



NORWICH City Council

Section 6: Public Consultation

Norwich City Council's budget 2023/2024

Setting next year's budget – your views

On Tuesday 21 February 2023, the democratically elected councillors for the whole of the Norwich City Council area will discuss and approve the budget for 2023/24.

An important part of the budget-setting process is hearing from you. We want to know if you agree with the proposed council tax level, what you think about our spending plans, and the council's approach to balancing the budget for next year.

This consultation will run from until **20 January 2023**. What you tell us will be analysed and included in a report published on our website. Your response will help inform the final proposals which will be considered initially by the cabinet to inform their final set of formal proposals to the council at its budget-setting meeting in February 2023.

Overview

Norwich City Council delivers lots of important services to the people of Norwich. Our boundary (the area we cover and are responsible for) is about 60 per cent of the urban area of the city, covering a population of around 143,000 people.

Like all local councils throughout the country, we are under serious financial pressure to balance our books so we can continue to deliver key services that our residents rely on us to provide.

The scale of our financial challenge is very real and means we're currently working towards needing to save £6.2m for 2023-24. This will mean making some really difficult choices on certain services and how we deliver them.

Despite the budget challenges we're facing, it's equally important to emphasise the significant investment the city council makes, every single day, when it comes to providing important services as well as how the council uses its wider role as a key influencer to champion the city.

We very much want to hear what you have to say on a number of key areas in this year's budget consultation including the following:

- Our proposed council tax increase
- How we plan to bridge our budget gap
- Our plans on providing council tax relief (Council Tax Reduction Scheme)

But this year we want more than just feedback on our budget proposals.

We want to know what matters to you.

We want you to tell us what you consider to be the biggest challenges that Norwich will face over the next financial year as well as hearing what you're personally most concerned about. So we've included some questions on these important topics too.

Please do take a few minutes out of your day to give us your views as they will help to inform some of the decisions we make about future service delivery.

Prioritising the services we provide

The city council provides a really broad range of services for its residents. Some of these are services we have to provide (often called 'statutory services') while others we choose to provide (often called 'discretionary services').

There are, however, many different ways in which any of our services can be provided, all with different cost implications. These services include:

- Housing services (affordable and council homes, rough sleeping)
- Waste and recycling collections
- Parks and other open spaces (eg Mousehold Heath)
- Street cleaning
- Car park provision
- Housing and council tax benefits
- Local planning services
- Cultural, tourism and leisure services, including city council funded events (eg Christmas switch-on)
- Electoral registration
- Public protection services (eg licensing, health and safety)
- Support services such as HR, finance, legal

Where we get our money from for the services we provide

Local council finances are complicated! We get our money from a number of sources.

In 2013-14 the government provided £7.9m of grant funding to support our budget. That's now dwindled to about £200,000.

Based on our 2023-24 projections, we will receive a very small percentage of what we need from central government (about 6 per cent). As a result, we're increasingly having to do things very differently to bring in the money we need to pay for services.

Our main sources of income for 2023-24

The council has a total of just over £64m worth of income to pay for a vast array of council services (excluding what we need for our council homes, this comes out of

another budget) within what's called the general fund budget.

The majority of our income is generated by various fees and charges and rental income on properties (this adds up to about 50 per cent of our total income in the general fund). Council tax is estimated to contribute about 17 per cent of our total income.

The income streams come from a variety of sources. Here are some of the main ones:

£32.6m – fees, charges and rental income (eg money from car parks and commercial property)

£11m – council tax

£6.8m – business rates

£4.4m – government grants

What we spend our money on

Our outgoings (the money we use for the services we provide) for 2023-24 need to match our income of just over £64m if we are to balance our books.

Last year, you told us the top three service areas that matter most to you – waste and recycling; housing services; parks and open spaces. In 2023-24 we will continue to invest heavily in the services you most value, along with many other important services you rely on us to provide.

As with our sources of income in the general fund, the majority of our expenditure can be grouped into core areas of spend. Here are the main ones:

£18m – environmental services (this includes waste and recycling collections; maintaining our parks and open spaces; keeping our streets clean). Of this £18m we spend:

- £5.3m on waste and recycling
- £3.3m on maintaining our parks and open spaces
- £1.8m on street cleaning

£7.4m – property and economic development (including management and repair costs for maintaining our non-housing properties)

£6.9 – housing and community safety (including homelessness and rough sleeping prevention, management of our private sector leasing scheme. This does not include managing our 14,000 council homes which is financed by a separate pot of money.

£4m – planning and regulatory services (eg licensing, health and safety, our enforcement role in private sector housing)

£4.6 – collecting council tax and business rates and processing benefit claims

£3m – corporate financing (eg interest on external loans, contingency funding)

£20.2m – running the council (including IT; legal and procurement; HR, finance, audit and risk; strategy, communications; management costs).

Q1) How we will manage our budget

We're currently working towards needing to save £6.2m for 2023-24, with a total of £11m to save by 2026-27. The actions we plan to take to make this saving of £6.2m fall into a number of themes.

These themes are based around the need to generate additional income, make savings and use some of our savings to bridge our budget gap in the coming financial year.

The themes are:

- Redesign services (eg modern and fit for purpose IT systems to efficiently manage everything we need to support service delivery)
- Reform contracts (make sure our large contracts deliver the best quality services for what we can afford to pay)
- Maximise commercial opportunities (increase fees and charges for some of our paid-for services)
- Drive value from our assets (eg using our buildings/facilities to reduce how much they cost us and where possible make money)
- Drive growth and regeneration (eg develop key sites in the city)

Looking at the above themes and examples of what they do, to what extent do you agree with our approach to help us bridge our budget gap?

- Definitely agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Definitely disagree

Q2) Please take a look at some of the core council services we provide and choose the top three that you value the most.

- Providing housing services (affordable and council homes, rough sleeping)
- Waste and recycling collections
- Car parking provision
- Parks and open spaces
- Culture, tourism, and leisure including events
- Electoral services (which allow you to vote in local and general elections)
- Providing benefits (for those on low income such as housing benefit and council tax reduction)
- Local planning services
- Public protection services (including licensing and environmental health)

Council tax

The expectation from the government is that councils fund services primarily through local taxation, including council tax. The government set a maximum amount it can be increased to which is up to 3 per cent for the city council, without the need for a public vote.

There is no assurance from government that further funding will be made available to local councils to help them provide vital services. The size of our budget challenge means we have to find ways of bridging the gap – increasing council tax is one of the ways we can do that to help avoid additional cuts to services.

We are therefore consulting on an increase to the city council's share of council tax of up to the 3 per cent maximum allowed. Most of the council tax we pay goes to Norfolk County Council for their services (about 73 per cent). The city council and the office of the Police and Crime Commissioner each receive about 14 per cent of the council tax that's collected.

The proposed increase in council tax would bring in a total of around £320,000 additional income to the city council to help fund services (bringing the council's total income from council tax to about £11m). This would mean an increase of £8.38 per year or around 16p per week for an average band D property for the city council's share of council tax.

Q3) To what extent do you support the council increasing its share of council tax by up to 3 per cent in 2023-24 to help towards paying for council services?

Revenue budget

The council uses what it calls its 'revenue budget' to meet the cost of its day-to-day expenditure such as on salaries and supplies and services. Most of our revenue costs are on salaries. So, in looking at ways to reduce costs, there is often an associated impact on the number of people we employ. In considering where we can save money, we have prioritised those areas which provide direct services to our residents such as housing services, including those for the homeless, and environmental services such as keeping the streets clean and collecting and recycling household rubbish.

The city council has identified a number of aims to help guide it through its [four-year corporate plan](#), a document which sets out a vision for the city and the council up to 2026.

Our key aims for Norwich are as follows:

- We want people to live well and independently in a safe and diverse city
- We want a sustainable and healthy city
- We have the infrastructure and housing we need to be a successful city
- We have an inclusive economy where all residents have an equal opportunity to flourish

In setting our budget, choices must be made about which aims are most important and how our money can be spent across these aims to deliver the maximum benefit to all our residents. For example, although housing is an important priority, we also need to spend some money on other services such as planning which we must provide by law.

Q4) With these key aims in mind, if you had £1m to invest in Norwich, what would your spending priorities be?

As a reminder, below are some of the key services the city council provides (both statutory and non-statutory).

Housing services (affordable and council homes, rough sleeping)
Waste and recycling collections
Parks and other open spaces (eg Mousehold Heath)
Street cleaning
Car park provision
Housing and council tax benefits
Local planning services
Cultural, tourism and leisure services, including city council funded events (eg Christmas switch-on)
Electoral registration
Public protection services (eg licensing and health and safety)
Support services such as HR, finance, legal

Council Tax Reduction Scheme

Every council must maintain its own Council Tax Reduction Scheme (CTRS) to provide council tax relief to some households from paying it in full. Certain groups, such as pensioners, must by law be given up to 100 per cent council tax relief depending on their income levels.

The city council is one of a small number of local authorities which also provides up to 100 per cent relief to working age residents on low incomes. This means that some people will pay no council tax.

In order to change the council's scheme, a full consultation on any proposals for change would need to be undertaken separately and approved by the council by the end of January each year. There is no intention to make changes for 2023-24 but we are still interested to hear your views about continuing to provide relief at this level in future years as part of our longer-term financial planning.

Q5) To what extent do you agree with providing up to 100 per cent to those who qualify for this?

- Definitely agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Definitely disagree

Q6) What do you think will be the three most important issues facing Norwich in the next year? (issue 1 is the most challenging, issue 3 is the least challenging).

- Cost of living crisis
- New waves of Covid
- Housing related services (including building affordable properties and council homes and work with partners to prevent rough sleeping and homelessness)
- Tackling climate change
- Antisocial behaviour in our communities
- Fewer council services due to financial pressures
- Keeping our streets clean
- Keeping Norwich a vibrant city
- Taking action on rogue private landlords
- Tackling fly-tipping
- Working with partners to deliver full-fibre broadband across the city
- Supporting the voluntary community.

Other

If you selected other, please specify

Q7) Which three things are you personally most concerned about at the moment?

Please select from the below:

- My physical health and fitness
- My mental health and wellbeing
- Being lonely
- Climate change
- Paying bills
- Affordable housing
- Future job prospects
- Raising children
- Education provision
- Experiencing antisocial behaviour
- Being a victim of crime
- Cleanliness of my neighbourhood

- Cleanliness of the city centre
- Public transport
- Having access to free family friendly events
- Other

If you selected other, please specify below

Q8) If you own or run a business in Norwich what are the three things that most concern you from a business perspective?

- Transport/parking
- Office space/premises
- Digital/broadband/connectivity
- Cleanliness of the city
- Business rates
- Energy costs
- Cost of living crisis
- Inflationary impacts (eg goods, services, memberships, subscriptions)
- Staffing matters (eg recruiting and retaining)
- Help and support for city businesses from the council
- Other

If you selected other, please specify below

Capital expenditure

This is money spent on creating or improving our assets where the benefits last into the future. Capital expenditure includes the buying, constructing, maintenance or improvement of physical assets, such as buildings and land. We are proposing to spend nearly £50m on general fund capital items over the medium-term period 2023 – 2028. A further £180m is proposed to invest in our council housing stock – maintaining and improving the condition of our existing properties and increasing the availability of homes through new building projects.

This kind of spending is different to revenue spending, which covers day-to-day items to run services such as staffing and the purchase of supplies services, so it is budgeted for separately. We also fund capital expenditure in different ways – sometimes by using money from selling other assets, sometimes by borrowing money and repaying it over time.

The council ensures all capital expenditure is directly linked to the council's priorities, affordable and delivered through key corporate projects.

Capital expenditure is usually of a one-off nature, it can be a significant amount and can span several financial years. Examples of capital schemes include making improvements to our parks and open spaces, paying for up-to-date IT equipment and systems and investing in schemes which bring regeneration opportunities to the city. Sometimes we do this in partnership with others or by combining our resources with them to make a bigger impact.

We can also sell some of our assets to generate money which can be invested in other schemes or to reduce the amount of borrowing that the council has – a recent example of this is when the city council and the county council, as previous co-owners of Norwich airport industrial estate, sold the 48-acre site in the summer of 2022.

Some assets we hold generate an on-going income stream. It is important that we understand what we are holding assets for and keep their performance under review so we can maximise their benefits.

Another example of reviewing our assets includes considering how best to use City Hall – especially so in light of the pandemic and new ways of working which has seen the majority of staff split their working time between home and the office.

Q9) To what extent do you agree that we should continue to review our assets by assessing which ones to sell or finding ways of generating additional income from letting out our assets?

- Definitely agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Definitely disagree

Q10) Do you have any other ideas about which capital expenditure projects would make a difference to our residents or businesses?

Q11) Do you have any other ideas about how we can balance our budget by doing things differently, finding additional ways to bring in more money or make savings?