

## Norfolk County Council Budget 2018-19

At its meeting on 12 February 2018, Norfolk County Council agreed the budget<sup>1</sup> for 2018-19, which sees the Council **focus its total resources of £1.4billion on providing vital services to meet the needs of Norfolk residents**. At a time of sustained financial pressure, the Council has continued to invest in infrastructure through significant capital projects, and following the allocation of additional resources last year, we are making further investments to protect social care services. This includes supporting and sustaining a strong care market through funding for pressures such as the living wage, and protecting Children's Services as it continues on its improvement journey.

### Key facts about the 2018-19 Budget:

- Norfolk County Council has agreed a **net budget of £388.799m for 2018-19**.
- The Council has absorbed significant and ongoing cuts in central government funding, while **continuing to protect and invest in social care services**.
- The Council faces **significant cost pressures** such as inflation, the national living wage, and the nationally proposed 2% pay increase for staff.
- In setting the budget, the Council has **consulted widely and listened to the results** in agreeing to remove proposed savings relating to bus subsidies (£0.500m) and winter gritting (£0.200m) which are now not being made.
- The Council **continues to deliver savings – with a focus on efficiency and back office reductions** rather than front line services – and plans to deliver £79m of savings by 2021-22. This includes £30m of savings for 2018-19.
- The council faces a remaining forecast budget gap of £95m to be closed over the period to 2021-22.

### Alignment with the Council's Vision and Strategy

The Council's recent Vision and Strategy<sup>2</sup> set out details of how we will continue to concentrate our efforts on **protecting front line services**. We have already made substantial efficiency savings but will make more by being more commercial. We want to generate more income from our wholly-owned companies such as Norse, which can then be reinvested in front line services, as well as developing a more business-like approach to the way resources are matched to the complex range of needs that exist now and in the future. We want to make better use of technology both in our own operations and in front line services. By making more services available online, not only will we make it more convenient for those who prefer to access services via the internet, but we will also be able to save the Council money. We also want to ensure that technology is used to the best effect to deliver frontline services. For instance, we want to increase our use of telecare technology to help people, especially the elderly, to look after themselves safely at home.

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<sup>1</sup> County Council, 12 February 2018, Item 4:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/592/Committee/2/SelectedTab/Documents/Default.aspx>

<sup>2</sup> Policy and Resources Committee, 29 January 2018, Item 9:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/640/Committee/21/SelectedTab/Documents/Default.aspx>

The County Council Strategy sets out new ways of working and plans for a transformation programme, Norfolk Futures, which will change how Council services are delivered in future to keep up with changing demands and ever better ways of working. Norfolk Futures is guided by core principles that will frame the transformation we will lead across all our work:

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

Whole council transformation will be achieved through the County Strategy and service planning process outlined in the recommendations set out in the Strategy, allowing us to deliver better outcomes for people while remaining financially stable.

## Investing in Norfolk's priorities

The 2018-19 Budget sees the Council **making a substantial investment in delivering its key priorities and protecting vital social care services** in the following areas.

### Adult Social Care:

- Making use of the improved Better Care Fund and the Adult Social Care precept to support Adults budgets.
- In overall terms **the Adult Social Care gross budget has increased for 2018-19 by some £40m**. Although much of this is one-off and linked to the delivery of the improved Better Care Fund plans we have agreed with Health, it is also providing an **opportunity to invest in new ways of working and to invest in preventative services** that should help the care system deliver improved services and minimise increased demands.
- In this coming year we are investing in accommodation-based reablement, enhanced home support services, trusted assessors in our hospitals, and social prescribing (social welfare advice in GP surgeries), specialist continuing healthcare social work – all these are examples of new initiatives that are now up and running to help us combat pressures.
- Adult Social Care will still need to deliver £27m of savings to keep the service on a sustainable footing, however we have been planning these savings for some time and the Promoting Independence strategy programme is embedded and well understood across the service. Importantly the **savings do not simply mean a reduction for service users**. Rather, they reflect a strategy that moves the service forward:
  - by changing the way we work with people through our social work model – changing the conversation, promoting independence, recovery, enablement and reablement;
  - investing in prevention schemes where they impact of on future demand;

- being strong partners for integrated working so we stand up for people's rights, prevent health conditions leading to social care needs, and work with people in a crisis to keep them safe;
- charging people where it's right to do so; and
- working with care providers to build their capacity, quality, and support their businesses.

### **Children's Services:**

- The Council has allocated **£18.550m** to support the Children's Services budget:
  - £9m on an on-going basis to address existing budget overspend pressures (permanently continuing the funding originally provided as a one-off in 2017-18) based on additional pressures identified (mainly Looked After Children (LAC) and Leaving Care costs);
  - £6m to address 2017-18 budget pressures which have emerged including increased numbers of LAC. This is again to fund the additional number and cost of LAC and Leaving Care costs;
  - £2m held centrally to fund the agreed one-off £12m Children's Services investment over the next few years in line with proposals set out in the Demand Management and Prevention Strategy; and
  - £1.550m for the costs of **COMPASS and PIMHS. PIMHS (Peri-natal Infant Mental Health Services)** aims to work with families of 0-2 year olds to intervene with edge of care cases where there are significant safeguarding concerns alongside attachment problems in the parent-infant relationship and an identified parental mental health problem. The **COMPASS** Outreach Service delivers specialist evidence based therapeutic mental health care services with a focus on improving children's outcomes and safety through addressing developmental trauma and attachment difficulties experienced by those children on the Edge of Care or Looked After. This service works specifically with complex and high-risk cases requiring additional specialist support and intervention.

### **Across all Norfolk County Council budgets:**

- Significant growth pressures have been recognised across all budgets in relation to:
  - Inflation, including the 2% pay offer for staff;
  - Demographic changes and increased demand for our services;
  - Legislative changes where national policies have added to our costs; and
  - The Council's own policy decisions.

- Budget planning for 2018-19 included a review of the deliverability of savings and to identify service pressures. As a result, the 2018-19 Budget sees a **significant investment in Service Committee budgets through both the removal of previously planned savings and recognition of budget overspend pressures**. The changes to previously agreed savings represent the **removal or delay of £7.174m of savings originally planned for 2018-19** in previous budget rounds. This will help to ensure that the 2018-19 Budget will be both robust and deliverable.
- Late funding announced through the Final Local Government Settlement of **£3.4m has been set aside in reserves** (£2.6m of which is earmarked for Adults) to provide the Council with flexibility to address the impact of any budget risks in 2018-19, or alternatively to mitigate the level of savings to be found in 2019-20.

### Capital investment:

- Norfolk County Council is delivering multi-million pound investments across the County with an ambitious capital programme of **£429m** over the next four years.
- Capital investment includes the provision of new infrastructure (the completion of the Norwich Northern Distributor Road), and plans to deliver more in the next few years, including the Great Yarmouth Third River Crossing, for which the Council has been successful in obtaining Government funding.

### Council tax 2018-19

The Budget includes an increase in council tax for 2018-19 of 5.99%, of which 2.99% is for general council tax, and 3.00% is the Adult Social Care precept. This increase amounts to £74.79 per year for a Band D property (about £1.43 per week), and puts the County Council's share of a Band D bill to £1,322.73. The financial climate in which local government operates continues to be challenging, with significant and ongoing reductions to core funding at the same time as substantial service cost pressures. The agreed **council tax increase of 5.99% enables the council to protect vital services** and will help to contribute to a robust and sustainable financial position in future years.

The Council's increase of 5.99% is occurring because:

- the **Government increased the threshold for increases in general council tax to 3%** before a referendum is required;
- a 3% increase in council tax helps to keep pace with inflation (CPI);
- increasing council tax by less than the full amount available weakens our position in negotiating for additional funding with Government; and
- the **Government provided discretion to raise the Adult Social Care precept by 3%** in both 2017-18 and 2018-19, provided the increase is not more than 6% over the three years to 2019-20. The council has decided to raise the precept in two annual amounts in order **to secure quicker investment in services**. This means that unless the Government changes the offer, we will not be able to increase the adult social care precept in 2019-20.

Further details about council tax can be found on our website:

<https://www.norfolk.gov.uk/what-we-do-and-how-we-work/our-budget-and-council-tax/council-tax>