

2. GENERAL FUND 2026-2027 BUDGET AND MTFS

Forecast 2025-2026 Outturn

- 2.1 The latest estimated outturn position on the General Fund, shows a forecast underspend of £84,000. Further detail of the position, including specific variances at Q3 2025-2026, can be found in the “2025-2026 Quarter 3 Budget Monitoring Report”.
- 2.2 The outlook remains challenging as a consequence of the large number of variable factors over the lifetime of the Medium-Term Financial Strategy (MTFS), including the demand for services and the potentially significant impacts of the Devolution proposals, as well as the potential macro-economic impact of global events upon the UK’s broader economy.
- 2.3 Continued tight financial management will be required in 2026-2027 and throughout the life of the MTFS to effectively contain these variable factors and their impact. The proposals within this report are a fundamental part of that financial control, providing a sustainable foundation for service delivery and improvement alongside appropriate provision to guard against future events and to maintain the intrinsic health of the Council’s finances.

Proposed 2026 - 2027 Revenue Budget

Fairer funding review

- 2.4 The Government’s Fair Funding Review 2.0, due for implementation from April 2026, represents a significant reform of local government finance. It introduces updated needs-based formulas, adjustments for local cost variations, and a clearer link between funding and councils’ ability to raise resources. The review consolidates multiple grants into a simplified core settlement and aligns business rate baselines with the aim of ensuring fairness and transparency. This reform should provide greater stability, equity, and predictability in funding, enabling councils to plan services more effectively.

The 2026-2027 Local Government Finance Settlement marks the implementation of Fair Funding Review 2.0, replacing Norwich’s legacy funding arrangements with a new Fair Funding Allocation of £11,710,000. This includes a Baseline Funding Level of £6,580,000 and Revenue Support Grant of £5,130,000, compared to £9,490,000 under the previous Legacy Funding Assessment in 2025–2026, which comprised retained business rates and legacy grant funding.

As a result of the reform, Norwich’s total government funding increases from £12,970,000 in 2025–2026 to £13,950,000 in 2026–2027, an increase of £980,000, reflecting the city’s relative need, deprivation and limited council tax-raising capacity. The settlement also provides increased medium-term certainty, with the Fair Funding Allocation rising to £13,060,000 in 2027–2028 and £14,390,000 in 2028–2029, although specific grants such as homelessness funding reduce in 2026-2027, underscoring the continued importance of managing funding risk within the Council’s medium-term

financial strategy. The settlement is provisional, with final figures expected to be confirmed before the end of the 2025-2026 financial year.

Within the resources element of the MTFs, council tax income, retained business rates and revenue support grant (RSG) are shown. Due to the nature of the settlement, with a number of elements being rolled into the RSG, the RSG has increased by £4,500,000, which is partly offset by reductions elsewhere. Although the current resources shown are correct, the increase should be reviewed with caution. As the MTFs is reviewed and updated through 2026-2027, the presentation of the resources will be reviewed.

Local Government Re-organisation

- 2.5 Local Government Reorganisation (LGR) is the Government's programme to simplify local government structures in two-tier areas of England by replacing county and district councils with unitary authorities. Under a unitary model, a single council is responsible for all local services in its area, including services currently delivered separately by county and district councils. The Government's stated objectives are to improve financial sustainability, service integration, clarity of accountability and operational efficiency
- 2.6 Three alternative reorganisation models were submitted for Norfolk. The government is currently considering the proposals, with new authorities expected to be in operation from April 2028.
- 2.7 While the detailed shape and timing of LGR in Norfolk has yet to be confirmed, the potential transition to a reorganised local government structure would result in one-off implementation costs, including programme management, ICT systems, workforce restructuring, harmonisation of pay and conditions, and redundancy or pension strain costs. At present, there is no guarantee that all such costs will be fully funded by government, creating a risk that Norwich may need to meet part of the transition costs from existing resources or reserves. With this in mind, the budget proposals include a £1,000,000 provision to deal with in-year budget pressures (see paragraph 2.22) and LGR implementation.

Savings, growth and investment

- 2.8 Permanent savings and additional income of £2,400,000 have been identified in 2026-2027. However, in the later years of the plan there is a minor cumulative gap indicated. Given the upcoming local government reform proposals and the remaining areas of uncertainty around the final settlement figures, savings and efficiencies should continue to be identified and growth limited
- 2.9 The proposed 2026-2027 budget currently includes provision for £2,400,000 of budget growth (i.e. increases to the budget not arising from inflationary factors). The permanent growth proposed has been identified after an internal review of budgets pressures underpinned by an assessment of the relative priority, which included an assessment of statutory duties, contractual responsibilities and business critical factors alongside the

benefits and implications arising as a consequence. Further details relating to these proposals can be seen at Appendix 2 (E) below.

Inflation

- 2.10 There are £2,100,000 of inflationary pressures included within the 2026-2027 budget, the majority of which relates to salary costs. UK inflation remains above target but is expected to ease over the medium term. CPI inflation stood at 3.4% in December 2025, reflecting some short-term upward pressures, while underlying (core) inflation remains elevated at 3.2%. The Bank of England expects inflation to fall gradually through 2026, as energy and regulated price effects unwind and wage growth moderates, with inflation moving closer to the 2% target during the year. While near-term volatility remains, the overall outlook supports assumptions of easing inflationary pressure over the medium term, albeit with continued risk.
- 2.11 The Council's pay structure is primarily based on national negotiating body pay spines and nationally negotiated settlements. The 2025-2026 national pay award has been agreed at an equivalent 3.2%, compared to a 2.5% assumption included within the 2025-2026 budget, resulting in an under-provision carried into future years. The 2026-2027 budget, therefore, includes an adjustment to reflect this variance, together with an additional assumption of 3.2% payroll inflation for 2026-2027. As pay costs form a significant proportion of the Council's overall expenditure, this approach recognises both the compounding impact of national pay awards and the inherent uncertainty associated with future settlements.
- 2.12 Many of the council's contracts have inflationary increases incorporated within them and therefore any increase in the Consumer Price Index (CPI) and Retail Price Index (RPI) measures potentially creates a pressure on the budget position. Inflationary increases have been applied across the council's main contracts, although there remains a risk that further cost pressures emerge as contracts come up for re-tender.

Council Tax & Business Rates

- 2.13 Any increase in the level of council tax is limited by referendum principles, which for a district council have been set at a maximum of up to 3% for 2026-2027.
- 2.14 A 2.99% increase to the Band D rate is proposed in the 2026-2027 budget figures (£560,000 additional income including changes to the taxbase). The proposed 2026-2027 Band D rate is therefore £315.26 compared to the current year rate of £306.11 – an increase of £9.15.
- 2.15 This is for the Norwich City Council share of total council tax only and does not include the amounts required from preceptors - Norfolk County Council and the Office of the Police and Crime Commissioner for Norfolk. Appendix 2 (D) shows the proposed increases (for Norwich City Council only) by each Council Tax band.
- 2.16 The figures shown will be reduced, for qualifying council taxpayers, by the council's Council Tax Reduction Scheme (CTRS).

- 2.17 The current estimate of the Council Tax base is 39,807 which combined with the Band D rate gives an expected income of £12,550,000 in 2026-2027.
- 2.18 From 1 April 2026 the Government will implement a full national reset of the Business Rates Retention System as part of the Fair Funding Review. This will recalculate the Council's business rates baseline and funding position, redistributing historic business rates growth across the local government sector in line with updated assessments of relative need. While transitional protections will apply to manage year-on-year volatility, the reset is expected to reduce the level of locally retained business rates funding compared with the current position, reflecting the loss of historic growth retained since 2013. The reset will coincide with the 2026 business rates revaluation and the introduction of new business rates multipliers, increasing uncertainty and volatility in income forecasts for 2026-2027. These changes have been reflected in the Council's medium-term financial assumptions, with a prudent approach taken to business rates income beyond 2026-2027. The projected retained income for Norwich is £6,600,000 in 2026-2027, a reduction of £1,670,000 from the 2025-2026 budgeted income.

Grants

- 2.19 The provisional local government finance settlement rolls some grants up into the RSG, whilst others are reduced. A full review of grant income budgets has been undertaken, with historic unrequired budgets removed and anticipated 2026-2027 grants added to the base budget. A number of grants are fully matched by in-year expenditure, so their removal has no net impact on the budget position.

From 2025–2026 onwards, local authorities receive funding linked to the introduction of the Extended Producer Responsibility (EPR) for packaging regime, which transfers a greater proportion of the cost of managing household packaging waste from councils to producers. The Packaging Responsibility Grant is intended to provide funding in respect of the net additional costs of collection, treatment and disposal of household packaging waste, including administration, communications and data reporting. £2,280,000 has been allocated to Norwich for 2025-2026, with a similar amount expected for 2026-2027. Approximately £400,000 of the grant was built into the base budget from 2025-2026 onwards, for utilisation in-year. The remainder of the grant will be added to the grants earmarked reserve, whilst a strategy for utilisation of the grant is formed.

Budget Risks

- 2.20 To achieve our objectives in a fast-changing environment, Norwich City Council is adopting a new budget approach for 2026-2027. Traditionally, councils set an annual budget once a year and then attempt to stick to it with minimal changes, relying on assumptions made many months in advance. However, in the current context of economic volatility and uncertainty, a static once-a-year approach can be too inflexible – it may not allow the Council to respond swiftly to emerging challenges or opportunities. The new budget approach, by contrast, introduces a continuous, more

adaptive cycle of financial planning and management. In simple terms, it means we can more quickly adjust our budget during the financial year in response to real-time evidence

- 2.21 At this stage, the combination of uncertainty over the wider economic conditions means the level of risk associated with the provisional budget remains relatively high. Some of the key risks are outlined below which will continue to be closely monitored. The council holds a budget risk reserve (expected balance at the start of 2026-2027 of £4,500,000) to provide resilience against emerging pressures and delays in the delivery of savings and other unforeseen events.
- 2.22 In-line with this approach, the budget proposals include £1,000,000 provision to deal with in-year budget pressures and LGR implementation.
- 2.23 A number of Labour Group proposed changes have been put forward for consideration. These proposals include community clean-up activities, improvements to bin refuge areas and increase in hours for political assistants. Although not built into the base budget, the use of contingency in-year for 2026-2027 is proposed to cover one-year costs (approximately £300,000), with any permanent growth to be considered as part of the 2027-2028 budget setting process.
- 2.24 **Savings delivery & cost of change.** The budget includes £2,400,000 of savings and income proposals for delivery in 2026-2027. This is a significant undertaking and will require close monitoring of delivery.

Inflation. The volatility in inflation continues to pose a risk, which will need to be kept under review. Recent experience of impacts upon inflation driven by international events suggests that there may be a risk of some further volatility in the short-term.

Housing Benefit. In recent years the council has seen reducing level of Housing Benefit subsidy recovery against its housing benefit expenditure, attributable to continuing growth in rent levels against fixed subsidy caps. The projection is this will continue to worsen over the life of the MTFs. Whilst every council is seeing increased natural migration to Universal Credit, Department of Work & Pensions (DWP) rules mean cases that attract 100% subsidy return are lost to councils, whilst DWP's strategy is to continue to leave temporary, exempt and supported accommodation cases with councils and it is these cases that are subject to punitive subsidy rules. The pressure in relation to exempt accommodation is projected to grow further over the life of the MTFs. Along with increased demand and rental market pressures, councils are therefore seeing increased subsidy loss.

Additional costs have been identified in relation to private sector leasing and changes in Housing Benefit subsidy, including the one-off use of existing housing related earmarked reserves within the 2026-2027 budget. Housing Benefit subsidy income has been reduced to reflect the current forecast position, with a corresponding reduction in expenditure also applied. This realignment is the primary reason for the reduction in gross expenditure and the increase in gross income between years, as shown in Appendix 2(B). A full in year review will be undertaken to identify opportunities to partially

reduce ongoing costs, with provision made for any remaining cost pressures within the 2027–2028 budget.

Overall, Norwich City Council enters 2026-2027 with greater funding certainty than in previous years, but with material exposure to pay inflation, funding redistribution, housing pressures and income volatility. Active in year monitoring, prudent reserve management and early identification of savings opportunities will be essential to maintaining financial sustainability.

Chart 2.1: 2026-2027 Provisional General Fund Gross Expenditure Budget (excluding housing benefit)

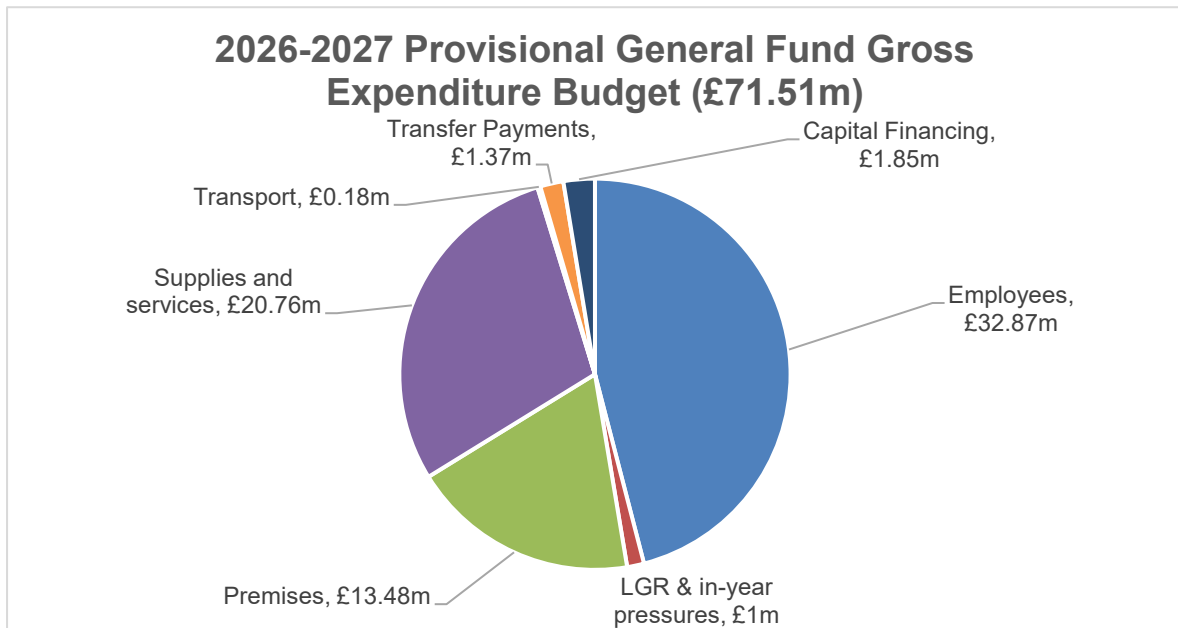
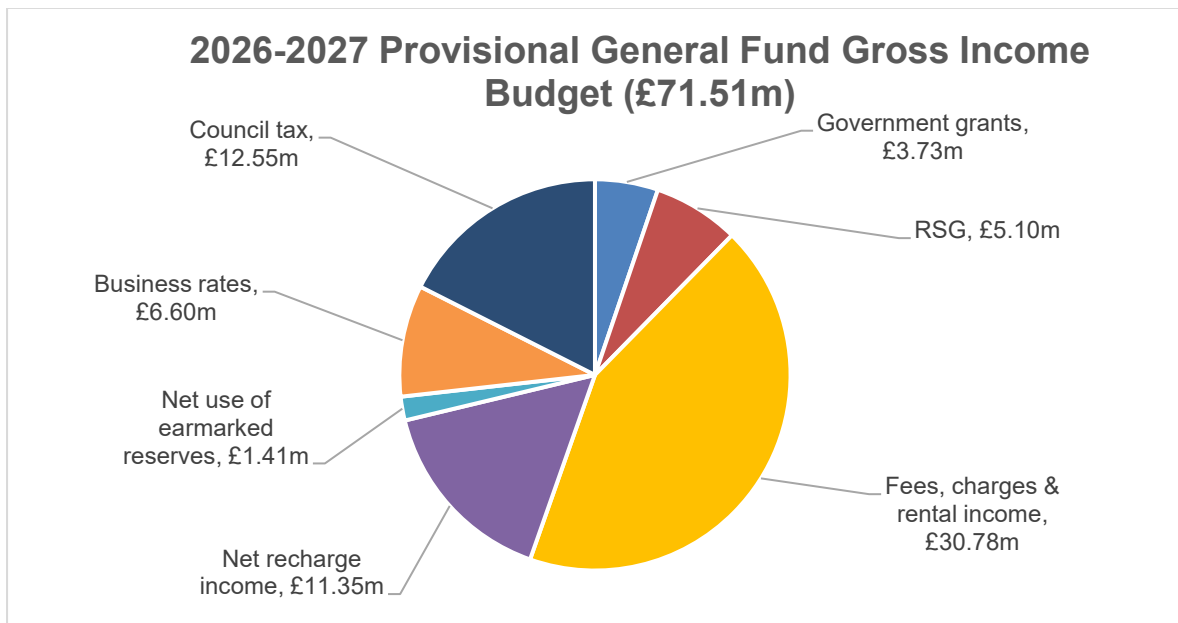


Chart 2.2: 2026-2027 Provisional General Fund Gross Income Budget (excluding housing benefit)



Medium Term Financial Strategy (MTFS)

- 2.25 The MTFS is a forecast of the estimated cost of delivering current services over the next four to five years, compared to the anticipated funding streams to support council services. This results in a projected budget gap from which the future savings requirements are estimated.
- 2.26 The MTFS model has been updated to include figures provided as part of the provisional local government finance settlement. Once the figures are confirmed for the 3 years of the settlement, we will be in a position to fully model the impact of the changes. This will involve a full review of the implications relating to grant changes and the projected retained business rates income. The model currently shows minor cumulative savings (£264,000) are required over the life of the model, however this does not include growth relating to potentially arising specific service pressures, so it is imperative we continue to actively identify savings, reduce costs and maximise income generation.
- 2.27 The model extends into 2030-2031, which is after the expected date of local government reorganisation but in order to analyse the full medium-term position, it is important to include the full 5 years at this stage.
- 2.28 The table below provides a broad estimate of how the medium-term position could develop, based on the information currently available:

Table 2.1: Updated Medium Term Financial Position – Figures are in £000s

Medium Term Financial Strategy	2026-27 £000	2027-28 £000	2028-29 £000	2029-30 £000	2030-31 £000
Total Resources	24,250	26,054	27,979	28,813	29,674
Base Budget Requirement b/fwd	20,850	24,250	26,157	27,618	28,864
Potential net growth	3,400	1,907	1,461	1,246	1,283
Revised base budget requirement	24,250	26,157	27,618	28,864	30,147
Required Efficiencies	(0)	(102)	361	(51)	(473)
Required Efficiencies (cumulative)	0	(102)	259	208	(264)

General Fund Reserves Position

General Fund Unallocated Reserve

- 2.29 The prudent minimum level for the general fund reserve is set at £5,500,000. The General Fund unallocated reserve, is expected to remain at £8,249,000 over the life of the Medium-Term Financial Strategy, which remains above the prudent minimum level.

General Fund Earmarked Reserves

- 2.30 On the basis that provisional options have been identified to significantly close the budgetary shortfall in the years 2025-2026 to 2029-2030 no further drawdowns from general reserves are currently forecast to be

required, although given the uncertainty over funding levels further work will be required to address this and any remaining funding shortfalls once financial planning totals become available.

- 2.31 The General Fund currently holds several earmarked reserves which are held for specific purposes. The balances held in earmarked reserves are regularly reviewed to assess whether the funds are held at an appropriate level, in particular at the financial year end, as part of the preparation of the statements of accounts the balances reflected within the Balance Sheet will be reconciled including to the final General Fund outturn position. The key reserves and their current balances are summarised in Table 2.2, reflective of the proposed changes detailed above.

Budget Risk Reserve: To manage the financial risks associated the delivery of the budget savings identified.

Business Change Reserve: To fund costs linked to the council's change programme which are not delivering specific savings, for example project management, benchmarking and potential redundancies. It will also support training and development of our workforce to ensure we have the skills required to deliver the ambitions of the Council.

Commercial Property Reserve: Established to reduce the risks associated with holding commercial property by providing funding for any future void and rent-free periods as well as repairs and upgrades to the investment portfolio.

Insurance Reserve: This is to cover the excesses carried in respect of claims under various insurance policies and is subject to annual review.

Lion Homes Reserve: Originally established to smooth any fluctuations in net income received by the Council from lending to Lion Homes. The reserve level was increased to mitigate against any potential future Minimum Revenue Provision charges required to cover for estimated non-recovery of the loan balance. Additionally, the reserve is being used to support the Member Voluntary Liquidation process of the company.

Collection Fund Equalisation Reserve: Unutilised balance of S31 grant monies received in prior years from Central Government to fund Business Rates reliefs.

This will be used to manage the volatility in Collection Fund movements due to timing issues of Section 31 Grants and weakening of the business rate base over the early period of the Medium-Term Financial Strategy.

Revenue Grants Unapplied: Holds grants and contributions received which have yet to be applied to meet expenditure. The use of the balance is restricted and can only be used to fund the specific service area awarded the grant income.

General Fund Repairs Reserve: To provide future funding for required maintenance on general fund properties.

Business Rates Pool Reserve: This reserve is to support future spend in line with the economic development objectives of the fund.

Feasibility Reserve: Created through transfer of £0.5m from the budget risk reserve, in order to fund the costs of exploring the feasibility of options

for strategic developments. As it stands, the full balance is expected to be utilised in 2025-2026, hence a zero balance showing in table 2.2.

Table 2.2: General Fund Earmarked Reserve Balances

General Fund Earmarked Reserves	Balance as at 31 March 2025 £000	Estimated Balance as at 1 April 2026 £000
Budget Risk	6,591	5,439
Revenue Grants Unexpended	3,662	3,077
Lion Homes	2,158	3,308
Business Change	547	774
General Fund (GF) Invest to Save	1,810	0
Commercial Property	1,513	1,513
S31 Earmarked Reserve	629	629
Neighbourhood CIL	400	341
Repairs	652	652
Insurance Reserve	224	64
Elections	113	113
Business Rates Pool	110	110
Mousehold Heath Conservators	54	54
Feasibility	0	0
Total (£000)	18,463	16,074

Appendix 2 (A): Movements from the approved 2025-2026 base budget

	£000
2025-2026 Budget Resources	(20,849)
Budget movements:	
Increase in council tax income	(560)
Removal of historic business rates income budget	8,271
Removal of historic revenue support grant	589
New business rates baseline income	(6,600)
New revenue support grant	(5,100)
2026-2027 Budget Resources	(24,250)

2025-2026 Budget Requirement	20,849
Budget movements	
Reversal of one-off items in the 25-26 budget, including ear-marked reserve utilisation & base budget adjustments	535
Additional ear-marked reserves movements	(1,408)
One-off expenditure of grants from ear-marked reserves	1,294
Salary inflation	1,875
Other inflation	237
Reduction in grant income	323
Other movements and recharges	(417)
Savings & additional income	(2,413)
Growth & reduction in income	2,374
Contingency: LGR & in-year pressures	1,000
2026-2027 Budget Requirement	24,250

Appendix 2 (B): 2026-2027 provisional budget by subjective group

Subjective group	Budget 2025-2026 £000	Budget 2026-2027 £000	Movement £000
Employees	31,257	32,872	1,615
Premises	13,140	13,478	339
Supplies & services	19,756	20,763	1,007
Transport	171	175	4
Transfer Payments	40,530	33,873	(6,657)
Capital financing	2,716	1,853	(862)
Gross expenditure	107,570	103,015	(4,555)
Government grants	(42,205)	(35,974)	6,231
Fees, charges & rental income	(32,966)	(31,036)	1,930
Net recharge income	(10,312)	(11,348)	(1,036)
Gross income	(85,483)	(78,358)	7,125
LGR & in-year budget pressures	0	1,000	1,000
Contribution from General Reserves	0	0	0
Contribution to/from Earmarked Reserves	(1,239)	(1,408)	(169)
Total Budgetary Requirement	20,848	24,250	3,401

Appendix 2 (C): 2026-2027 provisional General Fund budget by service

	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Chief Executive	266	0	266
Corporate Financing	(417)	(4,536)	(4,953)
Environment Services	19,995	(14,369)	5,626
Planning & Regulatory Services	5,438	(2,447)	2,991
Climate & Environment Total	428	0	428
Climate & Environment Total	25,861	(16,816)	9,044
Property & Economic Development	8,633	(8,338)	296
Major Projects	299	0	299
Major Projects Total	8,933	(8,338)	595
Housing & Communities	9,465	(6,328)	3,137
Strategy, Engagement & Culture	3,752	(1,225)	2,528
Housing & Communities Total	13,217	(7,553)	5,665
Resources Management	779	0	779
Legal & Procurement	3,283	(1,454)	1,829
Customers, IT & Digital	8,507	(3,476)	5,031
Finance, Audit & Risk	3,030	(1,424)	1,605
Director of Finance	1,060	(308)	752
Revenues & Benefits	37,455	(34,138)	3,317
HR & Organisational Development	1,042	(316)	726
Resources Total	55,156	(41,116)	14,039

Total General Fund	103,015	(78,358)	24,657
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LGR & in-year budget pressures	1,000	0	1,000
Earmarked Reserves movements	200	(1,608)	(1,408)
Budget Requirement	104,215	(79,966)	24,250

Revenue Support Grant		(5,100)	(5,100)
Business Rates Retained Income		(6,600)	(6,600)
Council Tax Income		(12,550)	(12,550)
Budget Resources		(24,250)	(24,250)

Appendix 2 (D): Council Tax

Proposed Norwich City Council tax increases 2025-2026 to 2026-2027, Bands A to H

Band	A	B	C	D	E	F	G	H
2025-2026	£204.07	£238.09	£272.10	£306.11	£374.13	£442.16	£510.18	£612.22
Increase	£6.10	£7.11	£8.13	£9.15	£11.19	£13.22	£15.25	£18.30
2026-2027	£210.17	£245.20	£280.23	315.26	£385.32	£455.38	£525.43	£630.52

Appendix 2 (E): Growth, Savings and Changes in Income excluding inflationary increases

Growth Items

Permanent growth	
Item	Amount £000
Net increase in costs due to changes in interest rates	573
Environment services savings removed, as no longer achievable	251
Greater Norwich Local Plan	200
Increased private sector housing employee resource	199
The Halls	75
Environment services cleansing contracts	70
Net increase in costs relating to temporary accommodation	63
Support package for UNIT 4	55
HR improvements	50
Health & wellbeing co-ordinator role	31
Cemetery memorial testing	30
	1,597

Net increase in costs due to changes in interest rates £573,000 due to lower interest income due to reduced cash balances and lower than anticipated interest rates, partially offset by reduced interest paid as a result of a loan repayment. The rates used in the calculations were correct at the budget setting stage but may be subject to change as 2026-2027 progresses. It is proposed to transfer any resulting underspend to the budget risk reserve to provide for potential future volatility in interest rates.

Environment services savings removed, as no longer achievable £251,000 target savings added to historic budgets. Due to contracts position and service demand, these cannot be achieved in 2026-2027.

Greater Norwich Local Plan £200,000 to enable plan to be drafted, contributing to the new Spatial Development Strategy for the devolved authorities of Norfolk and Suffolk and will set the strategic direction for a Norwich unitary Council. To be funded from ear-marked reserves in 2026-2027.

Increased private sector housing employee resource £199,000 for additional resource to assist with the introduction of The Renters Rights Act 2025 and increasing workload around licensing, inspections and enforcement. £100,000 grant funding is budgeted in respect of Renters Rights **Act 2025** pressures, which partially offsets the growth.

The Halls £75,000 net budget increase to support the re-opening of the Halls in 2026-2027.

Environment services cleansing contracts £70,000 to support various contracts requiring budget increases to maintain the current service level.

Net increase in costs relating to temporary accommodation £63,000 net increase due to increased demand and pressures on service provision.

Support package for UNIT 4 £55,000 for the provision of Unit 4 support in relation to maintenance and development of the system.

HR improvements £50,000 to align service provision with current demand and strategy.

Health & wellbeing co-ordinator role £31,000 expenditure for creation of a post to support the city's place based health partnership and associated workstreams as explicitly outlined in the Norwich Health & Wellbeing Partnership (NHWP) Strategic Plan 2023-2025. £31,000 represents 50% of the costs, with the other 50% showing within the HRA.

Cemetery memorial testing - Introduction of memorial testing in cemeteries, which is essential to ensure structural stability, preserve historical accuracy, and protect visitor safety.

Reduction in income	
Item	Amount £000
Reduced loan interest from council-owned companies	283
Reduced rental income due to asset disposals	269
Reduction in car parking income	122
	675

Reduced loan interest from council-owned companies £283,000 reduction due to the removal of the Lion Homes loan, and the reduction interest to be repaid by Norwich City Services Ltd (NCSL) due to their overall loan being partially repaid.

Reduced rental income due to asset disposals £269,000 reduction in projected rental income due to disposals, partly offset by anticipated improved income elsewhere in the asset portfolio.

Reduction in car parking income £122,000 reduction in budgeted car park income across the city. Current projections continue to show reduced income throughout 2025-2026.

Short-Term Growth

Short-term growth	
Item	Amount £000
Interim S151 officer	40
Recycling gate fee costs	40
Institution of Occupational Safety and Health training budget within Planning & regulatory services	22
	102

Interim S151 officer £40,000 additional costs over budgeted amount relating to interim S151 position.

Recycling gate fee costs £40,000 additional costs relating to recycling gate fee. Short-term growth, as position is reviewed annually.

Institution of Occupational Safety and Health training budget within Planning & regulatory services

Savings and Changes in Income

Item	Amount £000
Movement in pension deficit payments	(402)
Refinancing of loan	(304)
Care leaver income - Norfolk County Council contribution	(220)
Minor savings and additional income identified across all services	(164)
Element of finance restructuring costs no longer required	(160)
Reduce GF contingency budget	(152)
Planning & regulatory services removing unrequired employee budgets	(142)
Utility budgets adjusted to bring in-line with spend	(135)
IT savings on contracts	(134)
Strategy, engagement & culture removing unrequired employee budgets	(88)
Civica contract cost reduction	(65)
Additional market rental income	(60)
Short-term employee savings with strategy, engagement & culture due to secondment	(60)
Full recharge of project accountant to capital projects	(54)
Net increase income from parking in parks charges	(52)
Waste management deed of variation income	(50)
Historic unrequired recharge budgets removed	(49)
Revenues & benefits apprentice funding from Enforcement Agency	(33)
Riverside Leisure Centre reduction in contract costs	(30)
Rental income within property and economic development service	(21)
NCSL SLA fee in relation to finance costs	(21)
Parks - net additional income	(17)
	(2,413)

Movement in pension deficit payments £402,000 reduction in pension deficit payments as result of 2025 actuarial valuation. Overall saving is higher; £200,000 is to be added to ear-marked reserves to assist with any future increases.

Refinancing of loan £304,000 to be achieved in savings due to repaying and refinancing of loan.

Care leaver income - Norfolk County Council contribution £220,000 one off increase to contributions for care leaver income for 2026-2027 confirmed by Norfolk County Council.

Element of finance restructuring costs no longer required £160,000 previously set aside as part of the recent finance restructure no longer required as it has now been built into existing restructuring costs.

Reduce GF contingency budget £152,000 reduction in general fund contingency. Revised contingency £250,000.

Planning & regulatory services removing unrequired employee budgets £142,000 total reduction of costs in part consisting of; removal of a fixed-term post, removal of budget for Public Safety & Emergency Planning team which has been effectively outsourced to Norfolk County Council for efficiency reasons.

Utility budgets adjusted to bring in-line with recent costs £135,000 reduction in budget lines following review of current charges to more accurately capture actual costs.

IT savings on contracts £134,000 savings after review of current contracts; brings in line with expected spend.

Strategy, engagement & culture removing unrequired employee budgets £88,000 reduction in employee costs due to temporary posts ending.

Civica contract cost reduction £65,000 net reduction in contractual related costs due to new contract.

Additional market rental income £60,000 additional anticipated income from lease related charges, based on current occupancy levels.

Short-term employee savings with strategy, engagement & culture due to secondment £60,000 temporary saving due to secondment not being back-filled.

Net increase income from parking in parks charges £52,000 increased income due to greater demand for parking in parks than budgeted for.

Waste management deed of variation income £52,000 increased income based upon previous year's income change due to deed of variation, based on anticipated level of service provision.

Historic unrequired recharge budgets removed £49,000 reduction in budgeted expenditure due to historic duplication of internal recharge codes.

Revenues & benefits apprentice funding from Enforcement Agency £33,000 one-off increase in income due to funding received by the Enforcement Agency to support employee costs for Revenue & benefits apprentice post.

Riverside Leisure Centre reduction in contract costs £30,000 reduction in expected contractual costs to the council relating to the energy benchmarking clause, due to recent solar array installation mitigating energy related expenditure.

Rental income within property and economic development service £21,000 anticipated increase in rental income relating to projected occupancy levels of commercial properties.

NCSL SLA fee in relation to finance costs £21,000 increase in income due to increasing Service Level Agreement fees charged to NCSL based on current service provided.

Parks - net additional income £17,000 net overall increase in income from recreational activities, largely due to pitch and putt.

Appendix 2 (F): Consultation responses on the proposed budget for 2026 - 2027



NORWICH
City Council

Budget 2026-2027: a citywide conversation

Overview

The 2026-2027 survey, which ran from 4 December 2025 to 18 January 2026, was hosted on the council's consultation and engagement website, 'Get Talking Norwich' (GTN).

To help inform people's views, key documents and other visuals were hosted on GTN including a reminder of how the budget will support the five priorities laid out in Norwich City Council's community-led plan, '[We Are Norwich](#)' 2024-2029.

Visitors to the GTN site were also able to view the council's [Financial Strategy 2026-2027](#) and the [Equality Impact Assessment](#) which underpins it.

This year's survey received **899 responses**, compared with a post-2019 average of **1,361**. While this represents a lower response level than in some previous years, the communications and engagement approach used for the 2026-2027 budget consultation was broadly consistent with last year. No specific factors have been identified to explain the variation in response rate.

The survey included sections on:

1. Delivering a balanced budget for 2026-2027 while continuing to deliver on 'We are Norwich' priorities.
2. The proposed real-time live budget for 2026-2027 allowing spending to be reviewed throughout the year in line with changing priorities.
3. The proposed Readiness Fund, a ring-fenced fund to manage in-year financial pressures, including costs associated with Local Government Reorganisation and inflation.
4. Reallocating resources to support LGR with planned service improvements continuing within existing budgets.
5. The proposed 2.99% increase in Norwich City Council's share of Council Tax to safeguard services, in addition to maintaining a Council Tax Reduction Scheme for residents on low incomes who qualify for the scheme.

Extensive promotion of the survey

Direct engagement was encouraged from colleagues, elected members, residents, partners/key stakeholders and wider service users using various channels and engagement methods, both internally and externally.

External engagement activities

- Text alerts sent to 120,000 residents/service users in two batches.
- Email via Gov.delivery to 2,442 people on 4 December and a weekly round up to 2,438 people on 5 December.
- Social media campaign.
- News article published on council's website.
- News release issued to local media.
- Targeted promotion of the online survey also took place through partner networks, including financial inclusion partners, inclusion and accessibility advocacy groups, VCSE partners and community groups, the business community and other key city stakeholders.

Internal engagement activities

- Direct email to all elected members following the launch of the survey.
- Council-wide email to colleagues.
- Intranet article on citynet.
- Viva Engage posts – the council's colleague-wide networking platform.

Key findings

- People love Norwich with 62% reporting that they were happy or very happy with Norwich as a place to live, work or visit.
- 49% of people agreed or strongly agreed with our proposed real-time approach to the budget.
- People told us the council's top three priorities should be streets and public spaces, housing and neighbourhoods, council efficiency and value for money.
- 25% of those who responded agreed or strongly agreed with reallocating some resources to support the Local Government Reorganisation (LGR) transition. 46% had no view and 28% disagreed or strongly disagreed.
- Nearly half of respondents were in favour of the council continuing to offer up to 100% Council Tax Reduction to those on low incomes who qualify for the scheme.
- 28% of respondents supported or strongly supported the council's proposal to increase its share of council tax by 2.99%.

Detailed survey results

The following section of the report breaks down the survey responses by question. A short paragraph supplements some of the graphs and tables provided to explain the results in simple terms.

All percentages throughout this report are rounded to the nearest whole number (e.g. 8.5% is presented as 9% and 19.4% is presented as 19%). Where rounding low figures down to the nearest whole number would result in 0%, this is presented as '<1%' to clearly indicate that the percentage is small but not zero.

These rounding practices do not affect data quality but may result in the percentages for some questions not totalling 100. Where this is the case, questions are marked with an asterisk.

Q1. Which of the following best describes you?

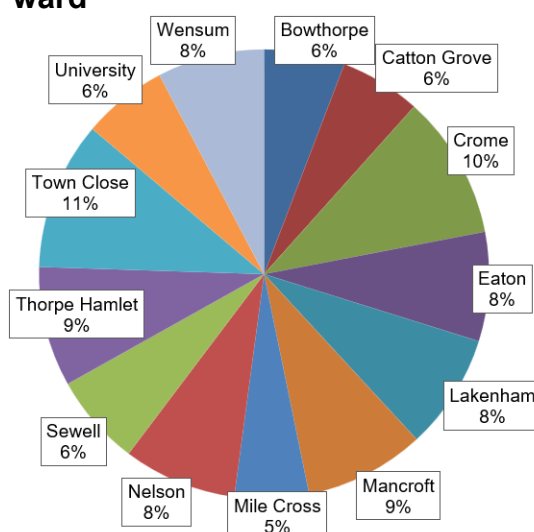
Category	Number of respondents	Percentage
I live in Norwich	822	91%
I work in Norwich but live elsewhere	34	4%
I visit Norwich	18	2%
I represent a business or organisation in Norwich	25	3%
Total responses	899	100%

Q2. If you live in Norwich, what is your postcode?*

Ward	Number of respondents	Percentage
Bowthorpe	37	6%
Catton Grove	37	6%
Crome	66	10%
Eaton	50	8%
Lakenham	53	8%
Mancroft	55	9%
Mile Cross	34	5%
Nelson	52	8%
Sewell	42	7%
Thorpe Hamlet	55	9%
Town Close	68	11%
University	39	6%
Wensum	49	8%
Total responses	637	101%

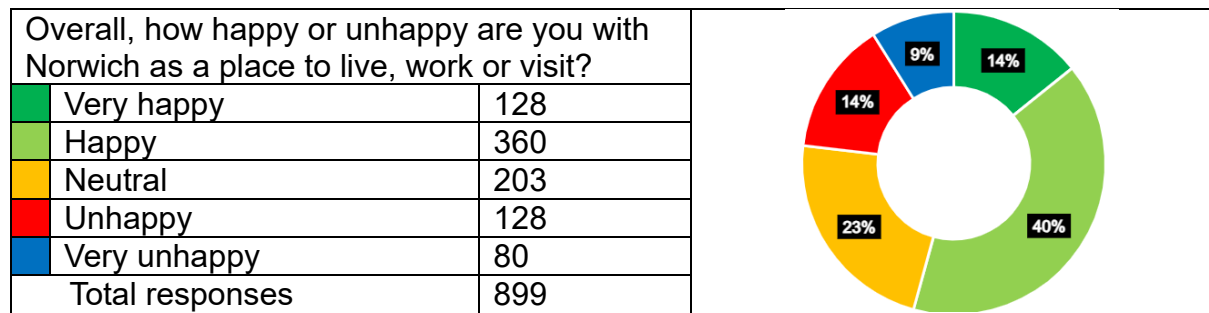
Due to rounding, percentages do not total 100%. Affected questions are marked with an asterisk.

Postcode analysis by ward



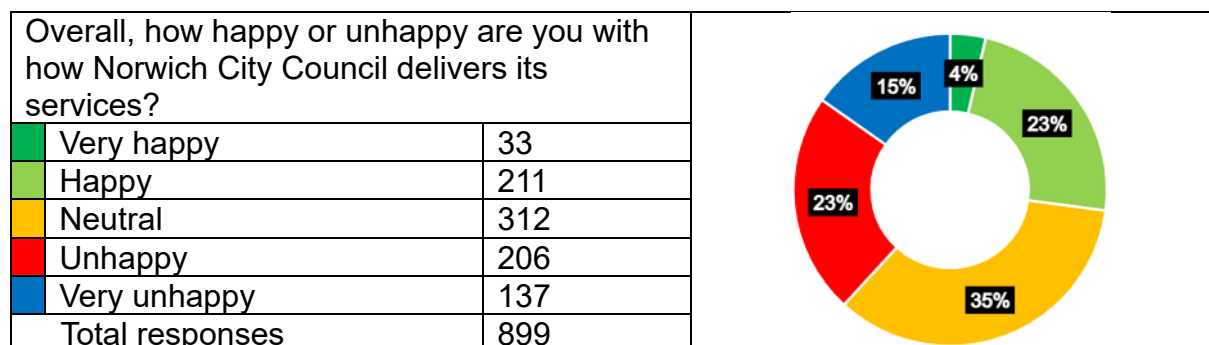
Q3. Overall, how happy or unhappy are you with Norwich as a place to live, work or visit?

The majority of respondents (54%) were very happy or happy with Norwich as a place to live, work or visit. 23% of respondents neither felt happy nor unhappy, while 23% of respondents felt unhappy or very unhappy.



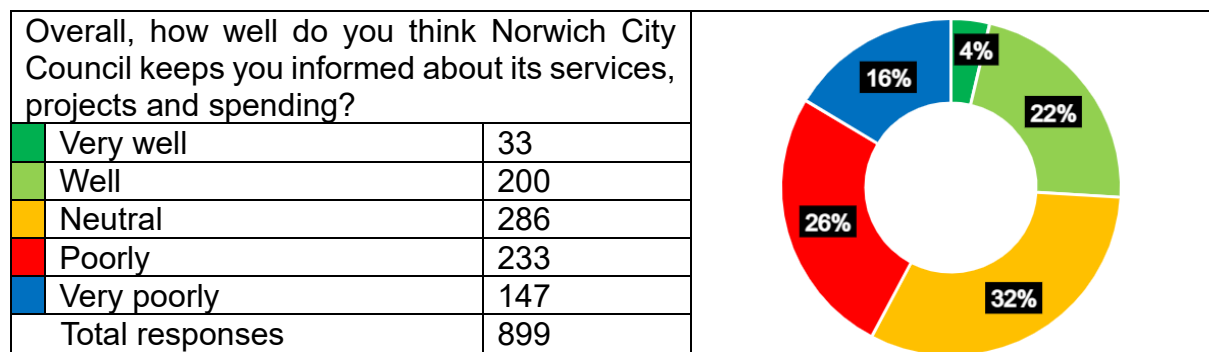
Q4. Overall, how happy or unhappy are you with how Norwich City Council delivers its services?

Over a quarter of respondents (27%) were very happy or happy with how Norwich City Council delivers its services. 35% of respondents were neutral, while 38% of respondents were unhappy or very unhappy.



Q5. Overall, how well do you think Norwich City Council keeps you informed about its services, projects and spending?

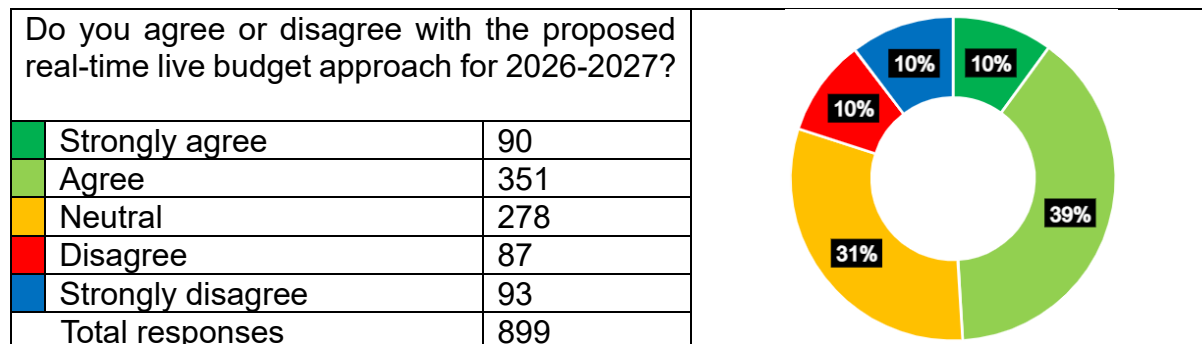
Over a quarter of respondents (26%) felt very well or well informed about services, projects and spending. 32% of respondents were neutral while 42% of respondents felt that Norwich City Council keeps them informed poorly or very poorly.



We are proposing a real-time live budget for 2026-2027. This means the council will review spending and priorities throughout the year, rather than setting everything at the start of the year.

Q6. Do you agree or disagree with the proposed real-time live budget approach for 2026-2027?

There was some support (49%) for the proposed real-time live budget approach for 2026-2027. 31% of respondents neither agreed nor disagreed with the proposal, while 20% of respondents disagreed or strongly disagreed with this approach.



Q7. How important is it to you that we continue to: (Please rate each on a scale of 1-5, where 1= not important and 5 = very important).

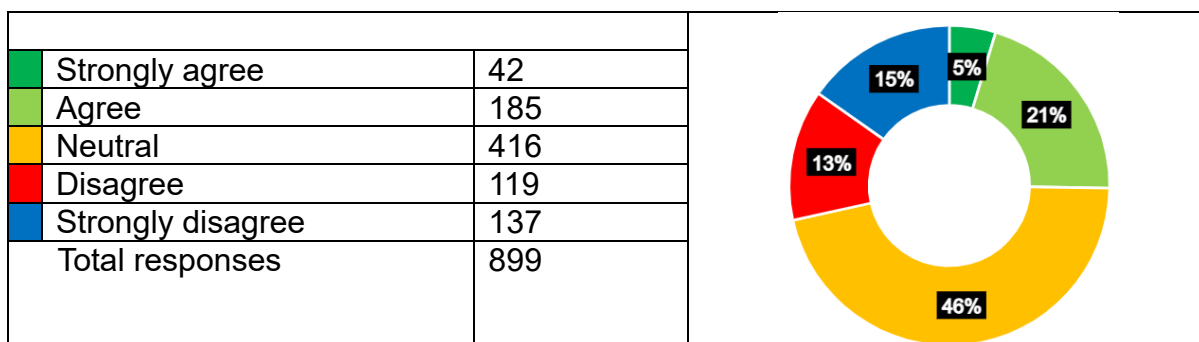
Priority	5	4	3	2	1
	Number of responses				
Invest in services residents value most	513	225	100	24	37
Continue major projects that improve the city	338	212	209	63	77
Reduce inequality and support vulnerable people	376	175	167	75	106
Tackle climate change and protect the environment	292	149	180	99	179
Maintain a modern, efficient and open council	380	232	176	58	53

As projects in the *We are Norwich* Business Plan are completed, we will reallocate some resources to support the LGR transition. Planned service improvements will continue within existing budgets.

Q8. Do you agree or disagree with this approach?

There was some support (26%) for this approach. 46% of respondents neither agreed nor disagreed, while 28% of respondents disagreed or strongly disagreed with the approach.

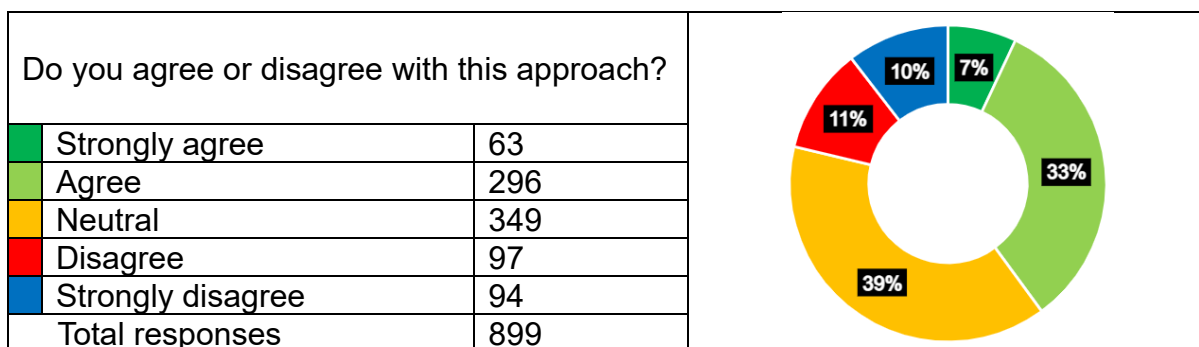
Do you agree with this approach?	
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We propose creating a ring-fenced Readiness Fund to manage in-year pressures, including costs related to LGR and inflation.

Q9. Do you agree or disagree with this approach?

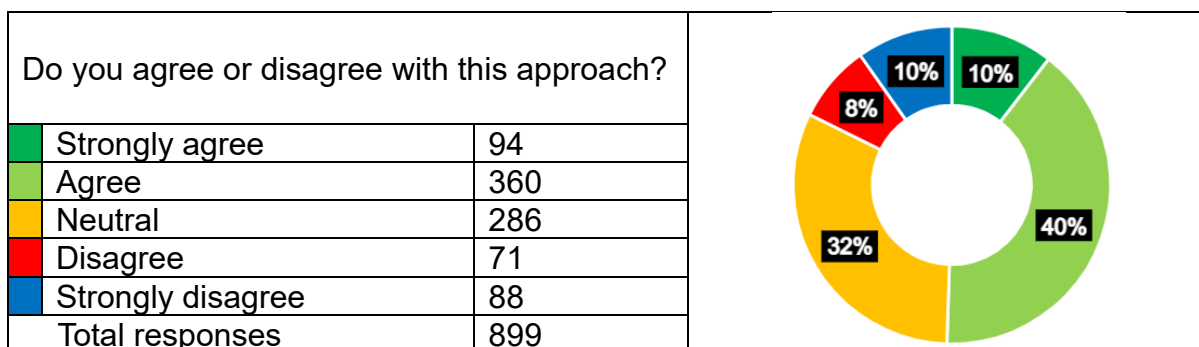
There was some support (40%) for this approach. 39% of respondents neither agreed nor disagreed, while 21% of respondents disagreed or strongly disagreed with the approach.



If the Government’s Fair Funding Review provides additional funding, we plan to strengthen the Readiness Fund rather than create new ongoing spending commitments. This isn’t ‘extra money’ – it will help Norwich respond responsibly to real needs and protect essential services.

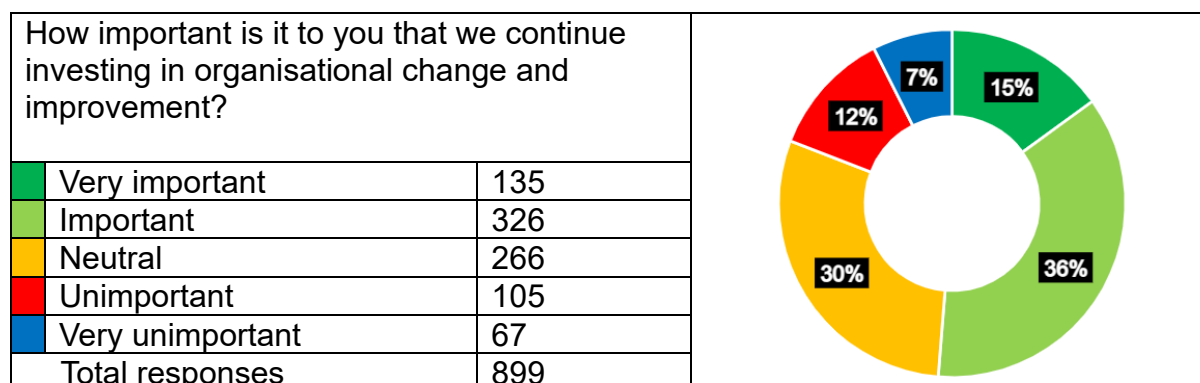
Q10. Do you agree or disagree with this approach?

50% of respondents agreed or strongly agreed with this approach. 32% of respondents neither agreed nor disagreed, while 18% of respondents disagreed or strongly disagreed with the approach.



Q11. How important is it you that we continue investing in organisational change and improvement?

There was majority support (51%) for continuing to invest in organisational change and improvement. 30% of respondents neither considered this important nor unimportant, while 19% of respondents rated it as unimportant or very unimportant.



Q12. Which areas do you think should be the Council’s top three priorities for improvement over the next year? (Select up to three)

Which areas do you think should be the Council’s top three priorities for improvement over the next year?	
Streets and public spaces	525
Housing and neighbourhoods	488
Council efficiency and value for money	414
Jobs and business support	351
Community safety and inclusion	337
Environment and climate action	198
Other (please specify)	113
Customer service and digital access	99
Total responses	2,525

Q13. If you had £10,000 to spend in your neighbourhood, which area would you focus on first?*

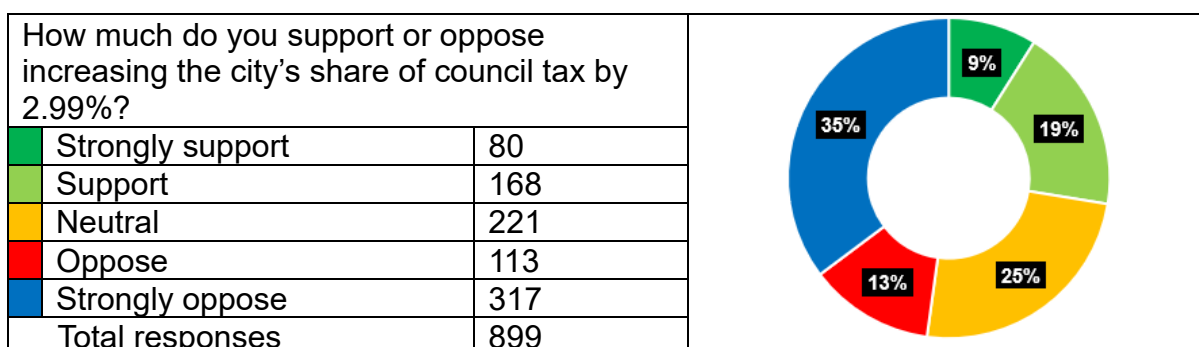
	Number of responses	Percentage
Cleaner, Greener Neighbourhoods: Planting trees and wildflowers, improving recycling, tackling litter and fly-tipping	268	30%
Homes and Places that Work for Everyone: Improving the look and feel of streets, small-scale housing repairs, or neighbourhood-based regeneration	190	21%
Safer, More Connected Communities: Supporting local community events, youth projects, or residents’ groups to build a sense of belonging	172	19%

Opportunities for All: Projects that boost skills, volunteering, or small business activity in your area	98	11%
Open and Modern Council: Making it easier to access council services, report issues, and get things done digitally	68	8%
Fairer Access to Services: Expanding local advice, money or wellbeing support for residents who need it most	59	7%
Tackling Climate Change Locally: Installing small renewable energy schemes, supporting active travel, or community gardens	44	5%
Total responses	899	101%

Due to rounding, percentages do not total 100%. Affected questions are marked with an asterisk.

Q14. How much do you support or oppose increasing the city's share of council tax by 2.99%?*

There was some support (28%) for increasing the city's share of council tax by 2.99%. 25% of respondents neither supported nor opposed the proposal, while 48% of respondents opposed or strongly opposed the increase.

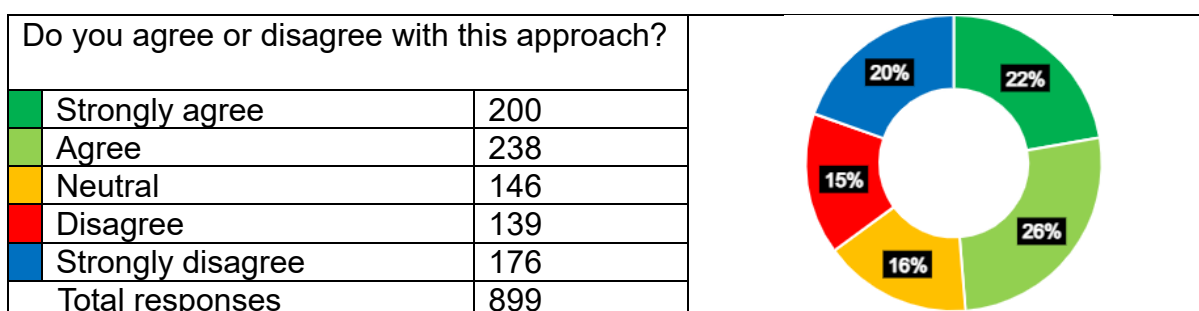


Due to rounding, percentages do not total 100%. Affected questions are marked with an asterisk.

We want to make sure support is available for those who need it most. Our current proposal is to continue offering up to 100% reduction in council tax for residents on low incomes who qualify for the Council Tax Reduction Scheme.

Q15. Do you agree or disagree with this approach?*

Nearly half of respondents (48%) supported this approach. 16% of respondents were neutral, while 35% of respondents disagreed or strongly disagreed.



Due to rounding, percentages do not total 100%. Affected questions are marked with an asterisk.

Demographic data

The following section of the report outlines demographic data about the respondents who completed this optional section of the survey.

A balance was sought between collecting demographic data to support representativeness and maximising overall participation. There is no single, definitive set of guidance for collecting demographic information, and the approach must reflect both data protection considerations and the context of the engagement. For this exercise, priority was given to gathering views from as wide a range of people as possible. Evidence from previous online surveys shows that requesting demographic information can discourage participation, and therefore demographic questions were optional.

Q16. Would you like to answer a few optional questions about yourself?

The majority of respondents (75%, 665 respondents) indicated that they were willing to provide additional optional demographic information as part of the survey. A quarter of respondents (25%, 227 respondents) chose not to answer these questions and were taken to the end of the survey.

Category	Number of respondents	Percentage
Yes, I'm happy to answer them.	665	75%
No, please take me to the end of the survey.	227	25%
Total responses	892	100%

Q17. What is your age group?

The largest proportion of respondents were aged 65-74, accounting for 23% (154 respondents). This was followed by those aged 55-64 at 21% (140 respondents), 45-54 at 19% (125 respondents), and 35-44 at 18% (118 respondents).

Respondents aged 25-34 accounted for 11% (77 respondents), while 18-24-year-olds made up 2% (14 respondents). A further 6% (43 respondents) of respondents were aged 75-84. No responses were recorded in the under 18 or 85 or older age categories.

A very small number of respondents (less than 1%, 3 respondents) preferred not to disclose their age.

Age group	Number of respondents	Percentage
Under 18	0	0%
18-24	14	2%
25-34	77	11%
35-44	118	18%
45-54	125	19%
55-64	140	21%
65-74	154	23%

75-84	43	6%
85 or older	0	0%
Prefer not to say	3	<1%
Total responses	674	100%

Q18. What gender do you identify as?

Over half of respondents identified as male, accounting for 56% (376 respondents). This was followed by female respondents, who made up 41% (273 respondents).

A small proportion of respondents identified as other at 1% (4 respondents), while transgender and non-binary, each accounted for less than 1% (3 respondents each). 2% (14 respondents) preferred not to disclose their gender identity.

Gender	Number of respondents	Percentage
Male	376	56%
Female	273	41%
Transgender	3	<1%
Non-binary	3	<1%
Prefer not to say	14	2%
Other (please specify)	4	1%
Total responses	673	100%

Q19. What is your ethnic group?

The majority of respondents identified as White or White British, accounting for 92% (616 respondents). Smaller proportions of respondents identified as belonging to mixed or multiple ethnic groups (2%, 13 respondents) or preferred not to disclose their ethnic group (3%, 17 respondents).

Further responses included Asian or Asian British, Black, African, Caribbean or Black British, and other ethnic groups, each accounting for 1% of responses (8, 7, and 7 respondents respectively).

Ethnic group	Number of respondents	Percentage
White or White British	616	92%
Mixed or multiple ethnic groups	13	2%
Asian or Asian British	8	1%
Black, African, Caribbean or Black British	7	1%
Prefer not to say	17	3%
Other (please specify)	7	1%
Total responses	668	100%

Q20. Do you consider yourself to have a long-term illness or disability?

Over a quarter of respondents to this question (28%) identified as having a long-term illness or disability. The majority of respondents (68%, 456 respondents) reported that they do not have a long-term illness or disability. A small proportion (4%, 25 respondents) preferred not to disclose this information.

Category	Number of respondents	Percentage
Yes	190	28%
No	456	68%
Prefer not to say	25	4%
Total responses	671	100%

Q21. If yes, please select the definitions from the list below that best describe your condition or disability*

The most frequently selected category was physical or mobility impairment, reported by 29% (88 respondents). This was followed by long-standing illness or health condition at 24% (72 respondents) and mental health conditions at 22% (66 respondents).

A further 12% (36 respondents) identified as neurodiverse. Smaller proportions of respondents reported a learning disability or difficulty (3%, 10 respondents) or a sensory impairment (3%, 9 respondents). An additional 3% (10 respondents) selected "other", and 3% (10 respondents) preferred not to disclose this information.

Category	Number of respondents	Percentage
Physical or mobility impairment	88	29%
Learning disability or difficulty	10	3%
Sensory impairment	9	3%
Neurodiverse	36	12%
Long standing illness or health condition (e.g. cancer, diabetes or chronic heart disease)	72	24%
Mental health condition	66	22%
Other (please specify)	10	3%
Prefer not to say	10	3%
Total responses	301	99%

Due to rounding, percentages do not total 100%. Affected questions are marked with an asterisk.