.184	1.184	1.184
Inshore Fisheries	0.152	0.152	0.152	0.152	0.152
Local reform and community voices	0.581	0.581	0.581	0.581	0.581
Social Care in Prisons	0.345	0.345	0.345	0.345	0.345
War Pensions Scheme Disregard	0.248	0.248	0.248	0.248	0.248
Extended rights to free travel (Local Services Support Grant)	1.524	1.524	1.524	1.524	1.524
PFI Revenue Grant (streetlights and schools)	7.905	7.905	7.905	7.905	7.905
Improved Better Care Fund	39.619	39.619	39.619	39.619	39.619
Ring-fenced					
Public Health	43.640	44.614	44.614	44.614	44.614
Dedicated Schools Grant	786.830	853.156	853.156	853.156	853.156
Pupil Premium Grant	39.259	39.259	39.259	39.259	39.259
Locally collected tax (forecasts)					
Council tax (assuming increase 4.99% 2024-25, 2.99% 2025-26, 1.99% 2026-27 & 2027-28)	493.707	527.748	545.535	561.955	578.870

Shaded figures remain to be confirmed.

PROVISIONS AND RESERVES

The **Statement on the Adequacy of Provisions and Reserves 2024-28** report sets out the County Council's policy on Provisions and Reserves and details the approach to setting a risk assessed framework for reaching a recommended level of general balances.

The 2024-25 budget includes the following forecasts for the level of the Council's general balances. The level of general balances is recommended based on an assessment of the financial risks facing the Council. Further details of this calculation are set out in the report to County Council.

Table 21: Forecasted levels of general balances 2024-25 to 2027-28

2023-24 (31/03/2024 Forecast) £m	Forecasted levels of general balances	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
25.410	Assessment of the level of general balances	26.660	27.910	29.160	30.410

As part of the 2024-25 budget planning process, a detailed review was undertaken in respect of each of the reserves and provisions held by the Council. The earmarked reserves and provisions are considered by the Director of Strategic Finance to be adequate and appropriate to reflect the risks they are intended to cover. Table 22 below shows the amount held in earmarked reserves for each service.

Table 22: Summary of earmarked reserves and provisions by service 2023-28

Department	Balance 31/03/23 £m	Forecast 31/03/24 £m	Forecast 31/03/25 £m	Forecast 31/03/26 £m	Forecast 31/03/27 £m	Forecast 31/03/28 £m
Adult Social Services	56.058	20.199	11.690	8.119	7.626	7.626
Children's Services	10.436	7.075	4.692	4.649	4.649	4.649
Community and Environmental Services	57.302	52.055	50.847	50.847	50.847	50.847
Strategy and Transformation	11.891	10.910	10.418	10.418	10.418	10.418
Chief Executive's Department	2.166	2.219	2.166	0.732	1.032	1.332
Finance	44.235	34.663	34.663	34.663	34.663	34.663
Total (excluding schools)	182.089	127.120	114.475	109.428	109.235	109.535
Reserves for capital use	0.000	0.000	0.000	0.000	0.000	0.000
Schools	3.552	1.671	0.991	0.458	0.458	0.458
School - LMS	16.040	10.770	10.770	10.770	10.770	10.770
DSG Reserve	-45.877	-73.284	-96.727	TBC	TBC	TBC

Note: These are balances forecast at the point of budget setting. Actual balances reported at year-end in the Statement of Accounts may vary.

There is a planned reduction in non-school general balances and earmarked reserves of 36.72%, from £175.232m in March 2023 to £110.880m in March 2028.

The following tables provide a full list of the reserves and provisions held by the Council including details of their purpose, and the expected usage over the medium term period. The forecast year end position of all reserves and provisions is reported to Members throughout the year.

Table 23: Reserves and Provisions – year end projections 2023-28

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Information Technology: The reserve is used by multiple services to set aside money for specific IT projects.	The reserve is used by multiple services to set aside money for specific IT projects.	2.231	1.429	1.091	1.030	1.030	1.030
Repairs and Renewals: This fund is to meet the cost of purchasing and repairing specific equipment.	The need for the reserve has changed over time as more equipment is procured via leases.	3.971	3.682	3.411	3.411	3.411	3.411
Unspent Grants and Contributions: This reserve contains the balances on the council's unconditional grants and contributions.	Mostly grants and contributions which will be used to fund spend over the budget planning period.	55.224	37.751	30.126	26.801	26.308	26.308
Total All Services Reserves		61.425	42.862	34.628	31.242	30.749	30.749
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years. Expected to be utilised in 2024-25.	10.983	0.055	0.000	0.000	0.000	0.000
Prevention Fund: This includes the Living Well in the Community Fund, Prevention Fund and Strong and Well revenue funding as agreed by Members to support prevention work, mitigate the risks in delivering prevention savings and to help build capacity in the independent sector.	Some use expected to over the planning period	1.106	0.574	0.218	0.102	0.102	0.102

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Road Safety: This reserve reflects the surplus resulting from Speed Awareness Courses run by the council on behalf of the Police, to be reinvested within Road Safety.	Some use in 2023-24	0.207	0.170	0.170	0.170	0.170	0.170
Social Services Residential Review: This reserve contains funds set aside to support delivery of Mental Health services within Adult Social Services.	Use of the reserve over the budget planning period is expected.	10.605	3.511	0.716	0.605	0.605	0.605
Total Adult Social Services Reserves		22.900	4.310	1.104	0.877	0.877	0.877
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years. Expected to be utilised in full in 2023-24.	1.373	0.000	0.000	0.000	0.000	0.000
Children's Services Education Equalisation: To fund the variance in the number of Home to School/College Transport days in a financial year as a result of the varying dates of Easter holidays.	Use dependent upon the dates of future school years	0.600	0.600	0.600	0.600	0.600	0.600
Sch Sickness Insurance	There is no current planned use of this reserve.	0.489	0.800	0.800	0.800	0.800	0.800
Total Children's Services Reserves		2.461	1.400	1.400	1.400	1.400	1.400
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years.	3.345	1.449	1.449	1.449	1.449	1.449

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Adult Education Income: The County Council is required to approve a budget for the Adult Education service five to six months in advance of the funding announcement by the Skills Funding Agency. In addition, the Skills Funding Agency can also impose penalties on the service in the event that targets are not met and these are dependent on results assessed at year end. This reserve enables the Council to manage risks associated with potential changes in Skills Funding Agency working.	Expected to be utilised in full in 2023-24	0.879	0.000	0.000	0.000	0.000	0.000
Archive Centre Sinking Fund: This reserve is to maintain the Archive Centre in accordance with a lease agreement between the County Council and the University of East Anglia.	There is no current planned use of this reserve.	0.163	0.173	0.173	0.173	0.173	0.173
County Farms: This reserve is to hold income related to the County Farms estate.	Some planned use in 2024-25	0.415	0.415	0.255	0.255	0.255	0.255
Bus De-registration: This is funding to meet costs associated with the commercial deregistration of bus services.	There is no current planned use of this reserve.	0.027	0.027	0.027	0.027	0.027	0.027

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Fire Operational/PPE/Clothing: This reserve is to meet variable demands for new operational equipment and personal protective equipment.	The reserve is for items such as hazmat suits and training in dealing with chemicals.	0.194	0.112	0.112	0.112	0.112	0.112
Fire Retained Turnout Payments: This reserve is to meet variable demands from larger incidents and higher than expected turnouts.	There is no current planned use of this reserve.	0.031	0.031	0.031	0.031	0.031	0.031
Highways Maintenance: This reserve enables a wide range of maintenance schemes to be undertaken. An annual amount is transferred to the works budget. The reserve is also used to carry forward balances on the Highways Maintenance Fund.	The balance mainly relates to commuted sums to meet future liabilities. These sums are paid by Developers to cover the additional maintenance work arising from their developments. The profile of use of the reserves reflects the future liabilities and planned general Highways expenditure.	9.007	7.961	7.711	7.711	7.711	7.711
Historic Buildings: This is used to buy and restore historic buildings at risk of being demolished and to make grants towards the restoration of buildings.	This reserve is used as and when required.	0.045	0.043	0.043	0.043	0.043	0.043
Income reserves: Library, Museum, and Planning income	This reserve is used as and when required.	1.495	1.301	1.301	1.301	1.301	1.301
Park and Ride: The reserve is for future site works.	There is currently minimal planned usage of the fund, but it is retained to meet potential necessary site works.	0.212	0.202	0.202	0.202	0.202	0.202

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Prevention Fund: This includes a commuted sum from Developers to cover new bus routes and lump sums received from the Government for improvements to bus services.	There is no current planned use of this reserve.	0.118	0.118	0.118	0.118	0.118	0.118
Residual Insurance and Lottery Bids: When a cash settlement was agreed with our insurers in respect of the library fire the proceeds were paid into an earmarked reserve. Subsequent costs have been funded from this source, and outstanding costs for buildings and books have been transferred to earmarked reserves. A few issues remain outstanding (e.g. Records conservation).	Expected to be utilised in full in 2023-24	0.081	0.000	0.000	0.000	0.000	0.000
Street Lighting PFI Sinking Fund: This reserve has been created as a result of the Street Lighting PFI scheme and reflects receipt of government PFI grant and contributions which will be needed in future financial years to meet contract payments.	Some use in 2023-24	5.419	4.915	4.915	4.915	4.915	4.915
Waste Management Partnership Fund: This reserve is for waste management initiatives.	Some use planned to support 2024-25 budget	1.025	2.025	1.775	1.775	1.775	1.775
Total Community and Environmental Services Reserves		22.456	18.773	18.113	18.113	18.113	18.113
Business Risk Reserve: Reserves established to manage key risks.	Some use of reserve is planned for 2023-24.	0.186	0.122	0.122	0.122	0.122	0.122

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Growth and Investment Reserves	Funding on projects are mainly committed over the budget planning period.	7.556	7.117	6.685	6.685	6.685	6.685
Strategic Ambitions Reserve: This reserve supports the council in achieving its aspirations and strategic ambitions for Norfolk.	There is a planned release of this reserve in 2024-25 to support the overall Budget	0.342	0.430	0.370	0.370	0.370	0.370
Scottow Income Reserve	There is no current planned use of this reserve.	0.832	0.985	0.985	0.985	0.985	0.985
Other S&T Reserves	Some use forecast in 2023-24	0.616	0.392	0.392	0.392	0.392	0.392
Total Strategy and Transformation Directorate Reserves		9.533	9.046	8.554	8.554	8.554	8.554
NPLaw: This reserve has been created to support the development and increased activities of the business and smooth variations in trading.	The reserve has been built up from NCC's share of the Nplaw Trading partnership	0.458	0.211	0.158	0.158	0.158	0.158
Election Reserve: This is to cover the cost of holding County Council elections, , and elections required for a Directly Elected Leader if the County Deal goes ahead.	Regular ongoing contributions to the reserve are planned each year. The reserve will be used for the next election and will then be built up again. Usage will be dependent on the timing of elections.	0.834	1.134	1.434	0.000	0.300	0.600
Business Risk Reserve: Reserves established to manage key risks.	There is a planned release of this reserve in 2024-25 to support the overall Budget	0.353	0.353	0.053	0.053	0.053	0.053
Total Chief Executive's Department Reserves		1.645	1.699	1.646	0.211	0.511	0.811

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Business Risk Reserve: Reserves established to manage key risks.	Reserve which will be used to mitigate continuing financial risks in future years.	9.611	7.826	7.826	7.826	7.826	7.826
Business Rates Risk Reserve: Reserves established to manage key risks.	Some use of the reserve to support the 2023-24 position	13.972	6.960	6.960	6.960	6.960	6.960
Insurance Reserve: This reserve reflects monies set aside for future potential insurance liabilities that are in excess of those provided for in the Insurance Provision.	There is no current planned use of this reserve.	0.134	0.134	0.134	0.134	0.134	0.134
Organisational Change and Redundancy Reserve: This reserve was created to provide one-off funding to support and invest in transformational change e.g. change initiatives such as Workstyle and to fund redundancy costs.	The timing of when the reserve is used is dependent upon future events and it is expected it will be mainly used to fund redundancy costs.	5.685	5.047	5.047	5.047	5.047	5.047
Total Finance Reserves		29.402	19.967	19.967	19.967	19.967	19.967
Non-Schools Total Reserves		149.822	98.056	85.411	80.363	80.170	80.470

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
LMS Balances: This reserve represents estimated surpluses and deficits against delegated budgets for locally managed schools. These funds are retained for schools in accordance with the LMS arrangements approved by the DfE and are not available to the Council for general use.	The future usage will be part of individual school's financial plans.	16.040	10.770	10.770	10.770	10.770	10.770
Norwich Schools PFI Sinking Fund: This reserve has been created as a result of the Norwich Schools PFI scheme and reflects receipt of government PFI grant and schools contributions which will be needed in future financial years to meet contract payments.	Some use expected to over the planning period	2.203	1.645	0.965	0.432	0.432	0.432
Building Maintenance: This is money put aside to spend on building maintenance of schools.	Expected to be utilised in full in 2023-24	1.312	0.000	0.000	0.000	0.000	0.000
Other school reserves	There is no current planned use of these reserves	0.037	0.026	0.026	0.026	0.026	0.026
Total Schools Reserves		19.593	12.441	11.761	11.228	11.228	11.228

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
DSG Reserve: DSG is a ring-fenced grant, provided outside the local government finance settlement. The reserve represents the cumulative position of the ringfenced funding provided by the Department for Education.	The DSG deficit arises from the historic underfunding of the High Needs Block which supports high needs places in state special schools, independent schools and Alternative Provision as well as high needs provision in mainstream schools. The level of the deficit reflects our current forecasts.	-45.877	-73.284	-96.727	TBC	TBC	TBC
Total DSG Reserves		-45.877	-73.284	-96.727	TBC	TBC	TBC
Provision for doubtful debts: A provision to cover bad debts.	This provision will change as bad debts are reviewed during the year, although the timing of this use cannot be predicted. A significant proportion is for specific debts with an element for general service-user related debts. Some use of the reserve occurred in 2023-24 for ICB debt write off.	4.473	1.473	1.473	1.473	1.473	1.473
Total Adult Social Services Provisions		4.473	1.473	1.473	1.473	1.473	1.473
Provision for doubtful debts: A provision to cover bad debts.	This provision will change as bad debts are reviewed during the year, although the timing of this use cannot be predicted.	1.341	1.341	1.341	1.341	1.341	1.341
Total Children's Services Provisions		1.341	1.341	1.341	1.341	1.341	1.341

Title and purpose of Reserve / Provision	Planned future use	Balance 31/03/2023 £m	Forecast 31/03/2024 £m	Forecast 31/03/2025 £m	Forecast 31/03/2026 £m	Forecast 31/03/2027 £m	Forecast 31/03/2028 £m
Closed landfill long term impairment provision: Provision created to fund long term impairment costs arising from Closed Landfill sites, as per Government legislation and External Audit recommendation.	This is required to cover the legal requirements, but there is currently no specific call on the provision identified. A fixed amount from revenue is released each year to cover impairment costs.	12.818	12.818	12.818	12.818	12.818	12.818
Fire Service: This provision is held to meet variations on Fire Service staffing costs.	There is no current specific requirement for the use of this provision.	0.048	0.048	0.048	0.048	0.048	0.048
Provision for doubtful debts: A provision to cover bad debts.	This provision will change as bad debts are reviewed during the year, although the timing of this use cannot be predicted.	0.038	0.038	0.038	0.038	0.038	0.038
Total Community and Environmental Services Provisions		12.903	12.903	12.903	12.903	12.903	12.903
Other provisions	Other provisions	1.639	1.639	1.639	1.639	1.639	1.639
Insurance: Provision for insurance claims.	Contractual commitment based on reported claims and provision for incurred but unreported claims.	11.708	11.708	11.708	11.708	11.708	11.708
Redundancy: A provision to meet redundancy and pension strain costs.	This provision is forecast to be used in 2023-24.	0.203	0.000	0.000	0.000	0.000	0.000
Total Finance Provisions		13.550	13.347	13.347	13.347	13.347	13.347
Non-Schools Provisions Total		32.267	29.064	29.064	29.064	29.064	29.064

ROBUSTNESS OF ESTIMATES 2024-28

As part of the budget setting process, the Director of Strategic Finance is required to report on the robustness of the estimates made for the purposes of the calculation of the council tax precept and therefore in agreeing the County Council's budget. The report on the **Robustness of Estimates** which is made to County Council sets out the formal statement and provides more detailed information on risk, robustness of revenue estimates and capital estimates. The table below summarises the key assumptions used in the preparation of the 2024-25 budget.

Table 24: Key budget assumptions 2024-25

Budget Assumption	Explanation of financial forecast and approach
1) Inflation	<p>Pay inflation has been assumed at 3% for 2024-25 to 2027-28, with a 1% contingency in 2024-25. The County Council is currently part of the national agreement and therefore pay awards for 2024-25 onwards will be determined by any agreements reached. Every 1% variation in pay amounts to around £3m for the council. There is therefore a risk that pay awards could vary from this assumption over the planning period.</p> <p>Pensions – The 2022 actuarial valuation of the pension fund has set the employer contribution rates from 1 April 2023 at 15.5% (unchanged) plus a lump sum for each of the three years 2023-26.</p> <p>General inflation, where required, has been provided at 2%. Specific price inflation is provided where a contractual increase is required. This is at the contractual rate where appropriate.</p>
2) Demand and Demographics	<p>There are three key areas where demand and demographic pressures have a significant impact on the council's budget planning:</p> <ul style="list-style-type: none"> • Gross demand and demographic pressures in Adult Social Care totalling £22.700m including pressures to address the recurring elements of the 2023-24 overspend. • Gross demand pressures of £14.500m in Children's Services reflecting additional costs including increasing demand and complexity of need for children looked after and home to school transport pressures, particularly for children with special educational needs and disabilities. • Demand and demographic pressures from increased maintenance costs of infrastructure assets.

Budget Assumption	Explanation of financial forecast and approach
3) Legislative changes	<p>The budget estimates include the following assumptions with regard to current and future legislative changes:</p> <ul style="list-style-type: none"> • The Government implemented a National Living Wage (NLW) from 2016-17, starting at £7.20. In April 2024 it will be increased to £11.44². The exact level at which the National Living Wage will be set in future years has not been confirmed. Although assumed cost pressures relating to the National Living Wage have been included in budgets, there is a risk these could diverge in future. • Cost pressures have been included associated with the increased income received for the Discharge Fund and Market Sustainability and Improvement Funding. • Legislative changes in CES for removal of DIY waste charges and Fire Service pressures
4) Policy decisions	<ul style="list-style-type: none"> • The 2024-25 budget includes Minimum Revenue Provision pressures and software licence costs
5) Interest Rates	<p>Budgeted interest earnings on investments are based on guaranteed fixed deposit returns, available instant liquidity rates and market forecasts provided by the council's Treasury Advisors.</p>
6) Income	<p>Inflationary increases to fees and charges have been included within the budget proposals where appropriate. Other changes to income either through expected reductions in income, or initiatives to increase income generation, are reported as individual budget proposals.</p>
7) Savings	<p>Savings have been identified across all services and range from productivity efficiency savings, to reductions in service provision. All managers are responsible for ensuring that proposed savings are robust and delivered in accordance with plans. Measures throughout the planning process have supported review and challenge of the deliverability of savings and where appropriate a number of savings have been removed or re-profiled to later years.</p> <p>Changes or delays in delivering savings will result in variance to the budget and as such savings will be closely tracked throughout the year as part of the budget monitoring process and reported to Cabinet, with management actions identified as necessary.</p>

² <https://www.gov.uk/government/publications/minimum-wage-rates-for-2024>

Budget Assumption	Explanation of financial forecast and approach
8) Funding changes	<p>The provisional Settlement provided only indications for one year of funding allocations in 2024-25, which remain to be confirmed in the final Local Government Finance Settlement. Uncertainty about the outcomes (and indeed in some cases progress) of Local Government funding reforms including Social Care Reform, the Fair Funding Review (FFR), Business Rates Retention Scheme (BRRS), which have all been delayed until at least 2026-27, means that the council faces a very significant level of uncertainty about funding levels in future years.</p> <p>The provisional Settlement confirmed social care funding of £78.800m, Discharge Support funding of £9.257m and ASC Market Sustainability and Improvement funding of £18.282m will also be provided in 2024-25. The MTFS assumes these will be ongoing, but a significant level of uncertainty remains.</p> <p>The Revenue Budget report sets out the detail of key grants and highlights that many key areas of funding are yet to be confirmed for 2024-25.</p> <p>In relation to schools, funding is provided through the Dedicated Schools Grant (DSG) and Pupil Premium, which is paid to the County Council and passed on to schools in accordance with the agreed formula allocation. It is assumed that all school pay and prices inflationary pressures will be absorbed within the DSG allocation.</p> <p>Norfolk faces severe pressures on High Needs Block (HNB) funding within DSG and has agreed a plan with DFE as part of the Safety Valve programme. Further details are provided in the Dedicated Schools Grant Budget report elsewhere on this agenda. The accounting treatment for DSG cumulative deficits allows councils to carry a negative balance on these reserves. This treatment is dictated by Government but potentially remains a significant issue and will result in a material deficit balance in the council's Statement of Accounts until the DSG recovery plan has been delivered.</p>
9) Financial risks inherent in any significant new funding partnerships; major contracts or major capital developments	<p>Financial risks are included within the assessment of the level of general balances. The financial risks arising from major capital schemes such as the Great Yarmouth Third River Crossing, Norwich Western Link and investment in specialist school places continue to be closely monitored and reflected within the County Council's capital budget proposals.</p>
10) Availability of funds to deal with major contingencies	<p>All provisions and earmarked reserves have been reviewed to test their adequacy and continued need. A risk assessment of the level of general balances has been undertaken and the budget reflects the assessed level of balances required. The council also has recourse to the Bellwin scheme in the event of disasters or emergencies.</p>

Budget Assumption	Explanation of financial forecast and approach
<p>11) Overall financial standing of the authority</p>	<p>The council's treasury management activity manages both short term cash to provide security, liquidity and yield, and the council's longer term borrowing needs to fund capital expenditure through either long term borrowing or the utilisation of temporary cash resources pending long term borrowing. In accordance with the approved strategy, the council currently continues to borrow for capital purposes, while using cash balances on a temporary basis to avoid the cost of 'carrying' debt in the short term.</p> <p>At 31 December 2023, the council's outstanding debt totalled £863m. The council continues to maintain its total gross borrowing level within its Authorised Limit of £1,067m (prudential indicators) for 2023-24. The Authorised Limit being the affordable borrowing limit required by section 3 of the Local Government Act 2003.</p> <p>There are a number of treasury related indicators to restrict treasury activity within certain limits and manage risk. These include maturity profile of debt; and investments greater than 365 days. Monitoring is reported regularly to Cabinet on an exception basis.</p> <p>At the end of December 2023 (Period 9), the council's cash balances stood at £199m.</p>
<p>12) The authority's track record in budget and financial management</p>	<p>As at Period 8 the 2023-24 revenue budget is forecast to be a balanced position on a net budget of £493.707m (gross £1.803bn). Executive Directors are working to ensure this balanced outturn position is delivered at year-end.</p> <p>There are national issues with the delivery of local government audit, which have led to widespread delays in completion. Ernst and Young, the council's external auditor, is expected to issue its opinion on the Council's 2021-22 accounts in early 2024 which will include its conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. The Council has published its 2022-23 draft accounts. Audit of the 2022-23 accounts has not yet commenced due to the external auditor's planned phased approach to delivering historic outstanding audits, as developed with the Department for Levelling Up, Housing and Communities. The Council's audit committee considered the draft results of the 2021-22 audit at its meeting in October 2023.</p>
<p>13) The authority's capacity to manage in-year budget pressures</p>	<p>The level of general balances is assessed as part of the budget setting process, reviewed monthly and reported to Cabinet as part of the regular monitoring process. Review and challenge improves the accuracy of budget estimates, which aims to support management and the early identification of budget issues. The regular reporting of risk and monitoring of mitigating actions supports in-year budget management.</p>
<p>14) The strength of the financial information and reporting arrangements</p>	<p>Information on budget and actual spend is reported publicly and monitoring reports are published regularly throughout the year. The reports are on a risk basis, so that attention is concentrated on what is most important.</p>
<p>15) The end of year procedures in relation to budget under/overspends at authority and departmental level</p>	<p>Guidance on end of year procedures is reported annually and arrangements are monitored. Detailed year-end financial information is reported alongside services' performance monitoring. The proposed year end arrangements will be reported to Cabinet for approval.</p>

Budget Assumption	Explanation of financial forecast and approach
<p>16) The authority's insurance arrangements to cover major unforeseen risks</p>	<p>The County Council has a mix of self-insurance and tendered insurance arrangements. Premiums are set on an annual basis and reflected within the budget planning. Premiums are subject to annual variance due to external factors and internal performance, risk and claims management.</p> <p>General balances include assessment of financial risk from uninsured liabilities.</p>

CAPITAL

CAPITAL STRATEGY AND PROGRAMME 2023-28

The Council's Capital Strategy has been developed as a key document that determines the Council's approach to capital. It is an integral aspect of the Council's medium term service and financial planning process as reflected in the Medium Term Financial Strategy (MTFS). The Capital Strategy is concerned with, and sets the framework for, all aspects of the Council's capital expenditure over the period 2023-24 to 2027-28, including planning, prioritisation, management and funding.

The Council's Capital Strategy and Programme is closely related to, and informed by the Council's priorities, the Council's Asset Management Plans and capital funding grants and debt facilities provided by central government.

The majority of capital spend in 2023-28 is investment within Children's Services and Highways, traditionally funded through government grants and contributions from developers. At present the level of external capital funding available to the Council, does not match the anticipated needs of the programme, therefore the Council will require significant borrowing to enable funding of capital schemes in the programme.

The Capital Strategy and Programme 2023-2028 was approved by the County Council on 20 February 2024, the full report can be viewed on the County Council website [here](#)³.

CAPITAL PROGRAMME 2024-28: £1.299BN

The full Capital Programme for 2023-28, combining existing and proposed schemes, is presented in the following table. The Capital Programme for 2023-28+ totals £1.299bn, of which **£1.018bn** relates to the future years (2024-2028).

Table 25: Capital Programme 2023-28

Service	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	Total £m
Adult Social Services	17.267	16.547	24.728	17.296	-	75.838
Children's Services	36.955	86.990	48.743	31.657	53.334	257.679
CES Highways	158.130	161.037	145.150	143.143	120.138	727.599
CES Other	37.357	53.578	29.791	10.346	4.403	135.475
Finance	2.401	6.303	6.313	10.750	-	25.767
Strategy and Governance	29.200	24.987	11.347	11.378	-	76.912
Total	281.310	349.441	266.073	224.570	177.875	1,299.269

³<https://norfolkcc.cmis.uk.com/norfolkcc/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/2040/Committee/2/SelectedTab/Documents/Default.aspx> (Item 5, Annex 2)

CAPITAL EXPENDITURE

Capital expenditure in local government can fall into one of three categories:

- where expenditure results in the acquisition of, or the construction of, or the addition of subsequent costs to, noncurrent assets (tangible and intangible) in accordance with 'proper practices';
- where expenditure does not fall within the first category but meets one of the definitions specified in regulations made under the Capital Financing Regulations (England) 2003, which exempt certain expenditure being charged from revenue; or
- where the Secretary of State makes a direction that specific expenditure can be treated as capital expenditure.

Proper practices are defined across Great Britain to include the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code is published annually and its provisions relating to capitalisation are based on IAS 16 Property, Plant and Equipment.

A de-minimis level is applied when accounting for a new asset as capital – for Norfolk County Council this is £40,000, although capital funding can be applied to assets with lower value.

CAPITAL FUNDING SOURCES

There are a variety of different sources of capital funding, each having different advantages, opportunity costs and risks attached.

BORROWING

The Prudential Capital Finance system allows local authorities to borrow for capital expenditure without Government consent, provided it is affordable. Local Authorities must manage their debt responsibly and decisions about debt repayment should be made through the consideration of prudent treasury management practice.

As a guide, based on recent long term rates, borrowing incurs a revenue cost of approximately 10%. This is made up of two parts: the interest on the loan (maximum 6% assumed), and provision for the repayment of debt (known as the Minimum Revenue Provision or MRP) which for an asset with a life of 25 years is 4% per annum. The Council needs to be satisfied that it can afford this annual future revenue cost.

Local Authorities have to earmark sufficient revenue budget each year as provision for repaying debts incurred on capital projects. This is in addition to any ongoing maintenance and running costs associated with the investment.

Table 26: Estimated incremental revenue costs of new capital schemes to be approved

Estimated incremental revenue costs of new capital schemes to be approved	2023-24	2024-25	2025-26	2026-27	2027-28
Assumed interest rate	5.25%	5.00%	4.38%	4.13%	4.00%
Incremental impact	£m	£m	£m	£m	£m
Cumulative interest cost	1.698	1.222	0.987	1.046	1.032
MRP	2.587	1.955	1.804	2.029	2.064
Total	4.284	3.177	2.791	3.075	3.096

Note: interest costs assume mid-year spend

MRP and interest forecasts assume schemes delivered as set out in the programme. It is likely that a significant proportion of spend will be slipped into future years as schemes are developed and timing of expenditure becomes more certain. The table above shows the incremental costs associated with new schemes. It does not consider the use of previously overpaid MRP which reduced the charge to revenue in 2021-22. The actual budgeted financing costs and percentage of the net revenue stream this represents by the revenue costs of borrowing is set out in the Council's Treasury Management Strategy.

GRANTS

The challenging financial environment means that national government grants are reducing or changing in nature. A large proportion of this funding is currently un-ringfenced which means it is not tied to particular projects. However, capital grants are allocated by Government departments which clearly intend that the grants should be for certain areas such as education or highways. So, although technically many grants are un-ringfenced, the political reality is not as clear cut.

Sometimes grant funding is not sufficient to meet legislative obligations and other sources of funding will be sought to cover the gap.

CAPITAL RECEIPTS

Capital receipts are estimated and are based upon the likely sales of assets as identified under the developing Asset Management Plan. These include development sites, former school sites and other properties and land no longer needed for operational purposes. Receipts are critical to the repayment of debt, delivering our capital programme and reducing the level of borrowing.

REVENUE / OTHER CONTRIBUTIONS

The Prudential Code allows for the use of additional revenue resources within agreed parameters. Contributions are received from other organisations to support the delivery of schemes with the main area being within the education programme with contributions made by individual schools and by developers.

FINANCING THE PROGRAMME

Table 27: Funding of the Capital Programme

Funding Source	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	Total £m
External Funding including Government grants	190.798	206.498	152.368	142.527	112.230	804.420
Revenue and Reserves	1.037	1.330	0.442	1.233	0.000	4.042
Borrowing	71.980	168.375	119.129	82.165	74.593	516.243
Capital receipts	19.171	3.000	11.016	2.500	3.000	38.687
IFRS16 Lease Assets	0.000	13.943	1.394	1.394	1.394	18.126
Donated Assets	0.000	4.972	0.497	0.497	0.497	6.464
Total	282.986	398.118	284.846	230.317	191.714	1,387.982

CAPITAL RECEIPTS FORECAST

Where capital receipts are generated through the sale of assets or repayments of loans by third parties, these may be: (a) used to reduce the borrowing requirement of the Council's capital programme in that year, (b) held to offset against future capital borrowing requirements (c) used to repay existing borrowing, or (d) used in accordance with DLUHC guidance for the "Flexible use of capital receipts". In accordance with the Council's constitution, some of the County Farms Capital Receipts are reinvested back into the Farms Estate. Apart from these sales, capital receipts are a corporate asset and therefore not ring-fenced to any specific service or function.

Table 28: Draft property available for disposal schedule, estimates

Capital Receipts	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Capital Receipts brought forward	21.947	5.061	5.058	0.855	4.437
Loan repayments from subsidiaries	2.856	3.934	2.643	2.707	2.277
Loan repayments from LIF	1.131	0.000	0.000	0.000	0.000
Total Capital receipts	25.934	8.995	7.701	3.562	6.713
Sold/Subject to Contract	3.869	0.661	1.665	1.771	0.000
High likelihood	1.415	2.526	3.371	3.400	0.400
Medium likelihood	0.000	2.760	1.367	0.910	2.075
Low likelihood (likely to move to future years)	0.000	0.050	0.410	0.000	0.000
Total Forecast Receipts from Property Sales*	5.285	5.997	6.813	6.081	2.475
TOTAL CAPITAL RECEIPTS FORECASTED (A)	31.219	14.992	14.514	9.644	9.188
Funding in year capital expenditure	19.171	3.000	11.016	2.500	3.000
Repayment of Capital Loans	3.987	3.934	2.643	2.707	2.277
Potential for flexible use of capital receipts	3.000	3.000	0.000	0.000	0.000
TOTAL USE OF CAPITAL RECEIPTS FORECASTED (B)	26.158	9.934	13.659	5.207	5.277
Capital Receipts carried forward (A-B)	5.061	5.058	0.855	4.437	3.912

*Property Sales analysed by farms/non-farms property	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Farms	3.121	1.746	3.815	4.310	2.475
Non-farms	1.464	4.251	1.918	1.771	0.000
Major development sites (farmland)	0.700	0.000	1.080	0.000	0.000
Total Property Sales	5.285	5.997	6.813	6.081	2.475

The figures included in the schedule are currently the best estimate of the value of properties available for disposal, pending formal valuations, planning decisions, timing of sales and delivery options, particularly in relation to housing schemes. More detailed valuations will become available as the properties are prepared for market.

The schedule is also only an indication of the phasing of disposals. Some sales will take place later than forecast, for example when planning or legal issues arise, whereas others may be accelerated as alternative sales and development opportunities are identified. These movements are tracked in capital monitoring reports presented to elected Members.

Forecast farms disposals are allocated separately, and this total is highly dependent on the sale of land for development. In accordance with the Council's Constitution, a

proportion of the planning gain from farm sales is allocated for general capital purposes. Due to the uncertainties involved as to the arrangements, values and timing, the figures above are a guide and the outcomes will be reported as properties are sold.

CAPITAL PROGRAMME MANAGEMENT

The Council has a number of specialist teams delivering the capital programme, including schools, transport and the Corporate Property Team.

These teams are supplemented by professional external advisors as necessary, including NPS Property Consultants Limited, professional highways consultants, and external valuers.

The Capital Programme is kept under continual review during the year. Each scheme is allocated a project officer whose responsibility is to ensure the project is delivered on time, within budget and achieves the desired outcomes.

Capital finance monitoring reports are prepared monthly for Members. The Cabinet takes an overview of the overall capital programme. The Capital Quarterly Review Board maintains an overview of all capital schemes, scrutinising the forecast and reviewing new capital projects and schemes developed by the service teams and project boards. All funding requests for new capital schemes must complete a Capital Bid Form. Various Project Boards, specialist teams of officers, and member-led Working Groups, such as the Children's Services Capital Priorities Group, oversee the co-ordination and management of significant elements of the Capital Programmes.

STAFFING BUDGET

Table 29: Staffing budget 2024-25

Department	2023-24 FTE	Change	2024-25 FTE
Adult Social Services	1,920	58	1,978
Children's Services	2,342	103	2,445
Community and Environmental Services	1,775	-131	1,644
Strategy and Transformation Directorate	693	52	745
Chief Executive's Directorate		226	226
Finance Directorate	435	-23	412
Total	7,165	284	7,449

DEPARTMENTAL BUDGET PAGES

The following sections of the Budget Book provide information about how the budget is split within each department, and details all savings and pressures forecast within each department for the period 2024-25.

ADULT SOCIAL SERVICES

- Director of Assurance and Commissioning
- Director of Community Health and Social Care
- Director of Community Social Work
 - Summary of Purchase of Care budgets
- Director of Communities, Prevention and Partnerships
- Management and Support
- Public Health

CHILDREN'S SERVICES

- Family Help and High Needs
- Learning and Inclusion
- Partnerships, Inclusion and Practice
- Quality, Transformation and Leadership
- Schools
- Sufficiency, Planning and Education Strategy

COMMUNITY AND ENVIRONMENTAL SERVICES

- Community Information & Learning
- Corporate Property Team
- Culture & Heritage
- Fire
- Highways & Waste
- Procurement

STRATEGY AND TRANSFORMATION

- Communications
- Growth and Development
- Human Resources & Organisational Development
- IMT
- Intelligence & Analytics
- Strategy Director
- Transformation

CHIEF EXECUTIVE'S OFFICE

- Chief Executive's Office
- Democratic Services
- NPLaw

FINANCE

- Finance
- Finance General

ADULT SOCIAL SERVICES

ADULT SOCIAL SERVICES PRIORITIES

Department Strategy and Vision

The Better Together, for Norfolk Council strategy creates 5 clear priorities. The Adult Social Care strategy underpinning the departments delivery of these priorities is called Promoting Independence: Living Well and Changing Lives. For Norfolk, our vision for Adult Social Care is to “support people to be independent, resilient and well”.

Promoting Independence: Living Well and Changing Lives represents the second phase of our strategy and has 8 core ambitions:

- **Prevention and early help** – a clear strategy, targeted interventions and a re-purposed ‘front door’ which put people and their family carers at the heart.
- **Integrated Health and Social Care Offer** – integrated health and social care offer in each locality to help people retain independence
- **Living Well social work** – being led by people who direct their own choices, addressing holding lists, reviews and practice quality
- **A stable, modern care market** where 85% of providers are good or outstanding
- A step change in **housing choices** for older people and disabled people and through our building programme
- **Transformation of the Norse Care estate** to match market needs and ensure it remains a leader in the sector
- Driving the ‘**Eight technologies that will change the face of health and social care**’
- **Workforce Development** – Developing skills and capacity in social care and the care market

Each of these ambitions is crucial in delivering Adult Social Care not just in a sustainable way, or a way that offers value for money, but one that is progressive and puts prevention at the heart of the offer.

As we came out of the pandemic, we developed a 3 pronged approach to driving the department forward. This focused on:

Transformation of Adult Social Care

- Our new Connecting Communities programme
- Short term offer, in particular driving home first principles to support people home from hospital
- Commissioning the Care Market (market shaping and accommodation development)

The national reform of Adult Social Care

- Delivering the Government’s “Putting People at the Heart of Care” white paper
- Delivering the Integration white paper

The recovery of Adult Social Care

- Clearing the backlogs of care that have built during the pandemic
- Recruitment and Retention of our Social Care workforce
- The wellbeing of our staff
- Stabilising the external care market
- Decreasing our interim care lists

After a summer of engagement with people who draw on our services, we are now refreshing our service strategy and during 2024-25 will launch our refreshed Promoting Independence Strategy.

Financial Strategy

The Adult Social Care financial strategy is firmly intertwined with both the service's vision "to support people to be independent, resilient and well", as well as the department's Promoting Independence strategy.

We know our Promoting Independence approach has helped, and will continue to help, the service to deliver the significant financial savings needed to continue to meet the increasing demands for social care across Norfolk. Our financial strategy for 2024-25 for achieving savings and financial sustainability is focussed on:

"Prevention is better than cure" is certainly at the centre of the Adult Social Care Promoting Independence Strategy. By utilising specific services, and being responsive and proactive in the provision of advice and support, we believe that we should be able to prevent need or prevent the escalation of need to keep people independent for longer. Section 2 of the Care Act makes it explicit that Local Authorities must take steps which is considers will contribute towards preventing, reducing or delaying the need for care and support of both adults and carers in its area. There is not one single definition of what constitutes prevention and thus it is somewhat embedded into our way of working. However it is useful to consider it in terms of primary, secondary and tertiary prevention.

Examples of our approach:

Primary prevention: We are updating our internet page to ensure that we continue to have good quality information. We continue to invest in services that prevent social isolation and loneliness. We continue to develop community assets like Men's Sheds that provide opportunities to have local connections. Through our Connecting Communities programme, we changed our ways of working to ensure our Care & Assessment line remains open taking live calls and have reduced our SCCE holding list by nearly 90% enabling us to be responsive and engage with people and carers sooner. By connecting people quicker to advice, information & preventative community resources, including our Norfolk First Response reablement service and Development Workers, we are able to prevent, reduce and delay the need of long term formal services for more people. Our Public Health Strategy is at the forefront of delivering prevention to improve and sustain health and wellbeing and drive forward positive health outcomes across the population.

Secondary prevention: We are investing in analytics technology that will enable us to identify people more easily at risk of developing need. For example, we are using universal data to focus on people who might be at risk of having a fall and proactively contacting them to offer advice and support. In addition, our Carers contract delivered through a social impact bond is allowing us to identify carers more easily and offer support for them to continue to their caring role, whilst also looking after their own health and wellbeing.

Tertiary prevention: In order to attempt to minimise the effect of disability or deterioration of a complex health condition we continue to provide services such as home support that keep people independent in their own homes. We will provide community equipment, adaptations and technology that provide a level of independence or seek to minimise risk.

Investing in excellent social work and therapy which focuses on people's strengths and helps people regain and retain independence, and reduces, prevents and delays the need for formal social care. Within the Care Act, both the assessment and Care and Support planning phases require Local Authorities to consider the person's own strengths and capabilities alongside any support that might be available for their wider support network or local community. By focusing on what is strong rather than what is wrong allows for person centred, holistic approaches that positively impact health and wellbeing.

Examples of our approach:

Both our Living Well and Connecting Communities change programmes have refocused our approach to social care to reconfirm our commitment to strengths based social care. Whether its our customer service centre, social care community engagement team (SCCE) or wider Care and Assessment teams, each will utilise a strengths based approach in having a conversation with the person requiring our help.

To ensure we are getting this right, we continue to have our ongoing quality assurance process, whereby approximately 1 in every 10 cases goes through a quality panel process. For other pieces of work, we dip sample through quality audits and have a departmental quality improvement group.

Our therapy teams are exceptional at identifying a person's strengths, and the expansion of these into our reablement service, and our expanded Moving with Dignity team, will further enhance our ability to provide strengths based practice.

Since 2007 when personalisation became a mainstream policy with have worked hard to offer choice and control through personal budgets and direct payments. We are refocusing on this with more emphasis on direct payments over traditional commissioned services and working closely with providers to provide flexible commissioning arrangements through Individual Service Funds.

We are committed to engagement and co-production with those who draw on services or those who deliver them. In this way we can ensure we seek to provide services

that work effectively to meet the needs of the people that rely upon them and work efficiently for those who supply them.

Many aspects of Social Care relate to support a person to reach their full potential or indeed regain back to their full potential. It is therefore important that we look to commission services which strive to enable, or perhaps re-able, people. It might be easier, or quicker, to “do” for someone but supporting them to develop skills or regain skills is far more beneficial for the person and their ability to remain, or regain, a level of independence. We therefore continue to demand and invest in “enablement” and “reablement” services.

Examples of our approach:

We have a well established internal reablement service under Norfolk First Response Service (NFRS) which provided reablement services for 5000-6000 people each year. Under our Connecting Communities programme we have restructured this valuable service and reengineered the way the service operates. As a result, we will likely support 1500-2000 additional people each year and at the same increase the effectiveness of the service in reducing, preventing and delaying need.

Our new Commissioning for better outcomes (CfBO) service will provide a targeted offer for people who are currently being discharged from hospital directly into a package of care without access to reablement. The service will not generate additional demand but will provide a more structured and effective offer for local people. CfBO will focus on outcomes rather than time and task commissioning. CfBO providers will work with people who draw on our services to identify person-centred goals, progress will be reviewed, and measures will be established (aligned to Reablement tools) to demonstrate key outcomes.

Our commissioners have worked hard, and continue to work hard, in creating new housing options for people with Learning Disabilities. One such Supported Living model, provides for a short stay accommodation (typically 6-12 months) whereby an individual lives independently, perhaps for the first time in their lives, but is supported to develop skills in a community setting so that they have the ability and confidence to live independently on a more permanent basis. This will mean that people who perhaps would have had to be supported for a large proportion of their lives in a residential setting are able to live more independently.

Social Care and housing are interlinked and its often described that a choice about social care is equally a decision about housing. The right care and support but in the wrong location can be ineffective and at worse unsafe. Section 5 of the Care Act describes the Local Authority requirements to generate, or stimulate, markets for the provision of care that offer high quality, sustainable, efficient services so that people who seek to draw on their services have sufficient choice. Within this is the expectation that these services will provide different living options, including those to where it is no longer possible for an individual to remain in their current home. It is therefore important that we fulfil our role in creating markets whereby social care and housing needs are fulfilled.

Examples of our approach:

We recognise there is a right time to think about Residential Care and it is a fantastic option for those who need it. However, for those who want, and are able to, have slightly more independence but perhaps it is no longer possible to remain at your current home then we want people to have an alternative choice. Both Housing with Care and Independent Living schemes give you your own home, with your own front door. When you move in, you get peace of mind with on-site support and care available when you need it. In this way you get the independence you desire but have the comfort of support should you need it. We don't have enough of these types of services in Norfolk and are therefore investing £29m in developing 50 more of these schemes over the next 10 years.

Similar to our Independent Living programme, we recognise that younger adults also need an alternative to Residential Care. Our sister housing programme focused on Supported Living will seek to provide 300 Supported Living homes over the next 5 years. There are many types of Supported Living including, those in shared housing, in community housing, those focused on enablement or recovery and those more bespoke for people with the most complex support needs.

In addition to building new types of accommodation, we continue to work closely with our district partners to enable equipment and adaptations to be delivered to people's homes to enable them to remain within them for as long as possible. The Disabled Facilities Grant (DFG) is delivered through our integrated Better Care Fund arrangements.

Leading and developing the care market for social care so that it can offer people choice from a collective of good quality providers, within an efficient, stable and sustainable care economy, whose ambitions aligns with those of Promoting Independence. This is key to delivering our requirements for Section 5 of the Care Act. The sustainability of care delivery is of great importance to those who receive it but also instability is inefficient and drives unnecessary cost. It is therefore vital that our shaping of markets manages exits and entrants to the care market in a planned way.

Examples of our approach:

Since the introduction of the Care Act in 2014, we have invested in specific resources to take on market shaping responsibilities. These individuals work alongside core market commissioners to ensure that we are meeting our obligations in this regard. One key aspect of market shaping is collaborating with those who supply services and those who utilise them. We work hard to ensure appropriate forums to gather direct feedback from our providers and those who are drawing on services or their advocates. Furthermore, we maintain a strong relationship with our local care association - Norfolk Care Association (NorCA).

Whilst recognising we have a diverse market made up of independent providers, we work at both a provider and market level to check financial and quality risk. We understand our quality needs improvement in some areas and have an integrated quality improvement programme with our health partners.

Risk and Quality management

Each year we undertake fee setting processes to gather direct feedback from providers on the financial risks and opportunities we face. In addition, where an individual provider is struggling financially, we will support them through an open book process to understand what the risks and issues are.

We have a variety of sourcing approaches to the commissioning of care. Where strategically required we will do whole market tendering in order to shape and stimulate provision. In addition, whether we know supply is challenging, we have wholly owned companies who can provide market resilience.

We are partners with many organisations in Norfolk and Waveney under our Integrated Care System. Working with these partners we jointly seek to reduce system demand, whilst also focusing on improving long term health and care outcomes for the people of Norfolk. We work at both a local level and system level as a key partner whose footprint covers the whole population. This includes both the alignment to localised Primary Care but also an efficient and sustainable system of supporting people upon leaving hospital and into the community.

Examples of our approach:

Through our collaboration with the Integrated Care Board we seek to utilise investment and funding pots such as the Better Care Fund in the most impactful way. We work together to drive innovation at a macro level and towards a common whole system goal.

Whilst recognising that helping people leave hospital is an important part of our systems aims. We do so by being strong partners and advocates in ensuring people are supported towards meeting their long term goals. The majority of people are able to return home post a stay in hospital and we support a number of these to regain their independence in doing so.

The use of technology in our modern world is inevitable. We seek out innovation and look to create a culture that strives to embrace the efficiencies afforded by technology, when suitable, without losing the focus on the customer. Whether it's our staff, the people we support, or the people who we commission to provide the support, we look to enable them to take advantage of technology when it is appropriate to do so.

Examples of our approach:

We have expanded the use of technology in the provision of care delivery and managing risk. Through the expanded development of Assistive Technology people are able to live more independently but, in the comfort, they have help available should a crisis occur. Equally, those providing care to loved ones are able to be supported in balancing their own needs with the use of technology. In some areas we are now able to deliver care via technology, such as with our award winning project using Alcove Care Phones.

We are improving the efficiency and effectiveness to the way we communicate with care providers, people who draw on our services and our partners in the ICS. Through the use of digital portals we are able to have more responsive communication channels, and through our shared care records, we can obtain and share appropriate and relevant information with the people involved in the delivery of care. This is an important step in the journey to only telling your story once.

We are constantly trying to work smarter, whether its through the use of automation using robotic process automation or through technology that enables us to broker services from our care market in a more efficient way.

More recently we have become obsessed with data. Our proactive interventions pilot uses advanced analytics to use data to identify those people who might need and benefit from our services. Our existing pilot focusses on those people at risk of having a fall and proactively seeking to offer support to reduce the risk of that fall occurring.

As a taxpayer funded public service it is an imperative that we continue to get the basics right by using our resources to their full extent, questioning and challenging ourselves in areas of improvement and inefficiency reduction. Whether our internal ways of working, or through commissioned services, we have a strong management ethos to ensure we both get, and utilise, what we are paying for.

Examples of our approach:

Whilst we recognise the crucial role in person assessments and care delivery is, we know that travel in a rural county such as Norfolk is inefficient. Therefore, we challenge ourselves to ensure we don't have excess mileage and that travel routes are the most efficient. Equally, when commissioning services such as Home Care, we look to minimise travel time by commissioning in geographical blocks so providers can develop efficient "rounds" of delivery.

When we source care, we look at the delicate balance of having flexible supply from spot purchasing to the economies of scale in bulk or "block" purchasing. When block purchasing, we are careful to utilise the committed care to ensure we get full value from our outlay.

After care is sourced, we recognise the importance of ensuring you are getting what you paid for. Our approach across commissioning and procurement ensure we contract manage service providers and have robust, yet supportive, discussions where services need improvement. Equally, where we as commissioner are working in a sub-optimal way, we look to quickly remedy and develop solutions to improve.

Social Care is about delivering for people who need it most. We have a constant improvement cycle where we challenge our staff to deliver in an effective way. Whether this is about the quality of the work being undertaken, or the productive methods in which it is being delivered. We are a supportive employer who recognises a workforce who has high morale and is healthy and happy will always deliver more for you.

Whilst considered a robust budget, the Adult Social Care service does have some underlying risks and issues that need to be considered within the context of the budget. The following are not considered to be an exhaustive list of these risks.

Recovery implications

The Adult Social Care department has made some positive impacts on its recovery from the pandemic. However, it is still managing significant backlogs in key areas of its service typified by holding lists, Deprivation of Liberty assessments and overdue reviews.

As a result of these backlogs, we continue to manage the demands and risks associated with both new demand for support and the existing demand within these backlogs. Whilst the risk to individuals is thoroughly managed, it does put excess strain on our staff. These backlogs are replicated nationally, and our position represents a similar situation that a number of Councils face. In managing this on an extended, ongoing basis, it will likely undermine the capacity and impact our wider transformation seeks to achieve.

Market Stability

Each year the Council spends over £415m in buying thousands of care packages from our local care market. Section 5 of the Care Act (2014): “Promoting diversity and quality in provision of service” outlines a Local Authorities duties in regards to local care markets. In particular, “*A local authority must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market*”. In achieving this a Local Authority must effectively shape local care markets and commission care that:

- Focuses on outcomes and wellbeing
- Promotes a quality services
- Is sustainable and offers value for money services
- Offers choice through a wider array of diverse providers
- Has been co-produced with the people who wish to access these services

Whilst many who operate within these markets are independent businesses, it is therefore vital that we shape these markets so they are sustainable and prosperous. There is no Social Care without these services. Our Market Sustainability Plan and Market Position Statement describe a market picture of relatively poor quality (as assessed by the Care Quality Commission and compared to other Local Authority regions) and a level of increasing instability. Whilst our MTFS provided for a significant investment in these markets for 23/24, there is a risk that it is not sufficient to enable providers to either attract high quality labour in sufficient quantities or provide sufficient returns to incentivise businesses to stay or enter the market.

Hospital Discharge

As part of the Health and Care response to the pandemic, hospital discharge, and in particular discharge to assess, has become a central feature of the national recruitment to ensure acute capacity is sufficient to manage both those requiring emergency care but also those awaiting delayed elective procedures.

Each Integrated Care System (ICS) will face its own unique challenges, but many experience pressures in acute hospitals, whose demands often exceed the level of available beds. Much work is undertaken within the Norfolk and Waveney ICS to ensure those who no longer meet the “criteria to reside” are supported to be discharged from our three acute hospitals.

For our ICS, it is vital that those who require social care upon hospital discharge have access to it. This approach is underpinned by our home first principle. Equally, it is vital for those being supported to be discharged that they have access to the right health and care services in the community to enable them to stand the best chance of recovery. One risk many ICS will face is to support the discharge from acute hospitals in such a way that ongoing demand for health and care services is not created.

Workforce

Workforce shortages in the delivery of care are now becoming more widely understood nationally. The ability to deliver Adult Social Care will be contingent on solving these shortages and is in part are large part of the risk referred to under market stability. The lesser talked about risk is the emerging shortage of qualified social care practitioner (qualified Social Workers).

In Norfolk we have seen both high levels of vacancies related to Social Workers and indeed a high level of turnover. Whilst we are doing a lot of work to both attract workers to Norfolk, retain our existing staff and “grow our own” new practitioners, it is still a very challenging staff position.

Simply put, without sufficient high quality, experienced, professionally qualified staff, our MTFS will not work over the longer term.

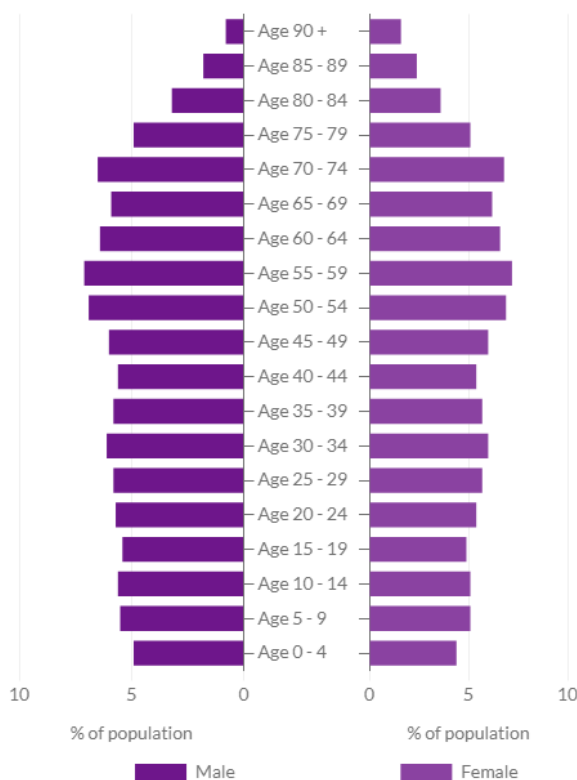
Demand

Each year the MTFS includes funding towards an underlying growth in our demand, either characterised by increased volume or an increasing complexity of the support required.

It is widely recognised, and indicated by both the following [Norfolk Insight](#) graphics and [Institute of Public Care](#) population projections, that the demography of Norfolk represents a higher proportion of Adults over the age of 65 than both the East of England and National averages.

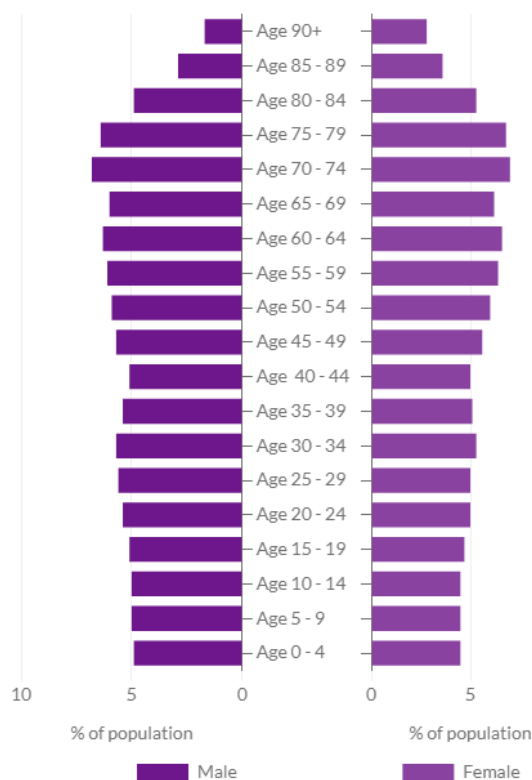
Population estimates by age, 2021 and 2043

Percentage of population by age and sex for Norfolk (2021)



Source: ONS

Population projections by age and sex for Norfolk (2043)



Source: ONS

Population aged 65 and over, projected to 2024

Population aged 65 and over, projected to 2024	2020	2021	2022	2023	2024
Norfolk: People aged 65-69	56,300	56,600	57,400	58,300	59,500
Norfolk: People aged 70-74	62,000	61,800	58,100	56,300	55,700
Norfolk: People aged 75-79	44,600	47,300	52,600	55,100	55,900
Norfolk: People aged 80-84	31,700	31,700	32,300	33,500	35,400
Norfolk: People aged 85-89	19,800	20,200	20,700	21,400	21,900
Norfolk: People aged 90 and over	11,700	11,900	12,200	12,300	12,500
Norfolk: Total population 65 and over	226,100	229,500	233,300	236,900	240,900

www.poppi.org.uk version 14.0 (Institute of Public Care)

At the same time, we know that improvements in our Health and Care services means that people are now more likely to live longer with the most complex of disabilities. This is of course a most welcome improvement but does mean that the underlying demand for our services continues to grow year on year. Equally, the social care support people with the most complex needs require continues to rise with underlying complexity of care increasing year on year.

There is a risk that the impact of the pandemic will have created latent demand that will materialise over the life of the MTFs and render the funding insufficient to meeting this need.

Reform and Assurance

Whilst much of the national reform of Adult Social Care has been delayed until “at least October 2025” there are some aspects have not been. In particular, the new CQC led assurance regime is due to start in 2023-24 and will likely provide independent assessment of the quality of Local Authority run Adult Social Care services. With such levels of backlogs, and our known quality issues within our care market, there will be a significant requirement for the service department to focus on and invest in its wider performance to ensure we are in the best possible place for when this new regime begins.

Whilst key elements of the reform were delayed, they were delayed in order for Local Authorities to be ready to deliver them. Government’s delay recognised the challenges in delivering this ambitious agenda in the original timescales. This therefore means that we need to continue to plan to deliver the original scope of change within the slightly longer period of time.

ADULT SOCIAL SERVICES – EXECUTIVE DIRECTOR – DEBBIE BARTLETT
Table 30: Adult Social Services Budget Tables

Breakdown of Gross Expenditure	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Director of Assurance and Commissioning	72.383	71.873	73.267	74.691
Director of Communities, Prevention and Partnerships	6.736	6.607	6.720	6.837
Director of Community Health and Social Care	284.348	295.195	307.373	321.919
Director of Community Social Work	229.855	228.089	231.217	234.539
Management and Support	15.732	13.577	13.728	13.883
Public Health	58.133	56.856	56.856	56.856
Total	667.186	672.197	689.161	708.725

Exp Internal Recharge	2.722
Total Gross Expenditure	669.908

Breakdown of Gross Income	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Director of Assurance and Commissioning	-5.785	-5.375	-5.375	-5.375
Director of Communities, Prevention and Partnerships	-1.917	-1.677	-1.677	-1.677
Director of Community Health and Social Care	-116.404	-115.469	-115.477	-115.485
Director of Community Social Work	-46.676	-42.951	-42.953	-42.956
Management and Support	-156.350	-155.555	-155.564	-155.073
Public Health	-58.088	-56.810	-56.810	-56.810
Total	-385.220	-377.837	-377.856	-377.375

Inc Internal Recharge	-2.722
Total Gross Income	-387.942

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Director of Commissioning	66.598	66.498	67.892	69.317
Director of Community Health and Social Care	4.818	4.929	5.043	5.159
Director of Community Social Work	167.944	179.727	191.896	206.434
Director of Strategy and Transformation	183.179	185.138	188.264	191.583
Management, Finance, and HR	-140.618	-141.978	-141.836	-141.189
Public Health	0.045	0.046	0.046	0.046
Total	281.967	294.360	311.305	331.350

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	89.036	89.002	91.440	93.950
Premises	2.475	2.506	2.507	2.507
Transport	1.214	1.216	1.217	1.219
Supplies and Services	66.085	69.916	78.128	86.742
Agency and Contract Services	453.200	455.567	461.602	469.758
Transfer Payments	35.800	35.937	36.076	36.219
Support Services	0.056	0.056	0.056	0.056
Exp Departmental Recharges	15.708	14.385	14.522	14.662
Exp Internal Recharge	2.722	2.719	2.719	2.719
Capital Financing	3.612	3.612	3.612	3.612
Total Expenditure	669.908	674.916	691.880	711.444
Government Grants	-169.929	-168.283	-168.283	-168.283
Other Grants, Reimburs & Contrib. - NHS	-1.018	-0.868	-0.868	-0.868
Other Grants, Reimburs & Contrib.	-90.107	-84.345	-84.345	-84.345
Customer & Client Receipts - Care Contributions	-115.884	-116.284	-116.292	-116.301
Customer & Client Receipts	-2.830	-2.841	-2.852	-2.864
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-5.451	-5.214	-5.214	-4.714
Inc Internal Recharge	-2.722	-2.719	-2.719	-2.719
Total Income	-387.942	-380.555	-380.574	-380.094
Net Budget	281.967	294.360	311.305	331.350

DIRECTOR OF ASSURANCE AND COMMISSIONING

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Assurance and Commissioning	1.904	1.932	1.957	1.983
Brokerage, Workforce and Markets	3.428	3.515	3.602	3.691
Capital and Housing	0.013	0.022	0.032	0.042
Contract Management	-0.893	-0.911	-0.929	-0.948
Domestic Abuse Support	0.038	0.049	0.060	0.072
Housing Related Support	4.546	4.645	4.746	4.849
Independence Matters	12.590	12.832	13.078	13.329
Integrated Quality Team	1.042	1.076	1.111	1.146
Norse Care	39.623	38.914	39.691	40.483
Strategic Commissioning	4.669	4.751	4.835	4.921
Strategy and Performance	0.166	0.201	0.238	0.276
Total	67.126	67.026	68.420	69.844

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	6.734	6.789	6.992	7.202
Premises	0.011	0.011	0.011	0.011
Transport	0.001	0.001	0.001	0.001
Supplies and Services	4.824	4.711	4.711	4.711
Agency and Contract Services	60.392	60.089	61.280	62.494
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.422	0.273	0.273	0.273
Exp Internal Recharge	0.691	0.691	0.691	0.691
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	73.074	72.564	73.958	75.382
Government Grants	-2.064	-2.064	-2.064	-2.064
Other Grants, Reimburs & Contrib. - NHS	-0.836	-0.836	-0.836	-0.836
Other Grants, Reimburs & Contrib.	-0.794	-0.384	-0.384	-0.384
Customer & Client Receipts - Care Contributions	0.000	0.000	0.000	0.000
Customer & Client Receipts	0.000	0.000	0.000	0.000
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-2.090	-2.090	-2.090	-2.090
Inc Internal Recharge	-0.163	-0.163	-0.163	-0.163
Total Income	-5.948	-5.538	-5.538	-5.538
Net Budget	67.126	67.026	68.420	69.844

DIRECTOR OF COMMUNITY HEALTH AND SOCIAL CARE

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
AT, Sensory, and Development Work	1.858	1.903	1.947	1.991
Care & Assessment Community Care	13.308	13.757	14.211	14.679
Care & Assessment Follow On Teams	2.589	2.671	2.755	2.841
Care & Assessment Hubs	2.138	2.213	2.291	2.370
Group Management and Admin	0.454	0.468	0.482	0.496
Hospital Care and Support	0.430	0.446	0.459	0.473
Norfolk First Response	16.572	17.187	17.819	18.471
Purchase of Care: Older People	100.423	110.549	121.028	133.829
Purchase of Care: Physical Disabilities	29.696	30.059	30.430	30.808
Total	167.469	179.252	191.421	205.959

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	42.562	43.461	44.763	46.104
Premises	0.025	0.025	0.025	0.026
Transport	0.985	0.987	0.988	0.990
Supplies and Services	1.537	10.622	20.027	29.733
Agency and Contract Services	217.174	217.955	219.343	222.757
Transfer Payments	20.962	21.020	21.081	21.142
Support Services	0.056	0.056	0.056	0.056
Exp Departmental Recharges	1.047	1.068	1.089	1.111
Exp Internal Recharge	0.021	0.021	0.021	0.021
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	284.369	295.216	307.394	321.939
Government Grants	-0.245	-0.245	-0.245	-0.245
Other Grants, Reimburs & Contrib. - NHS	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-11.943	-10.607	-10.607	-10.607
Customer & Client Receipts - Care Contributions	-103.516	-103.916	-103.924	-103.932
Customer & Client Receipts	-0.001	-0.001	-0.001	-0.001
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.700	-0.700	-0.700	-0.700
Inc Internal Recharge	-0.496	-0.496	-0.496	-0.496
Total Income	-116.900	-115.964	-115.972	-115.980
Net Budget	167.469	179.252	191.421	205.959

DIRECTOR OF COMMUNITY SOCIAL WORK

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Care & Assessment Learning Disabilities	4.613	4.760	4.905	5.050
Care & Assessment Mental Health	4.555	4.716	4.861	5.011
Group Management and Admin	1.679	1.725	1.773	1.823
Learning & Development	1.474	1.505	1.530	1.556
Learning Disabilities Commissioning	7.338	7.251	7.405	7.562
Mental Health Commissioning	1.613	1.648	1.684	1.720
Protecting Vulnerable Adults	5.541	5.749	5.936	6.133
Purchase of Care: Learning Disabilities	128.472	130.148	131.780	133.569
Purchase of Care: Mental Health, Drug & Alcohol	21.988	21.547	22.097	22.659
SCCE	3.459	3.575	3.691	3.810
Social Work Development	2.394	2.452	2.532	2.614
Vulnerable People Resettlement	0.021	0.028	0.035	0.043
Total	183.146	185.105	188.230	191.550

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	29.563	28.478	29.250	30.044
Premises	2.368	2.399	2.399	2.399
Transport	0.200	0.200	0.200	0.200
Supplies and Services	6.197	3.530	2.331	1.232
Agency and Contract Services	170.875	172.669	176.029	179.456
Transfer Payments	14.839	14.916	14.996	15.077
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	5.814	5.897	6.013	6.131
Exp Internal Recharge	0.458	0.455	0.455	0.455
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	230.313	228.544	231.672	234.994
Government Grants	-2.614	-0.969	-0.969	-0.969
Other Grants, Reimburs & Contrib. - NHS	-0.182	-0.032	-0.032	-0.032
Other Grants, Reimburs & Contrib.	-30.397	-28.701	-28.701	-28.701
Customer & Client Receipts - Care Contributions	-12.369	-12.369	-12.369	-12.369
Customer & Client Receipts	-0.127	-0.130	-0.132	-0.135
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.987	-0.750	-0.750	-0.750
Inc Internal Recharge	-0.492	-0.489	-0.489	-0.489
Total Income	-47.168	-43.439	-43.442	-43.445
Net Budget	183.146	185.105	188.230	191.550

SUMMARY OF PURCHASE OF CARE BUDGETS

The following table provides further details in relation to total budgets for people who draw upon social care services, analysed by Purchase of Care specialism. This reflects the Council's financial monitoring format. Responsibility for these budgets is split across the Director of Assurance and Commissioning, Director of Community Health and Social Care and the Director of Community Social Work on a locality basis as detailed above.

Table 31: 2024-25 budgets within Adult Social Services summarised by Purchase of Care specialism

Purchase of Care Specialism £m	Older People £m	People with Physical Disabilities £m	People with Learning Disabilities £m	Mental Health £m	Transport £m	Staffing & Support Costs £m	Total £m
Expenditure	201.767	36.019	145.683	31.376	6.728	47.760	469.333
Income	-102.000	-6.706	-22.751	-9.537	0.000	-4.828	-145.821
Net	99.767	29.313	122.932	21.839	6.728	42.932	323.511

DIRECTOR OF COMMUNITIES, PREVENTION AND PARTNERSHIPS

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Communities & Integration	1.493	1.517	1.542	1.568
Communities and Partnerships	3.019	3.097	3.176	3.257
Communities, Prevention & Partnerships	0.503	0.512	0.521	0.531
Total	5.015	5.126	5.240	5.356

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	1.669	1.719	1.770	1.823
Premises	0.002	0.002	0.002	0.002
Transport	0.001	0.001	0.001	0.001
Supplies and Services	2.024	1.784	1.784	1.784
Agency and Contract Services	3.040	3.101	3.163	3.226
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.000	0.000	0.000	0.000
Exp Internal Recharge	0.197	0.197	0.197	0.197
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	6.933	6.804	6.917	7.034
Government Grants	-1.057	-1.057	-1.057	-1.057
Other Grants, Reimburs & Contrib. - NHS	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.735	-0.495	-0.495	-0.495
Customer & Client Receipts - Care Contributions	0.000	0.000	0.000	0.000
Customer & Client Receipts	0.000	0.000	0.000	0.000
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.125	-0.125	-0.125	-0.125
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-1.917	-1.677	-1.677	-1.677
Net Budget	5.015	5.126	5.240	5.356

PUBLIC HEALTH

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Adults	10.390	10.390	10.390	10.390
Business & Staffing	-36.031	-36.031	-36.031	-36.031
Catch up programmes	0.000	0.000	0.000	0.000
Children & Young People Programme	17.376	17.376	17.376	17.376
Commissioning & Procurement	0.015	0.015	0.015	0.016
Drug & Alcohol Treatment	0.000	0.000	0.000	0.000
Healthy Living	0.621	0.621	0.621	0.621
Intelligence & Info Management	0.451	0.451	0.451	0.451
Mental Health	0.552	0.552	0.552	0.552
Other Public Health	0.014	0.014	0.014	0.014
Place & Community	0.000	0.000	0.000	0.000
Road Safety	0.031	0.031	0.031	0.031
Sexual Health	6.626	6.626	6.626	6.626
Total	0.045	0.046	0.046	0.046

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	4.911	4.911	4.911	4.911
Premises	0.069	0.069	0.069	0.069
Transport	0.021	0.021	0.021	0.021
Supplies and Services	45.793	45.794	45.794	45.794
Agency and Contract Services	0.001	0.001	0.001	0.001
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	7.338	6.060	6.060	6.060
Exp Internal Recharge	1.355	1.355	1.355	1.355
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	59.488	58.210	58.211	58.211
Government Grants	-50.939	-50.939	-50.939	-50.939
Other Grants, Reimburs & Contrib. - NHS	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-4.814	-3.536	-3.536	-3.536
Customer & Client Receipts - Care Contributions	0.000	0.000	0.000	0.000
Customer & Client Receipts	-2.286	-2.286	-2.286	-2.286
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.049	-0.049	-0.049	-0.049
Inc Internal Recharge	-1.355	-1.355	-1.355	-1.355
Total Income	-59.443	-58.165	-58.165	-58.165
Net Budget	0.045	0.046	0.046	0.046

MANAGEMENT AND SUPPORT

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Business Development	2.599	2.678	2.757	2.839
Departmental Management	0.801	0.835	0.869	0.905
Finance	-144.235	-145.707	-145.679	-145.150
Total	-140.835	-142.195	-142.052	-141.406

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	3.597	3.644	3.753	3.865
Premises	0.000	0.000	0.000	0.000
Transport	0.007	0.007	0.007	0.007
Supplies and Services	5.710	3.474	3.481	3.488
Agency and Contract Services	1.718	1.752	1.787	1.823
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	1.088	1.088	1.088	1.088
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	3.612	3.612	3.612	3.612
Total Expenditure	15.732	13.577	13.728	13.883
Government Grants	-113.009	-113.009	-113.009	-113.009
Other Grants, Reimburs & Contrib. - NHS	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-41.424	-40.621	-40.621	-40.621
Customer & Client Receipts - Care Contributions	0.000	0.000	0.000	0.000
Customer & Client Receipts	-0.417	-0.425	-0.434	-0.442
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-1.500	-1.500	-1.500	-1.000
Inc Internal Recharge	-0.217	-0.217	-0.217	-0.217
Total Income	-156.567	-155.772	-155.781	-155.289
Net Budget	-140.835	-142.195	-142.052	-141.406

Reference	Budget change forecasts for 2024-28 Adult Social Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	OPENING BUDGET	249.526	281.967	294.360	311.305
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3%)	2.194	2.430	2.437	2.510
	Basic Inflation - Prices	9.128	8.275	8.327	8.453
	Basic Pay - Income	-1.893	-0.011	-0.019	-0.019
G2425ASS007	Energy - gas and electricity	0.011	0.000	0.000	0.000
G2425ASS010	Contract inflation 5%	0.125	0.000	0.000	0.000
	Legislative Requirements				
G2223ASS008/ G2425ASS002	Pay and Price Market Pressures	13.610	5.000	5.000	5.000
G2425ASS003	ASC Discharge Grant	3.703	0.000	0.000	0.000
G2425ASS004	Market Sustainability and Improvement Funding	8.496	0.000	0.000	0.000
G2425ASS005	CQC Assurance	0.300	0.000	0.000	0.000
G2425ASS011	Public Health grant funded expenditure	0.974	0.000	0.000	0.000
	Demand / Demographic				
G2223ASS002/ G2324ASS003/ G2425ASS006	Demographic growth	6.100	6.100	6.100	6.100
G2223ASS005/ G2425ASS009	Leap year pressure in Adult Social Care	-0.600	0.000	0.000	0.600
G2425ASS008	Emerging cost pressures Adult Social Care	17.200	0.000	0.000	0.000
	NCC Policy				
G2324ASS007	Adult Social Care one-off funding for inspection and assurance preparation activities	-2.000	0.000	0.000	0.000
G2425ASS012	Investment / funding to manage the financial implications of the continued progress within the ASC Recovery and Assurance Programmes	2.000	-2.000	0.000	0.000
	Total Growth	59.348	19.794	21.845	22.644
	SAVINGS				
S2223ASS027	Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC044: Extra care housing programme - delivering savings by building 2,800 units of extra care housing for older adults.	-1.100	0.000	0.000	0.000
S2223ASS030	Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC018: Working with our partners to reshape our approach to supporting people on their initial contact with Adult Social Care (the "Front Door"). We will review our process and how we support people early on in the social care	-4.000	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Adult Social Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	pathway and help their care needs before they escalate.				
S2223ASS031	Improving market utilisation and delivering efficiencies. Strengthening our contract and performance management by getting better value for money in services we purchase by targeting the funding we have available to us.	-0.500	0.000	0.000	0.000
S2223ASS034	Expansion of Self Directed Support. Delivering a saving by utilising more Direct Payments rather than commissioned services, particularly when Direct Payments offer individuals more choice and are cost effective.	-0.100	0.000	0.000	0.000
S2324ASS040	Connecting Communities: Recognising additional benefits from our existing savings programme. Linked to our existing saving ASC018 and 2223ASS030	-0.600	-2.500	-2.000	0.000
S2324ASS041	One-off usage of ASC Reserves	3.000	0.000	0.000	0.000
S2324ASS045	One-off usage of Adult Social Care (ASC) Reserves: Additional one-off usage of ASC Reserves (reprioritisation)	2.000	0.000	0.000	0.000
S2324ASS052	Additional capitalisation to release further one-off reserves	4.000	0.000	0.000	0.000
S2425ASS001	Review contracts providing respite for adults with learning disabilities and identify a more cost effective and efficient way of delivering this service.	-0.250	-0.250	0.000	0.000
S2425ASS002	Shifting our payments for 1:1 care in Residential Care to being based on actual delivery rather than commitment basis	-0.100	0.000	0.000	0.000
S2425ASS003	Reduction in budget for a historic pension scheme based on people exiting the scheme over time.	-0.050	0.000	0.000	0.000
S2425ASS005	Plans to build 2,800 units of extra care housing for older adults. This proposal is aimed at increasing independence and making savings by reducing demand for residential care.	1.100	-1.000	-1.700	-2.000
S2425ASS006	Plans to provide 183 units of supported housing for young adults. This proposal is aimed at increasing independence and making savings by reducing demand for residential care.	-0.500	-1.100	-1.200	-1.100
S2425ASS007 [T]	Supporting more people through an enhanced reablement service that prevents, reduces and delays the need for ongoing care	-1.500	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Adult Social Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2425ASS008	Reduce purchasing of short-term residential care, by focusing on more independent outcomes following hospital discharge.	-1.000	0.000	0.000	0.000
S2425ASS009 [T]	A programme of work based on data designed to support people earlier and connect them to services and support in their communities. The saving would be from prevention and early intervention (Connecting Communities additionality)	-4.000	0.000	0.000	0.000
S2425ASS010 [T]	Expand the Falls Pilot to promote prevention and early intervention with a larger cohort of people at risk of falls.	-0.050	-0.150	0.000	0.000
S2425ASS011 [T]	Investment in additional staffing to promote earlier intervention and maximise independence amongst young people with additional needs.	-0.250	0.000	0.000	0.000
S2425ASS012	Reprioritisation of funding commitments against grant income	-5.552	0.000	0.000	0.000
S2425ASS013	Utilisation of one-off reserves and funding	-1.000	0.500	0.000	0.500
S2425ASS014 [T]	Use digital technology to streamline services and make productivity and efficiency savings across priority areas for Adult Social Care.	-1.000	0.000	0.000	0.000
S2425ASS016	Delivering improved choice and independent outcomes for those with Mental Health needs.	-0.500	-1.000	0.000	0.000
S2425ASS018	Rebaseline Adult Social Care income budget to expected 24/25 income levels	-2.800	-0.400	0.000	0.000
S2425ASS025	Reprofiled saving for transformation of care provision by Norse Care.	0.500	-1.500	0.000	0.000
	Total Savings	-14.252	-7.400	-4.900	-2.600
	BASE ADJUSTMENTS				
B2425ASS001	Discharge Fund	-3.703	0.000	0.000	0.000
B2425ASS003	Market Sustainability and Improvement Fund	-4.927	0.000	0.000	0.000
B2425ASS004	Market Sustainability and Improvement Fund – Workforce Fund	-3.569	0.000	0.000	0.000
B2425ASS005	Improved Better Care Fund	-0.002	0.000	0.000	0.000
B2425ASS007	Public Health Grant	-0.974	0.000	0.000	0.000
	Total Base Adjustments	-13.174	0.000	0.000	0.000
	COST NEUTRAL ADJUSTMENTS				
2023.24	Adults to CES - Business Support Strategic Review restructure	-0.470	0.000	0.000	0.000
2023.24	Adults to S&T - Social Care Systems	-1.628	0.000	0.000	0.000
2023.24	S&T to Adults - Learning & Development HR budget	0.333	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Adult Social Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
2023.24	Adults to CES - Procedures post	-0.017	0.000	0.000	0.000
C2425ASS001	Depreciation & Debt Management	0.371	0.000	0.000	0.000
C2425ASS002	I&A staff transfer to S&T	-0.142	0.000	0.000	0.000
2023.24	Pay award 2023-24	2.073	0.000	0.000	0.000
	Total Cost Neutral Adjustments	0.519	0.000	0.000	0.000
Total	NET BUDGET	281.967	294.360	311.305	331.350

CHILDREN'S SERVICES

CHILDREN'S SERVICES PRIORITIES

National Context

Children's Services nationally continue to operate in an extremely challenging context; with unprecedented levels of need and demand being seen across numerous areas of service and steeply rising costs of service provision challenging the sustainability of Children's Services finances across the Country.

While all council frontline services are experiencing higher than expected costs, increasing demand and an acute rise in the costs of placing children in care mean in-year spending on children's services is rising particularly sharply, with almost half (£319m) of the projected £639m overspend in County Councils attributable to Children's Services. (CCN)

This picture primarily relates to 3 key areas⁴;

Children's Social Care – where the greater level of complexity of need combined with the dysfunctional private care market is driving huge increases in the unit cost of placements. This has been exacerbated by the impact of the global pandemic and national shortfall of mental health support which has clearly resulted in a cohort of young people who have experienced substantial trauma and require very high levels of support. Local authorities across England spent approximately £4.7 billion on children's social care placements in 2022/23, resulting in a cumulative overspend of almost £670 million (16 per cent). On average private residential care providers have made profits of 22.6% per year (Competition and Markets Authority) with average price of a residential care placement now well over £250k per child per year and more than 1,510 children nationally whose cost of care exceeds £10k every week / £500k per year). (LGA). Nationally numbers of children in care are also rising, this is not the case in Norfolk where our programme is keeping more families together.

Special Educational Needs – where nationally the number of referrals for an educational health and care plan increased by 23% in a single year in 2022/23 to 114,457. With some of these young people requiring thousands of pounds in support after a schools' contribution is spent, councils have accrued significant deficits in their SEND budgets. Last year the national deficit stood at £2.4bn, with councils in county areas accounting for half of this. Left unchecked, the national deficit for all 152 councils

⁴ Source information:

- i) [Spiralling SEND transport budgets threaten financial sustainability of England's largest councils, report reveals - County Councils Network](#);
- ii) [High-cost children's social care placements survey | Local Government Association](#);
- iii) [Over 180 children a day approach councils for special needs support as local authorities warn that government reforms will not stem the tide - County Councils Network](#);
- iv) [Children's social care market study final report - GOV.UK \(www.gov.uk\)](#);
- v) [Funding gap growing as councils "firmly in eye of inflationary storm" | Local Government Association](#)

in England is expected to rise to £3.6bn. This national increase in numbers of children with SEN is mirrored clearly in Norfolk

Home to School Transport – where the cost of transporting children has dramatically increased as a result of increasing levels of special education needs, inflationary pressures on providers and a lack of sufficient provision/competition for specialist transport contracts. The County Council Network (CCN), says its 37 members are spending more than £700m a year on school transport for 85,000 children with special education needs and disabilities (Send), compared with less than £400m five years ago an increase of more than 75% in that period. This national increase in spending on transport is seen clearly in Norfolk with the inflationary increase in the unit cost per mile being the primary driver of overspending in 2023/24.

Local Context

Children's Services in Norfolk have established a clear vision and delivered a considerable and successful programme of transformational change over the last five years. The FLOURISH framework articulates our collective ambitions for children and young people and since the establishment of our programme in 2018 we have travelled a considerable distance as a department in making a reality of this for children in Norfolk.

In Children's Social Care the Department successfully designed and implemented a new operating and practice model which underpinned a transformation in the quality of practice for children at risk of harm. Our vision for relationship-based practice has become a reality, most casework is judged 'good' or better and performance now benchmarks strongly amongst other leading authorities.

This improvement and transformation work culminated in the inspection at the end of 2022 which rated Norfolk as 'good' in all areas and which highlighted many areas of "exemplary" and "exceptional" of practice.

Our programme has also delivered huge benefits across early help, inclusion, and services for children with special educational needs. For Children with SEND we are implementing a £120m investment in new specialist provision, have created 15 new 'school and community teams' to offer early and inclusive support, have made more money available to schools to support children with special needs, and are expanding and bringing together early help services from all sectors through the family hubs and start for life programmes. Our progress in these areas was also recognised by Ofsted at the end of 2022 when the re-visit in relation to our SEN inspection found the authority to have made significant progress in all of the areas previously identified for action.

Our innovation is now gaining external recognition in a range of areas, with Norfolk taking up a leadership space regionally and nationally with our work in complex children in residential homes, for unaccompanied asylum seekers, in practice development, at the front door and in early help all gaining recognition beyond the County. Norfolk was recently selected as a DFE Sector Led Improvement partner and will support other local authorities in future looking to learn from the success of our approaches.

The impact of the investment and transformation is clearly evident in numerous areas:

- We are keeping more families together with around 200 fewer children in care than at the peak in 2019.
- Our workforce is now significantly more experienced and confident, and we have achieved a 70% reduction in the number of agency workers in our social care teams.
- We have shifted our model of support 'upstream' – with 27% fewer referrals into social care than in 2018 but a significantly increased number of children supported through early help assessments and plans.
- Our investments at the edge of care have been hugely impactful – the New Roads initiative, in particular, has supported around 150 children on the edge of care to remain at home.
- We are creating new placement models – including an Enhanced Fostering Scheme, 29 additional high-quality semi-independent provisions and 8 new solo/dual placements provisions for children with the most complex needs.
- Our investment in new education provision for children with SEND is delivering 152 new specialist resource base places & 260 new special School places.
- We have achieved a reduction in high-cost, needs-led individual transport usage, through work with individual schools and child-by-child inclusion focused discussions - 47 less than 18/19 (c. 50% reduction despite overall significant growth in demand)
- We are supporting more and more young people with SEN to travel independently – 234 in 21/22 & 22/23
- And previous areas of low performance have been hugely improved – in particular the proportion of children with SEN assessed in timescale has improved faster than anywhere else from only 8% in 2018 to more at the national average of around 55-60% recently.

These impacts and others have cumulatively delivered over £50m of net revenue savings for the County Council as a direct result of the actions we have taken.

However, despite all of these successes we need to recognise the level of need which still exists in communities, the level of pressure on services and the ongoing cost implications for the County Council.

That the number of children in care reduced and has subsequently been stable in Norfolk is a better position than being seen in most local authority areas, but the increases in unit-cost of placements are acute in Norfolk and have led to substantial budget pressures in recent years. The impact of increasing complexity and the effect of an 18% increase in inflation over the past 2 years, has led to the number of high-cost packages of care significantly increasing from 102 to 135. This has led to the average cost of care increasing 20% from £50k to £62k per year with a full year

effect of £16m. Norfolk has also been affected by a shortage of foster carers which again is a national trend and has in some instances led to additional residential placements being required at high cost.

Pressure is equally high in relation to children with special educational needs. Norfolk has received an unprecedented number of referrals for Education Health and Care Plans in 2023 and this is likely to translate into a higher than previously modelled number of requests for specialist provision and specialist home to school transport. As a consequence all of the key demand-led budgets in children's services are subject to substantial financial pressures and this looks set to continue.

Looking across the system we also see a number of further critical challenges for children. As seen nationally attendance rates at school are down and exclusions have increased, there are still substantial waiting times for support from mental health services and we know that children are being impacted by the pressure on family finances as well as the long-term impacts of the pandemic. As a result, it is critical that Children's Services continues to transform and to drive forward further improvements within the department and the whole partnership to ensure that ultimately all children in Norfolk can flourish.

Service Financial Strategy

Children's Services now has a clear evidence base that its core strategy and transformation approach is working, and that our programme can evidence delivery of significant financial savings alongside an improvement in service quality and outcomes for children.

Given the success of the programme to date, our transformative approach remains unchanged with the 5 key strategic themes continuing to shape the Children's Service agenda over the coming period.

Having developed services to the point that they are consistently good or better but also being cognisant of the growing and changing needs in communities, the time is right for Norfolk's Children's Services to implement a further and hugely ambitious phase of transformation. Delivery will be through a five-year strategy (2024/25 to 2029/30) which is sector-leading in its ambitions and innovations, and which will see the Local Authority bringing the whole partnership system together in the interests of children. The key elements of this 5-year strategy are described below;

Delivering Local First Inclusion

Local First Inclusion is the County Council's special educational needs and/or disabilities (SEND) improvement programme.

It aims to enable all children and young people with SEND to get a consistently high-quality education with the right support for their needs in their local area first.

We want them to be able to flourish, whether that's in a special school or in well-supported provision in the mainstream and provide help and support to meet needs earlier. The programme builds on our successful £120m five-year SEND

transformation programme which ran from 2018 to 2022, which has already created more than 650 new specialist education places by:

- Creating new specialist resource bases (SRBs) at mainstream schools and expanding existing ones
- Building three new specialist schools
- Expanding existing special schools
- Giving more support to mainstream schools to help them identify and meet the needs of children with special educational needs and/or disability (SEND)

Local First Inclusion will bring more than £100m of new investment by the Department for Education (DfE) and Norfolk County Council. It aligns with the Government's recently announced [SEND/AP improvement plans](#).

Local First Inclusion will:

- Provide more advice, support and funding for mainstream schools
- Introduce 15 new school and community support teams, the first of which aims to be in place by September 2023. This is to give early help and support to both parents and schools
- Substantially transform the landscape of alternative education provision so that it supports children who face challenges to be successfully re-integrated into mainstream school
- More specialist resource bases (SRBs) and alternative provision at mainstream secondary schools
- Two more new-build special schools

This programme underpins the financial sustainability of the High Needs Block of the Dedicated School Grant (DSG) which is currently in deficit. Through this programme we will meet the needs of children differently, supporting inclusion in mainstream schools, providing additional help to schools and children to help them succeed and over time reducing the reliance on specialist education settings which are extremely costly and often located a considerable distance from children's homes and communities.

A Model of Social Care Fit for the Future

To further improve outcomes and respond to the pressures in the system, Children Services plans to build on transformation to date, learning from service reviews, respond to workforce shortages across key professional groups and take account of substantial government reform to influence a future social care operating model. This aligns with and is informed by the national reform programme 'Stable Families Built on Love' for which Norfolk has applied to be a pathfinder authority. The proposed thinking seeks to create a system which is based on earlier, relationship-based practice with families and features multi-disciplinary teams which combine skills from a range of professional backgrounds address the challenges families face most effectively. This proposed model has been piloted in the latter half of 2023 and a countywide roll out will be considered subject to review during 2024.

Some of the key benefits envisaged by a new model may include;

- Family-led approaches
- Reducing Handoffs
- Keeping Families together through most effective interventions and relationship-based practice
- More timely interventions for families leading to a faster resolutions
- Happier and healthier teams who have a work life balance
- Development of broader more diverse workforce (and the training we put in place to safeguard this) and removing hierarchy of skills and qualifications

Implementing a transformed approach to care sufficiency

The current approach to care sufficiency and the external market of care provision is driving unsustainable increases in costs for local authorities and not always supporting the best outcomes for children in care and at the edge of care. Alongside this we recognise that the needs of children and young people have changed substantially – most clearly for adolescent young people who make up a greater proportion of children coming into care and include far more children who have experienced significant trauma and require complex high-cost forms of care.

As such our strategy needs to evolve and we need to challenge the status quo with bold action. Specifically, our intention through the next phase of transformation is to

- Invest in further innovative interventions at the edge of care to reduce the number of children and adolescents in particular needing to be looked after
- Achieve a step-change in in-house fostering capacity through a whole-Council and whole County focus on carer recruitment and retention
- Significantly expand and re-shape in-house provision to achieve greater value from this capacity and secure leverage in the external market through a strong in-house offer.
- Work differently with and challenge the external market – shifting to a focus on the outcomes for children rather than unit cost

As a consequence, financial benefits would be expected to be delivered through:

- Keeping more families together so there are fewer children in care
- A greater proportion of looked after children being in foster care, reducing need for residential care
- More effective utilisation of the in-house residential and semi-independent estate, reducing demand for external residential care
- Reducing the average time in residential care – with children moving into family-based care as soon as possible
- Reducing the demand for the limited supply of external residential care, allowing improved negotiation and market management allowing average costs to be stabilised and reduced.

Achieving this will require a sustained programme of transformation and investment across the lifetime of the MTFs, but if successful will deliver 13m financial benefits (net) and so make a substantial contribution to the long-term sustainability of the Council.

Bringing the system together as a Collaborative for Children

Working with our health partners the local authority has led the creation of a new 'System Collaborative' for children in Norfolk – which brings together all of the key

services across early help, social care, education, and physical and mental health to design new service model which can best meet the needs of children.

The creation of the collaborative presents an extremely powerful opportunity to realise our ambition that all children FLOURISH and to create a nationally leading model. Our intention is to look creatively and holistically at all of the resources across the key partners and to re-design the support model to achieve the best outcomes. The ambition includes making structural, operational, and cultural changes required to deliver community based multi-disciplinary team working across organisations, to ensure collective support to meet the physical, emotional and mental health needs of the Child or Young Person and their family. This is a clear step beyond 'partnership collaboration' to a fully integrated approach.

Some of the key features and opportunities we want to embed within the new approach are;

- A focus on early intervention and prevention – moving the resource and support further upstream over time and reducing the reliance on specialist and acute support
- A focus on 'place' and looking to offer support within local communities and provide help where children, young people and families are day to day – with less reliance on specialist settings, clinics or institutions
- To look holistically rather than separately at needs – resulting in strategic integration but also joined up casework for each child, young person and family and aiming for a single assessment and single plan in each case. It is clear that physical health, mental health, education and social needs all interact and that we have greater chance of success in any area if we look at the whole – so we want to design ways of working for teams that enable that
- A move away from a clinical model which focuses on diagnosis or labelling of needs to one which is rooted in community-led early help and which exploits the capacity within children and families and communities to help themselves
- An opportunity to look at our portfolio of resources across the partnership and make things more efficient and effective, sharing 'back-office resource' leading our staff teams together and putting our collective scale to work in the interests of children

Through this way of working and by harnessing the resources across the system we have a far greater chance of successfully responding to the substantial pressures currently being experienced and of ensuring the sustainability of both service capacity and finances.

A comprehensive approach to efficiency in home to school transport

A major programme of work is in place focused on ensuring we have sufficient transport provision for children whilst managing the rapidly increasing costs in this sector. The programme focuses on supporting inclusion and independence in order to reduce demand for home to school transport and also work with the market to stimulate

supply and commission effectively and achieve best value for money. This links closely to the Local First Inclusion Programme which aims to support children to stay in their local mainstream school where possible and creates specialist provision closer to home where this is the right way to meet needs.

Start for Life & Family Hubs Programme

As part of our ongoing focus on and commitment to prevention and early help Children's Services is delivering the roll-out of the expanded Family Hubs and Start for Life Programmes in Norfolk.

These programmes support a shared ambition that Norfolk is a place where all children and young people can [flourish](#). By joining up and enhancing existing services, we want to ensure all children, young people and their parents and carers can access the early support they need when they need it.

Our family hubs approach supports parents and carers of children and young people from conception up to the age of 19–years-old (25 for young people with special educational needs and/or disabilities).

Through the programme families will be able to access support:

- Within their community in places they already visit that are part of our Start for Life and family hub network
- Virtually through online and digital platforms
- By visiting [a family hub site](#), and talking to a relevant professional or practitioner in person
- From another parent or carer, as we develop more volunteer peer support opportunities

Within the model there is a critical focus on the Start for Life offer for parents and carers who are expecting a baby or have a baby under the age of two. This includes new investments and enhancements in a range of key areas for families including:

- Parenting support
- Perinatal Mental Health and Parent-Infant Relationship support
- Infant Feeding support
- Establishing a Parent and Carer Panel
- Publishing our Start for Life offer
- Additionally, parents and carers of children aged 3-4 will be able to access support for their children's learning and development within the home.

These investments in the expansion of services and the further join up of local early help will respond to the high level of need in communities and are intended to ensure more families get the help they need early and fewer have needs unmet and so escalate to the point where they need specialist or crisis interventions.

Specific Funding

Social Care

The national programme of reform for children's social care is being supported by £200m of investment to pump prime pathfinders in key areas of reform activity. The review of Children's social care authored by Josh MacAlister in 2022 called for a substantial investment in Family Help provision across all local authority areas with a proposed total investment of £2.6bn for England as a whole. At this point there is not a concrete commitment from government that the initial pathfinder funding will be followed by this more substantial and much needed investment. At the current time Norfolk is therefore seeking pathfinder funding in a number of areas, including as part of regional arrangements.

- In relation to fostering Norfolk has acted as the lead authority for a successful regional bid to DFE to support the roll-out of a regional fostering recruitment approach and the introduction of the mockingbird model of fostering practice. This has secured additional funding
- Norfolk has also submitted a bid as the lead authority on behalf of the region for the creation of a Regional Commissioning Collaborative – with the intention of establishing a regional approach to the commissioning of care for children looked after and leveraging our scale as 13 authorities in the east to achieve greater efficiency. At the time of writing we are awaiting the outcome of this bid.
- In support of our roll-out the Family Help Model we have submitted a bid to the DFE for pathfinder funding of £5m which would significantly support the creation of the new model and in particular the aspiration to include staff from partner organisations within the design from the outset. At the time of writing we are awaiting the outcome of this bid.

Early Years

Early years funding has seen substantial reform and investment from government which is clearly welcome and in place to deliver the Government's commitment to wider access to childcare and early years provision across the UK. Alongside changes to funding for providers to support the provision of places Norfolk has also successfully applied to be a pathfinder for the programme aimed at expanding access to wraparound childcare for families at the beginning and end of the school day. This includes capital funding, project costs and pump-priming monies to support the creation of new wraparound provisions in the early months whilst they build up their customer base. This additional funding is clearly very welcome but the expectations on delivery of wider provision across the county are substantial and the timeline for delivery is stretching. We also need to be mindful that some funding is only time-limited and so we will have to be careful to ensure that new places will be financially sustainable once the initial project phase and investment is withdrawn.

Other Grants

Supporting Families funding – 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. Funding is expected to continue

in 2024-25 and Norfolk has applied for ‘Earned Autonomy’ status within the programme which would reflect the maturity of our Supporting Families programme and provide further security in relation to the income from Government.

Saving Proposals 2024-25

In line with its financial strategy as detailed above, Children’s Services savings are either transformation-related, delivering increasing effective and efficient services, reflecting expected demand or use of available funds on a one-off basis.

The transformation-related projects comprise of individual but related projects that, together will continue to deliver significant transformation that is needed to provide financial sustainability as well as delivering better outcomes for children and young people.

Within the key themes of the transformation programme, the individual savings projects include:

- Investment in provision to enable children and young people to stay with their families where it is appropriate for them to do so, thus reducing care costs and improving their outcomes and life chances.
- Supporting children and young people to live with extended family and networks, when they are unable to remain in their birth family, which is shown to improve their outcomes and life chances when successful.
- Increasing the availability of foster care in Norfolk to ensure that those in care can experience family-based care where it is most appropriate for them.
- Re-shaping our in-house residential and supported accommodation provision to ensure it is fit for the future to meet the changing needs and complexities of children and families that they are looking after and supporting.
- Continuing to enable earlier help and prevention for families to reduce the demand for social care intervention and increased risks of crises that may result in children or young people becoming looked after.
- Working with the courts to reduce delays in decision making as a result of current challenges in the judiciary system.
- Supporting children and young people to gain age-appropriate travel independence increasing their future opportunities whilst also reducing the reliance on specialist transport at high cost
- Providing additional support to mainstream schools to enable them to work successfully with children with SEN, reducing the need for children to travel to specialist education settings.
- developing specialist provision to meet high special educational needs as locally as possible; reducing the time a child or young person spends travelling which improves their quality of life, whilst also reducing our costs
- Reshaping our operating models in line with our major transformation programmes and reflecting new approaches to delivery in accordance with national reforms. In addition to integrating our learning and inclusion capacity supporting work with schools and settings.
- Implementing a revised and integrated approach to mental health and wellbeing support for children and young people

Children's Services is continually seeking ways to deliver increased effectiveness and efficiency and these proposals reflect the latest opportunities identified and include:

- Developing opportunities to exploit technological advancements to increase the time that practitioners can spend with children, young people, and families and to reduce the administrative burden, alongside redesigning business processes to increase efficiency and effectiveness.
- Ongoing review of staffing structures to identify opportunities for efficiency or to remove posts no longer required.
- Seeking opportunities to commission externally provided services more efficiently, particularly through the use of block contracts where there is an ongoing demand to be met.

Following a thorough review of one-off funds and reserves, the final proposals relate to utilising, on a one-off basis, those that can be released from the purpose for which they were originally held, and that contributions are only be made to future reserves where they are necessary. Additionally, the service continuously reviews demand upon budgets to identify those where demand has reduced, and this allows for a proposal to 'right-size' those budgets for the coming year.

Key Issues and Risks

The immediate impacts to children and families of the cost-of-living crisis, strain on wider public services and the ongoing effects of the global pandemic are now very apparent and impacting substantially on capacity, provision and costs as described above.

The service has put in place a comprehensive programme which seeks to mitigate these impacts to the greatest possible extent and additional budget provisions are made to account for the ongoing levels of service pressure. However, although the level of pressures funding included in the Children's Services budget for future years attempts to reflect the high-level expectations regarding the medium-to-longer-term demand, it is difficult to predict these with certainty and, therefore, risks within Children's Services remain that include the potential for additional cost pressures linked to surges in demand, particularly in relation to social care and children with special educational needs.

Some specific risks that should be noted are:

- **Exacerbation of demand pressures due to cost of living crisis and legacy impact of pandemic leading to additional service pressures.**
Demand could continue to increase in volume and / or complexity beyond the increase seen and modelled to date. In particular, the high levels of demand in family support, Social Care and higher numbers of children exhibiting challenging behaviour in school could in time lead to more children needing to be in local authority care. This is not the current trend, and our next phase of transformation aims to improve support further but given the level of need in communities and the rise in children in care numbers being seen nationally we

should recognise the risk that more children could need to be accommodated, which would in turn lead to greater cost pressure.

- **Provider market instability leading to key provider failure.**

The economic conditions have left many businesses with financial pressures. Whilst Children's services will always bear the risk of the failure of a significant provider, this risk has increased in the current climate. The implications could be increased, unforeseen costs and / or diversion of key resources to ensure continuity of provision. Additionally, the inflation pressures currently being seen are having a significant impact upon key providers, particularly in relation to staffing costs as well as energy and transport, which may result in providers being unable to fulfil contracted provision or choosing to hand back contracts that are no longer financially viable for them. This risk exists in particular in relation to care placements and home to school transport provision.

- **Economic and societal impact of the legacy of the pandemic and the cost of living crisis leading to staffing instability.**

We have continued to see how the global pandemic and subsequent economic changes have impacted on the labour market in key sectors, with many people choosing to change careers as a result of new ways of working and the relative economic viability of different career options. There have always been challenges filling some roles and, in some cases, these challenges have been exacerbated with roles such as foster caring, residential workers, transport drivers and many roles in schools now becoming hard to fill in addition to existing gaps such as social workers and educational psychologists. Additionally, public sector pay increases are, on average, below those in the private sector and individuals may choose that they need to make alternative role or career choices to ensure that they can meet their own financial needs, particularly for lower graded roles. Where the workforce is in short supply costs increase and often quality decreases.

- **Impact of current economic and societal conditions on the VCSE sector.**

A significant portion of Children's Services commissioned provision is through the VCSE sector, with the sector also providing a significant proportion of universal services. Many VCSE organisations, whose financial positions may well have been fragile prior to the pandemic, have been negatively affected by their reduced ability to fundraise as a result of the pandemic combined with increased demand for services. Additionally, they are facing the same inflationary cost pressures as seen by the County Council and key providers. Financial failure of these organisations could lead to increased costs to Children's Services either through additional funding required to maintain provision or through having to fund alternatives.

- **Demand for, and cost of, SEND home to school transport.**

Increases in demand for SEND home to school transport provision have mirrored increasing demand for special school and specialist resource base provision. The increase in demand has been exacerbated by price pressures from providers both due to the cost of fuel, vehicles and their ability to recruit and retain staff. Additional resources are allocated in this budget to reflect this

situation, but there remains a risk that demand will exceed the financial resources available.

- **National Living Wage and impact upon workforce pay rates.**
When the National Minimum Wage, and subsequently National Living Wage (NLW), were introduced there remained a differential to lower graded roles within children's social care sector and education. As the NLW has increased, the pay and terms and conditions for these roles is no longer as attractive and key services and providers are experiencing challenges in recruiting and retaining staff to some roles. There is a risk that any differential is completely eroded, resulting in key roles remaining unfilled as the workforce makes alternative choices to meet their financial needs.
- **Impact of strain on wider public services – including health and schools.**
Alongside the pressure on Council finances, it is clear that all public services are facing a similarly challenging context and are having to make difficult decisions and scale back the level of provision. Very often the local authority is the 'provider of last resort' in these scenarios and incurs service and costs pressures as a result of a lack of capacity in the wider system. In particular health services are struggling to cope with the level of mental health need in communities, family court capacity is insufficient, police capacity is spread thinly and schools' budgets are constrained limiting their ability to support inclusion and early help. If these trends continue or worsen, they would like driver further demand for children's social care, SEN support and other Children's Services with the consequential financial pressure. In addition, there is a risk that the financial context for schools may put pressure on assumptions about trading with schools.

CHILDREN'S SERVICES – EXECUTIVE DIRECTOR – SARA TOUGH

Table 32: Children's Services Budget Tables

Breakdown of Gross Expenditure	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Family Help and High Needs	155.284	153.169	152.517	153.352
Learning and Inclusion	121.830	123.049	122.369	121.783
Partnerships, Inclusion and Practice	35.184	36.287	37.069	37.870
Quality, Transformation and Leadership	20.239	23.391	28.153	33.187
Schools	430.740	430.740	430.740	430.740
Sufficiency, Planning and Education Strategy	0.452	0.452	0.453	0.453
Total	763.729	767.089	771.301	777.386

Exp Internal Recharge	16.886
Total Gross Expenditure	780.615

Breakdown of Gross Income	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Family Help and High Needs	-12.884	-12.884	-12.884	-12.884
Learning and Inclusion	-62.796	-54.015	-54.142	-54.272
Partnerships, Inclusion and Practice	-12.037	-11.355	-11.355	-11.356
Quality, Transformation and Leadership	-7.553	-7.470	-7.470	-7.470
Schools	-429.823	-429.823	-429.823	-429.823
Sufficiency, Planning and Education Strategy	-0.044	-0.045	-0.045	-0.045
Total	-525.137	-515.592	-515.719	-515.849

Inc Internal Recharge	-16.837
Total Gross Income	-542.024

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Family Help and High Needs	142.400	140.286	139.634	140.468
Learning and Inclusion	59.034	69.033	68.227	67.511
Partnerships, Inclusion and Practice	23.147	24.932	25.713	26.515
Quality, Transformation and Leadership	12.685	15.921	20.683	25.717
Schools	0.917	0.917	0.917	0.917
Sufficiency, Planning and Education Strategy	0.408	0.408	0.408	0.408
Total	238.592	251.497	255.582	261.536

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	359.793	364.407	368.645	372.266
Premises	19.468	19.474	19.480	19.485
Transport	3.523	3.529	3.535	3.541
Supplies and Services	48.839	49.872	50.171	50.382
Agency and Contract Services	240.312	238.314	239.551	243.298
Transfer Payments	2.625	2.678	2.731	2.786
Exp Departmental Recharges	75.874	75.521	73.893	72.333
Exp Internal Recharge	16.886	16.886	16.886	16.886
Capital Financing	13.294	13.294	13.294	13.294
Total Expenditure	780.615	783.975	788.187	794.272
Government Grants	-453.286	-444.397	-444.397	-444.397
Other Grants, Reimburs & Contrib.	-54.007	-53.225	-53.225	-53.225
Customer & Client Receipts	-9.902	-9.986	-10.072	-10.159
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-7.943	-7.984	-8.026	-8.069
Inc Internal Recharge	-16.886	-16.886	-16.886	-16.886
Total Income	-542.024	-532.478	-532.606	-532.736
Net Budget	238.592	251.497	255.582	261.536

FAMILY HELP AND HIGH NEEDS

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Assessment, Intervention & Care Planning	28.006	28.859	29.738	30.641
Child & Family Support	0.063	0.064	0.065	0.066
Commissioning Services	1.678	1.715	1.754	1.793
Corporate Parenting	89.364	84.205	80.986	80.098
In-house Resources (Residential, Semi-Independent, Fostering and Adoption)	16.695	19.616	21.074	21.656
Intensive & Specialist Support	6.292	6.482	6.677	6.879
Leadership & Management	-1.390	-2.393	-2.443	-2.495
Youth Engagement & Support	1.487	1.531	1.578	1.625
Total	142.194	140.080	139.428	140.262

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	62.903	66.277	69.185	71.259
Premises	0.103	0.105	0.106	0.108
Transport	2.056	2.062	2.067	2.073
Supplies and Services	4.595	4.770	4.873	4.884
Agency and Contract Services	84.333	78.643	74.953	73.674
Transfer Payments	0.563	0.574	0.585	0.597
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.731	0.739	0.748	0.756
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	155.284	153.169	152.517	153.352
Government Grants	-8.049	-8.049	-8.049	-8.049
Other Grants, Reimburs & Contrib.	-4.479	-4.479	-4.479	-4.479
Customer & Client Receipts	0.000	0.000	0.000	0.000
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.357	-0.357	-0.357	-0.357
Inc Internal Recharge	-0.206	-0.206	-0.206	-0.206
Total Income	-13.090	-13.090	-13.090	-13.090
Net Budget	142.194	140.080	139.428	140.262

LEARNING AND INCLUSION

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Achievement and Learning	1.111	1.200	1.292	1.385
Education Quality Assurance, Intervention and Regulation	3.071	3.194	3.321	3.452
Education Strategy and Infrastructure	3.135	4.016	4.235	4.460
Home To School Transport	69.247	68.843	67.181	65.586
Inclusion and Vulnerable Learners	14.824	15.212	15.612	16.024
Leadership, Funding & Central Services	-43.968	-35.045	-35.027	-35.009
Total	47.420	57.420	56.613	55.898

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	32.549	33.283	34.039	34.818
Premises	0.431	0.435	0.439	0.443
Transport	0.407	0.407	0.407	0.408
Supplies and Services	15.347	16.176	16.341	16.510
Agency and Contract Services	1.523	1.553	1.584	1.615
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	70.844	70.466	68.829	67.260
Exp Internal Recharge	0.171	0.171	0.171	0.171
Capital Financing	0.729	0.729	0.729	0.729
Total Expenditure	122.001	123.219	122.540	121.954
Government Grants	-48.988	-40.083	-40.083	-40.083
Other Grants, Reimburs & Contrib.	-2.444	-2.444	-2.444	-2.444
Customer & Client Receipts	-8.746	-8.830	-8.915	-9.002
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-2.618	-2.660	-2.702	-2.744
Inc Internal Recharge	-11.784	-11.784	-11.784	-11.784
Total Income	-74.580	-65.799	-65.927	-66.056
Net Budget	47.420	57.420	56.613	55.898

PARTNERSHIPS, INCLUSION AND PRACTICE

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Assessment, Intervention & Care Planning	0.043	0.044	0.045	0.046
Child & Family Support	2.720	2.781	2.843	2.907
Commissioning Services	5.392	5.979	6.282	6.594
Communities and Partnerships	2.304	2.388	2.474	2.563
Early Childhood & Family Service	4.273	5.109	5.216	5.325
Independent Statutory Services	4.181	4.303	4.428	4.558
In-house Resources (Residential, Semi-Independent, Fostering and Adoption)	2.063	2.102	2.141	2.182
Leadership & Funding	0.633	0.657	0.682	0.708
Youth Engagement & Support	1.538	1.569	1.602	1.635
Total	23.147	24.932	25.713	26.515

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	15.476	15.943	16.424	16.920
Premises	0.012	0.012	0.012	0.012
Transport	0.254	0.254	0.254	0.254
Supplies and Services	3.410	3.435	3.462	3.489
Agency and Contract Services	11.010	11.579	11.810	12.047
Transfer Payments	2.063	2.104	2.146	2.189
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	2.961	2.961	2.961	2.961
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	35.184	36.287	37.069	37.870
Government Grants	-5.491	-5.491	-5.491	-5.491
Other Grants, Reimburs & Contrib.	-5.800	-5.118	-5.118	-5.118
Customer & Client Receipts	-0.010	-0.010	-0.010	-0.011
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.735	-0.735	-0.735	-0.735
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-12.037	-11.355	-11.355	-11.356
Net Budget	23.147	24.932	25.713	26.515

QUALITY, TRANSFORMATION AND LEADERSHIP

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Leadership, Client Management, Central Business Support & Funding	5.167	8.254	12.863	17.740
Quality, Performance and Systems	2.479	2.547	2.616	2.688
Transformation	0.000	0.039	0.080	0.121
Workforce Development	1.416	1.457	1.500	1.543
Total	9.061	12.297	17.059	22.093

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	9.028	9.066	9.160	9.431
Premises	-0.159	-0.159	-0.159	-0.159
Transport	0.052	0.052	0.052	0.052
Supplies and Services	5.040	5.044	5.048	5.052
Agency and Contract Services	5.152	8.245	12.910	17.668
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	1.059	1.076	1.076	1.076
Exp Internal Recharge	0.076	0.076	0.076	0.076
Capital Financing	0.068	0.068	0.068	0.068
Total Expenditure	20.315	23.467	28.230	33.263
Government Grants	-2.151	-2.168	-2.168	-2.168
Other Grants, Reimburs & Contrib.	-1.170	-1.070	-1.070	-1.070
Customer & Client Receipts	0.000	0.000	0.000	0.000
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-4.232	-4.232	-4.232	-4.232
Inc Internal Recharge	-3.700	-3.700	-3.700	-3.700
Total Income	-11.254	-11.170	-11.170	-11.170
Net Budget	9.061	12.297	17.059	22.093

Note: Quality, transformation and leadership budgets (agency and contract services) include growth allocations for future years that have been provided to address cost pressures which will be allocated to service budgets in future budget rounds.

SCHOOLS

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
School Capital Charges	12.506	12.506	12.506	12.506
School De-delegated Budgets	0.000	0.000	0.000	0.000
School Pension Costs	3.854	3.854	3.854	3.854
Total	16.361	16.361	16.361	16.361

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	239.585	239.585	239.585	239.585
Premises	19.077	19.077	19.077	19.077
Transport	0.754	0.754	0.754	0.754
Supplies and Services	20.306	20.306	20.306	20.306
Agency and Contract Services	138.295	138.295	138.295	138.295
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.226	0.226	0.226	0.226
Exp Internal Recharge	16.639	16.639	16.639	16.639
Capital Financing	12.498	12.498	12.498	12.498
Total Expenditure	447.379	447.379	447.379	447.379
Government Grants	-388.606	-388.606	-388.606	-388.606
Other Grants, Reimburs & Contrib.	-40.081	-40.081	-40.081	-40.081
Customer & Client Receipts	-1.135	-1.135	-1.135	-1.135
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	0.000	0.000	0.000	0.000
Inc Internal Recharge	-1.196	-1.196	-1.196	-1.196
Total Income	-431.019	-431.019	-431.019	-431.019
Net Budget	16.361	16.361	16.361	16.361

SUFFICIENCY, PLANNING AND EDUCATION STRATEGY

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Independent Statutory Services	0.095	0.095	0.095	0.095
Quality & Transformation / Practice Development & Staff Engagement	0.313	0.313	0.313	0.313
Total	0.408	0.408	0.408	0.408

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	0.252	0.252	0.252	0.252
Premises	0.005	0.005	0.005	0.005
Transport	0.000	0.000	0.000	0.000
Supplies and Services	0.141	0.141	0.141	0.142
Agency and Contract Services	0.000	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.054	0.054	0.054	0.054
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	0.452	0.452	0.453	0.453
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.033	-0.033	-0.033	-0.033
Customer & Client Receipts	-0.011	-0.011	-0.012	-0.012
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	0.000	0.000	0.000	0.000
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-0.044	-0.045	-0.045	-0.045
Net Budget	0.408	0.408	0.408	0.408

Reference	Budget change forecasts for 2024-28 Children's Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	OPENING BUDGET	232.593	238.592	251.497	255.582
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3%)	3.172	3.355	3.493	3.620
	Basic Inflation - Prices	5.639	3.693	3.668	3.667
	Basic Pay - Income	-0.167	-0.125	-0.128	-0.130
G2425CS004	ESPO Energy - Gas and Electricity Prices and Projection	-0.049	0.000	0.000	0.000
G2425CS008	Teachers Pay Award	0.051	0.000	0.000	0.000
G2425CS009	Teachers pension contributions	0.063	0.000	0.000	0.000
G2425CS010	Soulbury pay award	0.069	0.000	0.000	0.000
	Legislative Requirements				
G2425CS002	Children's Services pressures including impact of National Living Wage	9.000	3.000	1.500	1.500
	Demand / Demographic				
G2223CS001/G2324CS005/G2425CS011	Social care: demographic and demand growth	3.000	3.000	3.000	3.000
G2223CS010	Social care: additional growth due to medium term impact COVID-19	4.000	0.000	0.000	0.000
G2223CS002/G2223CS003/G2324CS006/G2425CS003	Home to School Transport: demographic growth	7.500	0.500	0.000	0.000
	NCC Policy				
G2223CS007/G2223CS008/G2324CS007	Recruitment and retention investment offset by Agency reduction	-0.540	-0.100	0.000	0.000
G2425CS012	Funding to manage the financial implications of progress towards sustainable sufficiency, de-risking implementation of transformation through creating sufficient capacity for realising change, alongside the opportunity for investment in CS' transformation programmes designed to deliver sustainable improvement alongside financial benefits, including supporting our investment family help and targeted early intervention, kinship care, and boosting the number of foster carers, in line with the Government's strategy for reform 'Stable Homes, Built on Love'	3.010	-3.010	0.000	0.000
	Total Growth	34.748	10.313	11.533	11.658
	SAVINGS				
S2223CS012	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS001:	-0.900	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Children's Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	Prevention, early intervention and effective social care – Investing in an enhanced operating model which supports families to stay together and ensures fewer children need to come into care.				
S2223CS013	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS002: Alternatives to care – Investing in a range of new services which offer alternatives to care using enhanced therapeutic interventions, combined with a focus on support networks from extended families keeping families safely together where possible and averting family crises.	-0.250	0.000	0.000	0.000
S2223CS014	Extending our existing savings programme to deliver additional benefits. Proposal is to expand our 2019-20 saving CHS003: Transforming the care market and creating the capacity that we need – Creating and commissioning new care models for children in care – achieving better outcomes and lower costs.	-0.250	0.000	0.000	0.000
S2324CS024 [SR]	Contract efficiencies: Efficiency savings through reducing management roles and one-off inflationary savings	0.050	0.050	0.000	0.000
S2324CS033 [SR]	One-off funding of transformation spend from capital receipts	2.500	0.000	0.000	0.000
S2324CS035	Post 16 transport: remove option to pay a daily fare (currently only available on local buses which charge fares)	0.055	0.000	0.000	0.000
S2324CS037 [SR]	Strategic Review - Opportunities A and B	-1.017	0.000	0.000	0.000
S2425CS001	Prevention, early intervention and effective social care - helping families stay together and ensuring fewer children in care: Reducing demand for social care intervention through earlier help and prevention.	-0.642	-1.285	-1.285	-1.285
S2425CS002	Prevention, early intervention and effective social care - helping families stay together and ensuring fewer children in care: New Roads approach to help children and young people with neurodevelopmental disabilities and enable them to remain living within their families.	0.000	-0.125	-0.250	-0.500

Reference	Budget change forecasts for 2024-28 Children's Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2425CS003	Transforming the Care Market and creating the capacity that we need: Expansion of in-house fostering capacity through a whole-Council and whole-County focus on carer recruitment and retention, ensuring we have sufficient foster carers to avoid the use of other, more costly, care arrangements where they do not provide better outcomes.	-0.448	-1.541	-1.546	-0.783
S2425CS004	Transforming the Care Market and creating the capacity that we need: Reshaping our in-house residential care provision to successfully support the highest needs young people and to support positive 'move on' to family-based care as early as possible	-1.217	-0.973	-1.043	-0.210
S2425CS005	Inclusion: More primary aged children with SEND can travel independently by adapting the Travel Independence Travel Across Nation (TITAN) programme.	-0.125	-0.125	-0.125	-0.125
S2425CS006	Inclusion: Ongoing focus on efficient delivery of Home to School Transport through maximising travel independence wherever appropriate and possible.	-0.400	-0.100	-0.100	0.000
S2425CS007	Local First Inclusion: Creation of additional specialist provision closer to home resulting in children needing to travel less far	-0.750	-0.500	-0.500	-0.500
S2425CS008	Local First Inclusion: More children supported in mainstream schools preventing the need to travel to specialist schools.	0.000	-1.550	-2.300	-2.300
S2425CS009	Ongoing focus on efficient commissioning of complex care placements.	-0.250	0.000	0.000	0.000
S2425CS010	Efficient commissioning of clinical training required for some families.	-0.030	0.000	0.000	0.000
S2425CS011	Reshaping our system support for learning and education aligned to the evolving role of the local authority and creation of a self-improving education system	-0.521	-0.229	-0.175	0.000
S2425CS013	Prevention, early intervention and effective social care - helping families stay together and ensuring fewer children in care: Reduced social care placement and support costs through improved the timeliness of court decisions.	-0.125	-0.125	-0.125	0.000
S2425CS016 [T]	Prevention, early intervention and effective social care - helping families stay together and ensuring	-0.500	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Children's Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	fewer children in care: Creating additional capacity to support family finding to contact natural family members to increase family placements and reduce the number of children becoming looked after				
S2425CS017 [T]	Smarter Working – increased use of technology Adopt an intensive approach to re-design business processes to achieve maximum efficiency and exploit technology solutions to automate processes where possible	-0.500	0.000	0.000	0.000
S2425CS019	Smarter Working – ongoing review of staffing structures to identify efficiencies reflecting different ways of working and ensuring no duplication of activity	-0.250	0.000	0.000	0.000
S2425CS020	One-off use of PFI sinking fund contribution not required for 24-25	-0.680	0.680	0.000	0.000
S2425CS021	Use of reserves and one-off funding	-0.982	0.982	0.000	0.000
S2425CS025	Prevention, early intervention and effective social care - helping families stay together and ensuring fewer children in care: further iteration of the Family Help and High Needs structure including removing remaining reliance on external agency staffing through different ways working	-1.234	-0.882	0.000	0.000
S2425CS026	Right-sizing of learning and education related budgets to reflect level of spend anticipated based on forecast demand	-0.928	0.000	0.000	0.000
S2425CS027	Revised and integrated approach to mental health and wellbeing support for children and young people	-0.381	-0.390	0.000	0.000
	Total Savings	-9.775	-6.113	-7.449	-5.703
	BASE ADJUSTMENTS				
B2425CS001	Social Care Grant	-20.981	8.706	0.000	0.000
	Total Base Adjustments	-20.981	8.706	0.000	0.000
	COST NEUTRAL ADJUSTMENTS				
2023.24	CS to S&T - Data Officer Post	-0.030	0.000	0.000	0.000
2023.24	CS to CEX - Childrens to new Executive Support Hub	-0.352	0.000	0.000	0.000
2023.24	CS to CES - Transfer from Children's Services to CES new BS&P Hub	-0.079	0.000	0.000	0.000
C2425CS001	Depreciation & Debt Management	0.620	0.000	0.000	0.000
C2425CS002	I&A staff transfer to S&T	-0.792	0.000	0.000	0.000
C2425CS003	CS to CES - YJS Accommodation	-0.096	0.000	0.000	0.000
2023.24	Pay award 2023-24	2.736	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Children's Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	Total Cost Neutral Adjustments	2.007	0.000	0.000	0.000
	NET BUDGET	238.592	251.497	255.582	261.536

COMMUNITY AND ENVIRONMENTAL SERVICES

COMMUNITY AND ENVIRONMENTAL SERVICES PRIORITIES

Financial Priorities

Community and Environmental Services (CES) deliver a wide a variety of front-line locally focused services. The common factor with these services being that they all impact on making Norfolk a great place to live, work, visit and thrive in, for our communities, businesses, visitors and our heritage and landscape. Services are focussed around:-

- **Keeping people safe** – for example Fire and Rescue, Trading Standards, planning, winter gritting, flood and water management
- **Helping people stay connected to services, businesses and to each other** – for example roads, transport, walking, cycling and wheeling, community hubs
- **Providing opportunities for people to reach their full potential in their career and life** – for example adult education, community learning, libraries, arts
- **Supporting healthy and resilient communities** – Active Norfolk, emergency planning, public rights of way, waste and water management, VSCE support
- **Protecting and celebrating our landscape, heritage and history** – for example museums, Norfolk Record Office, environment, climate strategy, tourism

CES services are delivered locally across the county, including through our 42 fire stations, 47 libraries and 3 highways area offices. The majority of these services are universal and are available to be accessed by everyone as part of their day to day lives. For example, everyone relies on the highway network for moving around sustainably including walking, cycling, wheeling, travelling by bus or making sure others are able to visit and receive goods and services.

A key part of our strategy for some time has been to reduce our reliance on revenue funding whilst continuing to make significant investment in key improvements and activities for Norfolk. We have achieved this through successfully securing funding from alternative sources, including grants, competitively bidding for funding and generating income; less than half of the workforce in CES is revenue funded.

This approach means that we can continue to invest in crucial infrastructure, both physical and social, to enable activities to support local communities and businesses can continue to be delivered and developed further. This includes:-

- Investing in significant highway infrastructure, including Great Yarmouth 3rd River Crossing, Norwich Western Link, Long Stratton Bypass & West Winch Housing Access Road
- Investing in our heritage, including a nationally significant project to restore Norwich Castle Keep into its medieval former glory
- Investing in two new learning and library hubs in Great Yarmouth and King's Lynn, providing better facilities for local communities whilst also helping to bring the high street back to life
- Investing infrastructure and equipment that support our work to reduce our impact on the environment and deliver the Climate Strategy, including investing in new electric vehicles, working with transport providers to secure electric buses, and developing transport infrastructure that supports green ways to travel
- Investing in support for people struggling with the cost of living, through the household support fund, as well as directly supporting those most in need
- Working with partners and stakeholders to further develop the visitor economy, and drawing in external funding

Saving Proposals 2024-25

The approach to meeting the budget shortfall for CES services is to focus on **protecting vital front-line services which local communities, businesses and visitors rely on**. This approach has three key strands:-

- Working both internally and with key partners and stakeholders to collectively maximise opportunities to **securing alternative funding**
- **Generating income** from our services – making sure our charges reflect a fair market rate and identifying new ways to generate income without impacting on core service delivery
- **Maximising value for money** – challenging ourselves and our contractors to ensure that we have efficient and effective ways of working in place that make best use of our assets, including putting new ways of working in place for our directly employed workforce, working with our contractors to enable efficiencies from our commissioned services and reviewing/rationalising our property portfolio

This approach recognises the importance of continuing to provide community infrastructure across the county, enabling communities to benefit from the significant investments being made. In addition, the proposals look to, wherever possible, contribute towards the Norfolk Climate Strategy and progress towards net zero.

COMMUNITY AND ENVIRONMENTAL SERVICES

Table 33: Community and Environmental Services Budget Tables

Breakdown of Gross Expenditure	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Community Information & Learning	26.320	26.623	27.260	27.915
Corporate Property Team	20.058	20.374	20.717	21.067
Culture & Heritage	21.547	21.999	22.309	22.629
Fire	37.916	38.493	39.489	40.515
Highways & Waste	232.780	241.248	247.191	253.253
Procurement	1.627	1.675	1.725	1.776
Total	340.248	350.412	358.691	367.154

Exp Internal Recharge	2.955
Total Gross Expenditure	343.204

Breakdown of Gross Income	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Community Information & Learning	-10.775	-10.195	-10.107	-10.136
Corporate Property Team	-5.673	-5.593	-5.675	-5.759
Culture & Heritage	-16.119	-16.144	-16.215	-16.287
Fire	-1.899	-1.903	-1.906	-1.910
Highways & Waste	-102.207	-106.279	-108.077	-109.275
Procurement	-0.307	-0.164	-0.165	-0.165
Total	-136.981	-140.278	-142.145	-143.532

Inc Internal Recharge	-2.955
Total Gross Income	-139.936

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Community Information & Learning	15.544	16.428	17.152	17.779
Corporate Property Team	14.385	14.781	15.042	15.308
Culture & Heritage	5.428	5.856	6.095	6.341
Fire	36.017	36.590	37.583	38.605
Highways & Waste	130.573	134.969	139.114	143.977
Procurement	1.320	1.511	1.560	1.611
Total	203.268	210.134	216.546	223.622

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	87.153	89.329	91.795	94.331
Premises	18.028	18.357	18.693	19.035
Transport	84.959	88.763	90.527	92.329
Supplies and Services	21.811	21.366	21.472	23.529
Agency and Contract Services	78.666	82.980	86.587	88.313
Transfer Payments	0.017	0.017	0.018	0.018
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	1.097	1.083	1.083	1.083
Exp Internal Recharge	2.955	2.955	2.955	2.955
Capital Financing	48.518	48.518	48.518	48.518
Total Expenditure	343.204	353.368	361.646	370.109
Government Grants	-10.437	-10.437	-10.437	-10.437
Other Grants, Reimburs & Contrib.	-18.231	-17.102	-17.267	-16.867
Customer & Client Receipts	-20.734	-21.410	-21.528	-21.852
Interest rec'd	-0.030	-0.030	-0.030	-0.030
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-87.548	-91.299	-92.883	-94.346
Inc Internal Recharge	-2.955	-2.955	-2.955	-2.955
Total Income	-139.936	-143.234	-145.100	-146.487
Net Budget	203.268	210.134	216.546	223.622

COMMUNITY INFORMATION AND LEARNING

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Adult Learning	0.666	0.826	0.991	1.161
Business Support	1.740	1.669	1.714	1.760
Communities & Customer Services	0.240	0.258	0.276	0.296
Customer Services	2.016	2.482	2.563	2.646
Equality and Diversity Team	0.393	0.411	0.429	0.448
Local Service Strategy	0.170	0.178	0.322	0.331
Norfolk Libraries and Information Service	8.257	8.498	8.705	8.919
Trading Standards	1.983	2.027	2.072	2.139
Total	15.464	16.348	17.072	17.699

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	19.494	20.073	20.672	21.286
Premises	0.233	0.234	0.235	0.236
Transport	0.312	0.316	0.317	0.321
Supplies and Services	3.637	3.368	3.399	3.430
Agency and Contract Services	0.210	0.214	0.218	0.223
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.727	0.713	0.713	0.713
Exp Internal Recharge	0.486	0.486	0.486	0.486
Capital Financing	1.706	1.706	1.706	1.706
Total Expenditure	26.805	27.109	27.746	28.401
Government Grants	-6.121	-6.121	-6.121	-6.121
Other Grants, Reimburs & Contrib.	-2.155	-1.529	-1.394	-1.394
Customer & Client Receipts	-1.403	-1.449	-1.497	-1.525
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-1.096	-1.096	-1.096	-1.096
Inc Internal Recharge	-0.566	-0.566	-0.566	-0.566
Total Income	-11.341	-10.761	-10.674	-10.702
Net Budget	15.464	16.348	17.072	17.699

CORPORATE PROPERTY TEAM

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Contract Vehicles	0.051	0.052	0.053	0.054
Corporate Building Maintenance	3.093	3.155	3.218	3.282
County Farms	-1.707	-1.585	-1.624	-1.663
Estate Management	0.579	0.580	0.581	0.582
Managed Property	0.150	0.150	0.151	0.151
Management	0.804	0.826	0.868	0.912
Offices	5.174	5.259	5.346	5.435
Operational Service Buildings	6.241	6.343	6.448	6.554
Total	14.385	14.781	15.042	15.308

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	1.636	1.665	1.715	1.766
Premises	15.862	16.145	16.435	16.729
Transport	0.063	0.064	0.065	0.066
Supplies and Services	0.784	0.784	0.785	0.785
Agency and Contract Services	0.104	0.106	0.108	0.110
Transfer Payments	0.015	0.015	0.016	0.016
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.057	0.057	0.057	0.057
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	1.536	1.536	1.536	1.536
Total Expenditure	20.058	20.374	20.717	21.067
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.466	-0.306	-0.306	-0.306
Customer & Client Receipts	-4.062	-4.142	-4.224	-4.308
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-1.145	-1.145	-1.145	-1.145
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-5.673	-5.593	-5.675	-5.759
Net Budget	14.385	14.781	15.042	15.308

CULTURE AND HERITAGE

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Active Norfolk	0.000	0.001	0.003	0.004
County Archives	0.722	0.742	0.762	0.784
Culture and Heritage Management	0.075	0.077	0.079	0.081
Environment Management	1.565	1.803	1.894	1.987
Historic Environment	0.318	0.332	0.347	0.362
Norfolk Art Service	0.347	0.351	0.354	0.358
Norfolk Museums Service	1.762	1.884	1.964	2.046
Planning Services	0.644	0.669	0.696	0.722
Total	5.432	5.859	6.098	6.345

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	14.135	14.401	14.675	14.957
Premises	0.998	1.017	1.036	1.056
Transport	0.067	0.068	0.069	0.069
Supplies and Services	5.137	5.297	5.306	5.316
Agency and Contract Services	0.657	0.664	0.671	0.678
Transfer Payments	0.002	0.002	0.002	0.002
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.014	0.014	0.014	0.014
Exp Internal Recharge	0.448	0.448	0.448	0.448
Capital Financing	0.537	0.537	0.537	0.537
Total Expenditure	21.995	22.447	22.757	23.076
Government Grants	-0.406	-0.406	-0.406	-0.406
Other Grants, Reimburs & Contrib.	-6.977	-6.902	-6.902	-6.902
Customer & Client Receipts	-3.836	-3.935	-4.007	-4.079
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-4.900	-4.900	-4.900	-4.900
Inc Internal Recharge	-0.444	-0.444	-0.444	-0.444
Total Income	-16.563	-16.588	-16.659	-16.732
Net Budget	5.432	5.859	6.098	6.345

FIRE

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Fire	36.017	36.590	37.583	38.605
Total	36.017	36.590	37.583	38.605

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	31.706	32.423	33.363	34.331
Premises	0.206	0.210	0.213	0.217
Transport	2.559	2.409	2.456	2.504
Supplies and Services	1.301	1.307	1.312	1.318
Agency and Contract Services	0.007	0.007	0.007	0.007
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.166	0.166	0.166	0.166
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	1.971	1.971	1.971	1.971
Total Expenditure	37.916	38.493	39.489	40.515
Government Grants	-0.845	-0.845	-0.845	-0.845
Other Grants, Reimburs & Contrib.	-0.487	-0.487	-0.487	-0.487
Customer & Client Receipts	-0.172	-0.176	-0.179	-0.183
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.395	-0.395	-0.395	-0.395
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-1.899	-1.903	-1.906	-1.910
Net Budget	36.017	36.590	37.583	38.605

HIGHWAYS AND WASTE

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Asset Depreciation	41.962	41.962	41.962	41.962
Design	-1.047	-1.057	-1.066	-0.996
Environment & Waste - Residual Waste	28.665	31.485	34.107	36.781
Environment & Waste - Waste & Energy	21.448	22.126	22.569	23.020
Flood & Water Management	0.836	0.857	0.884	0.912
Major Projects	-0.568	-0.518	-0.466	-0.367
Networks	0.435	0.324	0.333	0.420
Operations	22.228	22.813	23.446	24.522
Travel & Transport	16.703	17.065	17.436	17.814
Total	130.662	135.058	139.203	144.067

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	18.596	19.133	19.687	20.257
Premises	0.729	0.751	0.773	0.796
Transport	81.956	85.905	87.619	89.368
Supplies and Services	10.911	10.570	10.628	12.637
Agency and Contract Services	77.689	81.989	85.584	87.295
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.132	0.132	0.132	0.132
Exp Internal Recharge	2.022	2.022	2.022	2.022
Capital Financing	42.767	42.767	42.767	42.767
Total Expenditure	234.802	243.270	249.213	255.274
Government Grants	-3.066	-3.066	-3.066	-3.066
Other Grants, Reimburs & Contrib.	-8.068	-7.870	-8.170	-7.770
Customer & Client Receipts	-11.234	-11.680	-11.593	-11.729
Interest rec'd	-0.030	-0.030	-0.030	-0.030
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-79.810	-83.634	-85.218	-86.681
Inc Internal Recharge	-1.932	-1.932	-1.932	-1.932
Total Income	-104.140	-108.212	-110.009	-111.208
Net Budget	130.662	135.058	139.203	144.067

PROCUREMENT

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Procurement	1.308	1.498	1.548	1.598
Total	1.308	1.498	1.548	1.598

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	1.586	1.634	1.683	1.733
Premises	0.000	0.000	0.000	0.000
Transport	0.001	0.001	0.001	0.001
Supplies and Services	0.039	0.040	0.041	0.042
Agency and Contract Services	0.000	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.001	0.001	0.001	0.001
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	1.627	1.675	1.725	1.776
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.078	-0.008	-0.008	-0.008
Customer & Client Receipts	-0.026	-0.027	-0.028	-0.028
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.203	-0.130	-0.130	-0.130
Inc Internal Recharge	-0.013	-0.013	-0.013	-0.013
Total Income	-0.319	-0.177	-0.177	-0.178
Net Budget	1.308	1.498	1.548	1.598

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	OPENING BUDGET	189.743	203.268	210.134	216.546
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3%)	2.462	2.396	2.463	2.536
	Basic Inflation - Prices	8.488	3.641	3.811	3.927
	Basic Pay - Income	-3.888	-1.672	-1.757	-1.787
G2425CES002	Fire pay award 2022-23 and 2023-24	0.768	0.000	0.000	0.000
G2425CES013	Energy - gas and electricity	1.180	0.000	0.000	0.000
G2425CES015	Highways Winter Maintenance	0.828	0.000	0.000	0.000
G2425CES016	Property pressures	0.227	0.000	0.000	0.000
G2425CES014	Senior Fire Roles – salary review	0.026	0.000	0.000	0.000
	Legislative Requirements				
G2223CES005	Fire Pension pressures	-0.250	0.000	0.000	0.000
G2324CES003	Fire Service - Ill health payment to Home Office fire pension account	0.000	-0.200	0.000	0.000
G2425CES004	Removal of Council DIY waste charges	0.750	0.250	0.000	0.000
G2425CES005	Fire - Suicide Prevention plan	0.687	0.000	0.000	0.000
G2425CES006	Fire - HMI spotlight	0.507	0.000	0.000	0.000
	Demand / Demographic				
G2223CES036/ G2425CES007	Future maintenance costs of Great Yarmouth 3rd river crossing	0.100	0.458	0.000	0.000
G2021CES002/ G2324CES004/ G2425CES008	Waste pressure - demand and demographic (tonnage)	2.000	2.000	2.000	2.000
G2223CES023/ G2324CES005	Future maintenance costs of other new infrastructure assets	0.050	0.050	0.000	0.000
G2425CES009	Building maintenance fund	0.382	0.000	0.000	0.000
	NCC Policy				
G2223CES035	Emerging cost pressures across all services in 2023-24	0.150	0.000	0.000	0.000
G2425CES010	Visitor Economy Budget - Local Visitor Economy Partnership	0.120	0.000	0.000	0.000
G2425CES019	Communities team	0.000	0.000	0.135	0.000
G2425CES020	Highways maintenance growth	0.600	-0.600	0.000	0.000
	Total Growth	15.187	6.323	6.652	6.676
	SAVINGS				
S1819CES043	Income generation – Norfolk Museums Service	-0.400	0.000	0.000	0.000
S2021CES001	Additional efficiencies in staffing and operations to progress the Adult Learning service towards its goal of being cost neutral.	0.240	0.000	0.000	0.000
S2021CES017	Reviewing the operation of Museum catering facilities to make them more commercial.	-0.035	0.000	0.000	0.000
S2324CES110	Strategic salt storage facility at Ketteringham Depot	0.000	0.000	-0.045	0.000
S2324CES114	Roll out of on street parking charges	-0.800	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2324CES123	One-off usage of CES Reserves	1.000	0.000	0.000	0.000
S2324CES124 [SR]	Restructure of the Museums Service	-0.094	-0.030	0.000	0.000
S2324CES127	Review of Highways and Waste budgets: Reviewing service levels, budget requirements and demand, contract efficiencies, capitalisation and deletion of vacant posts.	0.010	0.000	0.000	0.000
S2324CES129 [SR]	One-off saving from Trading Standards staffing budget	0.042	0.000	0.000	0.000
S2324CES130	Armed forces covenant - reduce funding contribution for one year	0.010	0.000	0.000	0.000
S2324CES133	Vehicle replacement fund	0.300	0.000	0.000	0.000
S2324CES135	Joined-up approach to Prevention and Protection / Trading Standards activities	-0.050	0.000	0.000	0.000
S2324CES136	Fire and Rescue Service efficiencies	0.050	0.000	0.000	0.000
S2324CES141	Recycling Centres: Mayton Wood relocation to Norwich North HWRC site	-0.010	0.000	0.000	0.000
S2324CES144	Streetlighting - further dim all lights with a CMS (central management system) which are usually the main road streetlights - lights would come on @ 75%, dim to 50% from 8pm	-0.074	0.000	0.000	0.000
S2324CES145 [SR]	Strategic Review – Opportunity A and B	-0.100	0.000	0.000	0.000
S2324CES147	One-off application of CES reserves to support core budget	1.000	0.000	0.000	0.000
S2324FCS021	Further income from commercialisation of property assets including County Hall	0.030	0.000	0.000	0.000
S2425CES001 [T]	Small scale efficiency improvements within Norfolk Fire and Rescue service (NFRS) that will not affect the front-line service.	-0.040	0.000	0.000	0.000
S2425CES002	Review the management of the NFRS vehicle maintenance contract currently delivered by Norse to ensure best value.	0.000	-0.200	0.000	0.000
S2425CES004	Reintroduce overdue charges for adults in libraries (charges were suspended during the Covid 19 pandemic).	-0.045	0.000	0.000	0.000
S2425CES005 [T]	Remove vacant Open Library Manager post (0.5fte).	-0.015	0.000	0.000	0.000
S2425CES006	To capitalise a portion of the Executive Director post salary - 20% (to be funded from existing capital allocation).	-0.040	0.000	0.000	0.000
S2425CES007 [T]	Remove vacant post from within the Business Support Operations team.	-0.025	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2425CES008	Enable digital fund raising online for our libraries.	-0.020	0.000	0.000	0.000
S2425CES009	Review highway fees and compare to those charged by neighbouring authorities, then introduce new or reviewed fees, where possible, for external customers.	-0.050	-0.025	-0.025	0.000
S2425CES010	Review design recharge fees (BCIS 10% increase in rates from 1/4/23) and benchmark against neighbouring authorities. Introduce new or reviewed fees where possible for internal and external customers.	-0.300	-0.150	-0.150	0.000
S2425CES011	Capitalise £0.050m of the £1.5m revenue budget from the Flood Reserve Fund. Currently £0.5m is capitalised annually.	-0.050	0.000	0.050	0.000
S2425CES012	Increase capital funding of the Norse Local Management Overhead (LMO) in the same proportions as the split of direct activity between revenue and capital.	-0.100	0.000	0.000	0.000
S2425CES013	Further increase Area recharge budgets.	-0.100	0.000	0.000	0.000
S2425CES014	Freeze third party delegated grass cutting rate as it received 13.4% this year. Move away from RPI increase for new applicants.	-0.030	0.000	0.000	0.000
S2425CES015	Review the level of permits NCC process in line with the permit scheme and ensure full cost recovery.	-0.250	-0.100	-0.050	0.000
S2425CES016	Waste and recycling levels have reduced following the increase during Covid 19 due to the effects of behaviour change. A slow down in growth has been observed from Q3 2021-22 which has continued.	-2.700	0.000	0.000	0.000
S2425CES017	Recycling credits review of assumed growth has allowed for a reduction from what has currently been factored into the medium term financial plan.	-0.475	0.000	0.000	0.000
S2425CES018	Increase trade waste charges in recycling centres.	-0.030	0.000	0.000	0.000
S2425CES019	Increased income generated from reuse items sold at recycling centres.	-0.070	0.000	0.000	0.000
S2425CES020	Income generated by selling some of the materials deposited at recycling centres.	-0.075	0.000	0.000	0.000
S2425CES021	Pay as you throw annual index price uplift at recycling centres	-0.030	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	(*will be impacted by proposed new legislation).				
S2425CES022	Refine existing approach to trade waste recharges to district councils.	-0.010	0.000	0.000	0.000
S2425CES023	Introduce charging to internal and external customers for all aspects of Lead Local Flood Authorities advice.	-0.005	-0.005	0.000	0.000
S2425CES024	Cease Transport for Norwich advisory committee meetings to achieve a cost saving by reducing time spent preparing, reviewing and publishing reports.	-0.005	0.000	0.000	0.000
S2425CES025	Explore with South Norfolk District Council and Broadland District Council on whether their restrictions on roundabout sponsorship can be lifted to generate additional income.	-0.045	-0.015	0.000	0.000
S2425CES026	Reduce cleaning specifications across NCC offices (County Hall, Priory and Havenbridge).	-0.100	0.000	0.000	0.000
S2425CES027	Reduce Grounds maintenance at County Hall.	-0.010	0.000	0.000	0.000
S2425CES028	Reduction of expenditure with outsourced provider within Corporate Property service.	-0.400	0.000	0.000	0.000
S2425CES030 [T]	Relocation of Havenbridge House staff and functions to former Great Yarmouth library. This will occur in 25/26, 24/25 will be covered through one-off sources.	-0.200	0.000	0.000	0.000
S2425CES031 [T]	Relocation of Norman House staff to Shrublands.	-0.028	0.000	0.000	0.000
S2425CES032 [T]	Rationalisation of Breckland House occupancy in Thetford.	-0.020	0.000	0.000	0.000
S2425CES033 [T]	Rationalisation of occupancy at Wymondham Gateway.	-0.010	0.000	0.000	0.000
S2425CES034	Efficiency improvements to reduce cost codes and processing of invoices and recharges.	0.000	-0.020	0.000	0.000
S2425CES035	Alternative delivery of security / vacant building management.	-0.010	0.000	0.000	0.000
S2425CES036	Increase income generated from County Farms.	-0.160	0.000	0.000	0.000
S2425CES038	Defer Environmental Policy revenue budget uplift to 2024-25. Working closely with Suffolk CC on this important programme to enable efficiencies.	-0.150	0.150	0.000	0.000
S2425CES039	Arts Service - further reduction of the Council's strategic arts grants (Reduction on the Council's ability to lever in substantial external funding from DCMS, Arts Council England, etc.).	-0.015	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2425CES040	Further increases in fees income generated by our Planning teams.	-0.018	0.000	0.000	0.000
S2425CES041	Fundraising and new events income generated by the Norfolk Records Office.	-0.015	0.000	0.000	0.000
S2425CES044	Holding of vacant posts and delayed recruitment to generate one-off saving within staff costs	-0.070	0.070	0.000	0.000
S2425CES046	Reduce staff learning and development budget across the department.	-0.015	0.000	0.000	0.000
S2425CES047	One-off reversal of business as usual budget growth across the Communities, Information and Learning service.	-0.039	0.039	0.000	0.000
S2425CES048	One-off streetlighting saving which represents the in-year maintenance cost saving for those lights being replaced.	-0.040	0.040	0.000	0.000
S2425CES049	Increased recharge for Highways Asset & Capital Programme team.	-0.100	0.000	0.000	0.000
S2425CES050	Increased use of Commuted Sums for 3 years which are applied to the highways revenue maintenance fund each year to support the maintenance of the highways asset.	-0.300	0.000	0.000	0.300
S2425CES052	Moving Traffic Offences - scheme implementation - Following the government devolving powers, moving traffic offences in Norfolk are now the responsibility of the Council. The scheme will go live this autumn, and following an initial period, the scheme is likely to generate a small income from 24/25. This also includes bus lane enforcement transferred from the City Council in 2023.	-0.050	-0.050	0.000	0.000
S2425CES053	Moving Traffic Offences - scheme expansion - Following the government devolving powers, moving traffic offences in Norfolk are now the responsibility of the Council. The scheme will go live in autumn 2023, and there is the option of adding more sites for enforcement in 24/25 and then in subsequent years. This represents the projected income from this scheme.	0.000	-0.100	-0.050	0.000
S2425CES054	A series of new on-street electric vehicle charging points will go live in Norwich in 23/24. This contract has an income revenue share with the Council.	-0.020	-0.020	0.000	0.000

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2425CES055	The Council's premium for its annual insurance policy within Highways has recently reduced. This figure represents the current annual saving.	-0.150	0.000	0.000	0.000
S2425CES056	Civil Parking Enforcement - Further increased income and reprofiling as more on-street parking schemes are rolled out	-0.100	-0.302	-0.300	0.100
S2425CES057	One-off use of Highways and Transport reserves	-0.250	0.250	0.000	0.000
S2425CES058	One-off use of Waste reserves	-0.250	0.250	0.000	0.000
S2425CES060	Increased income to the Council from road closure applications	-0.350	0.000	0.350	0.000
S2425CES064	Planning - additional fee income from reviewing the approach to planning applications and internal development work	-0.025	0.000	0.000	0.000
S2425CES067	Increase fees charged to developers for Section 38 road adoption agreements.	-0.050	0.000	0.000	0.000
S2425CES070 [T]	Freeze currently vacant natural history post whilst other funding sources are being explored	-0.048	0.000	0.000	0.000
S2425CES071	Increased income generation from Calibration Services, within Trading Standards	0.000	-0.020	-0.020	0.000
S2425CES073	One-off use of Community Information and Learning reserves	-0.473	0.473	0.000	0.000
S2425CES074	Reduce attendance at national training conferences with Norfolk Fire and Rescue Services	-0.020	0.000	0.000	0.000
S2425CES075	One-off use of Culture and Heritage reserves	-0.075	0.075	0.000	0.000
S2425CES076	One-off use of Corporate Property Team reserves (Wind turbines and Farms)	-0.160	0.160	0.000	0.000
S2425CES079	Recharge Long Stratton Bypass procurement effort in 2023/24 and use resulting revenue underspend towards 2024/25	-0.048	0.048	0.000	0.000
S2425CES080	Recharge West Winch Housing Access Road procurement effort in 2023/24 and 2024/25	-0.025	0.025	0.000	0.000
S2425CES085	NFRS efficiency review	-0.080	0.000	0.000	0.000
S2425CES086	Increase fees and charges within Highways services	-1.000	0.000	0.000	0.000
S2425CES089	Review financial options for Postwick Park & Ride and if a financial subsidy is still required consider closure	-0.150	0.000	0.000	0.000
S2425CES090 [T]	Review and reduce property portfolio	-0.100	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2425CES091 [T]	Introduce a booking system for Recycling Centres	-0.200	0.000	0.000	0.000
S2425CES092 [T]	Deletion of vacant posts across CES to achieve savings across the department	-0.250	0.000	0.000	0.000
S2425CES094	Business rates reduction in Museums	-0.250	0.000	0.000	0.000
S2425CES097	Reprocure P&R operation contract during 24/25 and review income opportunities with aim to achieve zero subsidy position (to be funded by CES reserves in 24/25)	-0.450	0.000	0.000	0.000
	Total Savings	-9.665	0.543	-0.240	0.400
	BASE ADJUSTMENTS				
B2425CES001	Home Office's Fire and Pensions Grant	1.629	0.000	0.000	0.000
	Total Base Adjustments	1.629	0.000	0.000	0.000
	COST NEUTRAL ADJUSTMENTS				
2023.24	CES to S&T - Customer Services	-1.238	0.000	0.000	0.000
2023.24	S&T to CES - Lampada Digital Solutions SEED Licences	0.036	0.000	0.000	0.000
2023.24	FIN to CES - AFCC Savings Applied to PA0100 Reimbursement	0.010	0.000	0.000	0.000
2023.24	FIN to CES - Lease Budget returned to Libraries	0.012	0.000	0.000	0.000
2023.24	Adults to CES - Business Support Strategic Review Restructure	0.470	0.000	0.000	0.000
2023.24	CES to CEX - Exec Support	-0.187	0.000	0.000	0.000
2023.24	S&T to CES - Strategic Review budget transfer	0.280	0.000	0.000	0.000
2023.24	CES to S&T Head of Customer Service and Development post	-0.086	0.000	0.000	0.000
2023.24	S&T to CES - Visit Norfolk budget	0.010	0.000	0.000	0.000
2023.24	CES to CEX - Exec Support	-0.292	0.000	0.000	0.000
2023.24	CES to S&T - Customer Services	-0.050	0.000	0.000	0.000
2023.24	S&T to CES - Business Support Hub	0.110	0.000	0.000	0.000
2023.24	CS to CES - Business Support Hub	0.079	0.000	0.000	0.000
2023.24	Adults to CES -Procedures post	0.017	0.000	0.000	0.000
2023.24	CES to CEX - Chief Exec Department transfer	-0.196	0.000	0.000	0.000
2023.24	S&T to CES - Business Support Hub	0.025	0.000	0.000	0.000
2023.24	CES to Fin - Capital adjustment	-0.207	0.000	0.000	0.000
2023.24	S&T to CES - Business Support Hub	0.019	0.000	0.000	0.000
C2425CES001	Depreciation & Debt Management	5.733	0.000	0.000	0.000
C2425CES002	I&A staff transfer to S&T	-0.134	0.000	0.000	0.000
C2425CES004	Covenant Budget from Finance	0.010	0.000	0.000	0.000
C2425CES005	CS to CES - YJS Accommodation	0.096	0.000	0.000	0.000
2023.24	Pay award 2023-24	1.257	0.000	0.000	0.000
C2425CES006	Business Rates Pool income	0.600	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Community and Environmental Services	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	Total Cost Neutral Adjustments	6.373	0.000	0.000	0.000
	NET BUDGET	203.268	210.134	216.546	223.622

STRATEGY AND TRANSFORMATION

STRATEGY AND TRANSFORMATION PRIORITIES

Service Strategy and Context

The Strategy and Transformation department provides a continuum of services from strategy development, organisational development and upskilling, HR and HSW core services and professional advice, innovation and transformation delivery, insight and performance, strategic communications and resource stewardship as well as economic development, skills and infrastructure development. It works across the council but also has a significant and visible impact on the residents and economy of Norfolk whether through initiatives like Better Broadband or skills and business support.

Following the departure of the Executive Director of Finance and the Director of Governance during 2023-24, the Strategy and Transformation services were restructured. Digital and the Growth and Investment functions, previously part of Finance and CES Departments, have transferred to Strategy and Transformation. These areas fit well within the Strategy and Transformation Department's drive to support and drive strategic, development, innovation and transformation plans that support NCC's vision. Democratic Services, Regulatory Services, and Legal Services were transferred to the new Chief Executive Officer's Department.

The department's key functional areas post restructure are Human Resources; Strategy Design and Delivery; Communications and Marketing; Insight and Analytics; Digital and Growth and Investment. For some of these services, as well as providing a service to operational departments they also enable the delivery of change and benefits within those departments.

- A **strategic focus** – to provide advice and to support the political and managerial leadership of the Council in their strategic approach. At a time when resources are stretched, and a number of “unknowns” remain in the financial and government policy space, it is essential to have the capability to:
 - Look to the future and anticipate change.
 - Provide analytical and problem-solving expertise to the executive team and departments.
 - Offer professional leadership to the organisation in key areas such as strategy, people management, communications and intelligence and analytics, to drive insights and value for money actions.
 - These capabilities are also offered to Norfolk Resilience Forum (NRF) partners, supporting their management and delivery.
 - Supporting economic recovery and growth, including development of a County Deal and a new Economic Strategy for Norfolk to prioritise future growth and development.
 - Raising the profile of Norfolk and the council through economic development, skills leadership and infrastructure development.

- Supporting community resilience and development of social infrastructure, including through the Social Infrastructure Fund and delivery of projects and interventions with a range of partners.
- A **transformational focus** – to support and enable change to deliver expected benefits and outcomes and drive innovation, through providing capacity and support to services by:
 - Defining transformational solutions to strategic problems across all areas of processes, people and systems
 - Delivering projects and transformation at pace where required
 - Supporting the Council to improve its performance through, enhancing the governance of significant transformation activity and capital investment.
 - Supporting our organisational design to deliver our ambitions in the most effective and efficient way
 - Supporting our people to have the skills and behaviours needed to deliver
 - To improve and maximise the benefits of myOracle and explore further digital and technological products
 - Improving the lives of residents through skills training and providing digital connectivity
- An **enabling service focus** – providing more responsive internal services from all elements of the department to managers and employees while:
 - Achieving lower costs through greater use of technology,
 - Developing and implementing simpler and more streamlined processes that deliver the desired outcomes
 - Supporting and driving evidence-based decision making
 - Effective communications internally and externally to support service provision, drive the uptake of council services, and position the council in a leadership capacity
 - Building the Council's positive reputation for delivery and influence positive behavioural change
 - Keeping the organisation safe – influencing the appropriate management of risks
- A **service delivery and income generating focus** – to create value for the Council 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. Our functions within Strategy and Transformation including HR, Communications, Digital and Insight and Analytics also have an important income generating dimension to their budgets as well as Growth and Investment which works to secure investment into the county as well as generating incomes to support council services.

Service Financial Strategy and Savings Proposals 2024-25

To ensure best value for money, we continue to investigate and explore opportunities for a coordinated spend approach across the Council in all areas. The department's strategic approach to developing budget proposals is intended to:

- Achieve efficiencies in departments procuring third party marketing and advertising services, by commissioning via the corporate communications team. Any savings that might result from these discussions would not be a reduction of ST Communications budgets but come from efficiencies made by the Communications Department leadership in commissioning these services from other Departments budgets.
- Significant savings generated as a result of the creation of a new I&A capability following the Strategic Review were identified as part of the budget process. Benefits realisation will be delivered during 2024/25 and 2025/26. This is particularly centred around increased efficiency of operation by bringing all information, insights and intelligence functions together for NCC. There is potential for rebalancing and efficiencies delivered through improved tools, techniques and working practices (not least through increased automation). This new function will be within S&T and so will see corresponding budget uplift against which the saving is planned.
- Work to drive transformation and organisation design, in providing support across the organisation to maximise, seek and consolidate efficiency, and effectiveness.
- Ensure the current programmes, including Transformation and Smarter Working are supported and delivered successfully. This is made possible with the increased capacity provide through capital receipts funding for two years to 2024-25 to provide:
 - specialist resource to improve transformation delivery across the council
 - improved corporate oversight of the transformation and capital spend to support clear strategic alignment and resourcing of our programmes
- Digital Services are reviewing applications systems and contracts, to potentially cease, renegotiate, migrate or move functionality to existing systems or platforms.
- Provide clarity on HR core service delivery post MyOracle implementation.
- Acknowledge and invest in the role of manager capability and capacity in good people practice resulting in reduced HR intervention and advice in the future.

Critical objectives and priorities for the year include to:

- Identify and support implementation of continuous efficiencies
- Co-ordinate the preparation for mobilisation of the County Deal for Norfolk and leading on relevant areas.
- Implement the integration of functions from the Local Enterprise Partnership to strengthen our capabilities to support businesses and individuals.

- Create wider organisational capacity and capability in strategy, policy, innovation and operational performance, through enhanced direct support to services and deeper engagement into the organisation.
- Develop, implement and embed a new performance management framework.
- Continue cross-departmental talks with the aim to control communications and marketing spend that is commissioned outside of the corporate communications team and devise a mechanism for recording the saving.
- Increase the provision of insight, accessible information and resources in a timely and meaningful way so as to enable evidence and intelligence led decision-making in the delivery of our services.
- Increase use of automation to provide insight and information.
- Implement a new, strategy-driven approach to communications, supported by a structure designed to deliver that.
- Continue to deliver the Smarter Working programme and realise benefits across the organisation.
- Strengthen the transformation, innovation and capital programme's governance framework, ensuring a direct connection to organisational performance and return on investment.
- Build a central transformation delivery capability to assure transformation delivery and ability to respond to an organisational priority.
- Developing better systems, processes and online resources which support self-service and improve access for the public, councillors and colleagues.
- Making better use of technology to further improve our services delivery and efficiencies.

Key Issues and Risks

Strategy and Transformation provide services that support organisational effectiveness. Over the past five years there has been significant investment in transformation programmes across our major services. This investment creates increased demand and strain on Strategy and Transformation Services for example provision of technology hardware and support services, delivery of learning and development and people management support and providing support to effectively communicate and engage with the Norfolk community on our work. Strategy and Transformation Services have overall remained static throughout and there is a risk that our services cannot meet the organisations demands to deliver our ambitions for Norfolk without focussed investment.

The timescales for implementation and delivery of key projects across The Council have implications for the delivery of savings across the Strategy and Transformation Budget, particularly where Strategy and Transformation capacity is needed to support delivery across other services.

The demand for information, insight and intelligence continues to increase both in terms of volume and complexity, which reflects NCC's growing maturity in how it values the use of data to understand daily operation and to inform and evidence longer-term strategic decision making. This demands more effective and efficient use of NCC's current analytical resources, being delivered through the creation of the new and consolidated I&A capability for NCC, and an associated raft of initiatives including

improved data modelling, automation, upskilling and use of AI. Given the scale of the challenge, the major planned improvements are programmed to take place over a period of one to two years, albeit quick-wins already identified are being implemented immediately.

To deliver on current savings plans for insight and information and to explore increased use of automation requires a hiatus on further savings for 12 months (before and during 2024/25) to embed and develop improved Operating Model and in order to retain the post restructure resources in place to deliver the efficiencies and savings planned.

Marketing and advertising budgets must be identified, there is a risk reduction in spending for these services might reduce overspends and not generate savings.

Delivery of a new, strategic approach to communications will be affected by continued demand pressures, until a corporate communications strategy and priorities signed off by ELT and cabinet is put in place. The team can then be restructured in order to deliver this new approach.

The new ways of working that was initially discussed as part of the Strategic Review will require a change in behaviour from services. The risk is that budgets are centralised or at least lead by ST services but other Departments continue to spend, commission and recruit to deliver same outcomes, which will not result in savings.

Digital Services still needs to decide which applications need ceasing/reviewing and may not hold/manage the budget for some of the systems and therefore to reduce costs an agreement with other Departments will need to be reached.

Digital Services significant ongoing savings are being enabled from 2024/25 through application systems rationalisation work (moving to fewer or cheaper systems) but it should be noted that much of the savings are turning out to be funded through recurring capital spend. Other systems spend may be revenue but budgets have not been moved to Digital Services so there may be some challenge in releasing the savings.

The usage of AI and Automation enabled efficiency savings are demonstrable and there is a healthy pipeline of future work requests. However, the savings are most often staff time savings which may be re-invested rather resulting in salary/wage savings. These efficiencies are realised in business functions, but the cost to deploy & maintain automations falls to Digital Services. Sharing of costs & savings may therefore be required.

Digital Services Schools traded service income is reducing as more schools move to academy status and therefore self sufficiency. There is generally a lag in downsizing the Schools IT support capacity (and therefore costs) following contract losses.

HR model will take time to embed, particularly in relation to the need to plan HR resources into departmental projects and programmes and the shift to a higher

threshold for HR involvement. This presents a risk to savings realisation through reduction of temporary roles.

The demand for HR services continues in conflict with the self-service model that is resourced. This impacts on the services ability to implement their own transformational activity.

Elements of HR income come from the use of temporary staffing models in services. As we rightly move to reduction on this workforce the HR income will decrease impacting on service delivery and resources.

The scale of change across the Council is significant and this brings reputational risks and challenges to keep a highly motivated and high performance work force.

Integration of LEP functions requires careful execution to ensure support for businesses and individuals is maintained and enhanced.

Changing funding streams for economic development and skills makes longer term planning more challenging.

STRATEGY AND TRANSFORMATION – EXECUTIVE DIRECTOR – PAUL CRACKNELL

Table 34: Strategy and Transformation Budget Tables

Breakdown of Gross Expenditure	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Communications	1.770	1.783	1.831	1.881
Growth and Development	12.884	13.229	13.210	13.337
Human Resources & Organisational Development	7.174	7.349	7.530	7.716
IMT	26.057	26.656	27.272	27.905
Intelligence & Analytics	6.391	6.367	6.617	6.813
Strategy Director	0.498	0.505	0.262	0.269
Transformation	2.939	1.496	1.540	1.585
Total	57.713	57.385	58.261	59.506

Exp Internal Recharge	0.309
Total Gross Expenditure	58.022

Breakdown of Gross Income	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Communications	-0.519	-0.505	-0.506	-0.507
Growth and Development	-11.181	-10.490	-10.529	-10.569
Human Resources & Organisational Development	-3.063	-3.084	-3.106	-3.128
IMT	-8.435	-8.450	-8.485	-8.522
Intelligence & Analytics	-2.385	-2.232	-2.232	-2.233
Strategy Director	-0.302	-0.302	-0.302	-0.302
Transformation	-1.644	-0.013	-0.013	-0.013
Total	-27.529	-25.076	-25.174	-25.273

Inc Internal Recharge	-0.309
Total Gross Income	-27.838

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Communications	1.251	1.278	1.325	1.374
Growth and Development	1.703	2.740	2.681	2.768
Human Resources & Organisational Development	4.111	4.265	4.424	4.588
IMT	17.622	18.206	18.787	19.384
Intelligence & Analytics	4.006	4.135	4.384	4.581
Strategy Director	0.196	0.203	-0.040	-0.033
Transformation	1.295	1.482	1.526	1.571
Total	30.184	32.310	33.087	34.232

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	38.169	37.477	38.603	39.703
Premises	0.213	0.215	0.216	0.218
Transport	0.192	0.192	0.193	0.193
Supplies and Services	15.039	15.264	14.992	15.114
Agency and Contract Services	0.846	0.983	1.002	1.022
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.003	0.003	0.003	0.003
Exp Departmental Recharges	0.244	0.244	0.244	0.244
Exp Internal Recharge	0.309	0.289	0.289	0.289
Capital Financing	3.008	3.008	3.008	3.008
Total Expenditure	58.022	57.675	58.550	59.795
Government Grants	-5.580	-5.380	-5.380	-5.380
Other Grants, Reimburs & Contrib.	-10.652	-9.912	-9.912	-9.912
Customer & Client Receipts	-3.791	-3.886	-3.984	-4.084
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-7.506	-5.897	-5.897	-5.897
Inc Internal Recharge	-0.309	-0.289	-0.289	-0.289
Total Income	-27.838	-25.365	-25.463	-25.562
Net Budget	30.184	32.310	33.087	34.232

COMMUNICATIONS

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Communications	1.186	1.233	1.280	1.328
Consultation & Community Relations	0.019	0.020	0.020	0.020
Total	1.205	1.252	1.300	1.348

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	1.544	1.556	1.602	1.650
Premises	0.000	0.000	0.000	0.000
Transport	0.001	0.001	0.001	0.001
Supplies and Services	0.211	0.213	0.214	0.215
Agency and Contract Services	0.013	0.013	0.013	0.014
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.000	0.000	0.000	0.000
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	1.770	1.783	1.831	1.881
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.240	-0.240	-0.240	-0.240
Customer & Client Receipts	-0.041	-0.042	-0.043	-0.043
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.238	-0.223	-0.223	-0.223
Inc Internal Recharge	-0.046	-0.026	-0.026	-0.026
Total Income	-0.564	-0.531	-0.532	-0.532
Net Budget	1.205	1.252	1.300	1.348

GROWTH AND DEVELOPMENT

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Growth and Development	1.703	2.740	2.681	2.768
Total	1.703	2.740	2.681	2.768

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	4.381	4.476	4.575	4.676
Premises	0.003	0.003	0.003	0.003
Transport	0.033	0.033	0.033	0.033
Supplies and Services	7.461	7.574	7.438	7.444
Agency and Contract Services	0.807	0.943	0.962	0.981
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.003	0.003	0.003	0.003
Exp Departmental Recharges	0.134	0.134	0.134	0.134
Exp Internal Recharge	0.092	0.092	0.092	0.092
Capital Financing	0.063	0.063	0.063	0.063
Total Expenditure	12.977	13.322	13.302	13.429
Government Grants	-5.468	-5.268	-5.268	-5.268
Other Grants, Reimburs & Contrib.	-4.790	-4.260	-4.260	-4.260
Customer & Client Receipts	-0.922	-0.961	-1.000	-1.040
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	0.000	0.000	0.000	0.000
Inc Internal Recharge	-0.092	-0.092	-0.092	-0.092
Total Income	-11.274	-10.582	-10.621	-10.661
Net Budget	1.703	2.740	2.681	2.768

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Departmental / Group Management & Admin	1.696	1.763	1.832	1.903
Health Safety & Wellbeing Management	0.665	0.687	0.709	0.733
Strategy & Operations	1.750	1.816	1.883	1.953
Total	4.111	4.265	4.424	4.588

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	6.500	6.674	6.854	7.039
Premises	0.003	0.003	0.003	0.003
Transport	0.108	0.108	0.108	0.108
Supplies and Services	0.526	0.527	0.528	0.529
Agency and Contract Services	0.002	0.002	0.002	0.002
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.036	0.036	0.036	0.036
Exp Internal Recharge	0.043	0.043	0.043	0.043
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	7.217	7.392	7.573	7.759
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-1.463	-1.463	-1.463	-1.463
Customer & Client Receipts	-1.064	-1.085	-1.107	-1.129
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.536	-0.536	-0.536	-0.536
Inc Internal Recharge	-0.043	-0.043	-0.043	-0.043
Total Income	-3.105	-3.127	-3.148	-3.170
Net Budget	4.111	4.265	4.424	4.588

INFORMATION MANAGEMENT TECHNOLOGY

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
ICT Schools	0.000	0.015	0.031	0.048
Information Services	2.560	2.673	2.788	2.907
Infrastructure	10.596	10.931	11.296	11.671
People Portfolio	-0.147	-0.147	-0.147	-0.147
Places	4.140	4.179	4.219	4.261
Technical Programme & Resources	0.477	0.539	0.582	0.627
Total	17.625	18.190	18.770	19.367

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	16.277	16.765	17.268	17.786
Premises	0.205	0.207	0.209	0.211
Transport	0.045	0.045	0.045	0.045
Supplies and Services	6.520	6.629	6.740	6.853
Agency and Contract Services	0.010	0.011	0.011	0.011
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.054	0.054	0.054	0.054
Exp Internal Recharge	0.132	0.112	0.112	0.112
Capital Financing	2.945	2.945	2.945	2.945
Total Expenditure	26.189	26.768	27.384	28.017
Government Grants	-0.112	-0.112	-0.112	-0.112
Other Grants, Reimburs & Contrib.	-3.011	-2.991	-2.991	-2.991
Customer & Client Receipts	-1.739	-1.773	-1.809	-1.845
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-3.574	-3.574	-3.574	-3.574
Inc Internal Recharge	-0.128	-0.128	-0.128	-0.128
Total Income	-8.564	-8.578	-8.614	-8.650
Net Budget	17.625	18.190	18.770	19.367

INTELLIGENCE AND ANALYTICS

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Intelligence & Analytics	4.006	4.135	4.384	4.581
Total Net Spend	4.006	4.135	4.384	4.581

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	6.329	6.305	6.554	6.750
Premises	0.002	0.002	0.002	0.002
Transport	0.002	0.002	0.002	0.002
Supplies and Services	0.024	0.025	0.025	0.025
Agency and Contract Services	0.014	0.014	0.015	0.015
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.019	0.019	0.019	0.019
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	6.391	6.367	6.617	6.813
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-1.088	-0.958	-0.958	-0.958
Customer & Client Receipts	-0.025	-0.026	-0.026	-0.027
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-1.272	-1.249	-1.249	-1.249
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-2.385	-2.232	-2.232	-2.233
Net Budget	4.006	4.135	4.384	4.581

STRATEGY DIRECTOR

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Strategy Director	0.238	0.245	0.002	0.009
Total	0.238	0.245	0.002	0.009

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	0.221	0.228	0.234	0.241
Premises	0.000	0.000	0.000	0.000
Transport	0.002	0.002	0.002	0.002
Supplies and Services	0.275	0.275	0.026	0.026
Agency and Contract Services	0.000	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.000	0.000	0.000	0.000
Exp Internal Recharge	0.042	0.042	0.042	0.042
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	0.540	0.547	0.304	0.311
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	0.000	0.000	0.000	0.000
Customer & Client Receipts	0.000	0.000	0.000	0.000
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-0.302	-0.302	-0.302	-0.302
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-0.302	-0.302	-0.302	-0.302
Net Budget	0.238	0.245	0.002	0.009

TRANSFORMATION

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Transformation	1.295	1.482	1.526	1.571
Total	1.295	1.482	1.526	1.571

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	2.917	1.473	1.516	1.561
Premises	0.000	0.000	0.000	0.000
Transport	0.001	0.001	0.001	0.002
Supplies and Services	0.021	0.022	0.022	0.022
Agency and Contract Services	0.000	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.000	0.000	0.000	0.000
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	2.939	1.496	1.540	1.585
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.060	0.000	0.000	0.000
Customer & Client Receipts	0.000	0.000	0.000	0.000
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-1.584	-0.013	-0.013	-0.013
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-1.644	-0.013	-0.013	-0.013
Net Budget	1.295	1.482	1.526	1.571

Reference	Budget change forecasts for 2024-28 Strategy & Transformation	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	OPENING BUDGET	21.859	30.184	32.310	33.087
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3%)	0.949	1.087	1.066	1.100
	Basic Inflation - Prices	0.168	0.132	0.137	0.140
	Basic Pay - Income	-0.027	-0.076	-0.078	-0.080
	Legislative Requirements				
G2425S&T002	LEP integration costs	0.200	-0.200	0.000	0.000
	Demand / Demographic				
	NCC Policy				
G2324S&T003/ G2425S&T006	County Deal - implementation costs including consultation, prior to capacity funding becoming available in December 2023, if the County Deal is approved	0.000	0.000	-0.250	0.000
G2324S&T004	Transformation service - growth pressure following Strategic Review (funded by capital receipt flexibility)	0.000	-1.531	0.000	0.000
G2324CES010	Growth and Development - Norfolk Infrastructure Fund expenditure (one-off)	-2.000	0.000	0.000	0.000
G2324CES011	Growth and Development - Local Transport Plan	0.300	0.000	0.000	0.000
G2324CES012	Growth and Development - Transport for Norwich	0.200	0.000	0.000	0.000
G2223CES040	Upfront investment for project / scheme development	0.000	0.250	0.000	0.000
G2425S&T003	CLA Licence	0.033	0.000	0.000	0.000
G2425S&T004	NFRS Microsoft 365 licenses	0.041	0.000	0.000	0.000
G2425S&T005	Learning Management licences	0.040	0.000	0.000	0.000
G2425S&T007	Increased cost for public communications	0.120	0.000	0.000	0.000
G2425S&T008	MyOracle licenses	0.434	0.000	0.000	0.000
G2425S&T009	Increased NCC contribution to GNGB	0.015	0.005	0.005	0.005
G2425S&T010	Schools IMT income pressure	0.150	0.000	0.000	0.000
G2425S&T014	Funding for G&I capacity prior to County Deal	0.086	0.057	-0.143	0.000
	Total Growth	0.709	-0.276	0.738	1.165
	SAVINGS				
S2324S&T006 [SR]	Expansion of professional leads: Centralise and control spend on communications. This would include paid staff and non-pay procurement across the organisation	0.100	0.000	0.000	0.000
S2324S&T008 [SR]	One-off usage of S&T Reserves	0.050	0.000	0.000	0.000
S2324S&T010 [SR]	One off use of Strategy and Transformation reserves.	0.000	1.571	0.000	0.000

Reference	Budget change forecasts for 2024-28 Strategy & Transformation	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
S2324CES146	Application of Business Rates Pool funds to support Norfolk Investment Framework (NIF) expenditure	2.000	0.000	0.000	0.000
S2425S&T002 [T]	Insight & Analytics team Strategic Review efficiency savings from restructure and one-off underspends / use of reserves	-0.320	-0.060	0.060	0.000
S2425S&T003 [T]	HR Strategic Review savings from ending temporary and vacant posts	-0.100	0.000	0.000	0.000
S2425S&T005 [T]	Digital Services to reduce spend on application systems through contract management	-0.360	0.000	0.000	0.000
S2425S&T006 [T]	Digital Services to reduce spend on network services through contract management	-0.100	0.000	0.000	0.000
S2425S&T007	Utilisation of business rates pool for 2023-24 to fund 2024-25 growth for Local Transport Plan (£0.300m) and Transport for Norwich (£0.200m)	-0.500	0.500	0.000	0.000
S2425S&T008	Reduce Local Transport Plan growth bid	-0.120	0.120	0.000	0.000
S2425S&T009	Use of Reserves - Utilise reserves from Kickstart programme (now closed)	-0.030	0.030	0.000	0.000
S2425S&T010	Align Scottow income budget with most recent actual rental income forecasts	-0.100	0.000	0.000	0.000
S2425S&T011	Further increase rent charged by Scottow over and above the amounts currently factored into the medium term financial plan.	0.000	-0.020	-0.020	-0.020
S2425S&T012	Strategy, Design & Delivery	-0.060	0.060	0.000	0.000
	Total Savings	0.460	2.201	0.040	-0.020
	BASE ADJUSTMENTS				
B2425S&T001	LEP integration funding	-0.200	0.200	0.000	0.000
	Total Base Adjustments	-0.200	0.200	0.000	0.000
	COST NEUTRAL ADJUSTMENTS				
2023.24	CES to S&T - Customer Services	1.238	0.000	0.000	0.000
2023.24	S&T to CES - Lampada Digital Solutions SEED Licences	-0.036	0.000	0.000	0.000
2023.24	S&T to FIN - Oracle DBA	-0.056	0.000	0.000	0.000
2023.24	CES to S&T Head of Customer Service and Development post	0.086	0.000	0.000	0.000
2023.24	S&T to CES - Strategic Review budget transfer	-0.280	0.000	0.000	0.000
2023.24	S&T to CES - Visit Norfolk budget	-0.010	0.000	0.000	0.000
2023.24	Adults to S&T - Social Care Systems	1.628	0.000	0.000	0.000
2023.24	CS to S&T - Data Officer Post	0.030	0.000	0.000	0.000
2023.24	CES to S&T - Customer Services	0.050	0.000	0.000	0.000
2023.24	S&T to Adults - Learning & Development HR budget	-0.333	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Strategy & Transformation	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
2023.24	S&T to CEX - Executive Assistant Hub	-0.115	0.000	0.000	0.000
2023.24	FIN to S&T - IMT transfer	1.949	0.000	0.000	0.000
2023.24	FIN to S&T - IMT transfer	0.791	0.000	0.000	0.000
2023.24	S&T to CES - Business Support Hub	-0.110	0.000	0.000	0.000
2023.24	S&T to CEX - Political Assistant budget	-0.064	0.000	0.000	0.000
2023.24	S&T to CES - Business Support Hub	-0.025	0.000	0.000	0.000
2023.24	S&T to CES - Business Support Hub	-0.019	0.000	0.000	0.000
2023.24	Pay award 2023-24	0.778	0.000	0.000	0.000
C2425S&T001	Depreciation & Debt Management	0.693	0.000	0.000	0.000
C2425S&T002	I&A staff from departments	1.159	0.000	0.000	0.000
	Total Cost Neutral Adjustments	7.356	0.000	0.000	0.000
	NET BUDGET	30.184	32.310	33.087	34.232

CHIEF EXECUTIVE'S DIRECTORATE

CHIEF EXECUTIVE'S DIRECTORATE

Service Strategy and context

Following the departure of the Executive Director of Finance and the Director of Governance during 2023-24, the functions within Financial and Commercial Services transferred to other departments and there was a need to create the Chief Executive Officer Directorate which also includes Democratic Services, Regulatory Services, and Legal Services.

The newly established Chief Executive Officer Directorate is focussed on embedding a new approach and efficient way of working, to ensure clear governance, support the democratic process and deliver more efficient support to the wider organisation. It also aims to provide oversight and leadership and identify and deliver continuous improvements that provide best value for money for Norfolk residents.

- 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 **efficiency focus** - providing Councillor and Executive Service functions which deliver effective and resilient support to elected councillors and senior leaders while seeking ways to automate and reduce waste.
- A focus on delivering **value for money services**
 - Nplaw, as a shared service has some additional capacity to deliver services for external clients while delivering value for money professional advice for internal clients.
 - Registration services is a statutory function and provides an excellent face to face service for all residents in Norfolk. Creative implementation regarding ceremony venues in Norfolk, plus sensible and sustainable charging regimes, mean that the service is able to cover its own costs, as well as contribute to council overheads.

Service Financial Strategy and Savings Proposals 2024-25

Registration services are updating their Citizenship services to provide additional options to new Norfolk citizens for their formal ceremony. New staff will need to be recruited and trained in line with the new demand for this service within Norfolk.

The newly created Executive Support Hub will deliver savings, but this is at an early stage. During 2024-25 this service will be reviewed and, where necessary, redesigned with the aim to provide efficiencies.

NPLaw has entered into a new agreement with its partners, with the aim to provide a fairer and more transparent pricing structure. The impact has been a reduction on legal fee costs to both Norfolk County Council and the other shareholder councils. This is reflected within current budget.

Balance opportunities to maximise income for genuine fee earning services against cost savings, without deviating from our core service offering.

Critical objectives and priorities for the year include to:

- Delivering regulatory services which are business-like and joined up, making a positive contribution to the Council's priorities.
- Pursuing opportunities to appropriately increase external legal work to increase trading surplus to be contributed to Council front line services.

Key Issues and Risks

Difficulties in recruiting and retaining senior lawyers are a risk to Nplaw. Recruitment is currently slow across the sector, so a new approach of 'grow our own' was started a few years back. This has been successful, and in the last two years retention is at 100%, however this leaves a gap for 'senior lawyers' which currently have to be covered with locums. These are not only paid a higher rate than permanent staff, but they also lose chargeable hours due to necessary data protection and local systems training. We expect this to begin to close in the next two years.

The 2022 Elections act which required higher staffing levels to manage ID requirements, had an impact on costs, especially for a standalone by-election, which has generated a pressure. We continue to meet electoral administrators to understand cost drivers and take action to mitigate costs wherever possible.

CHIEF EXECUTIVE'S DIRECTORATE – DIRECTOR – TOM MCCABE

Table 35: Chief Executive's Office Budget Tables

Breakdown of Gross Expenditure	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Chief Executive's Office	0.310	0.319	0.328	0.338
Democratic Services	7.505	7.790	8.090	8.275
NPLaw	7.136	7.142	7.147	7.152
Total	14.952	15.251	15.565	15.765

Exp Internal Recharge	0.065
Total Gross Expenditure	15.016

Breakdown of Gross Income	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Chief Executive's Office	0.000	0.000	0.000	0.000
Democratic Services	-2.876	-2.941	-2.997	-3.054
NPLaw	-7.691	-7.391	-7.391	-7.391
Total	-10.567	-10.332	-10.388	-10.445

Inc Internal Recharge	-0.065
Total Gross Income	-10.632

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Chief Executive's Office	0.310	0.319	0.328	0.338
Democratic Services	4.629	4.849	5.093	5.221
NPLaw	-0.555	-0.249	-0.244	-0.239
Total	4.384	4.919	5.177	5.320

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	12.068	12.365	12.677	12.874
Premises	0.013	0.013	0.013	0.013
Transport	0.054	0.054	0.054	0.054
Supplies and Services	2.313	2.314	2.316	2.317
Agency and Contract Services	0.064	0.065	0.066	0.068
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.439	0.439	0.439	0.439
Exp Internal Recharge	0.065	0.065	0.065	0.065
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	15.016	15.316	15.630	15.830
Government Grants	-0.077	-0.077	-0.077	-0.077
Other Grants, Reimburs & Contrib.	-0.348	-0.058	-0.058	-0.058
Customer & Client Receipts	-10.142	-10.197	-10.253	-10.310
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	0.000	0.000	0.000	0.000
Inc Internal Recharge	-0.065	-0.065	-0.065	-0.065
Total Income	-10.632	-10.397	-10.453	-10.510
Net Budget	4.384	4.919	5.177	5.320

CHIEF EXECUTIVE'S OFFICE

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Chief Executive's Office	0.310	0.319	0.328	0.338
Total	0.310	0.319	0.328	0.338

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	0.310	0.319	0.328	0.338
Premises	0.000	0.000	0.000	0.000
Transport	0.000	0.000	0.000	0.000
Supplies and Services	0.000	0.000	0.000	0.000
Agency and Contract Services	0.000	0.000	0.000	0.000
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.000	0.000	0.000	0.000
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	0.310	0.319	0.328	0.338
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	0.000	0.000	0.000	0.000
Customer & Client Receipts	0.000	0.000	0.000	0.000
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	0.000	0.000	0.000	0.000
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	0.000	0.000	0.000	0.000
Net Budget	0.310	0.319	0.328	0.338

DEMOCRATIC SERVICES

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Coroners	2.680	2.841	3.012	3.065
Democratic Services	2.147	2.200	2.265	2.332
Elections	0.317	0.317	0.317	0.317
Registrars	-0.515	-0.508	-0.501	-0.493
Total	4.629	4.849	5.093	5.221

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	5.533	5.816	6.114	6.297
Premises	0.012	0.012	0.012	0.012
Transport	0.049	0.049	0.049	0.050
Supplies and Services	1.796	1.797	1.798	1.800
Agency and Contract Services	0.020	0.021	0.021	0.021
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.095	0.095	0.095	0.095
Exp Internal Recharge	0.065	0.065	0.065	0.065
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	7.570	7.855	8.155	8.339
Government Grants	-0.077	-0.077	-0.077	-0.077
Other Grants, Reimburs & Contrib.	-0.047	-0.057	-0.057	-0.057
Customer & Client Receipts	-2.752	-2.807	-2.863	-2.920
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	0.000	0.000	0.000	0.000
Inc Internal Recharge	-0.065	-0.065	-0.065	-0.065
Total Income	-2.941	-3.006	-3.062	-3.119
Net Budget	4.629	4.849	5.093	5.221

NPLAW

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Legal	-0.752	-0.452	-0.452	-0.452
Monitoring Officer	0.198	0.203	0.208	0.214
Total	-0.555	-0.249	-0.244	-0.239

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	6.225	6.229	6.234	6.238
Premises	0.001	0.001	0.001	0.001
Transport	0.005	0.005	0.005	0.005
Supplies and Services	0.517	0.517	0.517	0.517
Agency and Contract Services	0.044	0.044	0.045	0.046
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.345	0.345	0.345	0.345
Exp Internal Recharge	0.000	0.000	0.000	0.000
Capital Financing	0.000	0.000	0.000	0.000
Total Expenditure	7.136	7.142	7.147	7.152
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.301	-0.001	-0.001	-0.001
Customer & Client Receipts	-7.391	-7.391	-7.391	-7.391
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	0.000	0.000	0.000	0.000
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-7.691	-7.391	-7.391	-7.391
Net Budget	-0.555	-0.249	-0.244	-0.239

Reference	Budget change forecasts for 2024-28 Chief Executive's Directorate				
	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	
	OPENING BUDGET	3.092	4.384	4.919	5.177
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3%)	0.171	0.179	0.188	0.197
	Basic Inflation - Prices	0.004	0.003	0.003	0.003
	Basic Pay - Income	-0.055	-0.055	-0.056	-0.057
G2425CEX001	Chief Executive's Department pressures	0.133	0.000	0.000	0.000
	Legislative Requirements				
	Demand / Demographic				
	NCC Policy				
G2021GOV002	Coroners Officers administrative team (12 FTE) transfer from Police	0.111	0.000	0.000	0.000
G2021GOV004	Coroners resource / capacity increase to address volumes of work	0.000	0.118	0.124	0.000
G2021GOV006	8% Market Supplement for Nplaw Grades I to N until 31 October 2023	-0.142	0.000	0.000	0.000
	Total Growth	0.221	0.245	0.258	0.143
	SAVINGS				
S2425CEX002	Democratic Services new income stream from citizenship service	-0.010	0.000	0.000	0.000
S2425CEX003	Democratic Services savings from reduction of Chairman's functions budget and executive assistant support	-0.020	-0.010	0.000	0.000
S2425CEX004	NPLaw one-off use of reserves	-0.300	0.300	0.000	0.000
	Total Savings	-0.330	0.290	0.000	0.000
	BASE ADJUSTMENTS				
	Total Base Adjustments	0.000	0.000	0.000	0.000
	COST NEUTRAL ADJUSTMENTS				
2023.24	CES to CEX - Executive Assistant Hub	0.187	0.000	0.000	0.000
2023.24	CES to CEX - Executive Assistant Hub	0.292	0.000	0.000	0.000
2023.24	S&T to CEX - Executive Assistant Hub	0.115	0.000	0.000	0.000
2023.24	CS to CEX - Executive Assistant Hub	0.352	0.000	0.000	0.000
2023.24	Departmental virements	0.196	0.000	0.000	0.000
2023.24	S&T to CEX - Political Assistant budget	0.064	0.000	0.000	0.000
2023.24	Pay award 2023-24	0.194	0.000	0.000	0.000
	Total Cost Neutral Adjustments	1.401	0.000	0.000	0.000
	NET BUDGET	4.384	4.919	5.177	5.320

FINANCE

FINANCE

The Finance department works to deliver support to the front line across a wide range of activities to improve outcomes for the people of Norfolk. To enable the Council to secure value for money in the use of resources, and ensure robust financial governance, reporting and decision making. It promotes responsible financial management, including budgeting, expenditure control, debt management, and long-term financial planning. Part of the department's role is to demonstrate accountable stewardship of public funds. It also provides capacity to enable the Council to act swiftly, innovatively, and effectively in a climate of continuous change. The Department continues to be focused on delivering the following key objectives:

- enhancing financial performance, understanding and accountability within the organisation, developing the role of Responsible Budget Officers (RBOs), and the support provided to them.
- managing scheme administration, investment, and governance for the Local Government Pension Scheme (LGPS) in Norfolk.
- supporting the development and delivery of a robust, balanced revenue budget, and the Council's Capital Programme.
- providing risk based, independent assurance, advice, and insight, and embedding sound risk management into directorates.
- provision of relevant, accurate and timely financial services and advice.
- supporting front line services to transform and enabling the organisation to act swiftly, innovatively, and effectively to meet the Council's objectives.
- providing assurance that all the Council's resources are utilised efficiently, by providing information to supports good decision making.
- making service managers feel enabled and supported with appropriate tools, training, and guidance.
- ensuring best value is achieved from the Council's assets and maximising the return on investments.
- improving and maximising the benefits of MyOracle, including EPM.
- integrating the School's Finance Team into the finance department.
- supporting delivery of core organisational priorities (including Local First Inclusion, Flourish, Connecting Communities, the County Deal and more).
- providing financial oversight, support, and advice to the Council's wholly owned companies, and administering the France Channel England Certifying Authority and Audit Authority requirements.
- providing financial advice on the financial implications of the delivery of the Council's climate strategy and delivery of Net Zero by 2030.

Service Financial Strategy and Savings Proposals 2024-25

The key objectives set out above have informed the Department's approach to identifying budget proposals which minimise the impact on front line services. Saving plans for 2024-25 are therefore focussed on achieving efficiencies and improvements, including realising the benefits of the HR and Finance System (MyOracle) in future financial years.

Key Issues and Risks

The Department is directly managing, and supporting the wider Council with several key issues and risks:

- Supporting the Council to set and deliver services within planned budgets.
- Supporting the wider organisation to engage with funding reform and ensuring the Council's needs are understood by Government.
- Managing significant changes in local and national income streams.
- Responding to inflationary pressures on revenue and capital budgets.
- Providing governance for companies controlled by the Council and associated financial implications.
- Ensuring benefits of self service through myOracle are maximised.

Finance General is a corporate budget, which includes council wide expenditure and income. This is a net income budget as total income exceeds total expenditure. A net income budget is shown as a negative figure.

Finance General includes employee related costs such as corporate pension payments due to changes following the actuarial valuation of the pension fund. Pension deficit recovery is identified as a cash sum and is budgeted for in Finance General. Other expenditure includes redundancy and pension payments arising from organisational review; grant payments; audit fees; member allowances; and capital financing costs. Income includes funding through the Business Rates Retention System; interest from investments; and depreciation on capital from services.

FINANCE – DIRECTOR – HARVEY BULLEN

Table 36: Finance Budget Tables

Breakdown of Gross Expenditure	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Finance	21.630	21.670	21.869	22.319
Finance General	98.337	124.549	154.894	181.810
Total	119.966	146.219	176.762	204.129

Exp Internal Recharge	0.209
Total Gross Expenditure	120.175

Breakdown of Gross Income	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Finance	-8.572	-8.429	-8.442	-8.455
Finance General	-342.041	-340.752	-336.955	-336.957
Total	-350.613	-349.181	-345.396	-345.412

Inc Internal Recharge	-0.209
Total Gross Income	-350.821

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Finance	13.058	13.242	13.427	13.864
Finance General	-243.704	-216.204	-182.061	-155.147
Total	-230.646	-202.962	-168.634	-141.283

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	42.028	42.639	43.413	44.243
Premises	0.464	0.264	0.264	0.264
Transport	0.050	0.050	0.050	0.051
Supplies and Services	4.273	28.948	54.772	81.317
Agency and Contract Services	-0.747	-0.800	-0.854	-0.909
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	1.532	1.575	1.620	1.666
Exp Departmental Recharges	3.016	0.972	0.972	0.972
Exp Internal Recharge	0.209	0.209	0.209	0.209
Capital Financing	69.351	72.571	76.525	76.525
Total Expenditure	120.175	146.428	176.971	204.338
Government Grants	-262.690	-261.857	-261.857	-261.857
Other Grants, Reimburs & Contrib.	-3.710	-4.003	-0.203	-0.203
Customer & Client Receipts	-4.855	-4.870	-4.885	-4.901
Interest rec'd	-4.595	-3.845	-3.845	-3.845
Corporate Recharges inc Capital Finance	-71.036	-71.036	-71.036	-71.036
Inc Departmental Recharge	-3.727	-3.571	-3.571	-3.571
Inc Internal Recharge	-0.209	-0.209	-0.209	-0.209
Total Income	-350.821	-349.390	-345.605	-345.620
Net Budget	-230.646	-202.962	-168.634	-141.283

FINANCE

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Audit	0.645	0.669	0.693	0.718
Budgeting & Financial Management	4.086	4.117	4.229	4.383
Finance	0.073	0.074	0.074	0.075
Finance Exchequer Services	8.175	8.303	8.352	8.609
Pensions	0.000	0.000	0.000	0.000
Total	12.979	13.163	13.348	13.785

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	16.495	16.729	17.120	17.563
Premises	0.164	0.164	0.164	0.164
Transport	0.048	0.048	0.049	0.049
Supplies and Services	1.930	1.696	1.503	1.509
Agency and Contract Services	0.027	0.027	0.027	0.027
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	0.000	0.000	0.000	0.000
Exp Departmental Recharges	0.218	0.258	0.258	0.258
Exp Internal Recharge	0.130	0.130	0.130	0.130
Capital Financing	2.749	2.749	2.749	2.749
Total Expenditure	21.759	21.800	21.998	22.449
Government Grants	0.000	0.000	0.000	0.000
Other Grants, Reimburs & Contrib.	-0.203	-0.203	-0.203	-0.203
Customer & Client Receipts	-4.742	-4.755	-4.768	-4.781
Interest rec'd	0.000	0.000	0.000	0.000
Corporate Recharges inc Capital Finance	0.000	0.000	0.000	0.000
Inc Departmental Recharge	-3.627	-3.471	-3.471	-3.471
Inc Internal Recharge	-0.209	-0.209	-0.209	-0.209
Total Income	-8.780	-8.637	-8.650	-8.663
Net Budget	12.979	13.163	13.348	13.785

FINANCE GENERAL

Breakdown of Net Spend	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Finance General	-243.625	-216.125	-181.982	-155.068
Total	-243.625	-216.125	-181.982	-155.068

Subjective Analysis of Budget	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Employee Expenses	25.533	25.910	26.292	26.679
Premises	0.300	0.100	0.100	0.100
Transport	0.002	0.002	0.002	0.002
Supplies and Services	2.343	27.251	53.270	79.808
Agency and Contract Services	-0.774	-0.827	-0.881	-0.936
Transfer Payments	0.000	0.000	0.000	0.000
Support Services	1.532	1.575	1.620	1.666
Exp Departmental Recharges	2.798	0.714	0.714	0.714
Exp Internal Recharge	0.079	0.079	0.079	0.079
Capital Financing	66.602	69.822	73.776	73.776
Total Expenditure	98.416	124.628	154.973	181.889
Government Grants	-262.690	-261.857	-261.857	-261.857
Other Grants, Reimburs & Contrib.	-3.508	-3.800	0.000	0.000
Customer & Client Receipts	-0.113	-0.115	-0.117	-0.120
Interest rec'd	-4.595	-3.845	-3.845	-3.845
Corporate Recharges inc Capital Finance	-71.036	-71.036	-71.036	-71.036
Inc Departmental Recharge	-0.100	-0.100	-0.100	-0.100
Inc Internal Recharge	0.000	0.000	0.000	0.000
Total Income	-342.041	-340.752	-336.955	-336.957
Net Budget	-243.625	-216.125	-181.982	-155.068

Finance General is a corporate budget, which includes council wide expenditure and income. This is a net income budget as total income exceeds total expenditure. A net income budget is shown as a negative figure.

Finance General includes employee related costs such as corporate pension payments due to changes following the actuarial valuation of the pension fund. Pension deficit recovery is identified as a cash sum and is budgeted for in Finance General. Other expenditure includes redundancy and pension payments arising from organisational review; grant payments; audit fees; member allowances; and capital financing costs. Income includes funding through the Business Rates Retention System; interest from investments; and depreciation on capital from services.

Provision for future growth pressures has been held centrally from 2025-26 within the "Supplies and Services" totals. This will be allocated to Departments based on actual evidenced growth needs as part of the budget setting process(es) in future years.

Reference	Budget change forecasts for 2024-28 Finance	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	OPENING BUDGET	-203.107	-230.646	-202.962	-168.634
	ADDITIONAL COSTS				
	Economic / Inflationary				
	Basic Inflation - Pay (3%)	0.692	0.602	0.614	0.630
	Basic Inflation - Prices	0.086	0.005	0.006	0.0060
	Basic Pay - Income	-0.001	-0.015	-0.015	-0.015
G2324FG009/G 2425FIN013	Basic inflation - Pay (2024-25 additional 1% central contingency)	3.940	0.000	0.000	0.000
G2425FIN007	Apprenticeship Levy	0.177	0.200	0.200	0.200
	Legislative Requirements				
G2021FG002/G 2425FIN005	Increased IFCA Precept	0.040	0.000	0.000	0.000
	Demand / Demographic				
G2324FG014/G 2425FIN004	Provision for future Service Pressures	0.000	25.500	26.010	26.530
	NCC Policy				
G2021FG033/G 2324FG005	Minimum Revenue Provision	2.497	1.720	1.954	0.000
G2223FG007	Provision to increase General Fund level to maintain at target 5% net Budget	0.250	0.000	0.000	0.000
G2223FG011	Children's transformation provision removal	0.000	-2.000	0.000	0.000
G2324FG008	Interest payable / receivable Treasury Management adjustment	2.200	0.000	0.000	0.000
G2425FIN008	Schools and Norse Insurance	0.000	0.125	0.000	0.000
G2425FIN006	FES pressures	0.580	0.000	0.000	0.000
G2425FIN009	Merchant account charges	0.084	-0.084	0.000	0.000
G2425FIN010	Council tax collection contribution	0.500	0.000	0.000	0.000
G2425FIN011	AVC Wise reduction in corporate income	0.225	0.000	0.000	0.000
G2425FIN012	Provision for financial loan interest deferral linked to NCC company	0.250	-0.250	0.000	0.000
G2425FIN015	Interest payable / receivable Treasury Management adjustment	0.000	2.500	2.000	0.000
G2425FIN016	Provision for site rental and other financial pressures linked to NCC company	0.300	-0.200	0.000	0.000
	Total Growth	11.820	28.103	30.768	27.351
	SAVINGS				
S2122FCS014	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.	-0.150	-0.150	-0.200	0.000

Reference	Budget change forecasts for 2024-28 Finance	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
	Expected full year effect of the project being implemented is currently estimated as a further £0.1m from 2023-24.				
S2223FCS018	Benefits realisation from the HR & Finance system replacement (MyOracle) project. Recognising efficiency and other savings to be achieved within Budgeting and Accounting service from 2023-24.	-0.030	-0.030	-0.040	0.000
S2324FCS022 [SR]	Strategic Review - Opportunities A - Finance	-0.230	-0.180	0.000	0.000
S2324FG016	One-off application of Finance General reserves to support core budget	1.000	0.000	0.000	0.000
S2324FG018 [SR]	Strategic Review - Opportunities A - Finance	-0.050	0.000	0.000	0.000
S2324CES105/ S2425FIN005	Business Rates Pool – forecast income over £2m	0.000	0.600	0.000	0.000
S2425FIN001	Review interest receivable budgets for updated cash balance forecasts and interest rates forecast to be achievable 2024-25.	-4.500	0.000	0.000	0.000
S2425FIN003	The 2024-25 business rates pool to contribute in full towards savings. Decision on pooling will be taken in Autumn 2023.	0.000	-2.600	2.600	0.000
S2425FIN004	Business Rates Pool income	-2.580	1.380	1.200	0.000
S2425FIN006	Recurrent service savings to be identified during 2024-25	-1.430	-0.600	0.000	0.000
	Total Savings	-7.970	-1.580	3.560	0.000
	BASE ADJUSTMENTS				
B2324FG001/ B2425FIN001	New Homes Bonus Grant	-0.448	0.000	0.000	0.000
B2324FG002/ B2425FIN002	Change in Revenue Support Grant	-4.613	0.000	0.000	0.000
B2223FG002/ B2425FIN003	Rebase Business Rates budget	-7.660	0.000	0.000	0.000
B2324FG005/ B2425FIN004	CPI increase in Business Rates budget	-12.147	0.000	0.000	0.000
B2324FG006	One-off application of Business Rates Risk reserve to support 2023-24 revenue budget	7.012	0.000	0.000	0.000
B2425FIN005	Services Grant	5.187	0.096	0.000	0.000
B2425FIN006	Rural Services Delivery Grant	-0.737	0.737	0.000	0.000
B2425FIN007	Use of Business Rates Risk reserve	-0.328	0.328	0.000	0.000
	Total Base Adjustments	-13.734	1.161	0.000	0.000
	COST NEUTRAL ADJUSTMENTS				
2023.24	FIN to CES - AFCC Savings Applied to PA0100 Reimbursement	-0.010	0.000	0.000	0.000
2023.24	FIN to CES - Lease Budget returned to Libraries	-0.012	0.000	0.000	0.000

Reference	Budget change forecasts for 2024-28 Finance	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
2023.24	S&T to FIN - Oracle DBA	0.056	0.000	0.000	0.000
2023.24	FIN to S&T - IMT transfer	-1.949	0.000	0.000	0.000
2023.24	FIN to S&T - IMT transfer	-0.791	0.000	0.000	0.000
2023.24	CES to Fin - Capital adjustment	0.207	0.000	0.000	0.000
2023.24	FIN to Departments - 23-24 Pay Award Recurring Budget Adjustment	-7.037	0.000	0.000	0.000
C2425FIN001	Depreciation & Debt Management	-7.417	0.000	0.000	0.000
C2425FIN002	I&A staff transfer	-0.092	0.000	0.000	0.000
C2425FIN003	Covenant budget to CES	-0.010	0.000	0.000	0.000
C2425FIN004	Business Rates Pool income	-0.600	0.000	0.000	0.000
	Total Cost Neutral Adjustments	-17.656	0.000	0.000	0.000
	NET BUDGET	-230.646	-202.962	-168.634	-141.283

MEDIUM TERM FINANCIAL STRATEGY 2024-2028

1. INTRODUCTION

- 1.1. The Medium Term Financial Strategy (MTFS) replaces the Medium Term Financial Strategy 2023-27. It outlines the different factors that contribute towards the financial context in which the County Council operates and the expected future impacts.
- 1.2. Developments globally have had a material impact on the ability to forecast the Council's future financial position and have significantly impacted the medium-term fiscal outlook for the country. The geopolitical tensions (ongoing wars in Ukraine and the Occupied Palestinian Territories) have far-reaching impacts on energy and food markets, global trade, and geopolitical relationships.
- 1.3. There are many economic risks affecting the country, including; persistent high inflation (whilst on a downward trend) remains above the 2% inflation target, interest rates are currently 5.25% and having risen since early 2022, when it was at an historic low of 0.1% and the cost of energy remains much higher than it was 2 years ago (whilst it has come down from the peak at the end of 2022), which have all profoundly impacted the wider economy.
- 1.4. Recent inflationary increases have contributed to the announcement within the Autumn Budget 2023 to increase the National Living Wage much higher than expected to £11.44 (from £10.42) which will have a significant impact on our contracted / procured services in 2024-25 and beyond.
- 1.5. As households and communities struggle with the rising cost of living, with many households seeing the costs of essentials such as food, energy and rent rising faster than their income. Living standards, as measured by real household disposable income (RHDI) per person, are forecast to be 3.5% lower in 2024-25 than their pre-pandemic level. It represents the largest reduction in real living standards since ONS records began in the 1950s. It is forecast that RHDI per person recovers to its pre-pandemic level in 2027-28.
- 1.6. The impacts of the pandemic and Brexit continue to cast a dark economic shadow, with the country struggling with stagnant low GDP growth, with no growth anticipated during 2024, combined with elevated debt levels and therefore increasing debt repayment costs, as interest rates continue to rise. This is something the council is not immune to, and we continue to keep our capital programme under review to ensure that we are able to make our repayment obligations going forward.
- 1.7. Alongside these developments, there are long term public finance challenges around aging, health, and social care. The Green Budget produced by the Institute for Fiscal Studies shows that a near-doubling of the population aged over 85 in the next 20 years will have major implications for the NHS and social care. However, many of the effects of an ageing population are already showing today and will only become more pressing over coming decades.

- 1.8. The funding of social care remains a major issue for the County Council. Pressures are being experienced in key areas within Adults and Children's Services, with increased spending on social care services due to a range of factors including; managing new and existing demand (due to a post pandemic backlog) market stability, staff recruitment and retention (both within care providers and social care workers), pressures of hospital discharge requirements, cost of care packages exceeding inflation, additional complexity of cases and court system delays.
- 1.9. The Local Government Finance Settlement announced 18 December 2023 covered one year; 2024-25. The financial implications for Local Government for the latter three years of the MTFS (2025-28) are largely unknown, and therefore remain subject to considerable change and uncertainty.
- 1.10. Performance indicators for public services continue to show signs of strain, for example the backlog in crown courts reached a record high of 65,000 in August 2023 and twelve 'section 114s' notices have been issued by local authorities since 2018, compared to two in the preceding 18 years. The Institute for Government's recent report found that performance in eight out of nine major public services has declined since 2010, with schools the exception. Longer-term pressures on public spending, such as from climate change and an ageing population, are also building, as discussed in the OBR Fiscal risks and sustainability reports.
- 1.11. The Government's plans to reform local government funding have been delayed multiple times, and Fair Funding Reform looks increasingly unlikely to be progressed in any meaningful way. There will be a general election held in 2024 and therefore the political make-up of the future Government is uncertain.
- 1.12. In the context of this uncertainty, the MTFS sets out the latest available information about national and local factors which are likely to impact upon budget planning decisions. The MTFS forms a key part of the Council's financial management approach and supports the identification and management of the key risks to the Council's financial sustainability. As such it details funding changes and explains the strategy for how the Council intends to manage these, to make transformative change, and plan new initiatives, while continuing to meet its statutory responsibilities in the medium term.
- 1.13. As a result of all of the issues set out above, and in more detail below, the council will need to develop early and robust responses, including significant further realistic and deliverable savings plans, during future budget planning rounds and the Medium Term Financial Strategy will need to remain flexible to adapt to changing circumstances.

2. NATIONAL FACTORS

GOVERNMENT FUNDING

- 2.1. The financial landscape in 2025-26 is particularly challenging, as there is major uncertainty. Within the November 2023 Office for Budget Responsibility (OBR) Economic and Fiscal Outlook (EFO) forecast, for day-to-day spending overall funding envelope (RDEL) grows by an average of 0.9 per cent a year in real terms (this is lower than the 1.1 per cent a year growth forecast in March 2023). Higher forecast inflation mean spending in cash terms is higher by £4.8 billion a year on average. These assumptions imply total DEL falling as a share of GDP by 1.1 percentage points over the final four years of the forecast (though in 2028-29 DEL is still 1.2 percentage points above its pre-pandemic share of GDP). And by 2027-28, higher inflation means real total DEL spending in the same year is predicted to be £19.1 billion lower than detailed within the March forecast.
- 2.2. This is not good news for Local Government when considering commitments in some protected areas of spending such as the NHS and Defence. The OBR predicts that unprotected areas (such as Local Government) would need to fall by an average of 4.1% per year to accommodate increases elsewhere.
- 2.3. The Department for Levelling Up, Housing and Communities (DLUHC) announced the provisional Finance Settlement for Local Government on 18 December 2023, which covered 2024-25.
- 2.4. In overall terms, the Provisional Settlement reflects a 6.8% increase in Core Spending Power (CSP) for the County Council. The increase in CSP is largely being delivered via a higher threshold for council tax increases, including the Adult Social Care precept. These CSP increases are accompanied by significant cost pressures including increased demand, high inflation rates and the increase in the National Living Wage.
- 2.5. Alongside the Autumn Statement, in November 2023, the Government published an update to its preferred measure of illustrative core spending power, which suggests that Local Government's core spending power (assuming authorities increase their Band D by the maximum allowed) will increase by 6.8% in 2024-25 (predicted to increase by 9.2% in 2024-25 within the 2023-24 statement).
- 2.6. For Norfolk, a large proportion of the increase in core spending power of 6.8% is driven by assumed council tax increases. The remainder of the increase in CSP largely derives from additional funding for Social Care.
- 2.7. Local authority finances have recently been attracting increased attention. The OBR Economic and Fiscal Outlook November 2023 references this -

'Since 2018, there have been eleven 'section 114s' notices issued by local authorities, compared to the two issued since 2000. These notices indicate that the authority's forecast income is insufficient to meet its forecast expenditure

for the next year. Some of these have been issued due to unique financial management issues and some local authorities have submitted multiple times. The direct impact on our forecast to date has been relatively small as the central government response to section 114s has been to allow affected local authorities to reallocate their capital budget towards day-to-day spending (a 'capitalisation direction') or to increase council tax rates'.

- 2.8. It has also been announced that Fair Funding will be delayed until 2026-27 at the earliest. It is disappointing as it had initially appeared that the direction of travel was generally favourable for upper tier shire authorities. The Council continues to engage with the government to ask that the Fair Funding Review be concluded to provide an adequate overall quantum of funding for local government within the system, update the relative needs formula, and fully recognise the costs associated with rurality and sparsity.
- 2.9. The overall level of uncertainty means that the financial environment for local government remains extremely challenging for the foreseeable future. Local authorities continue to face a growing gap between funding and service pressures, driven in part by demographic changes, burdens such as the higher than expected increases to the National Living Wage over the past two years, central Government policy expectations, and the needs of vulnerable social care users becoming increasingly complex.

GOVERNMENT POLICY AND ECONOMY FORECASTS

- 2.10. At the time of preparing this Strategy in January 2024, the last major fiscal event was when the Chancellor of the Exchequer, Jeremy Hunt, announced the Autumn Statement in November 2023.
- 2.11. Alongside this, the OBR have published an updated Economic and Fiscal Outlook in November 2023 to set out forecasts for the economy and Government plans. The OBR forecast indicated that with high inflation and high interest rates weighing on demand, the UK economy is expected to see small growth or be flat during 2024.
- 2.12. The OBR reports expect inflation to remain higher for longer, taking until the second quarter of 2025 to return to the 2 per cent target, more than a year later than forecast in March 2023, from a peak of 10.7 per cent in the last quarter of 2022. Within the latest release (dated 17 January 24) it shows the Consumer Prices Index (CPI) rose by 4% in the 12 months to December 2023, up from 3.9% in November and down from a recent peak of 11.1% in October 2022 (the highest rate in over 40 years - the CPI National Statistic series begins in January 1997). The annual rate in November 2023 was the lowest since September 2021.
- 2.13. The level of commissioning undertaken by the council sees a wide range of services being delivered by partners and through private sector contracts. Contractual obligations are often linked with the Consumer Price Index (CPI),

meaning these rates will impact on the council's budget setting activity and medium-term planning.

- 2.14. The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At a meeting on 14 December 2023, the MPC voted to maintain the Bank rate 5.25%.
- 2.15. The Government implemented a National Living Wage (NLW) from 2016-17, starting at £7.20. From April 2024, it will be increased by 9.8% to £11.44 (currently £10.42). The exact level at which the National Living Wage will be set in future years has not been confirmed. Although assumed cost pressures relating to the National Living Wage have been included in medium term forecasts, there is a risk these could change significantly in the future.

EUROPEAN UNION WITHDRAWAL (BREXIT)

- 2.16. One of the challenges for economic growth is the ongoing impact of Brexit. On 22 November 2023, the OBR updated its forecast alongside the Autumn Statement, reflecting a continued assumption that Brexit will result in the UK's trade intensity being 15% lower in the long run than if the UK had remained in the European Union (EU). The latest evidence suggests that Brexit has had a significant adverse impact on UK trade, as of 2023, UK trade intensity remains 1.7 per cent below its 2019 level, versus an average increase of 1.9 per cent across other G7 economies. The relative weakness in UK trade since the pandemic is explained entirely by goods trade, as UK services trade has grown at a similar rate to other G7 countries. This may suggest that Brexit frictions and post-pandemic disruptions have weighed more on trade in goods than on services.⁵
- 2.17. Brexit has also intensified a post-pandemic labour shortage, with the current immigration policy posing particular challenges to the care and agricultural sectors in the county. It is therefore doubly important that Norfolk is able to access post-Brexit government funding to address identified challenges, including supporting small and medium enterprises (SMEs).

CORONAVIRUS PANDEMIC

- 2.18. The COVID-19 pandemic, and the public health measures taken in response to contain it, delivered one of the largest shocks to the UK economy and public finances in recent history. While the immediate impacts of the pandemic have now begun to recede, there has been a legacy impact on the Council in respect of both higher costs which have effectively become mainstreamed into the base budget (for example more expensive and different ways of delivering services to maintain health and safety standards), and higher

⁵ [CP 944 – Office for Budget Responsibility – Economic and fiscal outlook – November 2023 \(obr.uk\)](#)

levels of demand. Many of the main issues we faced before COVID-19 have been exacerbated including population changes, social, economic and health inequalities, rising demand for services and support, workforce challenges in key sectors such as the care market, and higher than expected national living wage increases during 2023-24 and 2024-25. Nationally, no funding to support ongoing COVID-19 cost pressures has been provided since 2022-23.

3. ORGANISATIONAL FACTORS

- 3.1. In responding to these national pressures, Norfolk County Council is operating in the context of significant change in both the scope and scale of public services, while simultaneously absorbing the impact of historic sustained reductions in levels of funding. This pressure on resources has come at a time of increasing levels of demand, and complexity of needs, for many of the services the council provides.
- 3.2. The council is responding to the wider cost of living crisis while remaining focussed on meeting the twin challenges of increasing demand and limited central government funding, whilst minimising the impact on the front-line delivery of services, and delivering the updated strategy Better Together, for Norfolk. This Medium Term Financial Strategy has been developed to support this work to ensure that the council's gross budget of £1.8bn is spent to best effect for Norfolk residents.
- 3.3. There are a number of local factors that impact upon services provided or commissioned by Norfolk County Council and therefore affect the budget, yet are (at least in part) outside of the council's control. The most significant of these relate to demographics, the local economy, and ecological pressures.

DEMOGRAPHICS

- 3.4. Norfolk's population is an estimated 925,300 in mid-2022 – an increase of around 6,800 on the previous year.
- 3.5. Over the last 5 years since mid-2017, the population of Norfolk has increased by 3.0% (or around 26,800 people), compared with an increase of 2.7% for England as a whole.
- 3.6. In terms of broad age groups, Norfolk's population is made up of 16.2% of children and young people aged 0 to 15 years; 59.1% of 16 to 64-year-olds; and 24.7% of those aged 65 and over.
- 3.7. The estimates for mid-2022 confirm that Norfolk's population has an older age profile than England as a whole, with 24.7% of Norfolk's population aged 65 and over, compared with 18.6% for England.
- 3.8. The ONS 2018-based population projections are trend-based, and on this basis, Norfolk's overall population is projected to increase from 2018 to 2028 by around 60,600 people – this is an increase of 6.7% which is higher than the

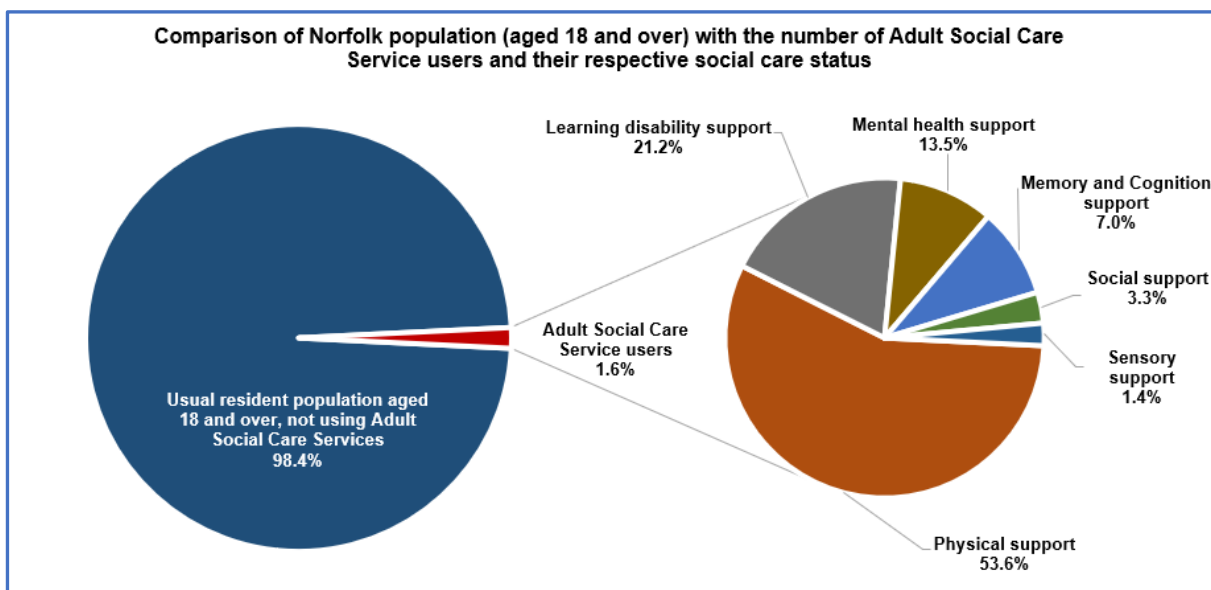
East of England projected increase of 5.0% and higher than the England projected increase of 5.0%.

3.9. Norfolk's oldest age groups are projected to grow the quickest over the ten years to 2028, with numbers of 75 to 84-year-olds projected to increase by around 37% and numbers of those aged 85 and over projected to increase by around 24%. This age group is the most likely to require social care, so increases in the size of this older group are likely to have a high impact on the demand for social care services.

3.10. Looking further ahead, Norfolk's population is projected to exceed one million by the year 2036.

Further demographic information is provided below, relating to the proportions of adults (aged 18 and over) and children (aged under 18) in Norfolk's population, compared with the proportions who are social care service users, along with their respective social care status.

MTFS Chart 1: Adults demographic information

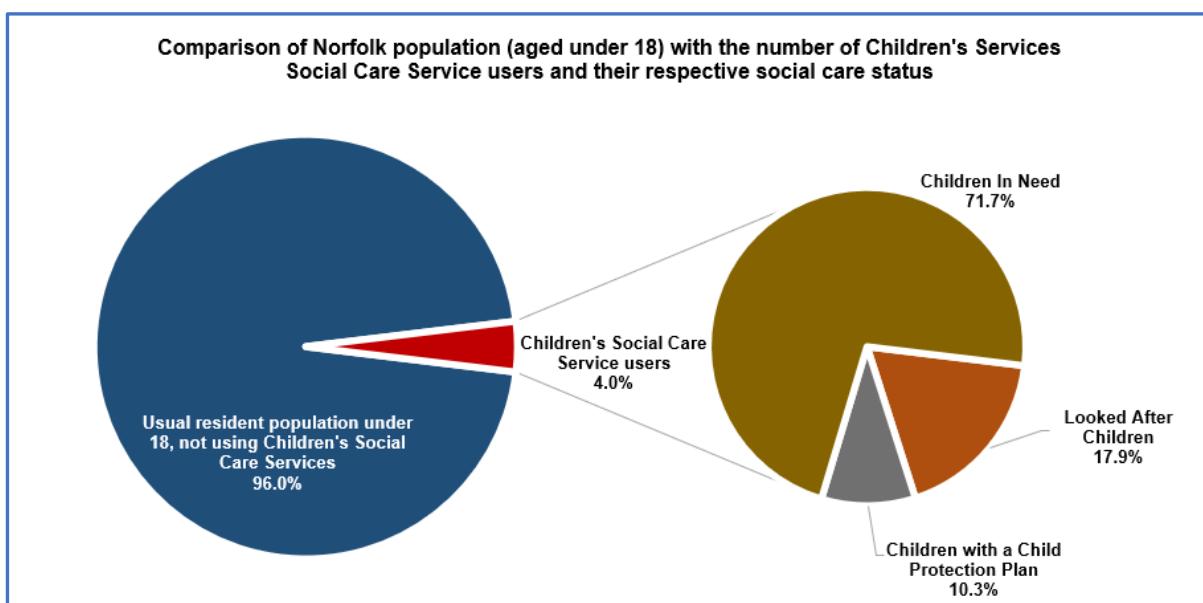


The first pie chart shows that of the usual resident population aged 18 and over, 98.4% are not using Adult Social Care services. It also shows that 1.6% of the usual resident population aged 18 and over are Adult Social Care service users.

The second pie chart provides a breakdown of the type of service the 1.6% Adult Social Service users accessed during 2022-23. A breakdown is included within the MTFS Chart 1 Table below:

Adult Social Care Service	Percentage of Adult Social Care Service users
Physical support	53.6%
Learning disability support	21.2%
Mental health support	13.5%
Memory and cognition support	7.0%
Social support	3.3%
Sensory support	1.4%
Total	100%

MTFS Chart 2: Children’s demographic information



Population data from Office for National Statistics mid-2022 estimates; service data 2022-23.

The first pie chart shows that of the usual resident population aged under 18, 96.0% are not using Children’s Social Care services. It also shows that 4.0% of the usual resident population aged under 18 are Children’s Social Care service users.

The second pie chart provides a breakdown of the type of service the 4.0% Children’s Social Service users accessed during 2022-23 – a breakdown is included within the MTFS Chart 2 table below:

Children’s Social Care Service	Percentage of Children’s Social Care Service users
Children in need	71.7%
Looked after children	17.9%
Children with a child protection plan	10.3%
Total	100%⁶

LOCAL ECONOMY

3.11. Norfolk County Council (NCC) is currently developing the Norfolk Economic Strategy 2024-29, in partnership with Norfolk district councils and county-wide stakeholders. The strategy will build on the work of the New Anglia Local Enterprise Partnership (NALEP)’s Economic Strategy for Norfolk and Suffolk, and is a key function for NCC to deliver, as part of the LEP Integration. The Norfolk Economic Strategy will also support objectives for economic growth, set out in the Council’s business plan, and Better Together for Norfolk. The Norfolk Economic Strategy will provide a voice to Government on Norfolk’s

⁶ Subject to rounding

priorities for economic growth and provide a policy framework for future investment, such as the implementation of a devolved Investment Fund.

- 3.12. The integration of the LEP into the council in April 2024 will strengthen the council's capabilities in supporting economic growth and in attracting more investment into the county.
- 3.13. In terms of current funding to support the local economy, the Government replaced EU funding with the £2.6bn UK Shared Prosperity Fund (SPF) and the £4.8bn Levelling Up Fund (capital). Norfolk's SPF allocation for 2022-25 is £10.4m, an average of £1.49m per district for the three-year period, which includes funding for a national adult numeracy programme ('Multiply'). Three-year investment plans for the funding, submitted by Norfolk's district councils, were agreed by Government on 5 December 2022. The Government's flexible approach means that councils and local partners will have the opportunity to adapt each plan to reflect new economic priorities over the period to 2025. A range of projects and programmes has been launched covering business support, skills, as well as programmes to support local communities and to support low carbon growth.
- 3.14. The Rural England Prosperity Fund (REPF) was announced in September 2022 – an additional fund to support the UK Shared Prosperity Fund's priorities on Supporting Local Business and Community and Place, with nearly £5.9m allocated across six Norfolk districts (all except Norwich) to 2025 and a range of local programmes and projects launched.
- 3.15. Of the £4.8bn Levelling Up Fund, which supports town centre and high street regeneration, local transport projects, and cultural and heritage assets, £1.7bn was allocated in the first round, following a competitive bidding process, but none to Norfolk. The second bidding round allocated £2.1bn in January 2023, with £44.1m awarded between the County Council (£24.1m for King's Lynn STARS project) and Great Yarmouth Borough Council (£20m for the Riverside Gateway). Of the third round, the government has agreed to put £7.6m into a Norwich City scheme to breathe new life into the city's Sloughbottom Park on the Mile Cross estate. The Government also allocated £9.9m for the Fakenham Leisure and Sports Hub facility in North Norfolk.
- 3.16. On 8 December 2022 agreement was secured from the Government to pursue a County Deal for Norfolk. Under the deal, Norfolk will receive a £20m investment fund, every year for 30 years. There would also be specific funding for integrated transport, brownfield development (£7m), adult education, and infrastructure (£5.9m for housing, regeneration and development, during this Spending Review period). The deal would also see the County Council taking on the management of SPF and REPF for the county from April 2025.
- 3.17. Full Council and Cabinet considered the County Deal in December 2023, following a public consultation held in early 2023, and voted in favour of implementing the County Deal for Norfolk and move to an elected leader and cabinet system of governance. Full Council and Cabinet also agreed that

elections for a Directly Elected Leader will be postponed until May 2025, to align with County council elections – which is more cost efficient.

- 3.18. Securing a County Deal will support the Council's aspirations to improve transport, transition to net zero, support sustainable housing, jobs and economic growth. A long-term investment fund will enable the council to develop a pipeline of projects support economic outcomes.
- 3.19. Looking briefly at 2023-24 achievements - our programmes have continued to deliver high outputs to help deliver economic growth and support Norfolk's businesses:
- Construction work to build out the Great Yarmouth Operations & Maintenance (O&M) Campus commenced in September 2023. The O&M Campus will support growth in Norfolk's offshore wind sector. The campus will create 288,700 square foot of lettable space and up to 650 jobs, as well as drive investment in the renewable energy sector in the region.
 - The Go Digital project, funded by C-CARE, NCC and district councils, has supported over 1000 Norfolk businesses to do more online. The project offers bespoke digital advice and support for small to medium sized businesses, including access to £500 in funding to increase their digital capabilities.
 - We have successfully delivered our ESF Insight Apprentice project in total, 56 SMEs benefited from the support provided, of which 29 proceeded to start at least 46 apprentices. A further 279 individuals participated in pre-apprenticeship activities and mentoring training as part of the project.
 - The Levy Support Scheme delivered by the Apprenticeships Norfolk service at NCC has been live since April 2023. The scheme helps to utilise unspent apprenticeship levy funds from larger companies by matching opportunities with smaller businesses, to help them negate the cost of the training. So far, in the last 9 months, the scheme has received £1.8m of levy pledges from supporting organisations; including Aviva, UEA, East of England Coop, Amazon, Equinor, B&Q, Alan Boswell Insurance Brokers and Anglian Home Improvements.
 - The original milestone for the end of financial year 2023-24 was to have committed £350,000 of levy transfers for businesses in Norfolk. To date (5th January 2024) the scheme has facilitated £847,000 of transfers, supporting 73 businesses to start 132 apprenticeships, ranging from Level 2 right through to Level 7. Almost half of that amount has supported businesses with 0-50 employees. So far, 56% of transfers have

supported businesses to hire new apprentices with 42% of transfers helping businesses to upskill their existing workforce.

- the Innovation Grant Mentoring Project was created in response to a low take up of Innovate UK funds by Norfolk and Suffolk SMEs. The project offers fully funded bespoke mentoring and bid coaching for SMEs with ideas worthy of Innovate UK grants, and helps businesses prepare their bid proposals for submission for those hard to obtain Innovate UK funding calls. Over £1 million of Innovate UK funding has been secured via support from Innovation Grant Mentoring Project. This scheme operates on a modest budget, offering an exceptional return on investment. The project is also highly commended by Innovate UK.
- To support green growth, the Low Carbon Innovation Fund 2 made 61 investments in 37 businesses in the wider region, valued at £10.9m. These investments were matched by European Regional Development Fund (ERDF) (£10.9m) and levered in £65.25m of private investment. In addition, the programme has reported a decrease of 736,618 tonnes of greenhouse gas, against a target of 10,000.

3.20. The €315m INTERREG France (Channel) England programme which we manage, will continue through to closure, estimated to be in 2028. The Programme remains subject to EU regulations until 2033, in accordance with the legal framework in place pre-Brexit. EU programme funding ends 31st December 2023, as such we are working closely with both the French and UK Government representatives to ensure adequate funding is available from 1st January 2024 until the end of the programme to deliver to all EU regulations.

ADULT SOCIAL CARE: CARE MARKET WORKFORCE

3.21. The high level Skills for Care data for 2022-23 for Norfolk estimated that there were 27,000 filled posts in adult social care with a vacancy rate of 9.1% (estimated 2,200 vacancies). The turnover rate of staff working in the adult social care sector in Norfolk was 27.5% a significant improvement from 2021-22 when rates were 34.8%. This has been greatly influenced by the impact of care workers being added to the Shortage Occupational List, enabling international workforce who due to the nature of employment have lower turnover rates.

3.22. For staff delivering care directly, the turnover rate reduced too, to 33.2%. Turnover was higher for nursing home staff (36.8% all roles/43.1% direct care roles) and residential care home staff (30.1% all roles/36% direct care). The turnover percentages for community based services were lower, yet still concerning, at 26.9% (all roles)/29.7% (direct care roles).

3.23. Many of those that left their roles remained within the sector, as on average 59% of recruitment was from within adult social care, and 10.1 years working in the sector was the county average. Despite this, staff leaving one

employer and starting with another was likely to have caused disruption to both, including to continuity and quality of care delivery. Demographically, 29% of the Norfolk workforce was aged 55 and above with only 9% aged under 25, which is likely to cause further workforce issues in future if recruitment and retention issues are not addressed.

3.24. 62% of the workforce in Norfolk hold no relevant social care qualifications, which is markedly higher than the national average of 54%, and 57% in the East of England. While the sector recruits to the values of the workforce, greater take up of training and qualifications can enable career progression, improve quality, and improve the image of social care. Building upon the legacy of Developing Skills in Health and Social Care, a sector skills plan for Norfolk and Suffolk is in development, alongside an enhanced offer from the newly established Care Market Workforce team as part of local efforts to address this and responding to government reforms such as the Care workforce pathway, released January 2024.

ENVIRONMENT

3.25. Norfolk County Council is fully behind the UK-wide effort to tackle climate change and reach net zero greenhouse gas emissions by 2050. The council has set its own commitments, set out in its Environment Policy, to lead by example through making its own estate net zero by 2030 and working in partnership to support the county-wide transition towards a low carbon future.

3.26. In June 2023, the council launched its Climate Strategy. Structured around seven focus areas, it sets out how the council can best direct its powers, resources and influence in support of Norfolk's journey towards a clean and resilient future in the face of climate change. Looking beyond carbon reduction, the strategy also covers the close relationship between climate action and nature recovery, the jobs and growth opportunities from the expanding green economy, and how adaptation is needed to protect our local services and communities. The seven 'focus areas' of the strategy include:

- Reducing our estate emissions
- Reducing our indirect emissions
- Addressing Norfolk's county-wide emissions
- Promoting a green economy for Norfolk
- Climate adaptation
- Ensure nature has space to recover and grow
- Engage and collaborate.

3.27. With this strategic statement in place, the task is now to keep momentum in translating its vision and priorities into practical implementation. The council is publishing a series of climate action plans, with the first endorsed by Cabinet in October 2023 and two more tranches due in 2024. They will be a key means for enabling member and public oversight of the strategy's delivery by outlining the initiatives taking place across the council's service areas that align to the

strategy's seven focus areas – ranging from measures on the council's own buildings and vehicles to those aimed at catalysing green growth. Once published, these action plans will be brought together as a single list to allow for an annual progress update each autumn to members.

- 3.28. The council's estate net zero target covers the emissions relating to its buildings use, streetlights and vehicle fleet. Significant progress has been made to date, with these emissions having been cut by over half (57%) between 2016-17 and 2022-23. The Climate Strategy set out a series of interim carbon reduction targets (relative to 2016/17 baseline) of: a two-thirds reduction by 2024-25; an 85% reduction by 2028-29; and a 90% reduction by 2030-31 with certified offsets in place for the remaining emissions to make our estate net zero.
- 3.29. Streetlighting is the single largest source of estate emissions at present. To address this, NCC is converting its streetlights to LED technology, which improve the lamp energy efficiency by 60-70%. The latest tranche of LED conversions carried out over the past two years has improved nearly 15,000 streetlights, meaning two-thirds of the streetlighting stock is now LED. This latest upgrade will save an additional 5.5 million kWh of electricity each year and bring cumulative savings of nearly 5,500 tCO₂e by 2030. Moreover, an agreement has been reached with Amey, our streetlighting PFI partner, to initiate work on converting the remaining lamps to LED.
- 3.30. Achieving a net zero estate will also require raising the energy performance of our buildings and transitioning away from gas and oil heating systems towards low carbon alternative such as air-source heat pumps. The council commissioned technical assessments of NCC buildings to establish the feasible retrofit works and estimated costs.
- 3.31. In June 2023, Cabinet agreed a capital spend of £22.5m covering 2023-24 and 2024-25 for an initial tranche of building decarbonisation works focused on freehold sites heated using fossil fuels. Of this total, £5.8m was already provided in the capital programme (including £1.8m capital funding secured through the Public Sector Decarbonisation Scheme) and £16.7m was new spend to be funded by prudential borrowing and any successful external funding bids. A bid is currently being prepared for further Public Sector Decarbonisation Scheme funds to support these retrofit works.
- 3.32. Looking beyond its own estate, the council has been successful at securing significant funding for initiatives being delivered over the coming years that will support decarbonisation of transport across the county, as outlined below.
- 3.33. In 2024, 70 electric buses will be heading to Norwich thanks to an extra £11.4m funding awarded to NCC by the Department for Transport that was announced in March 2023. This is in addition to the £3.3m confirmed in March 2022 through the Zero Emission Bus Regional Area (ZEBRA) scheme, bringing the total received to £14.7m with a further £21m being invested directly by First

Bus as partners of the scheme. The scheme will also see First's Roundtree Way bus depot one of the first fully electric bus depots outside of London.

- 3.34. Over 80 charge points for electric cars and boats are due to be installed in rural and touristic parts of the county in 2024 after the council secured £1.1m capital funding through the Local Electric Vehicle Infrastructure (LEVI) pilot scheme in March 2023. Moreover, the Office for Zero Emission Vehicles announced in September 2023 a further £6.5m capital funding being earmarked for Norfolk County Council to support the installation of electric vehicle charge points, as well as £0.6m capability funding to support delivery capacity within the council through to 2024-25.

WASTE

- 3.35. The County Council is responsible for dealing with the left-over rubbish (residual waste) collected by all local authorities in Norfolk and for the provision of recycling centres and payments to the District, City and Borough Councils for the recycling they collect.
- 3.36. Increases in household numbers and the effects of economic growth mean that the amount of left over rubbish and recycling collected are expected to increase significantly, and the associated increase on costs of the expected increases are compounded by the effects of indexation. To help mitigate these effects, the aim of the waste service is to reduce the amount of waste, increase reuse and recycling, and reduce unit costs. These objectives require measures to be put in place by all councils in Norfolk and they are actively working on this together as the Norfolk Waste Partnership.
- 3.37. The combined effect of long-term trends for household numbers in Norfolk, as well as effects of the general economy, changing working routines, consumer confidence and behaviours and weather patterns remain uncertain. These variables, as well as things such as service changes by other councils in Norfolk or changes in legislation and national waste policy, can all have a major effect on the cost of the County Council's waste services, meaning that the suitable approach to managing budgets for this service area is to make justifiable and evidence-based allowances in medium and longer-term plans that are continually subject to review.
- 3.38. In relation to national waste policy, changes are expected which could directly and significantly affect the County Council's cost in the short, medium and long-term.
- 3.39. In the short-term a national and unfunded requirement for a limited free allowance for DIY waste at recycling centres is expected 2023-24, which could generate an additional cost for the County Council estimated at between £0.5m and £1m. In addition, national requirements for how soft furnishings containing fire retardants called Persistent Organic Pollutants are dealt with at recycling centres, along with how similar items collected by the District, City and Borough Councils in Norfolk are dealt with by the County Council, are expected to increase costs for the County Council, also without additional funding.

- 3.40. In the medium-term, in 2025 the introduction of a delayed Extended Producer Responsibility scheme for packaging is expected to mean that part or all of the County Council's costs (along with the District, City and Borough Council costs) for dealing with packaging in waste and recycling could be met by producers. Potentially linked to this development could be the amending or ending of current requirements around the payment of recycling credits to the District, City and Borough Councils.
- 3.41. After the expected start date for packaging Extended Producer Responsibility in 2025, it is expected that a national policy presented as 'simpler recycling' will require changes to services provided by councils across the country, including an expected requirement to collect food waste and other changes which would affect the County Council's costs. In addition, the prospect of a national deposit return scheme for some packaging items, such as plastic bottles and drink cans, is expected from October 2025 and such a development, if delivered, would also affect the County Council's costs due to producers taking back some packaging materials directly.
- 3.42. In the longer term, beyond 2025 and up to 2030, there is a prospect of incineration being included in a national emissions trading scheme, which could add a significant and unknown extra cost to each tonne of waste that is incinerated.

FLOODING

- 3.43. Norfolk is identified in the Norfolk Local Flood Risk Management Strategy as the area 10th most at risk out of 149 authorities of local flooding in England. The county has approximately 38,000 properties at flood risk from local sources during a rainfall event with a 1 in 100 annual chance of occurring.
- 3.44. These local sources include flooding from surface runoff, groundwater and from over 9,000 km of watercourses within Norfolk. The County Council's two core aims as Lead Local Flood Authority are to reduce the existing local flood risk for communities and to prevent new development from increasing flood risk. Whilst not directly the authority's responsibility, the county also has nearly 100 miles of coastline and is vulnerable to tidal inundation and surges.
- 3.45. In the event of a major flooding incident, it is likely that the council would have recourse to the Bellwin scheme of emergency financial assistance to Local Authorities. This would enable the council to be reimbursed for 100% of eligible expenditure above a threshold set by the government. The most recently published threshold for Norfolk was £1.346m in 2022-23 (i.e. this is the maximum liability for the County Council in the event of a major incident eligible for support under the Bellwin rules). However, the annual threshold is 0.2% of the net revenue budget for the year. If the scheme is activated more than once during the year, the threshold is compared with the cumulative expenditure.
- 3.46. Following the flooding events which affected large parts of Norfolk in late December 2020 and January 2021, the Council set up the Norfolk Strategic

Flood Alliance (NSFA) with a remit to ensure that the residents of Norfolk have confidence that inland and coastal flood risks are as low as reasonably practicable. Additionally, Cabinet approved changes to the Local Flood Risk Management Strategy and agreed to extra funding to assist with the immediate response, clear up operation and repairs to the existing drainage systems damaged or broken by the floodwater. The required works needed were and continue to be extensive. Flood investigations into the 350+ properties that suffered internal flooding were completed and Flood Investigation Reports published during 2021-22. These reports identified areas where improvements should be made to reduce the future risk of surface water flooding. 28 priority sites were agreed by the NSFA where multi agency efforts are needed to develop and deliver solutions to flood risk.

Potential new statutory role for Norfolk County Council, as Sustainable Drainage System (SuDS) Approval Body

- 3.47. Schedule 3 of the Flood and Water Management Act 2010, relates to the creation of a Sustainable Drainage System Approval Body (SAB) for new development which would fall to the County Council as Lead Local Flood Authority. This has not yet been implemented in England and in January 2023, the Government explained its plan to implement Schedule 3 in 2024 following a consultation in 2023, which is still awaited.
- 3.48. This creates implications for the County Council that would arise from the implementation of Schedule 3 as currently legislated, particularly:
- The workforce implications for the County Council of a new statutory role with potential up-front and ongoing costs.
 - The responsibility of the County Council for the adoption of sustainable drainage systems, ie their upkeep and maintenance, with the associated costs met by developers, and the cost risks for the County Council associated with funding long-term aftercare.
- 3.49. Early estimates of extra staff resources needed to cover the SAB role is for 30 additional officers on approvals only – with more on aftercare and maintenance, and this figure is similar to those quoted for other authorities. However, a precise figure would only become clearer with further details on the national standards, processes, and exceptions. There are also associated risks with staff recruitment and retention in a new start up service and one that may also be under scrutiny and challenge, for example by developers.
- 3.50. The three main financial risks recognised by Government are the costs to set up the SAB, the running costs of the SAB and the operation and maintenance costs of SuDS. Issues around these costs create the risks of front-loaded requirements (such as IT, staffing and training) not being funded; the risk of fees of non-performance bonds not matching the required resources, and long-term management costs not being fully funded. Around these cost considerations is also the possibility of challenge by developers within national parameters or the possibility that local costs are high in relation to national parameters, where These reports identified areas where improvements should be made to reduce the future risk of surface water flooding. 28 priority sites

were agreed by the NSFA where multi agency efforts are needed to develop and deliver solutions to flood risk.

4. ORGANISATIONAL FACTORS

ORGANISATIONAL STRUCTURE AND GOVERNANCE CHANGES

- 4.1. The County Council is under Conservative control and moved to an Executive Leader and Cabinet governance structure in May 2019.
- 4.2. The senior management and organisation structure is currently led by Tom McCabe who became Chief Executive in June 2023. He is responsible for the overall corporate management of the County Council, providing strategic leadership to the management team and ensuring the workforce delivers the Council's objectives.
- 4.3. He is the Council's principal policy advisor and together with the Section 151 (Finance Officer) and Monitoring (Legal) Officer ensures that the Council complies with a range of financial and legal requirements. He also works with our Statutory Directors of Children's and Adult Services to ensure effective safeguarding policies and practices are in place and followed in our work with children and young people and vulnerable adults - across the Council and our partner organisations.
- 4.4. As the head of the Council's workforce, Tom is responsible for overall corporate and operational management of the Council including developing an organisation culture that embraces and delivers change and raises the ambition of Norfolk. Within this he will seek to ensure the development of the workforce so that its expertise, skills and potential is realised and that high levels of performance are achieved and maintained, and areas of under-performance are addressed.

STAFFING

- 4.5. The annual pay award and National Living Wage increases for both the Council's directly employed staff and contracted services are an important cost driver. The 2023-24 pay award was confirmed in November 2023 as a flat rate of £1,925 on scales A to L. Those on scale M and above received an increase of 3.88% on their basic salary. No announcements about national negotiations for 2024-25 pay awards have been made, although there is likely to be significant upward pressure on pay given wider inflation rates. The Budget makes contingency provision for a pay award of 4% in 2024-25 and circa 3% for all staff in future years of the MTFS. The pay award remains subject to confirmation at this point.

TREASURY MANAGEMENT

- 4.6. The Council's treasury management objectives remain safeguarding the timely repayment of principle and interest, whilst ensuring liquidity for cash flow and the generation of investment yield. The Council works closely with its external treasury advisors to determine the criteria for high quality institutions, including high quality banks and financial institutions, and local authorities. The Council

applies a minimum, acceptable credit-rating criteria to generate a pool of highly creditworthy UK and non-UK counterparties which provides diversification and avoids concentration risk. These are detailed further in the Annual Investment and Treasury Strategy 2024-25.

- 4.7. The Council makes non-treasury investments for policy purposes, for example capital loans to subsidiaries and other companies. These are addressed further in the Annual Investment and Treasury Strategy 2024-25.

THE NORFOLK AND WAVENEY INTEGRATED CARE SYSTEM (ICS)

4.8. Integrated care systems (ICSs) are partnerships that bring together providers and commissioners of NHS services across a geographical area with local authorities and other local partners to collectively plan health and care services to meet the needs of their population. The central aim of ICSs is to integrate care across different organisations and settings, joining up hospital and community-based services, physical and mental health, and health and social care. All parts of England are now covered by one of 42 Integrated Care Systems

- 4.9. Norfolk and Waveney together are in one of four ICSs within the Eastern Region, and has agreed three key goals:

1. **To make sure that people can live as healthy a life as possible.** This means preventing avoidable illness and tackling the root causes of poor health. We know the health and wellbeing of people living in some parts of Norfolk and Waveney is significantly poorer – how healthy you are should not depend on where you live. This is something we must change.

2. **To make sure that you only have to tell your story once.** Too often people have to explain to different health and care professionals what has happened in their lives, why they need help, the health conditions they have and which medication they are on. Services have to work better together.

3. **To make Norfolk and Waveney the best place to work in health and care.** Having the best staff, and supporting them to work well together, will improve the working lives of our staff, and mean people get high quality, personalised and compassionate care.

4.10. The Norfolk and Waveney ICS brings together a range of partners including;

- Norfolk and Waveney NHS (previously the CCG)
- 3 acute hospitals (Queen Elizabeth, James Paget and the Norfolk & Norwich)
- 2 Community Healthcare providers (East Coast Community Healthcare and NCH&C)
- Norfolk County Council
- Suffolk County Council
- 8 District Councils; (Breckland, Broadland, Norwich City, South Norfolk, Kings Lynn & West Norfolk, Great Yarmouth, North Norfolk and East Suffolk District Councils)
- Voluntary, Community and Social Enterprise (VSCE) providers of care and health related service
- 17 Primary Care Networks

4.11. The ICS promotes the principle of subsidiarity, making decisions close to the communities they effect. Work takes place at a system level as well as a place level and neighbourhood level (Primary Care Network footprints).

4.12. There are 5 Place Boards in the ICS bringing together colleagues from across health and social care to integrate services, focussing on effective operational delivery and improving people's care.

4.13. Eight Health and Wellbeing Partnerships based in district council footprints bring together district and council colleagues, health services and wider VCSE organisations and partners that have an impact on people's health and wellbeing, to progress work on tackling the wider determinants of health.

4.14. Provider collaboratives bring together NHS providers to reduce unwarranted variation and inequality in health outcomes, access to services and experience; improve resilience and ensure specialisation and consolidation occur where this provides better outcomes and value. All local providers are working towards these expectations with the overarching aim of enabling the best health outcomes for the population of Norfolk and Waveney.

4.15. An ICS has two named bodies, an Integrated Care Board (ICB) and an Integrated Care Partnership (ICP):

- **Integrated Care Board (ICB)** is a statutory body that is responsible for planning and funding most NHS services in Norfolk and Waveney, leading integration within and across the NHS to deliver healthcare. The role of the ICB is to allocate the NHS budget and commission services for the population, taking over the functions previously held by clinical commissioning groups (CCGs) and some of the direct commissioning functions of NHS England. The ICB is directly accountable to NHS England for NHS spend and performance within the system.
- **Integrated Care Partnership (ICP)** provides leadership to the wider health and social care system, bringing together health and social care providers, local

government, the voluntary, community and social enterprise (VCSE) sector, and other partners. It drives and enhances integrated approaches to address challenges that the health and care system cannot address alone. This includes prioritising prevention, reducing health inequalities, and addressing the wider social and economic factors affecting our communities. The ICP, which is a statutory committee of the ICS, is responsible for setting an integrated care strategy for improving the health care, social care and public health across the whole of the Norfolk and Waveney ICS population. The ICB is required to have regard to this strategy when making its decisions.

4.16. The ICB is responsible for:

- Setting the NHS Joint Five Year Forward Plan
- Delivering the health elements of the Integrated Care Strategy.
- Holding the executive to account for monitoring the performance of the body against core financial and operational objectives, and providing effective financial stewardship.
- Promoting effective dialogue between the ICB and other partners, including NHS England, the ICP, providers, councils, representatives of local committees and people who use services.
- Putting in place effective arrangements for place-based working with partners. Ensuring that the ICB develops arrangements for effective clinical and care professional leadership.
- Creating an organisational culture that encourages and enables system working, building partnerships with people and communities and utilising feedback to improve services.
- Ensuring legal duties are discharged effectively and foster the development of policies, processes and initiatives that promote equality and address health inequalities.
- Ensuring workforce strategies are built on the commitments in the NHS People Plan and People Promise.
- Developing a compassionate and inclusive leadership model.
- Aligning the ICB assets to contribute to population health and improvement as anchor institutions.

4.17. The ICP is responsible for:

- Leading the Integrated Care Strategy, reflecting the priorities of all partners, to improve health and care outcomes for Norfolk and Waveney people for which all partners will be accountable.
- Driving improvement in the care, health and wellbeing of all residents from babies and young people, working age adults and older people
- Playing a critical role in supporting place-based partnerships and coalitions with community partners to help people live more independent, healthier lives for longer.
- Improving the wider determinants that drive inequalities including employment, housing, education, environment and reducing offending.

4.18. The Council's Cabinet at its meetings in October 2020 and September 2021 have agreed the Council's leadership role within the

4.19. Alongside the Council's budget position, wider NHS partners have identified an increasing and underlying recurrent deficit. The ICS has also

developed principles for medium to long-term financial planning, that could be congruent with NCC's objective to support a sustainable health and care system, including:

- a) working transparently and sharing understanding of financial pressures
- b) working collaboratively to identify and deliver efficiency and productivity schemes, with no one party pursuing any scheme that may have a detrimental impact on another party without agreement
- c) engaging transparently and early in respect of emerging financial plans.

4.20. Whilst there are significant opportunities presented by working together on resource allocation, there are also risks that will need to be mitigated. These risks apply to all individual organisations in an ICS. The Norfolk and Waveney Health and Care system is currently operating with a significant financial deficit. The aspiration continues to be work through the financial needs for the system as a whole and developing whole system solution. Critical to the approach will be the overall principle that the Council retains ultimate control and accountability for its budgets and would retain its ability to adjust resource across the county to meet need.

CONSULTATION WITH CITIZENS AND EQUALITY AND RURAL IMPACT ASSESSMENTS

4.21. The council has undertaken public consultation and produced equality impact assessments in relation to the 2024-25 Budget and MTFS proposals. Detailed information about the findings of these are included in the Revenue Budget paper (Appendix 1) and in Appendix 5 and Appendix 6.

RESOURCE PLANS, FUNDING, SERVICE PRESSURES AND SAVINGS

4.22. The plans and assumptions in the Council's budget and Medium Term Financial Strategy have been reviewed as part of the preparation of the 2024-25 Budget to ensure that they are robust and deliverable. The Director of Strategic Finance's recommendation of a 4.99% council tax increase is made on the basis that this will enable a more robust budget for 2024-25 and for future years, however the outlook for 2025-28 remains extremely challenging.

4.23. Experience of the implementation of savings plans demonstrates that in some cases the cost, complexity and time required to deliver transformational change is likely to be greater than that originally allowed. As a result, the removal or delay of a number of previously agreed savings has been proposed over the life of the MTFS. Where it has not, this reflects expectations that non-delivery is due to delays in implementing savings and the realisation of these planned savings on a sustainable ongoing basis will be fundamental to the delivery of the 2024-25 Budget.

4.24. As set out elsewhere, the Provisional Settlement has provided clarity about funding levels for 2024-25. However, there remains very considerable uncertainty around the final three years of the Medium Term Financial Strategy (2025-28).

GENERAL AND EARMARKED RESERVES AND PROVISIONS

- 4.25. General reserves are an essential part of good financial management and are held to ensure that the council can meet unforeseen expenditure and respond to risks and opportunities. The amount of reserves held has been set at a level consistent with the council's risk profile and with the aim that council taxpayers' contributions are not unnecessarily held in provisions or reserves.
- 4.26. The Medium Term Financial Strategy assumes an increase in the level of general balances in 2024-25 rising to £30.410m by 2027-28 to reflect the increased level of risk around budget assumptions, such as pay awards, where the longer forecasting horizon increases the level of uncertainty, the increased levels of risk relating to council tax base assumptions and uncertainty about government funding allocations.
- 4.27. Earmarked Reserves support the Council's planning for future spending commitments. Historically, the planned use of Earmarked Reserves has allowed the council to smooth the impact of funding reductions and provided additional time for the implementation of savings plans. As part of the year-end closure of accounts, a detailed review of the reserves and provisions held by the council is undertaken. The Medium Term Financial Strategy assumes an overall decrease in the level of Earmarked Reserves in 2024-25 and 2025-26. Further details of the anticipated use of Earmarked Reserves are included in the Statement on the Adequacy of Provisions and Reserves 2024-28.
- 4.28. When taking decisions on using reserves, it is important to acknowledge that reserves are a one-off source of funding. Once spent, reserves can only be replenished from other sources of funding or reductions in spending. Therefore, reserves do not represent a long term solution to the historic funding reductions and continuing cost pressures facing the Council.

5. LOCAL GOVERNMENT FUNDING

5.1. Local Government funding has three major components:

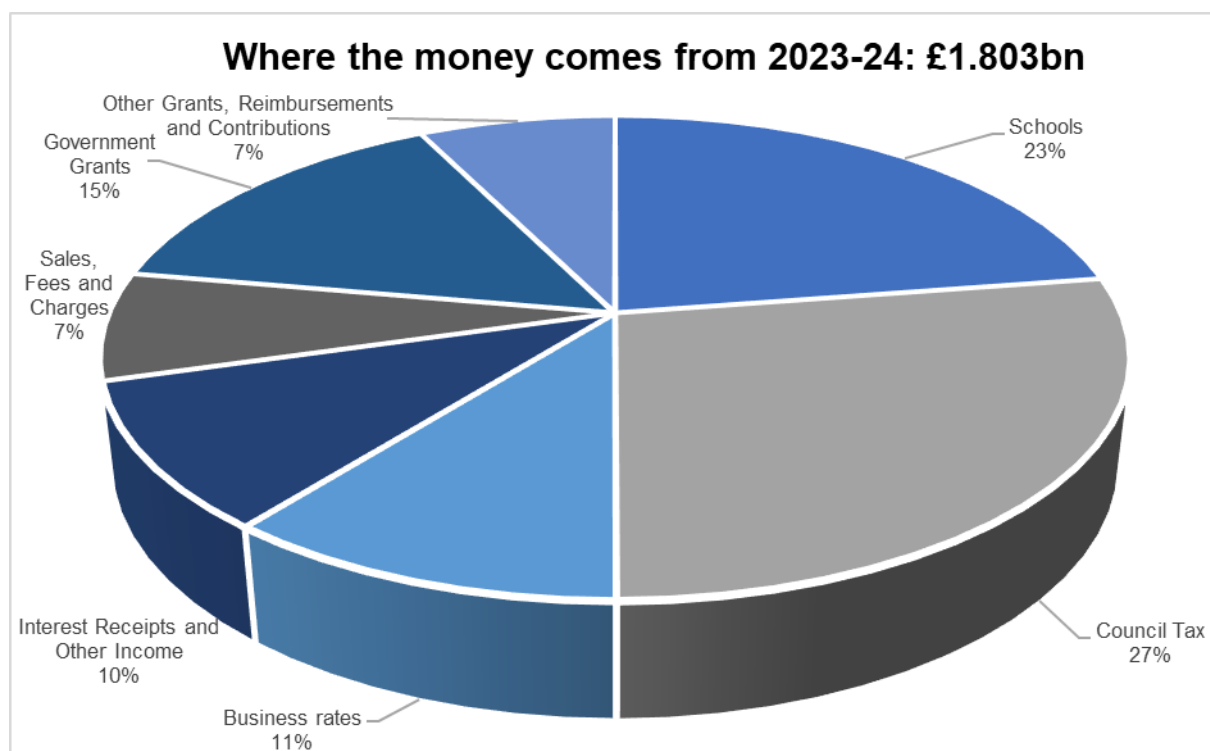
- money received through **council tax**;
- money received through partial retention of locally generated **Business Rates**; and
- money redistributed by Government in the form of **Revenue Support Grant (RSG)** and **specific grants**.

5.2. Councils also generate income through sales, fees and charges. The breakdown of this **budgeted funding** in 2023-24 is shown in the pie chart below.

5.3. In recent years, the government has provided a larger proportion of funding through one-off specific grants, which makes it increasingly difficult to plan services for the long term.

5.4. The government has asked authorities within the [local government finance policy statement 2024 to 2025](#) to continue to consider how they can use their reserves to maintain services over this and the next financial year, recognising that not all reserves can be reallocated, and that the ability to meet spending pressures from reserves will vary between authorities. Norfolk County Council reserve levels are lower than the shire county average.

MTFS Chart 3: Council funding sources 2023-24



Source of funding	Percentage total of 2023/24 funding of £1.803bn*	Split of £1.803bn*
Council Tax	27.4%	£0.494bn
Schools	22.6%	£0.407bn
Business Rates	10.8%	£0.194bn
Government grants	14.9%	£0.268bn
Interest, receipts and other income	9.8%	£0.177bn
Other grants, reimbursements, and contributions	7.4%	£0.133bn
Sales, fees and charges	7.2%	£0.131bn
Total	100%	£1.803bn

BUSINESS RATES (11%)

5.5. Since April 2013, councils have no longer received Formula Grant, but instead received funding from a mix of locally retained business rates and government grants that are allocated from centrally retained business rates.

- 5.6. The introduction of the business rates retention scheme resulted in a direct link between local business rates growth and the amount of money councils have to spend on local people and local services. The scheme provides incentives for local authorities to increase economic growth, through retention of a share of the revenue generated from locally collected business rates. This does not alter the way that business rates are set, and they continue to be determined nationally by central government.
- 5.7. Local authorities benefit from 50% of business rates growth (or indeed suffer the consequences of business rates decline) in their area. The scheme is complex, involving a system of tariffs, top-ups and levies, however, at its simplest, for every £100 change in rates in Norfolk, £50 would go to central government, £40 to the district councils and £10 to Norfolk County Council.
- 5.8. Baselines are fixed in-between reset periods and only adjusted for inflationary increases to allow local authorities to retain generated growth for a period of time. Upper tier authorities are restricted in gains but also protected from reductions somewhat, as a large proportion of income is received through index linked top-ups.
- 5.9. Challenges within the current Business Rates scheme include the level of financial risk that councils face due to appeals and business rate avoidance, with little scope for these risks to be managed under the current arrangements. Some councils are of the view that the risks outweigh the rewards available to councils through incentives to grow the local economy. Risks to business rates income are considered to be higher due to the impact of COVID-19 and the level of uncertainty around continued Government support for businesses.
- 5.10. Since the introduction of the Business Rates Retention Scheme in 2013-14, Norfolk has not seen any significant growth or decline in the amount of business rates collected. This is a significant concern for Norfolk for future years, when considering the increasing levels of demand, any move towards Business Rates localisation and the potential changes to Revenue Support Grant. Most significantly, local authorities have relatively limited ability to influence some of the major factors which can impact on the level of business rates collected, including for example the impact of Covid-19 on business rates income.
- 5.11. Within the Autumn Statement⁷, it was confirmed that local government will be fully compensated⁸ for the Government's decision to "freeze" the business rates multiplier, which will remain at 49.9p for small businesses in 2024-25. The standard rating multiplier will be updated in line with September 2023 CPI (6.7%) from 51.2p to 54.6p, but local authorities will be compensated for historical under-indexation.

⁷ [Autumn Statement 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/announcements/autumn-statement-2023)

⁸ [NDR1: national non-domestic rates - guidance notes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/announcements/nndr1-national-non-domestic-rates-guidance-notes)

- 5.12. All local authorities in Norfolk have agreed to continue the 2023-24 Norfolk Business Rates Pool in 2024-25. The Pool allows Norfolk to retain additional business rates funding in the county through retaining levy payments which otherwise would have been paid over to central government.
- 5.13. In respect of the 2024-25 budget, updated District Council forecasts are being collated and the level of income the Council will receive is not yet confirmed.

CHANGES TO THE BUSINESS RATES RETENTION SCHEME

- 5.14. The Government has confirmed that potentially significant funding reforms, including reforms to the Business Rates system and Business Rates reset, are subject to ongoing delays.
- 5.15. A key issue for the County Council will be to ensure that reforms going forward include a review of funding needs which accurately captures the pressures faced by Norfolk, particularly in respect of social care, demographic issues, and the specific local pressures arising from sparsity, rurality and social mobility.

REVENUE SUPPORT GRANT (RSG) (3%)

- 5.16. The amount of funding the Council receives is published as the Settlement Funding Assessment. In comparison to other councils, Norfolk remains somewhat reliant on Revenue Support Grant (RSG) and therefore cuts to this funding stream would have a significant impact on the budget. Following the Provisional Local Government Finance Settlement, the Council's budget planning assumes that RSG is uplifted by September 2023 CPI in 2024-25.
- 5.17. Details are shown within the revenue budget report regarding the Settlement Funding Assessment 2024-25 funding allocations. There is currently limited information about Settlement Funding for 2025-26 and beyond and the MTFs gap assumes this will be unchanged from the assumed 2024-25 allocations.

SPECIFIC GOVERNMENT GRANTS (15%) AND SCHOOLS FUNDING (23%)

- 5.18. The table below summarises the amount of specific grants due to be received in 2024-25, along with restated figures for 2023-24. In most cases the allocations for the years beyond 2024-25 have not yet been confirmed by the Government and there is therefore limited information available about amounts beyond next year. Ring-fenced funding below includes funding to schools, over which the County Council has no control.

MTFS Table 1: Grants and Council Tax

Type of funding	2023-24 (Restated comparative) £m	2024-25 Provisional £m
Un-ringfenced	358.260	386.620
Ring-fenced (schools)	786.830	853.156
Ring-fenced (Public Health)	43.640	44.215
Council tax	493.707	527.748
Local Business Rates	27.834	28.782

5.19. Details of significant specific grants are set out below:

RING-FENCED GRANTS

5.20. **Public Health** – Public Health grant continued to be ring-fenced grant in 2023-24 for public health services. The Government has not yet confirmed grant allocations for 2024-25. Our budget assumptions are that there will a 1.3% increase in the grant. Allocations will be announced separately in early 2024. Public Health covers a wide range of services that may be provided directly to communities or to other organisations that deliver services supporting the health and wellbeing of our population.

5.21. **Dedicated Schools Grant (DSG)** – Schools funding is provided through the Dedicated Schools Grant (DSG) and other grants. The DSG is allocated to local authorities who then delegate the funding to schools in accordance with the agreed formula allocation. Grants are allocated by local authorities to schools as per the Department of Education (DfE) conditions of grants, which vary depending upon the purpose and aims of the funding. The Local Authority has received its DSG allocation based on the new national funding formula. Pupil premium will continue as a separate, ring-fenced grant.

5.22. It is the local authority's decision how the Schools Block is distributed as, at present, there is no requirement upon local authorities to allocate the block as per the national funding formula unit values. However, central government policy has indicated in the past that there will be a move towards a 'hard' formula in future and, therefore, the implications of this have needed to be considered by local authorities when determining their local formula. Government policy has now been updated so that 2023-24 was the first year of transition to the direct schools National Funding Formula (NFF). In 2024-25, local authorities continue to only be allowed to use NFF factors in their local formulae, and must use all NFF factors, whilst also being required to move their local formulae a further 10% closer to NFF unit values in 2024-25 that builds upon the 10% movement required in 2023-24, unless they are already mirroring NFF. To aid the transition to allowable 2024-25 funding values, the DfE have published the acceptable factor value range for each local authority. Norfolk's formula has been closely aligned to NFF factor values and methodologies since 2019-20. The options for the local formula for Norfolk were co-produced with Norfolk Schools Forum and all schools were consulted on the options available.

5.23. Government has announced⁹ DSG for 2023-24 totalling £853.156m prior to academy recoupment (2022-23 totalling £786.830m^{10 11}); an overall increase of £66.326m between years (including £20.446m of Mainstream Schools Additional Grant rolled into the DSG for 2024-25).

5.24. Norfolk is currently carrying an outstanding Dedicated Schools Grant (DSG) deficit from previous financial years, with a forecast £73.284m cumulative deficit forecast for the end of 2023-24. On the basis of the accounting treatment introduced in 2020 by the Government:

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

5.25. High Needs Block (HNB) funding is intended to provide the most appropriate support package for children and young people (from early years up to age 25) with special educational needs and disabilities in state special schools, independent schools, and Alternative Provision (AP), taking account of parental and student choice.

5.26. Norfolk is part of the DfE's Safety Valve programme, having had approval from the Secretary of State in March 2023.

5.27. As part of this plan, the Council submitted a disapplication request in respect of the Dedicated Schools Grant (DSG) for 2024-25 for 1% transfer in addition to the 0.5% transfer from the Schools Block to the High Needs Block agreed by Schools Forum November 2023. The Secretary of State has agreed to this request.

5.28. Further details of the HNB impact on the overall Dedicated Schools Grant position are set out in the Revenue Budget report and in the Dedicated Schools Grant Budget report.

5.29. **Pupil Premium Grant (PPG)**¹² – 2024-25 allocations will increase above the 2023-24 rates and for disadvantaged pupils will be as follows: primary allocated £1,480, which is aimed to help primary schools raise attainment and ensure that every child is ready for the move to secondary school. £1,050 is allocated for disadvantaged secondary pupils. Disadvantaged pupils are those who have been registered for free school meals at any point in the last six years.

⁹ [Norfolk \(skillsfunding.service.gov.uk\)](https://www.skillsfunding.service.gov.uk)

¹⁰ Total DSG allocation including; Schools , central school services, early years and high needs block.

¹¹ As at the November 2023 DSG update

¹² [Pupil premium: conditions of grant 2023 to 2024 - GOV.UK \(www.gov.uk\) published November 2023](https://www.gov.uk/government/publications/pupil-premium-conditions-of-grant-2023-to-2024)

- 5.30. The pupil premium plus (for children looked after) is £2,570 per pupil. The eligibility for this includes those who have been looked after for one day or more, and (from 2015-16) children who have been adopted from care or have left care under a special guardianship or child arrangement order. Schools receive £2,570 for each eligible pupil adopted from care who has been registered on the school census and the additional funding will enable schools to offer pastoral care as well as raising pupil attainment.
- 5.31. Children with parents in the armed forces continued to be supported through the service child premium, which will be £340 per pupil.

UN-RING-FENCED GRANTS

- 5.32. **NHS funding (Better Care Fund¹³)** – Since 2015, the Government's aims around integrating health, social care and housing, through the Better Care Fund (BCF), have played a key role in the journey towards person-centred integrated care. This is because these aims have provided a context in which the NHS and local authorities work together, as equal partners, with shared objectives. The plans produced are owned by Health and Wellbeing Boards, representing a single, local plan for the integration of health and social care in all parts of the country.
- 5.33. The national conditions are:
- A jointly agreed plan between local health and social care commissioners, signed off by the Health and Wellbeing Board (HWB)
 - NHS contribution to Adult Social Care to be maintained in line with the uplift to NHS minimum contributions
 - Invest in NHS commissioned out of hospital services
 - Implementing the BCF policy objectives.
- 5.34. The BCF is developed alongside Integrated Care Boards (ICBs) (and District Councils in relation to the effective deployment of disabled facility grant, which is passported in full to District Councils). The service continues to work closely with health partners within the ICS to agree the budget plans reflect priorities within the programme. In 2021-22 NCC led a joint review of the BCF with the ICB in Norfolk to shape a future BCF that further delivers local priorities; acts as a strengthened delivery arm of joint commissioning; and focuses strategy and funding on the most important priorities for integration. A new local set of principles for services in the BCF have also been agreed:
- a) Funding services which move us towards meeting our local and national priorities
 - b) Funding whole services through BCF, to better understand system impact
 - c) Funding services which are meaningfully joint health and social care

¹³ [2022 to 2023 Better Care Fund policy framework - GOV.UK \(www.gov.uk\) updated November 2022](https://www.gov.uk/government/policies/better-care-fund)

- 5.35. We presently await the 2024-25 planning guidance relating to the Better Care Fund (BCF) which should confirm the mandatory minimum contributions from Integrated Care Boards (ICB) towards the protection of Social Care. Our 23-24 plan was recently agreed as part of the annual BCF assurance cycle.
- 5.36. Disabled Facilities Grant (DFG) allocations are transferred to District Councils through the BCF. This enables Housing Authorities to meet their statutory duty to provide adaptations to the homes of people with disabilities to help them live independently for longer. From 2016-17 the DFG allocations have included amounts to offset the discontinuation of the Social Care Capital Grant.
- 5.37. **Social Care Grant** – The provisional settlement confirmed previously announced increases to the social care grant. The Social Care Grant will increase to £4.5 billion in 2024-25, an increase of £692 million from 2023-24. This includes £1.9 billion from delaying the rollout of adult social care charging reform from October 2023. The majority of this additional funding will be allocated using adult social care relative needs formula, while £80 million will be used to equalise the variation in yield from the adult social care precept and a further £80 million in equalisation against the adult social care precept will be paid from elsewhere in the settlement. This brings our total grant for 2024-25 to £78.880m. This grant is ringfenced towards helping to address cost pressures across both Adults and Children’s social care.
- 5.38. **Improved Better Care Fund (iBCF)** The provisional settlement confirmed no increase to the iBCF and our allocation remains at £39.619m for 2024-25. The grant must only be used for “meeting adult social care needs; reducing pressures on the NHS, including seasonal winter pressures; supporting more people to be discharged from hospital when they are ready; ensuring the social care provider market is supported”. As grant recipient, we work with our local Integrated Care Board and providers to ensure the grant conditions are met. In 2019-20 the government announced that the winter pressures funding previously provided as a distinct grant would be rolled into the iBCF. In addition, the governance changed with a requirement to pool this grant alongside the wider Better Care Fund. The Adult Social Care budget reflects the spending plans for the grant.
- 5.39. **Local Reform and Community Voices grant** – allocations for this grant, which consists of three funding streams (Deprivation of Liberty Safeguards in Hospitals; local Healthwatch funding; and funding for the transfer of Independent NHS Complaints Advocacy Service to local authorities) have not been announced for 2024-25 it is therefore assumed that this funding continues in 2023-24 and in future financial years.
- 5.40. **Social Care in Prisons grant** – the Social Care Act establishes that local authorities are responsible for assessing and meeting the care and support needs of offenders residing in any prison, approved premises or bail accommodation within its area. This grant is to provide additional funding to undertake this new burden. Allocations have not yet been announced for 2024-25 onwards but it is assumed that the funding continues.

- 5.41. **War Pensions** – In the 2016 Budget, the government announced that a change would be made to the care and support charging arrangements in England to treat the schemes more consistently. This was done by requiring regular payments made to veterans under the War Pensions Scheme to be disregarded (i.e. not taken into account) when local authorities conduct the Adult Social Care financial assessment. This grant compensates local authorities who lost income from this change in charging policy. Allocations for 2024-25 have not been published and it is therefore assumed that this funding continues.
- 5.42. **Adult Social Care Discharge Grant** - A grant providing £500m of national funding in 2024-25 to which Norfolk will receive £9.257m of funding. It is provided to upper tier authorities to ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible.
- 5.43. **Adult Social Care Market Sustainability and Improvement Grant** – A grant providing £1,050m of national funding in 2024-25 to which Norfolk will receive £18.282m of funding. The grant allocations now include £205 million MSIF - Workforce Funding. The grant is provided to upper tier authorities to enable tangible improvements to be made to adult social care.
- 5.44. **New Homes Bonus Funding** – New Homes Bonus (NHB) is a grant paid by central government to local councils for increasing the number of homes and their use. NHB is paid for each new home, linked to the national average of the council tax band, originally for a period of six years. As part of the provisional Settlement, the Government has confirmed that NHB will continue in 2024-25 and will be paid on the same basis as 2023-24. In two-tier areas, the annual payment will continue to be split: 80% for shire districts and 20% for shire counties. It is unclear whether New Homes Bonus will continue after 2024-25. Our NHB allocations have increased in 2024-25 to £1.076m (2023-24 £0.628m).
- 5.45. **Rural Services Delivery Grant** – Rural Services Delivery Grant (RSDG) recognises the extra costs of delivering services in rural areas. The provisional Settlement confirmed that 2023-24 allocations of Rural Services Delivery Grant will be rolled forward £95m nationally in 2024-25 of which Norfolk receives £4.670m. No increase in Rural Services Delivery Grant results in a real term year on year reduction in this grant.
- 5.46. **Services Grant 2024-25** – Norfolk's Services Grant has been substantially cut within the provisional settlement to £0.987m – a reduction of £5.283m from 2023-24. The Services Grant is an unringfenced grant for local authorities to use across all services. The Council is lobbying government to reverse the 2024-25 cut in Services Grant.

COUNCIL TAX (28%)

- 5.47. Council tax is a key source of locally raised income. This helps make up the difference between the amount a local authority needs to spend and the amount it receives from other sources, such as business rates, government grants, and fees and charges.
- 5.48. In 2016-17 the Government introduced a new discretion for local authorities providing adult social care to raise additional council tax as an Adult Social Care precept. This gave authorities the option to raise an additional precept of 2%, on top of their existing discretion to raise council tax within the referendum limit (at the time also 2%). In 2017-18, the Government further extended the flexibility around the Adult Social Care precept, allowing councils to raise it by 3% in 2017-18 and 2018-19, but in this event having no rise permitted in 2019-20. The Council took advantage of this flexibility to raise the maximum Adult Social Care precept by 2018-19 meaning no increase was applied in 2019-20. In 2020-21, a further 2% was raised through the Adult Social Care Precept.
- 5.49. In 2021-22 the Government included within the provisional Local Government Finance Settlement¹⁴ (December 2020), a core council tax referendum principle of up to 2% and an adult social care precept of 3% on top of the core principle, with the opportunity to split this over two years. Members chose to split the available 3% adult social care precept increase with 2% applied in 2021-22 and 1% in 2022-23.
- 5.50. For 2022-23 the Government announced a core council tax referendum principle of 2% and an additional 1% adult social care precept, which could be taken in addition to the deferred element of the 2021-22 amount (1%). The Council opted not to take the additional 1% for 2022-23. In February 2023, Council agreed an increase of 4.99%, including the 2% available for the Adult Social Care Precept for 2023-24.
- 5.51. Norfolk's taxbase growth continues at similar levels seen in previous years with growth in the tax base of 1.65% for 2024-25. Assumed growth of 1% has been built in for the remainder of the current MTFS (2025-28) as shown in Table 2 below.

¹⁴ [Provisional local government finance settlement 2021 to 2022: consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2021-to-2022)

MTFS Table 2: Council Tax assumptions

Council Tax Assumptions	2024-25	2025-26	2026-27	2027-28
Assumed increase in general council tax	2.99%	1.99%	1.99%	1.99%
Assumed increase in Adult Social Care precept	2.00%	1.00%	0.00%	0.00%
Total assumed council tax increase	4.99%	2.99%	1.99%	1.99%
Assumed Council Tax Base	313,647	316,784	319,952	323,151
Assumed increase in Council Tax Base (%)	1.65%	1.00%	1.00%	1.00%

5.52. It should be noted that in the event of an increase in the referendum limit, or given the scope to further increase the Adult Social Care precept, it is likely that the Section 151 Officer would recommend the maximum available council tax be raised in future years, in view of the Council's wider financial position. Further background information about council tax is provided below and in the Revenue Budget report.

COUNCIL TAX ASSUMPTIONS WITHIN CORE SPENDING POWER FOR 2016-17 ONWARDS

5.53. In 2016-17 the Government introduced a measure of "core spending power", intended to reflect the resources over which councils have discretion. However, in reality, the council has limited discretion over how much to raise council tax, and cannot significantly influence whether businesses pay Business Rates, or the level of allocated central government funding.

5.54. Core spending power risks painting an unrealistic picture of how well a council might be faring. For example, Norfolk's indicative core spending power has risen from £606.3m in 2015-16 to £924.420m in 2024-25, an increase of £318.120m, however two thirds of this increase has been delivered through assumed increases council tax, effectively transferring the burden to local council tax payers. During this time the council has also had to plan to make substantial savings to meet wider cost pressures and reductions in funding and enable the setting of a balanced budget.

5.55. The assessment of core spending power was used in 2016-17 as a mechanism to distribute reductions in Revenue Support Grant for the period up to 2019-20 to ensure that within each tier of Local Government (upper-tier, lower-tier, fire and rescue, and GLA other services), authorities of the same type received the same percentage change in settlement core funding. The inclusion of council tax in this calculation represented a significant change in Government policy. The Spending Review document at the time stated that this was intended to "*rebalance support including to those authorities with social*

care responsibilities by taking into account the main resources available to councils, including council tax and business rates.”¹⁵

5.56. Nonetheless, by previously using core funding as a mechanism for the distribution of funding in the settlement, the Government has effectively assumed that councils will raise council tax at the referendum threshold, will raise the Adult Social Care precept, and that historic levels of tax base growth will persist. As a result, any decision to raise council tax by less than the maximum available will lead to underfunding when compared to the Government’s expectations, and may make it more difficult to lobby for additional central government funding.

6. REVENUE STRATEGY AND BUDGET

6.1. The primary objective of the Medium-Term Financial Strategy 2024-28 is to show a balanced four-year position. At present further savings or additional revenue funding need to be identified to meet the significant shortfall shown in the period 2025-26 to 2027-28 below:

MTFS Table 3: Provisional medium term financial forecast budget shortfall

Provisional medium term financial forecast budget shortfall	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m
Additional cost pressures	116.024	69.083	70.915	68.833
Funding changes	-36.961	0.200	0.000	0.000
Forecast council tax increase	-34.041	-17.788	-16.420	-16.914
Identified saving proposals	-45.022	-8.569	-8.989	-7.923
Budget shortfall	0.000	42.927	45.505	43.995

6.2. The council’s revenue budget plans deliver a balanced budget for 2024-25, but a significant shortfall remains in the subsequent years 2025-26 to 2027-28 (an **overall deficit in the Medium Term Financial Strategy of £132.428m**). The Medium Term Financial Strategy (MTFS) is intended to aid forward planning and help mitigate financial risk. The detailed timetable for the identification of the required savings and future year budget setting is set out in the Revenue Budget report.

6.3. Uncertainty remains around several key areas which could impact on the MTFS in future years:

¹⁵ *Spending Review and Autumn Statement 2015*, para 1.242, p59, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

- Pressure on budgets from needs led services, relating to adults and children's social care, where the number of service users and the complexity of need continues to increase;
- The long term impact of the pandemic on social care, backlogs built up on top of new demand, alongside staff shortages due to changes in immigration caused initially by Brexit but compounded by the pandemic;
- Delayed adult social care charging reforms (including the cap on care costs) where the full implications of Government decisions remain to be understood;
- The above inflation increasing price of care packages, as providers struggle to meet soaring energy and food prices and high wage inflation;
- The level of Dedicated Schools Grant funding provided to deliver High Needs Block SEND provision, and the progress in recovering the deficit position on these budgets. Although the Government has now prescribed an accounting treatment for the DSG deficit and confirmed that in principle there is no expectation for local government to fund the DSG from council resources, this position is not guaranteed and will remain a subject of scrutiny for External Auditors. Further information about this is set out within the Revenue Budget paper paragraph 4.3;
- The impact of the decision to leave the EU on local government funding and the wider economy; workforce shortages in key sectors, supply bottlenecks have been exacerbated by changes in migration and reductions in trading;
- Workforce recruitment and retention and shortage of labour in key sectors;
- Continued high levels of inflation (including national living wage, energy and food);
- Significant delays to Business Rates reform and the fair funding review;
- The uncertainty concerning the quantum and distribution of funding in the future years of the MTF5; and
- The ability of local tax payers to continue to absorb increases in council tax and the Adult Social Care precept.

6.4. CIPFA's Financial Management Code sets out a requirement for councils to consider a long-term financial view which recognises financial pressures. This should include an assessment of the sensitivity of the council's position to a range of alternative scenarios. The table below therefore provides a summary long term financial outlook for the council, based on currently known pressures and an assumption that government funding continues at the same level as 2023-24.

6.5. Norfolk County Council has a strong history of good financial management. An assessment of our compliance with the Financial Management Code is included within the Revenue Budget report.

6.6. The 6 Principles of Good Financial Management set out in the FM Code are:

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- Accountability – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
- Adherence to professional standards is promoted by the leadership team and is evidenced.
- Sources of assurance are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.
- The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

MTFS Table 4: Long term financial forecast budget position

Long term financial forecast budget position	2024-25 £m MTFS*	2025-26 £m MTFS*	2026-27 £m MTFS*	2027-28 £m MTFS*	2028-29 £m LTFO**	2029-30 £m LTFO**	2030-31 £m LTFO**	2031-32 £m LTFO**	2032-33 £m LTFO**	2033-34 £m LTFO**	Total £m
Growth Pressures: Economic and inflationary	34.670	23.015	23.480	24.098	23.409	24.097	24.815	25.406	26.148	26.893	256.031
Growth Pressures: Legislative requirements	37.618	7.850	6.500	6.500	0.000	0.000	0.000	0.000	0.000	0.000	58.468
Growth Pressures: Demand and demographic	39.732	37.608	37.110	38.230	30.000	25.000	20.000	20.000	15.000	15.000	277.680
Growth Pressures: Policy decisions	4.004	0.610	3.825	0.005	0.000	0.766	0.000	0.000	0.000	0.000	9.210
Funding Changes	-36.961	0.200	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-36.761
Savings identified	-45.022	-8.569	-8.989	-7.923	0.000	0.000	0.000	0.000	0.000	0.000	-70.503
Council tax increases	-34.041	-17.788	-16.420	-16.914	-17.423	-17.948	-18.488	-19.045	-19.618	-20.208	-197.892
Forecast Gap (Surplus)/Deficit	0.000	42.927	45.506	43.996	35.986	31.915	26.327	26.361	21.530	21.685	296.232

*MTFS - Medium Term Financial Strategy

**LTFO - Long Term Financial Outlook

6.7. The long term outlook suggests a cumulative budget gap in excess of £296m by 2033-34, if no mitigating actions are taken. However, the level of this gap is highly sensitive to changes in assumptions and is ultimately likely to be materially different. In particular, the level of uncertainty within these forecasts inevitably increases for later years. The sensitivity of the budget in 2024-25 to changes in key assumptions is shown in the following table.

MTFS Table 5: Assumption sensitivity 2024-25

Change in assumption	£m
10% savings non delivery	+/- 4.502
+/-1% pay inflation	+/- 3.100
+/-1% general inflation	+/- 8.398
+/-1% Revenue Support Grant	+/- 0.496
+/-1% Business Rates baseline	+/- 1.672
+/-1% Council tax base	+/- 5.244
+/-1% Council tax	+/- 5.244

6.8. There is a huge range of sensitivity around the MTFS forecast shown in MTFS Table 4 and MTFS Table 5. There is very substantial uncertainty linked to potential variation and levels of risk over the longer-term planning horizon. This is particularly exacerbated in the medium term by a lack of certainty over government funding levels.

7. CAPITAL STRATEGY AND BUDGET

7.1. The Capital Strategy provides a framework for the allocation of resources to support the Council's objectives. The capital strategy is intended to:

- give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability; and
- demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

7.2. A proposed capital programme for 2023-28 of £1,134.982m, subject to the planned slippage of £253m and additional amounts for schemes yet to be re-profiled from 2023-24, is included elsewhere on the agenda, of which £588.877m relates to future years.

7.3. The table below shows the split of capital spend by department, but individual schemes within departments are set out in further detail in the Capital Programme.

MTFS Table 6: Total Capital Programme expenditure (existing and new) 2024-28

Service	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	Total £m
Adult Social Care	17.267	16.547	24.728	17.296	3.268	79.106
Children's Services	36.955	86.990	48.743	31.657	53.334	257.679
CES Highways	159.082	165.804	156.511	142.192	124.867	748.457
CES Other	37.081	61.272	35.311	15.153	8.354	157.171
Finance	3.401	23.603	6.313	10.750	0.000	44.067
Strategy and Governance	29.200	24.987	11.347	11.378	0.000	76.912
IFRS 16 Right of Use Assets	0.000	18.915	1.892	1.892	1.892	24.590
Total	282.986	398.118	284.846	230.317	191.714	1,387.982
2023-24 SLIPPAGE forecast	-49.375	49.375	0.000	0.000	0.000	0.000
SLIPPAGE PLANNED	0.000	-135.000	-65.000	-30.000	-23.000	-253.000
CAPITAL PROGRAMME with Slippage	233.611	312.493	219.846	200.317	168.714	1,134.982

7.4. The capital programme is financed through several sources – grants and contributions from third parties; contributions from revenue budgets and reserves; and external borrowing and capital receipts. The table below shows how the Capital Programme is funded (before planned slippage).

MTFS Table 7: Funding of the proposed Capital Programme £m 2024-28

Service	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	Total £m
External Funding	190.798	206.498	152.368	142.527	112.230	804.420
Revenue and Reserves	1.037	1.330	0.442	1.233	0.000	4.042
NCC Borrowing	71.980	168.375	119.129	82.165	74.593	516.243
Capital Receipts	19.171	3.000	11.016	2.500	3.000	38.687
IFRS16 Lease Assets	0.000	13.943	1.394	1.394	1.394	18.126
Donated Assets	0.000	4.972	0.497	0.497	0.497	6.464
TOTAL	282.986	398.118	284.846	230.317	191.714	1,387.982

7.5. The Council is adopting International Financial Reporting Standard 16 (IFRS16) for leases which requires the recognition of “Right of Use” Assets arising from the lease contracts undertaken by the Council. This a new standard with statutory implementation from 1 April 2024 (this is why there is not an amount shown in 2023-24). Further details are set out within the Capital Strategy.

7.6. The funding derived from Donated Assets represents the IFRS16 Right of Use Asset valuations of property leases with peppercorn rents occupied by the Council. The Council’s continued usage of these sites at peppercorn rents of £1 or less confers on NCC a right to use these sites and the valuation of this right has been added to the 2024-25 Capital Programme as part of the adoption of IFRS16. This is purely an accounting adjustment, with no cashflow implications.

7.7. The capital strategy sets out in more detail the policies in place on capitalisation for different types of assets, such as:

- Property, Plant and Equipment
- Heritage Assets
- Intangible Assets

7.8. The strategy also sets out how capital projects are scored against a set of prioritisation criteria to ensure that the Capital programme is targeted to council priorities. Capital bids with ecological priorities that deliver a ‘reduction in Carbon Footprint for Norfolk’ score higher within the capital prioritisation marking scheme than those that have no impact.

7.9. The further details, please see the Capital Strategy and Capital Programme 2024-28+ found elsewhere on the agenda.

8. SUMMARY

8.1. in previous years, the Medium Term Financial Strategy sets out details of the high level national and local factors which are considered likely to impact on budget planning over the next four years. It provides information about how the Council intends to respond to these challenges and needs to be considered

when the County Council makes decisions about the Budget. The MTFS provides an overview of the likely implications of 2024-25 budget decisions for the future years 2025-26 to 2027-28 and outlines the potential longer-term issues facing the Council.

- 8.2. The overarching purpose of the Medium Term Financial Strategy is to support the Council in developing balanced budget plans over a four year period, and to support this objective a proposed planning timetable for setting a balanced budget for 2025-26 is included within the 2024-25 Revenue Budget report.
- 8.3. The Medium Term Financial Strategy links closely with the CIPFA Financial Management Code implemented in 2021-22 and as such it is an important component of the authority's financial management framework. In particular, the Medium Term Financial Strategy is one of the tools which supports the Council to develop plans which will assist in forming a view of, understanding, and maintaining financial resilience in the medium to longer term. The Strategy is therefore aligned with the requirements of the Financial Management Code.

GLOSSARY

The Council (and public sector bodies in general) use a range of financial terms that sometimes differ from their use in private sector businesses, and more general usage. This glossary is a quick guide to some of the more important terms.

CIPFA

Chartered Institute of Public Finance and Accountancy. The organisation sets out best practice for financial accounting in public bodies, including the best way to categorise different types of income and expenditure (see below).

COST CENTRES AND SUBJECTIVE CODES

A cost centre is an area of the budget to which income and expenditure (see below) can be attributed. Each is given a code, for example Aylsham Library is cost centre LL4800.

All income and expenditure is also categorised and given a subjective code to control and monitor spend.

For example, when Aylsham Library buys paper for its photocopier, it is recorded in the accounting system first by cost centre (LL4800), then by subjective code (46500), which covers 'Printing, stationery and photocopying'. When a member of the public pays to use the photocopier, the income is recorded to cost centre LL4800, then to subjective code 92900 – 'Photocopier and internet print-outs income'.

COST NEUTRAL ADJUSTMENTS

Transfer of services between departments affecting departmental budgets, but not the total Council budget.

DEPARTMENTAL RECHARGES (OVERHEADS)

When a department within Norfolk County Council (NCC) provides a service to another department within the Council (for example Community and Environmental Services provide school transport for Children's Services), money is transferred from the budget of one service to another. This is known as a departmental recharge and will show as income in the budget of the department providing the service, and expenditure in the department receiving the service.

EARMARKED RESERVES

Money held by the Council in reserve for specified reasons.

EMPLOYEE RELATED EXPENSES

The cost of staff, including salaries, wages, overtime payments, expenses, and pensions.

FTE

An acronym for 'Full Time Equivalent' i.e., a full-time member of staff equates to 1 FTE, a part-time member of staff working 2.5 days a week equates to 0.5 FTE.

GENERAL BALANCES

Money held in reserve by the Council that is not allocated to any specific purpose, i.e. is not part of earmarked reserves. Information on how the amount of money deemed necessary to be held is calculated can be found in the report on the Adequacy of Provisions and Reserves. See page 33 for more detail.

INCOME AND EXPENDITURE

Any money that comes from outside the Council, whether from central government, or from individuals and companies paying for services provided by the Council, is classified as income.

Anything spent by a department, whether on staff, contracted services, or supplies, is classified as expenditure.

INTERNAL RECHARGE

When a team or unit provides a service to another team or unit within the same department, money is transferred from the budget of one team to another. This is known as an internal recharge and will appear as income in the budget of the team providing the service and expenditure in the budget of the team receiving the service. Internal recharges will net to nil within a departmental budget.

DLUHC

A Government department – the Department for Levelling Up, Housing and Communities (formerly the Ministry for Housing, Communities and Local Government (MHCLG))

NET AND GROSS

The cumulative total of all planned revenue spending for a year is known as the gross expenditure. NCC's income that allows it to make this expenditure comes from a variety of sources – central government grants, customer receipts, locally retained Business Rates (also referred to as National Non-Domestic Rates or NNDR). The difference between the income from these sources and the gross expenditure is known as net expenditure, and is what NCC needs to collect in council tax.

REVENUE AND CAPITAL

Day-to-day spending on supplies (for example paper for printers) and services (for example window cleaning) is classed as revenue expenditure. One-off spending acquiring assets (for example buying a new office building) or improving assets (adding a new classroom to an existing school building) is classed as capital expenditure. See page 18 for details of the revenue budget, and page 50 for the capital strategy and programme.

Capital receipts are income generated by the sale of an asset, and can only be used for capital purposes, not to finance ongoing revenue costs, although the 2015 Autumn Statement has provided greater flexibility about the use of capital receipts for assets sold after 1st April 2016 (and this has subsequently been extended).

TRANSFER PAYMENTS

Direct payments, which provide funding to service users to enable them to commission their own services such as domiciliary care and day care are shown in the budget as transfer payments. These also include “Section 17” payments providing financial assistance for children in need, which are intended to prevent children coming into the care system.