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At £60 million, the scale of the Budget gap identified in the Medium Term Financial Strategy in February 2022 was one of the largest that the Council has sought to bridge. While I am extremely relieved to be able to set out a balanced Budget proposal for 2023/24, it has not come without costs. Principal of these is the necessity to increase Council Tax, both general and the Adult precept, by the maximum allowable before resorting to a referendum: 4.99%.

County Council Tax

The £23.356m thereby raised goes some way to covering an increase in costs of over £148m. Total savings of £59.704m are budgeted for to help pay for these. The balance of the costs are largely met by additional funding announced by the Government.

This means, of course, that we are spending more money next year than last year: £494million vs £464million on Norfolk's services.

I do not have to tell you that since the Budget last February, there have been very severe headwinds in both the wider economy and in public finances which have inevitably served to increase the costs that this Council faces:

- i) The 2022/23 pay award was approximately £8.1m more than originally budgeted (this includes the Fire service, which has yet to agree a settlement);
- ii) This feeds through to increased pay award assumptions for the year in question of £6.8m;
- iii) So pay awards add £14.9m. Then, because so many of our external contracts, with Care Homes, for example, are linked to CPI/RPI, we are budgeting for at least another £7.4m inflationary pressures
- iv) We have seen a significant overspend of £20 million in Children's Services in the current year, which will need to add to the coming financial year's base. There has been a sharp rise in the cost of placing children, together with a sharp increase in more complex cases. This, together with significant increases in the cost of Home to School Transport, means that the County will be spending a total of £232.5 million on this Service next year. All I would say is that the ability to handle an in-year overspend of this magnitude and adequately cover such a significant financial response to rising demand, is an indication of the inherent solidity of the Council's budgeting process.
- v) There is a significant impact from the rise in the National Living Wage, particularly for 3rd party contracts. Indeed, we recently announced that we have provided an additional £30 million, an increase of 9.5%, in order to maintain this key economic and societal sector in Norfolk.
- vi) In addition to the £20million additional revenue funding to Childrens Services mentioned above, we are providing an additional £5.5m next year, and in each of the following five, to address increased costs in the High Needs part of our education provision. This alone is more than a 1% increase in Council Tax.

County Council Savings

Over the past three years we have been able to fund cost increases by doing more things better but for less money. Most of the £60,000,000 savings this year fall into this category. In particular, I would highlight three:

- i) During the year we launched a comprehensive review of how we deliver services. This Strategic Review covers both looking at how to meet needs in a different way, with less input required from staff on the lower value add activities; second it means applying a consistent approach across NCC to layers of management and how many people an individual manages. This means looking at spans of control and management layers that could be changed to sustainably remove staff costs and increase an individual's ability to solve smaller problems themselves. This will take over £17 million out of our cost base and covers all departments. Further plans are already being drawn up to build on this first phase of the Strategic Review. Additional benefits to ways of working and resulting financial savings are anticipated to be identified for 24/25 and 25/26 as new proposals are brought forward that continue to strengthen the Council's resilience and deliver efficient and effective services.
- ii) During 2022-23 we launched Adults Services 'Connecting Communities' programme. This programme underpins a substantial proportion of this department's financial benefits and will deliver over £18m of recurrent savings when it is wholly finished. 2023-24 will be a really important year for the roll-out and implementation of this programme but put simply, it centres round a continued focus on value for money and accountability. Getting the basics right is vital to managing what is the largest budget that the Council has.
- iii) A similar transformation programme, which we are calling New Roads, has been very successful in keeping children out of care. Without it, the cost to the Council of the huge increase in placement costs would have been significantly higher.

County Council spending

So, as I say, the vast majority of savings do not mean a reduction in the level of service that you get from us. One of the reasons for this are the transformation programmes already described. The other is the careful use of capital spending to support our services. It is the capital programme that will allow us to focus on the things which really make a difference: it is by improving educational outcomes, growing the skills our key sectors need, helping to create good quality jobs, and putting in place the appropriate infrastructure to attract those jobs, that we will improve the life-chances of our residents and strengthen our economy.

For us in West Norfolk, there are some significant increases to the capital spend. First, the library and bus station in Hunstanton. Hunstanton is the fourth busiest bus terminal in the County. By providing £1.2 million to develop into a fully functioning transport hub, we will be able to provide a base for more frequent, direct services, a dropping off point for coaches, a connecting point for rural services, a hub for cyclists and walkers to spread out and use some of the long distance paths and cycleways that we are creating. At the same time, we are rebuilding a larger library on its original site, allowing us not only to provide the many services our libraries already offer but to deliver some adult and children's services from there as well. There will be a Tourist Information Centre and somewhere for a coffee too. Other improvements for bus transport in West Norfolk include:

- i) A149 Castle Rising to Knight's Hill and QEH - Investigation into low-cost options to provide bus priority along this corridor, to assist with summer peak traffic flows
- ii) King's Lynn: Hardwick Roundabout to Southgates - Inbound bus lane - links to sustainable travel plans as part of the LUF bid

- iii) King's Lynn: Portland Street and Bus Station Access - Junction changes to prioritise buses
- iv) A149 Lamsey Lane Junction - Contribution to works to reconfigure junction to provide easier access onto A149 for buses
- v) King's Lynn: Queen Elizabeth Hospital exit - Reconfigure junction to provide priority for bus movements
- vi) A149 Norfolk Lavender Junction - Reconfigure junction to provide priority for bus movements
- vii) A148/A149 Knight's Hill junction reconfiguration - to provide priority for bus movements, with a section of bus lane on the A148
- viii) In Hunstanton and at main stopping points we will be installing real-time passenger information and new bus shelters.

I mentioned the new library in Hunstanton. Additionally, Norfolk County Council have provided the core funding needed to enable the new library, or multi user community hub, in Kings Lynn to go ahead. This scheme will provide Kings Lynn with a much needed heart in the landscape of its Town Centre by providing inspiring spaces and facilities for individuals, communities and businesses; create a strong base for our own outreach and community support work, as well as supporting smaller community groups and partners to have a local presence. This we believe will attract more people to the town centre as a cultural anchor, and compliment the great work being overseen there by the Town Board to rejuvenate the centre of Kings Lynn.

Elsewhere, some of you might have used the new broad-walk on Holme dunes. This means that we now have access for wheelchairs from Thornham harbour right round to the Firs and beyond. This year we will be upgrading the stretch from the Beach road in Brancaster as far as Brancaster Staithe. This extends the path we finished last year, from Brancaster Staithe to Burnham Norton church. Last year Norfolk County Council committed £900,000 to the Platinum Jubilee Trails: two of which are in West Norfolk. One, the Elizabeth Way, running from Heacham through to Kings Lynn, via Sandringham and the Wootons, will launch later this spring.

You may remember Norfolk County Council's commitment to net Zero carbon emissions by 2030, some 20 years before the Government. To that end, we are investing an initial £4 million in our own buildings and £9 million in our County Farms to deliver decarbonisation and carbon reduction schemes.

We have an ongoing programme to deliver additional Housing with care schemes for Norfolk: one of which is scheduled for Hunstanton once the Borough has issued planning consent.

County Deal

So we have some major schemes being undertaken in West Norfolk which, I have to say, have largely been possible due to County and Borough working collaboratively together. And that leads me to my final point:

You may have heard about County Deals recently. I believe that this an extremely exciting first step towards delivering greater autonomy to Norfolk through Devolution. It offers us a generational opportunity to unlock significant long-term funding and gain greater freedom to decide how best to meet local needs and create new opportunities for the people who live and work in Norfolk. Some decisions and funding previously controlled in Westminster will now be decided by Norfolk, for Norfolk.

If the devolution deal is agreed, it will provide Norfolk with new powers, devolved funding and additional investment of £612.9m over the next 30 years to help us to boost our economy through jobs, training and development; improve our transport network and support our environment.

A Deal for Norfolk will mean that, from 2024 onwards, we can:

- target funding and resources to Norfolk's own priorities, with a new investment fund of £20m per year for 30 years
- unlock housing and employment sites with an injection of £12.9m capital funding in this Spending Review period and new powers to drive regeneration, housing and development priorities
- invest in the skills we know we need, with devolution of the adult education budget and input into the new Local Skills Improvement Plans
- invest in local transport planning and consolidate transport budgets to direct funding to better meet our local needs and priorities
- strengthen the local business voice to inform local decision making and strategic economic planning through the future integration of New Anglia Local Enterprise Partnership
- raise our influence regionally and nationally, enabling our voice to be better heard by Government and internationally to shape future policies and funding decisions for the benefit of Norfolk.

Because we would be able to borrow against part of that annual £20 million, in practical terms this means a substantial injection of capital into projects that we would like to see happen: a new Oasis for Hunstanton for example, or a restored and rejuvenated Prom. In recent years, the vast majority of funding, especially non-ringfenced funding, has gone to those authorities who have signed up to some form of devolution plan. Mostly these have taken the form of Counties or Metropolitan areas combining to make a single authority; a recent example is the combining of Nottingham, Derby, Nottinghamshire and Derbyshire into a single entity. In 2016, we were offered a similar opportunity to work with Cambridge and Suffolk but our then District Leaders turned it down.

Norfolk has fought its way back from this and is now taken much more seriously by Government once again. Together with Suffolk and Cornwall, we are the first counties to have been offered a County Deal that works for Norfolk alone, without combining with our neighbours and which, crucially, does not require yet another layer of local Government, which is what a Combined Mayoral Authority would mean.

Instead, residents will get the opportunity to directly elect the leader of Norfolk County Council. He or she would continue to be responsible for what the leader is currently responsible for, but would have the new powers and additional finance back them up: the people of Norfolk would have a direct say in who will deliver this and I think this is key to better engagement with residents and their local government.

Under the Deal, all Norfolk districts and boroughs remain sovereign organisations and will not lose any powers or duties. Mayoral Development Corporations would be set up and each Borough/District would exercise their powers within them.

Consultation will start shortly and will last until mid-March. I hope as many of you as possible go online via our hub or our Deal For Norfolk Survey. There will be non digital routes in libraries and community hubs; we want to reach as broad and representative a range of people, groups, businesses and councils as possible. I will be happy to speak on the matter at a public meeting in early March as well.