Public Document Pack

Council

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15 February 2022

A meeting of the **Council** of North Norfolk District Council will be held in the Council Chamber - Council Offices on **Wednesday, 23 February 2022** at **6.00 pm**.

At the discretion of the Chairman, a short break will be taken after the meeting has been running for approximately one and a half hours

Members of the public who wish to ask a question or speak on an agenda item must notify Democratic Services 24 hours in advance of the meeting. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel: 01263 516010,
Email: emma.denny@north-norfolk.gov.uk. Please note that this meeting will be live-streamed: https://www.youtube.com/channel/UCsShJeAVZMS0kSWcz-yEzg

Anyone attending this meeting may take photographs, film or audio-record the proceedings and report on the meeting. Anyone wishing to do so should inform the Chairman. If you are a member of the public and you wish to speak on an item on the agenda, please be aware that you may be filmed or photographed.

Emma Denny
Democratic Services Manager

To: Mr T Adams, Ms P Bevan Jones, Mr D Birch, Mr H Blathwayt, Mr A Brown, Dr P Bütikofer, Mrs S Bütikofer, Mr C Cushing, Mr N Dixon, Mr P Fisher, Mrs A Fitch-Tillett, Mr T FitzPatrick, Mr V FitzPatrick, Mrs W Fredericks, Ms V Gay, Mrs P Grove-Jones, Mr G Hayman, Mr C Heinink, Mr P Heinrich, Dr V Holliday, Mr N Housden, Mr R Kershaw, Mr N Lloyd, Mr G Mancini-Boyle, Mr N Pearce, Mr S Penfold, Mrs G Perry-Warnes, Mr J Punchard, Mr J Rest, Mr E Seward, Miss L Shires, Mrs E Spagnola, Mrs J Stenton, Dr C Stockton, Mr M Taylor, Mr J Toye, Mr E Vardy, Mr A Varley, Ms L Withington and Mr A Yiasimi

Members of the Management Team, appropriate Officers, Press and Public

If you have any special requirements in order to attend this meeting, please let us know in advance
If you would like any document in large print, audio, Braille, alternative format or in a different language please contact us

Chief Executive: Steve Blatch
Tel 01263 513811 **Fax** 01263 515042 **Minicom** 01263 516005
Email districtcouncil@north-norfolk.gov.uk **Web site** www.north-norfolk.gov.uk

A G E N D A

1. APOLOGIES FOR ABSENCE

To receive apologies for absence, if any.

2. TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS 1 - 6

Members are asked at this stage to declare any interests that they may have in any of the following items on the agenda. The Code of Conduct for Members requires that declarations include the nature of the interest and whether it is a disclosable pecuniary interest (see attached guidance and flowchart)

3. ITEMS OF URGENT BUSINESS

To determine any other items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B (4)(b) of the Local Government Act 1972.

4. CHAIRMAN'S COMMUNICATIONS

To receive the Chairman's communications, if any.

5. LEADER'S ANNOUNCEMENTS

6. PUBLIC QUESTIONS AND STATEMENTS

To consider any questions or statements received from members of the public.

7. APPOINTMENTS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES & PANELS

To appoint a Chairman of the Constitution Working Party.

8. RECOMMENDATIONS FROM CABINET 31 JANUARY 2022 7 - 176

a) Agenda item 8: Net Zero Strategy & Action Plan

Recommendation to Council: To adopt the Net Zero Strategy & Action plan and to delegate minor changes required to the final document to the Director for Place and Climate Change, in consultation with the Portfolio Holder for Environmental Services, Climate Change and The Environment

The Overview & Scrutiny Committee supported the recommendation at the meeting held on 12 January 2022.

b) Agenda item 10: Capital Strategy 2022-2023

Recommendation to Council: To approve the Capital Strategy and Prudential Indicators for 2022-2023

The Overview & Scrutiny Committee supported the *recommendation at the meeting held on 9th February 2022.*

c) Agenda item 11: NNDC Investment Strategy 2022-2023

Recommendation to Council: To approve the Investment Strategy 2022-2023

The Overview & Scrutiny Committee supported the recommendation at the meeting held on 9th February 2022

d) Agenda item 12: NNDC Treasury Management Strategy Statement 2022-2023

Recommendation to Council: To approve the Treasury Management Strategy Statement 2022-2023

The Overview & Scrutiny Committee supported the recommendation at the meeting held on 9th February 2022

e) Agenda item 13: Fees & Charges 2022 -2023

Recommendation to Council:

a) To approve the fees and charges from 1 April 2022 as included in Appendix A.
b) That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required as outlined within the report

The Overview & Scrutiny Committee supported the recommendation at the meeting held on 9th February 2022

f) Agenda item 14: Rate Relief Policy

Recommendation to Council:

- That the Revenues Manager has delegated authority to make decisions up to the NNDC cost value of £2k as indicated in Appendix A.

- That the Revenues Manager has delegated authority to make Covid-19 Additional Relief Fund (CARF) decisions as indicated in Appendix C**.**

- That the Rate Relief Policy is revised as indicated in Appendix A, B and C**.**

g) Agenda item 15: Draft Medium Term Financial Strategy (MTFS) 2023/26

Recommendation to Council: To approve the Medium Term Financial Strategy 2022-2023

The Overview & Scrutiny Committee supported the *recommendation at the meeting held on 12 January 2022*

h) Agenda item 16: Car Park Charges Review

Recommendation to Council:

1. That the following pricing structure should be introduced:

   Standard tariff car parks - £1.20p for first two hours, 80 pence for each further hour and a day rate of £6.00. No change to 30 minute rate.

   Resort tariff car parks - £1.50 for the first hour, £1.20p for each further hour, and a day rate of £8.50. No change to 30 minute charge.

   Coastal tariff car parks - £1.80 per hour and a day rate of £8.50

   Holt Country Park - £2.30 per day

   Coaches – 24 hour stay £12, 4 hour stay - £6

   Seven day ticket will be based on the 24 hour ticket rate over 4 days, so £34 a week for Coastal and Resort tariff and £24 for Standard
   These proposed changes are anticipated to generate in the region of £230,000 additional income per annum

2. That the following changes to car park designations should be made:

   Sheringham, Chequers car park moves to 'Coastal' from 'Resort' and that Sheringham, Station Approach car park moves to 'Resort' from 'Coastal'

3. The implementation of any new pricing changes from July 2022 and instigating the Car Park order (CPO) consultation process;

4. Budgetary provision of £25k to cover implementation costs resulting from any changes.

9. RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE - 09 FEBRUARY 2022

To consider any further recommendations from the Overview & Scrutiny Committee meeting held on 9th February 2022.

10. BUDGET AND COUNCIL TAX 2022-2023 177 - 218

Summary:	This report presents for approval the budget for 2022/23 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2022/23. The report also includes the Chief Financial Officer's report on the robustness of

the estimates and adequacy of reserves.

Options considered:	It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 31 January 2022.
Conclusions:	It is the opinion of the Council's Chief Financial Officer that the budget for 2022/23 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.
Recommendations:	That having considered the Chief Financial Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves, the following be approved:

1) The 2022/23 revenue budget as outlined at Appendix A within this report;
2) A balance of £500,000 from the Business Rates Reserve be reallocated to the Delivery Plan Reserve to support the delivery of the Council's Corporate Objectives
3) The statement of and movement on the reserves as detailed at Appendix D within this report;
4) The updated Capital Programme and financing for 2022/23 to 2024/25 (as detailed at Appendix C1 of this report
5) The new capital bids recommended for approval (as detailed within appendix C2 within this report
6) That Members note the current financial projections for the period 2023/24 to 2025/26;
7) The Policy Framework for the Earmarked Reserves and the Optimum Level of the General Reserve 2022/23 to 2025/26 (Appendix B within this report);
8) That the setting of the Local Council Tax Support Scheme (LCTS) for 2022/23 be delegated to officers, in consultation with the Portfolio holder for Finance
9) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2022/23;

Reasons for Recommendations:	10)	The demand on the Collection Fund for 2022/23 is as follows: a. £6,513,398 for District purposes b. £2,724,973 for Parish/Town Precepts; This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property and;
		To approve the 2022/23 budget for revenue and capital and to make the statutory calculations in respect of the 2022/23 Council Tax.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on the write the report and which do not contain exempt information)

Budget reports and briefings, precepts (NCC, Police and Parishes)

Cabinet Member(s) All	Ward(s) affected: All

Contact Officer, telephone number and email:
Duncan Ellis, 01263 516330, duncan.ellis@north-norfolk.gov.uk

11. PAY POLICY STATEMENT 2022 - 2023 219 - 230

Summary:	Section 38 of the Localism Act 2011 ("the Act") requires the Council to produce an annual pay policy statement ("the statement") for the start of each financial year. The attached statement is drawn up in compliance with the Act to cover the period 2021/22. It is a legal requirement that Full Council formally signs off this statement and the responsibility cannot be devolved to any other person or committee.
Options considered:	There are no options to consider as part of this paper.
Conclusions:	The attached statement sets out current remuneration arrangements for officers.
Recommendations:	**To adopt the attached Pay Policy Statement and to publish the statement for 2022/23 on the Council's website.**

Reasons for Recommendations:	To comply with the requirements of the Localism Act.

Cabinet Member(s) Cllr Tim Adams	Ward(s) affected: All

Contact Officer, telephone number and email:
James Claxton, Human Resources Manager
james.claxton@north-norfolk.gov.uk; (01263) 516352

12. PORTFOLIO REPORTS 231 - 248

To receive reports from Cabinet Members on their portfolios. Please note that update reports provided are for the month of January 2022 and due to an additional meeting of Full Council on 9th February, not all Cabinet members will have an update to provide.

Members are reminded that they may ask questions of the Cabinet Member on their reports and portfolio areas but should note that it is not a debate.

No member may ask more than one question plus a supplementary question, unless the time taken by members' questions does not exceed 30 minutes in total, in which case, second questions will be taken in the order that they are received (Constitution, Chapter 2, part 2, section 12.2)

Cabinet members (listed alphabetically)

Cllr T Adams (Leader)
Cllr A Fitch-Tillett – Coast
Cllr W Fredericks – Housing & Benefits
Cllr V Gay – Leisure, Culture & Wellbeing
Cllr R Kershaw – Sustainable Growth
Cllr N Lloyd – Environment
Cllr E Seward – Finance, Assets & Legal
Cllr L Shires – Organisational Resources
Cllr J Toye – Planning & Enforcement

13. QUESTIONS RECEIVED FROM MEMBERS

None Received.

14. OPPOSITION BUSINESS

None Received.

15. NOTICE(S) OF MOTION

None Received.

16. EXCLUSION OF PRESS AND PUBLIC

To pass the following resolution – if necessary:

“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item(s) of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph(s) _ of Part 1 of Schedule 12A (as amended) to the Act.”

17. PRIVATE BUSINESS

Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1** (**Disclosable Pecuniary Interests**) which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2** (**Other Registerable Interests**).

"**Disclosable Pecuniary Interest"** means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.

3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which ***directly relates*** to one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which ***directly relates*** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which ***affects*** –
   a. your own financial interest or well-being;
   b. a financial interest or well-being of a relative, close associate; or
   c. a body included in those you need to disclose under Other Registrable Interests as set out in **Table 2**

   you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter ***affects*** your financial interest or well-being:
   a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
   b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

   You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

   If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must make sure that any written statement of that decision records the existence and nature of your interest.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the

	councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the councillor's knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and (b) either— (i)) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were

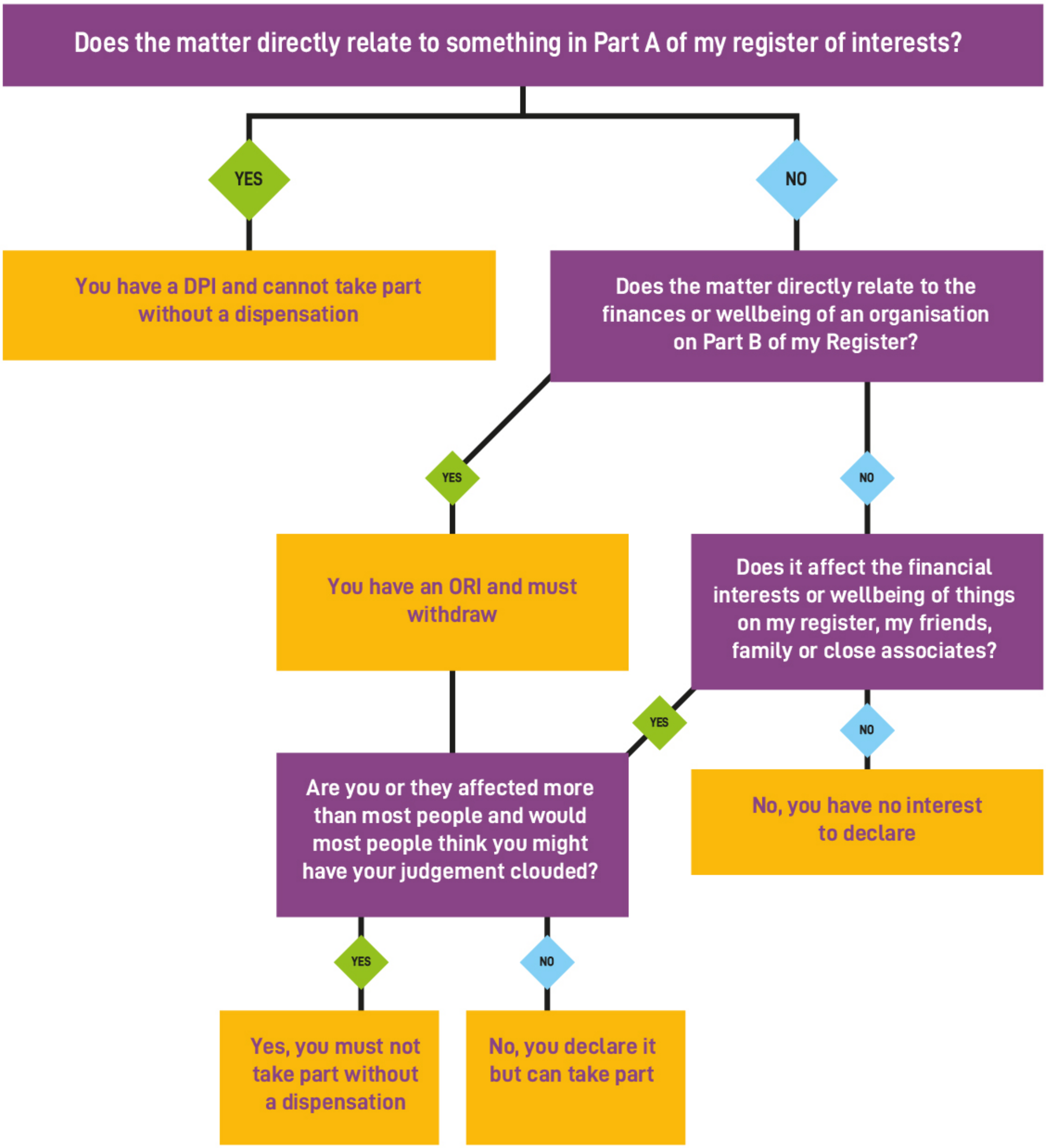
	spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect: a) any body of which you are in general control or management and to which you are nominated or appointed by your authority b) any body (i) exercising functions of a public nature (ii) any body directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)



Local Government Association

Guidance on LGA Model Councillor Code of Conduct

Net Zero Strategy and Action Plan

Summary:	North Norfolk District Council's (NNDC) Corporate Plan commits to the delivery, and adoption, of an Environmental Charter and Action Plan. In May 2021 The Council adopted an Environmental Charter and, subsequently, began developing the 'Action Plan' element of this commitment. This report presents the Draft Action Plan for achieving Net-Zero Carbon emissions by 2030 in the format of a Draft Net-Zero Strategy and Action Plan (referred to from here on in as the NZSAP). The NZSAP also documents NNDC's existing pathway by providing carbon emission figures for the years 2018/2019, 2019/2020, and 2020/2021.
Options considered:	**Option One:** Adopt the Draft NZSAP. This option fulfils the Corporate Plan commitment to develop an Action Plan and provides a route map from which the Council will continue to address the Climate Emergency. **Option Two:** Do not adopt the Draft NZSAP. This option contradicts the Council's Corporate Plan objectives and commitments to addressing the Climate Emergency. **Option three:** Adopt an amended version of the Draft NZSAP. This could risk not achieving the carbon reduction outcomes and will necessitate alternative actions by which these might be achieved.
Conclusions:	The NZSAP is a fundamental step in the Council's approach to dealing with the Climate Change Emergency declared in April 2019 and the subsequent net-zero 2030 target. Its significance stems from the fact that it outlines how a net-zero 2030 target can be achieved as well as reporting on the Council's existing emissions pathway for the years 2018/2019 through to 2020/2021. The NZSAP is also an important internal, and external, document which clearly communicates the Council's commitment to environmental excellence and a net-zero carbon emissions future. It is recommended that the Council should adopt the NZSAP and in doing so commit to delivering the actions made within the NZSAP.
Recommendations:	To adopt the Draft Net Zero Strategy and Action Plan

	and
	To delegate minor changes required to the final document to the Director for Place and Climate Change, in consultation with the Portfolio Holder for Environmental Services, Climate Change and The Environment
Reasons for Recommendations:	The NZSAP is a hugely important document as it outlines how a net-zero 2030 target can be achieved as well as reporting on NNDC's existing emissions pathway for the years 2018/2019 through to 2020/2021. NNDC's Corporate Plan commits to delivering an Action Plan. Once approved the NZSAP will become an adopted Council document which will set the framework for achieving the Environmental Charter's net zero objective whilst simultaneously reinforcing NNDC's commitment to addressing the climate change emergency, which it declared in April 2019.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

N/A

Cabinet Member:	Ward(s) affected:
Cllr Nigel Lloyd	District Wide

Contact Officer:
annie.sommazzi@north-norfolk.gov.uk

1. Introduction

1.1 In April 2019 North Norfolk District Council (NNDC) declared a climate change emergency and committed to the development of an Environmental Charter and Action Plan with the view that these documents would outline a pathway for achieving environmental excellence and a net-zero carbon emission position by 2030.

1.2 In May 2021 an Environmental Charter was adopted. This paper provides an overview of the next phase of work that has been undertaken; a Net Zero Strategy and Action Plan (NZSAP).

1.3 The NZSAP deals with the first phase of the Environmental Charter, which focuses upon the Council's own estates and operations and route to net-zero carbon emissions by 2030.

1.2 The Council engaged consultants, Net-Zero East, in the preparation of the Draft NZSAP which includes:

- NNDC's **carbon emission data for** the years **2018-2019, 2019/2020** and **2020/2021**
- The contextual **analysis of emissions in North Norfolk;** and
- **A framework of actions** (up to 2024) which are necessary for the Council to deliver in order to enable a **net-zero emission position by 2030**

1.3 The Draft NZSAP is therefore a key corporate strategic document which sets the course for consequent decisions throughout the Council regarding policy, projects and other activities.

1.4 In addition to providing an overview of the net-zero target, the NZSAP also identifies a series of recommendations regarding forthcoming capital 'decarbonisation' projects which will need to be delivered over the coming years if the Council is to meet its ambitious net-zero 2030 target.

Current position

2.1 A Draft NZSAP has been prepared and is appended to this report. See Appendix One.

2.2 Following recommendations made by Overview and Scrutiny committee on the 12th January online workshops regarding the NZSAP have been offered to all Members.

2.3 The process leading to adoption of the NZSAP is outlined below:

Action	Deadline
Net Zero East issues complete draft report	1st December 2021
CLT consider DRAFT NZSAP	14th December 2021
Cabinet Business Planning consider DRAFT NZSAP	22nd December
Climate Change and Environment Team and Net Zero East training sessions for Assistant Directors and Operational Managers (x7)	1 January – 23rd February 2022

Overview and Scrutiny Committee consider Draft NZSAP	12 January 2022
Cabinet consider Draft NZSAP (officer recommendation: delegate minor changes required to the final document to the Director of Place and Climate Change in consultation with the Portfolio Holder for Environmental Services, Climate Change and The Environment	31 January 2022
Full Council consider Draft NZSAP (officer recommendation: to delegate minor changes required to the final document to the Director of Place and Climate Change in consultation with the Portfolio Holder for Environmental Services, Climate Change and The Environment)	23 February 2022
Final report published	**1 March 2022**

2. Corporate Plan Objectives

2.1 The development of the NZSAP meets a range of key corporate priorities as contained within the current Corporate Plan, but specifically addresses 3.1:

Undertake a baseline carbon audit and formulate an action plan to set out:

- *The actions that can be implemented in the short-term to reduce carbon emissions from Council's activities*
- *The trajectory needed to reduce emissions to zero by 2030*
- *The longer-term activities and investments necessary to maintain the identified course.*

4. Financial and Resource Implications

4.1 The budget for the preparation of the draft NZSAP has already been approved and there are nominal financial and resource implications associated with the adoption of strategy.

4.2 The period 2022-2024, as per the action plan in chapter 5 of the appended Draft NZSAP, has been considered and the majority of the costs for the activities in this action plan have been accounted for in the Climate Change and Environment Team zero base budget.

4.3 The 'Green Initiatives' delivery plan reserve is to be reallocated to support the implementation of the Net-Zero Strategy and Action Plan. This will assist with activities which may sit outside the scope of the Climate Change and Environment Team zero-based budget allocation.

4.4 The costs for capital decarbonisation projects, which may occur in addition to the 2022-2024 action plan projects, will need to be considered on a case-by-case basis. These projects will be implemented through the council's existing governance framework, overseen through the Corporate Delivery Unit function.

4.5 Whilst decarbonisation projects identified through the NZSAP will have an initial cost the projects should, overtime, realise significant savings as they will increase the efficiency of Council owned assets which will, not only decrease expenditure on utility bills, but will increase the market value of the assets in their own right.

5. Legal Implications

5.1 There are no legal implications, whilst the Government have set a national 2050 target for achieving net-zero carbon emission, the development of a NZSAP is not a statutory requirement, and is therefore not legally binding

6. Communication Implications

6.1 The NZSAP is a public facing document which will clearly set out the commitments that the Council will uphold in order to address the climate change emergency and deliver a net-zero carbon emission position by 2030.

It will itself be a key means of communicating the Council's environment and climate change commitments but further publicity will be necessary in order to ensure stakeholders are aware of the Council's intent. It is hoped that publicising the document will also help encourage other organisations to take similar steps.

Officers will develop novel means of publicising the adoption of the NSZAP, in ways similar to that which was done for the Environmental Charter.

7. Risks

7.1 The Council is obliged to act upon its declaration of the Climate Emergency and net-zero 2030 target; the NZSAP is a consequence of the declaration and subsequent commitments. The Council will be expected to proactively deliver the recommendations within the NZSAP and it is anticipated that this will be scrutinised by external organisations.

7.2 Failure to take action on the points raised within the NZSAP may expose the Council to reputational damage.

7.3 Failure to deliver a timely and well considered NZSAP may also expose the Council to reputational damage.

8 Equality and Diversity

The Equality Act 2010 sets out the duty for public authorities to have 'due regard' to the provisions of the Equality Act 2010. The law requires this duty to be demonstrated in decision making processes. In this instance the NZSAP, and the matters considered in this report, are primarily focused on environmental and sustainability issues and therefore the impact of any changes to groups with protected characteristics is neutral.

9 Section 17 Crime and Disorder considerations

This report raises no matters of concern in relation to crime and disorder.

10 Sustainability implications

The NZSAP identifies the ways in which the Council can make a positive impact on sustainability and promote the benefits of carbon reduction.

11 Conclusions

The NZSAP is a fundamental step in the Council's approach to dealing with the Climate Change Emergency declared in April 2019 and the subsequent net-zero 2030 target. Its significance stems from the fact that it outlines *how* a net-zero 2030 target can be achieved as well as reporting on the Council's existing emissions pathway for the years 2018/2019 through to 2020/2021.

The NZSAP is also an important internal, and external, document which clearly communicates The Council's commitment to environmental excellence and a net-zero carbon emissions future.

It is recommended that the Council should adopt the NZSAP, and in doing so, commit to delivering the actions made within the NZSAP.

Net Zero Strategy & Action Plan

NORTH NORFOLK DISTRICT COUNCIL

Setting a pathway for decarbonisation across the Council and the wider district

Foreword

North Norfolk was the first district council in Norfolk to declare a climate emergency in early 2019. It also adopted a Net Zero Target for 2030 – 20 years in advance of the national target set by the Government.

The recent Conference of the Parties (CoP 26) meeting in Glasgow in November 2021 has brought home graphically the need for wide-ranging global action to address dangerous and accelerating climate change. It provided a timely reminder of the imperative for all players across the economy to substantially raise our game. Local government - as well as national – is a key element of the response, and district councils such as North Norfolk District Council (NNDC) have a crucial role to play both in reducing our own organisational emissions and wider emissions in the district we serve.

NNDC welcomed the publication of the Government's Net Zero Strategy in October 2021. It provides a direction of travel. However, a large part of the response needs to be addressed through the lens of local communities and businesses and will be place-specific. The Council needs to "step up", and we also recognise the importance of engagement with our stakeholders in the district and achieving as high a level of buy-in as possible from our council taxpayers to our carbon reduction plans and actions. By adopting a leadership role within the district, we can show what a mainly rural council can achieve, and we are committed to acting as a catalyst and partner for wider action within Norfolk and East Anglia.

The Council believes it is possible to achieve a Net Zero Target by 2030, but we need to take and accelerate decarbonisation across our operations. This includes improving the energy efficiency of our buildings, decarbonising our vehicle fleet and services, generating renewable energy and supporting staff to work in more energy efficient ways, including travelling less. The emissions produced by the businesses we buy goods and services from must also be reduced, and we will be exploring as a priority how contracts with our suppliers can be varied if necessary and how we can shift to more sustainable procurement.

NNDC has already taken many actions and they include:

- Adoption of our first Environmental Charter in April 2021
- Commencement of an ambitious tree planting programme, which is well underway
- Installing 150kW of solar PV capacity at our Cromer HQ, which has helped us avoid up to 23.2 tonnes of CO2 annually
- Obtaining funding for deployment of over 30 electric vehicle (EV) charging points at council sites and taking other measures to decarbonise our vehicle fleet, including already replacing eight vehicles that support refuse collection with EVs
- Agreeing with local electricity distributor UKPN priority reinforcement of the Reef in Sheringham so we can deploy new solar generation and further EV charging facilities
- As part of the Norfolk Warm Homes Consortium, recently succeeding with a bid for £3.85mn of public support to provide energy efficiency improvement works to homes occupied by low-income households
- Making an application into the Public Sector Decarbonisation Scheme to gain support for replacement of the gas heating system at the Cedars in North Walsham, with applications for other buildings likely to follow
- Supporting third party work to look at future decarbonisation potential at the Bacton Gas Terminal

- Building staff awareness of the climate challenge through training and briefings
- Promoting flexible working for staff, with a reduction of staff attending the office and off-site meetings/visits to reduce carbon emissions
- Delivering our Greenbuild event, the most recent of which coincided with CoP 26, and
- Active engagement with other regional councils and stakeholders through the Norfolk Climate Change Partnership and Net Zero East.

A key priority since the Council declared the climate emergency has been measuring and understanding our own carbon footprint and then developing credible and targeted actions to reduce it. Examining assessments of our emissions since 2018/19 suggests we have already made progress from in-house actions, and this is in addition to the wider decarbonisation of the electricity system, although the COVID pandemic has also had an impact. But we can do a lot more.

This document, our first Net Zero 2030 Strategy, identifies over [40] ambitious and specific measures that we now propose to take over the two financial years 2022/23 and 2023/24. Not only will they have a targeted impact on our emissions, but many elements of the Climate Action Plan it sets out are based on an "invest to save" philosophy. In the years ahead we will then update the Strategy annually, always looking two full years ahead, so we maintain the trajectory we need to follow to meet the 2030 target across our operations.

The Strategy is very challenging. It is inevitable that there will be areas, many of them outside our control, where residual emissions will arise. Where this is the case, we will take steps to offset these through nature-based solutions within the district, so that our local environment, council taxpayers and residents also see additional benefits.

This is the start of the journey, one which we must complete with you. The Council is embedding a process whereby we monitor progress on reducing our emissions and routinely report on progress. We are also committing to engage with our communities and businesses to ensure their needs and preferences are met as we evolve the Strategy and Action Plan, and that the approach we adopt works for the district and allows us to play a full part in the green recovery regionally.

Thank you for taking the time to read this document, and we welcome your feedback.

Steve Blatch - Chief Executive
Cllr. Nigel Lloyd – Portfolio Holder for Environmental Services, Climate Change & Environment

1 Introduction

Nearly 200 governments from across the world signed the Paris Agreement in 2015, which set a legally binding target to "limit global warming to well below 2, preferably 1.5 degrees Celsius, compared to pre-industrial levels".

In response to this, the UK Government became the first major economy in the world in June 2019 to pass legislation to end its contribution to global warming by 2050, by aiming to reduce all greenhouse gas emissions to Net Zero by that year. It was also a prime mover behind, and signatory of, the Glasgow Climate Action Pact executed after CoP 26.

Box 1: What is "Net Zero"?

The UK has committed to Net Zero greenhouse gas emissions by 2050. The term Net Zero refers to the balance of emitted and sequestered/captured emissions coming into and out of the atmosphere.

Net Zero is different from Gross Zero, which would mean stopping all emissions, something that would be virtually impossible to achieve across all sectors and aspects of daily life. Therefore, Net Zero still allows for a defined number of unavoidable emissions, balancing this output into the atmosphere with technologies and actions that take emissions from the atmosphere or from afforestation and other nature-based solutions.

The Government also considered and endorsed in December 2020 the recommendations of the Climate Change Committee (CCC) for its Sixth Carbon Budget. This has resulted in a tightening of the targets for emissions reduction to a 78% cut by 2035. In the supporting papers to its report, the CCC identified a key role of Local Authorities in support of delivery of the targets.

Box 2: What are carbon budgets?

These are set by the Government on the recommendation of the independent Climate Change Committee.

A carbon budget is a permitted and cumulative amount of carbon dioxide emissions that are emitted over a specified period of time – in the UK's case, five years - in order to keep within a certain temperature threshold.

Every carbon budget provides a cap on the total greenhouse gas emissions, which should not be exceeded, to meet emissions reduction commitments.

As a result of the Government's Net Zero 2050 Target, many Local Authorities across the country have declared climate emergencies and are making their own ambitious Net Zero delivery targets and programmes.

In 2019, North Norfolk District Council (NNDC) became the first Local Authority in Norfolk to make such a declaration,[i] and we set an ambitious target of reaching Net Zero across all council operations by 2030, 20 years in advance of the Government's own target.

We did this for two reasons. First, it is the right thing to do; and second, our local communities are already having to adapt to climate impacts and challenges.

However, the wider framework of government policies and enabling actions to meet the Sixth Carbon Budget and Net Zero Target is only just emerging. The Net Zero Strategy published by the Government in October 2021[ii] ahead of CoP 26 recognises the need for local climate action, but it is light on resourcing and specific measures to better equip councils. It recognises the need to rationalise support and better equip Local Authorities but does not say how.

Various initiatives were set out at a high level, and the next two to three years will be about learning, identifying local priorities and setting in place governance arrangements and reporting frameworks. We need to recognise that predominantly rural local councils such as NNDC are starting from a relatively low base and have high costs of delivery owing to the dispersed nature of our communities and the older nature of many of our buildings and local infrastructure. The same of course applies not only to the Council but to the North Norfolk district.

To support us on this journey, NNDC has already issued our Environmental Charter.[iii]

Box 3: NNDC's Environmental Charter

An Environmental Charter has already been adopted by the Council in [April 2021]. It is comprised of three main sections that address:

- **How the Council will deliver change across the Council's own internal estates and operations**
- **How the Council will act as a community leader and influencer to meet challenges presented by the climate change crisis, and**
- **How residents/citizens can address the climate emergency and promote environmental excellence.**

It defines a clear level of ambition to meet a Net Zero 2030 Target and in terms of the NNDC's emissions set out a commitment to "measure, manage and mobilise". As such, it has cleared the way for this Strategy and Action Plan.

In this document we set out our first Net Zero 2030 Strategy and Climate Action Plan ("Strategy and Action Plan"). Our Strategy and Vision is summarised at Box 4 over the page.

After this introduction**, Section 2** explains the existing emissions profile of the Council and the actions we are already taking both with regard to our own organisational emissions and how we are supporting local stakeholders.

Section 3 looks at important changes being implemented to our governance and processes, including how we engage with you and other stakeholders to ensure understanding of our Strategy and Action Plan.

Section 4 examines in more detail the Council's organisational carbon footprint and our priority focus areas. In turn it considers in more detail the eight key areas used to group and report our organisational emissions. They are electricity purchasing, gas use, our vehicles, business travel, emissions associated with the buildings we lease to third parties, water, waste, and Council contracts. For each of these categories, we explain the emissions baseline and how this has trended over the past three years. We then explain what we are proposing to do to reduce the baseline over the next two financial years, being 2022/23 and 2023/24. Finally, we set out the commitments we are making to you going forward to deliver emissions reduction in each of these eight areas.

Section 5 summarises some of the specific steps we intend to take that comprise our Net Zero 2030 Strategy and the Climate Action Plan for the period 2022-24 set out in it.

Section 6 then looks at how we are seeking to promote wider district decarbonisation, including our advocacy of Nature-based Solutions (NbS) and the measures we are developing to address climate adaptation and to support biodiversity net gain in North Norfolk.

Section 7 identifies high-level actions that we are already taking and some thoughts on what our residents, businesses and visitors can do to support wider efforts to address climate action in North Norfolk.

Appendix A sets out information on recent trends on territorial emissions within the wider North Norfolk district.

Finally, a glossary of key terms is at **Appendix B**.

The Strategy and Action Plan was adopted by the Council at its [March] 2022 meeting. From here on we will be measuring progress on a half-yearly basis, and each year we will consult and engage with council ratepayers, residents, and stakeholders on changes to it for the following financial year.

Box 4: Our Strategy and Vision

North Norfolk District Council intends to play a pivotal role in increasing both its and the wider district's ability to decarbonise. By setting an extremely challenging 2030 Net Zero target for our own operations, the council will demonstrate leadership and ambition in the areas where it has most control. We will also support meeting the government's 2050 target, sooner if possible, within the district more generally.

The Council will ensure that our efforts to reduce emissions do not undermine the essential services that we provide. To make sure that limited resources are focused where they can have most impact, the action plan is focused on the major transformations that need to happen to make the most significant impact.

The transformations we need to make and that provide the key pillars of this action plan are:

- **A shift within the Council to low-carbon buildings and energy, by improving energy efficiency replacing gas heating with low-carbon alternatives (for instance, heat pumps) and increasing local renewable electricity generation**
- **A transition in our transport fleet and the replacement of the remaining vehicle stock to zero- and low-carbon alternatives where powered vehicles are needed. We will also encourage our work force away from transport based on fossil-fuels, in favour of where practical walking, cycling and public transport, and**
- **A change towards the green economy: facilitating the supply and purchasing of more sustainable products and services with less waste.**

Our ambition is to have a thriving green and circular economy within North Norfolk, with businesses providing accessible low-carbon services and offering sustainable commercial and health locally products. The Council, residents and stakeholders will consider the environment impact of what they buy and sell due to increased climate awareness. Our residents will reuse, repair and share products, avoiding unnecessary packaging and single-use plastics, so very little waste will be generated. Any remaining waste streams will be reused or recycled where possible.

1 How NNDC is supporting climate action

In this section, we set out the context for the Strategy to deliver the Council's Net Zero 2030 Target and how we can support wider emissions reduction within the North Norfolk district.

1.1 Council operations

1.1.1 Measuring our carbon footprint

The first essential step has been to understand our own emissions and how they arise.

NNDC's own emissions have shown a decrease over the past two financial years. External consultants have calculated the following figures, which already show a downward trajectory:

- 6,633t CO2e in 2018/19
- 5,031t CO2e in 2019/20, and
- 4,866 CO2e in 2020/21.

The first, 2018/19 estimate for NNDC was produced by the Carbon Trust. It benchmarked several key sites and services using generic assumptions. The 2019/20 and 2020/21 assessments were produced by local consultancy Net Zero East, who adopted a more granular, bottom-up assessment. The decrease in emissions in 2020/21, which we term the baseline year, is complicated by the COVID-19 pandemic.

This position corresponds to only 1.06% and 0.83% of government-assessed territorial emissions in North Norfolk for 2018/19 and 2019/20 respectively (with no data available yet on 2020/21). See Appendix A. It suggests a reduction of 25% over the three-year period.

Under the Greenhouse Gas Protocol, an organisation's emissions are categorised under three scopes (see Box 5).

Box 5: What are the three Scopes?

Scope 1 emissions include direct emissions from an organisation, and Scope 2 and 3 emissions both cover indirect emissions that the organisation has a reduced ability to control.

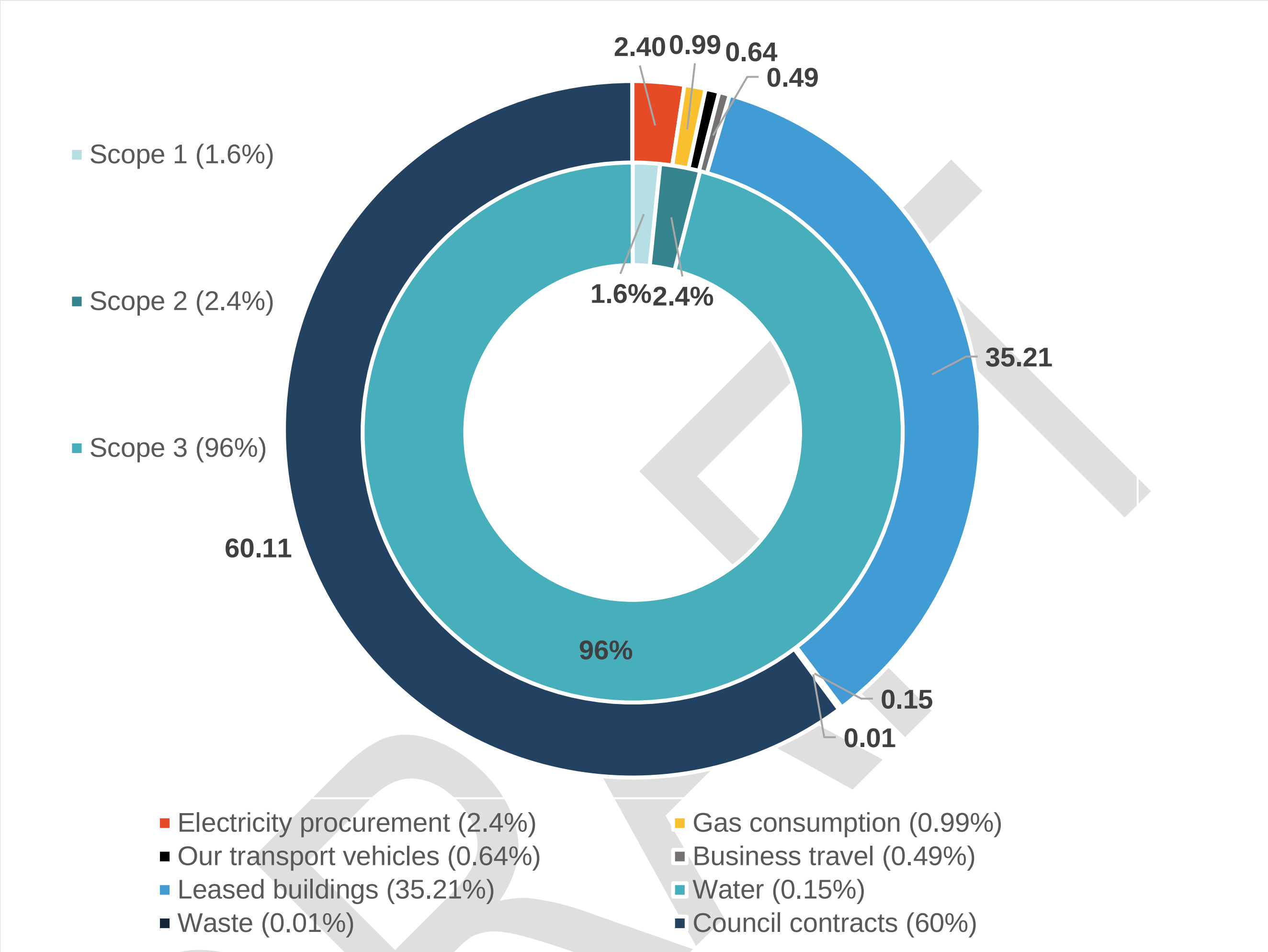
Scope 1 emissions are emitted from the combustion of fossil fuels from sources and operations that are owned or controlled by the organisation. They include emissions from on-site energy use in buildings (from oil or gas boilers) and from company vehicles that are owned or leased.

Scope 2 emissions are from the generation of electricity from an energy supplier, as well as from steam, heating or cooling. These arise at the point of production. One method of reducing Scope 2 emissions includes purchasing energy from renewable sources instead of fossil fuels.

Scope 3 emissions are indirect emissions that are not included in Scope 2 but occur because of the use of goods or services provided to the organisation These indirect emissions arise from travel, employee commuting, leased assets, waste arising from operations and investments. The organisation has little control over these emissions, unlike Scope 1 and 2., save as part of the procurement process. Scope 3 can often be the largest contributor to an organisation's carbon footprint. In the absence of actual data, benchmarking can be carried out to give estimated figures to facilitate inclusion in the organisation's carbon "foot-printing".

As Figure 1 illustrates, in 2020/21 96% of the Council's emissions are Scope 3 emissions. Consequently, our key focus must be on partnerships with our suppliers and contractors.

Figure 1: NNDC's emissions by sector and scope, 2020/21



Source: Net Zero East based on NNDC data

The Council recognises it needs to establish appropriate structures to further improve information gathering and reporting on its operational emissions. The approach for years 2019/20 and 2020/21 has included benchmarking, and reporting mechanisms are now being implemented to make sure we can routinely repeat the exercise for future years with implementation of a formal reporting process commencing from April 2022 with the aim of having the new system in place by September.

1.1.2 Management and mitigation

Establishing the emissions baseline (or "carbon footprint") and having a process in place to routinely update it are only the first steps. We now need to manage our emissions and mitigate them as we set a trajectory for Net Zero 2030.

Important steps we have already taken, include:

- Adoption of our first Environmental Charter in April 2021

- Installing 150kW of solar PV capacity at our Cromer HQ, which has helped us avoid up to 23.2 tonnes of CO_2 annually associated with displaced emissions from the public electricity system as well as supporting installation of electric vehicles (EV) charge points
- Obtaining funding for deployment of over 30 Council-owned EV charge points at council sites and taking other measures to decarbonise our vehicle fleet, including already replacing eight vehicles that support refuse collection with EVs
- Agreeing with local electricity distributor UKPN priority reinforcement of the Reef in Sheringham so we can deploy further solar generation and EV charging facilities
- Making an application into the Public Sector Decarbonisation Scheme to gain support for replacement of the gas heating system at the Cedars in North Walsham, with applications for other buildings and other funding likely to follow
- Building staff awareness of the climate challenge through training and briefings, and
- Promoting flexible working for staff, with a reduction of staff attending the office and off-site meetings/visits to reduce carbon emissions.

This Net Zero 2030 Strategy & Climate Action Plan ("Strategy and Action Plan") seeks to document the Council's emissions in detail and demonstrate how we intend to continue to reduce them. It sets out proposed measures on how the Council can further reduce emissions arising from our operations both directly and indirectly. It focusses on specific actions over the next two financial years (that is, 2022/23 and 2023/24).

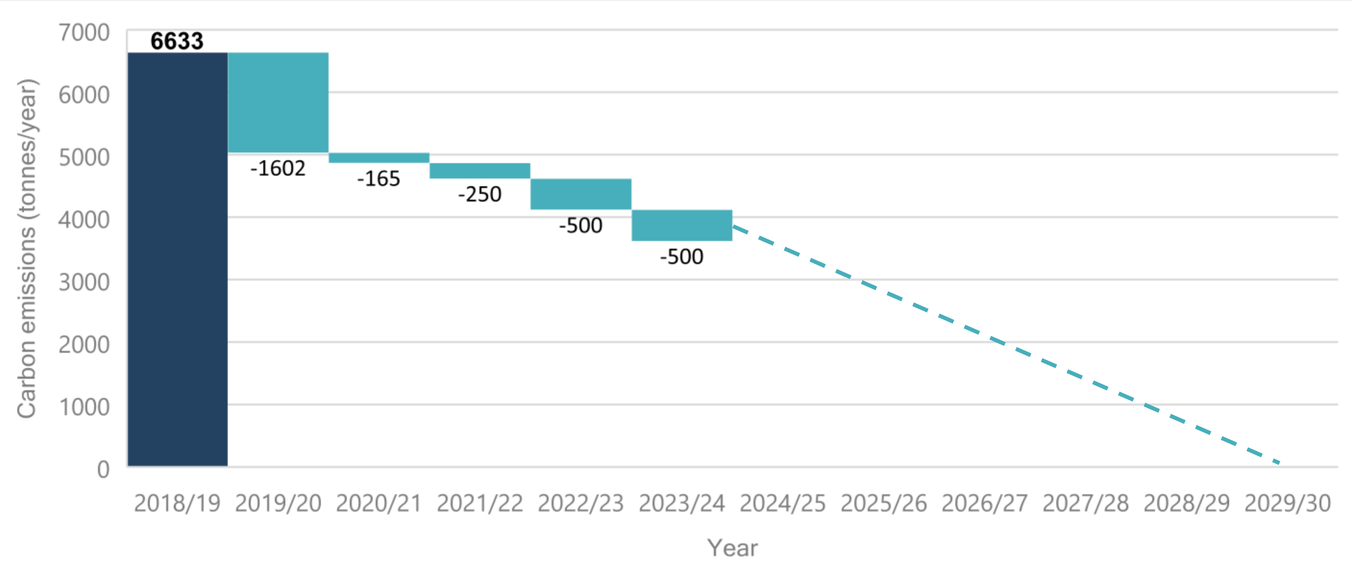
To start with we are targeting annual emissions reduction of [500] tonnes a year over the initial two Strategy and Plan years for 2022/23 and 2023/24. We are reasonably confident that the measures set out in this document should enable us to meet these targets.

We recognise that this is the first time the Council has embarked on an ambitious emissions reduction strategy. Our approach is therefore to provide two updates on progress annually within three months of closure of each calendar half year to identify an updated Climate Action Plan for the two immediate years ahead. This approach will allow us to assess at reasonably frequent intervals how we are progressing, and it should keep in front of us our commitment to reach Net Zero by 2030 for emissions from our own operations.

In the event we fall short of annual emission reduction targets, we will identify back-up measures and accelerate other actions where possible. We will also identify learnings as we move through time and incorporate these in our proposals for future years.

The approach to setting this emissions pathway to Net Zero 2030 is shown at Figure 2.

Figure 2: NNDC emissions reduction pathway



Source: Net Zero East based on its emissions assessments and the Net Zero 2030 Target

The 2030 Target is an extremely challenging one, especially for a district with dispersed communities and few economies of scale. The figure for the 250 tonne reduction in 2021/22 is estimated; the reductions shown for 2022/23 and 2023/24 are also estimates and flow out of the actions described in this plan.

Over the remaining nine years leading up to 2030 – which includes the year we are already well into – NNDC must find on average over 540 tonnes every year of carbon reductions.

If it turns out that Net Zero cannot be fully achieved by 2030 by direct emissions reduction, we will invest in local nature-based solutions such as carbon offset schemes that deliver co-benefits[iv]. However, a condition of this approach is that any such investment wherever possible must be in schemes within the district and which provide benefits to council ratepayers in North Norfolk.

Box 5: What is a "carbon offset?"
A carbon offset is a reduction in emissions made to compensate for emissions arising from Council estate. There are a range of offsetting carbon options, including zero carbon electricity generation that exceeds the Council's electricity consumption or tree planting.
The Woodland Trust estimates that it costs £25 to offset one tonne of CO2. We are already committed to a tree planting programme, which so far has seen over 50,000 trees planted.
We address this and other "nature-based solutions" in more detail in section 6.

Our commitments about reducing the Council's own emissions and meeting the Net Zero 2030 target are shown at Box 6.

Box 6: Our promises about Council emissions
The Council is committing to target Net Zero emissions in its own operations by 2030, twenty years ahead of the national target.

We will benchmark ourselves against comparable rural local authorities and strive to be in the upper quartile of performers in reducing our organisational emissions and aim to be an exemplar of good practice.

Where we are faced with residual emissions from our activities, we will invest in carbon offsetting schemes and other nature-based solutions - wherever possible within the district - that benefit our council taxpayers and residents.

1.2 Supporting Net Zero across North Norfolk

Local Authorities are enablers of change in delivering Net Zero and have the potential to play a transformative role outside of their own operations in their districts.

While the Council's emissions typically account for around 1% of emissions in the North Norfolk district, government analysis suggests we can influence upwards of a third of territorial emissions through place-shaping and through building on local relationships. The impact extends to piloting new initiatives and sharing best practice, to bringing organisations together and creating a platform for ideas for local solutions.

We also intend to work to improve understanding of the need to decarbonise across the district. To do this, we will work on three fronts separately focussing on residents, businesses, and other regional stakeholders.

1.2.1 Involving residents and communities

Taking residents with us on the Net Zero journey is essential to ensuring success, and we are already taking steps in this direction. Highlights include:

- In April 2021 the Cabinet approved the Environmental Charter.[v] This has provided the foundations for the work now set out in this Strategy and Action Plan. We have also published an animation sharing key points from our Environmental Charter, which has already been viewed over 20,000 times[vi]
- NNDC, as part of the Norfolk Warm Homes Consortium, has been successful in a bid for £3.85mn of public funding to provide energy efficiency improvement works to homes occupied by low-income households. The government grant has a dual purpose, to reduce fuel poverty and greenhouse gas emissions
- Norfolk Warm Homes will use the grant to provide thermal insulation and low carbon heating to replace oil and gas heating systems. Households are eligible if they live in a home with an EPC of D or below and have a gross household income of less than £30,000. The scheme is open to owner-occupiers and landlords of privately rented housing. In most cases, eligible owner-occupiers will not need to pay anything towards the costs, although landlords will pay a minimum of a third of the cost of works[vii]
- The Council is already investing in sustainable communities. As part of a programme introduced in 2019, we are providing up to £15,000 for green initiatives, including community transport schemes, to parish councils and community groups[viii]
- We have also started "the big tree giveaway", which should see 60,000 new trees planted in the district by April 2022, with a further 50,000 to follow in 2022/23

- Following a successful bid to the Office for Zero Emission Vehicles, the Council was awarded funding to develop EV charge-points across Council-owned car parks. There are now 34 Council-owned charge points across the district, and these can be found at North Walsham., Wells-next-the-Sea, Holt, Sheringham, Fakenham, and Cromer
- NNDC also coordinates an annual Greenbuild festival, which last year coincided with COP 26. The programme provided a range of opportunities for residents to engage with climate and sustainability issues in a local context. The festival featured online workshops, seminars, debates open to comments and questions from anyone interested in working together to build a greener future for North Norfolk
- The Council will continue to promote Greenbuild and develop a suite of engagement activities focussed on highlighting options for taxpayers and businesses to take action to reduce their own carbon emissions
- In August 2019, we held our first Environment Forum. The COVID-19 pandemic has restricted subsequent events, but we are planning a series of further events in 2022, and
- We are also encouraging residents and visitors to support local businesses that are proactively making changes to improve the local environment and reduce their own carbon footprint.

1.2.2 Involving businesses

Businesses also have a key role to play, both through their own actions and through supporting their employees.

We will continue to work in partnership with our businesses and contractors. For instance, Everyone Active will continue to reduce emissions across sports and fitness centres. We also work with our waste contractor Serco to reduce its fleet emissions.

Our ambitions go far beyond our contractors and service providers. As a district council we can participate in district infrastructure development and transport projects, and we will actively look to engage with local businesses – including the Holkham, Walsingham and other estates - in formulating and delivering our plans.

Emissions from travelling to and from work can be reduced through using public transport, walking, cycling or by car share, and we will look to promote such opportunities. Since the COVID-19 pandemic, working from home has become 'the norm' for a large majority of the population, and this also acts as another effective way to reduce emissions caused by traveling for work.

When at work, other emissions reduction measures can be taken, such as keeping windows closed to preserve heat inside of buildings, turning off equipment when it is not in use, as well as teleconferencing which would reduce business travel.

We will also look to attract new low-carbon businesses and services into the area especially at our enterprise zones, to support regional growth and new jobs in the green economy.

1.2.3 Involving other stakeholders

The Council already has relationships with private and third-party organisations active in the district such as the Coastal Partnership, the Rivers Trust and the Woodland Trust, which we want to develop.

We will also look to reach out to other third sector organisations to ensure more coordinated action on carbon abatement within the district and beyond.

The partnership with other councils in the region can also help create a snowball effect. Improved communication across Norfolk councils and other relevant councils is essential to efficient problem-solving, identifying best practice and solutions-sharing and development of shared objectives.

We also intend to be more actively involved in the Norfolk Climate Change Partnership to expedite emissions reduction and adopt a leadership role within the county.

Box 7: Our promises about supporting emissions reduction in North Norfolk

We will actively engage and take steps to influence emissions reduction action across the district and support achievement of Net Zero by 2050 at the latest.

We will support council taxpayers and stakeholders by place-shaping and forming partnerships to move businesses and householders in the same direction as the Council.

We will provide information and examples of good practice for council taxpayers and local businesses to fully play their part.

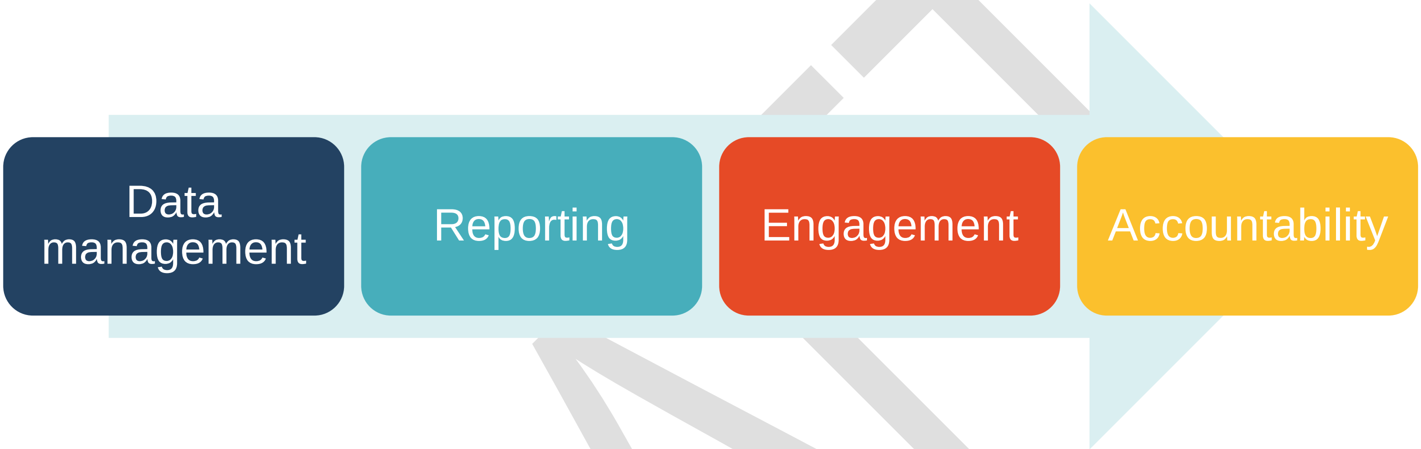
We will lead by example, and we will be an exemplar among rural councils.

2 Governance and process

To help us deliver against our Net Zero 2030 target, NNDC is changing the way it thinks about carbon emissions across the organisation and how we measure our progress. This section identifies some of key changes we will need to make to better understand and monitor our emissions.

The process is based on four enabling activities that will sit within our overall governance framework. This is shown at Figure 3.

Figure 3: Reworking our processes



Source: NNDC

2.1 Governance

We will measure our carbon emissions routinely based on an auditable process and publish twice yearly snapshots of changes in the form of a scorecard with supporting commentary. The reports will be validated by management and submitted to Cabinet for discussion and feedback.

Our Corporate Leadership Team will be charged with overseeing new processes and ensuring we deliver on our climate commitments. A portfolio owner on the Cabinet will take on specific responsibility for delivery of the Net Zero 2030 Strategy and development of the Climate Action Plan

All senior management and Council decisions will be assessed and tested for consistency against the Strategy and Climate Action Plan.

2.2 Data management

We have adopted manual processes to date to calculate our emissions and carbon footprint, combining disparate information flows from our internal accounting processes. We intend to Implement a data management process to accurately track and monitor emissions going forward, and our aim is to have that new system in place for September 2022.

In the short term, we will need to retain additional resource to support data collection, information gathering and reporting. However, this should quickly permit us to target emissions reductions and make savings in how we deliver our services and to better understand the options and choices that we make.

We understand what an appropriate data management system might look like, and we are taking early steps to design and implement it.

2.3 Reporting

We intend to produce half yearly reports on our progress and the emissions reduction we can achieve. It is expected these reports - will be made available at end-year covering the first half of the financial year and mid-year covering the second half to make sure our workforce, managers, Cabinet, council taxpayers and stakeholders understand the progress we are making.

Every year we will also update the Net Zero 2030 Strategy and Climate Action Plan and share proposed changes with our council taxpayers and other stakeholders.

We also intend to develop a scorecard so that our performance can be seen at a glance, and these will be prominently displayed on the NNDC website.

2.4 Engagement

NNDC already organises events such as the Greenbuild festival, which provides a range of opportunities for engagement through online workshops, seminars, debates and Q&A sessions. We will build on that experience and continue to explore new ways of participation and channels of communication.

We will provide the opportunity to influence our plans and we will consult on changes to the Net Zero 2030 Strategy and proposed new measures adopted in our Climate Action Plan annually including alternatives and any additional steps that are needed.

We will also engage with other Norfolk councils, other rural councils and stakeholders to share learnings and discuss best practice.

2.5 Accountability

We expect to be held to account for our performance and delivery against the Climate Action Plan, including publication twice yearly of the scorecard.

Each six-monthly reporting cycle will be supported by a report, and we will hold different forms of engagement to explain our actions and plans, and we will hold other information sharing events.

Box 8: Our promises about governance and reporting

All senior management and Council decisions will be assessed and tested for consistency against the Net Zero 2030 Strategy and Climate Action Plan.

We will establish a new data management and reporting system by September 2022.

We will develop a scorecard so that council ratepayers and stakeholders can readily assess how we are performing and our progress.

We will build engagement with you every year around our proposals and changes to the Strategy and Action Plan

We will update the Strategy and Action Plan annually always making sure it covers the period running two years ahead.

3 NNDC's emissions and priority focus areas

In this section, we set out the priority actions for NNDC based on the information currently available to us.

The baseline and focus for action in 2022/23 and 2023/24 are shown by the Council's primary activities, with an indication of how the activity contributes to the three "Scopes".

We have segmented our emissions into eight main categories conventionally used in government guidance for reporting emissions. It covers in order:

- Electricity purchasing
- Gas use
- Our vehicles
- Business travel
- Emissions from the buildings we lease to third parties
- Water
- Council contracts, and
- Council's own waste.

In each case we set our assessment of emissions over the past three years. We then set out the early-stage actions we are already moving ahead with or are proposing to take. We also set out the initiatives we are committing to start in this area so that we can report and be assessed and held to account by our council taxpayers and stakeholders.

The main actions and projects are summarised at Figure 4. The focus is the actions required over the two years covered by the Strategy and Plan. It considers:

- The priority actions to take
- Measures to enable the actions
- Priority capital projects, and
- Plans to develop over the plan period so that more specific and granular actions can be identified when the Strategy and Plan is renewed.

Figure 4: NNDC's Priority actions and projects in the Net Zero 2030 Strategy

Actions to take	Lighting systems and replacement with LEDs	Buildings audit	Design, order and scheduled installation of heat pump systems at priority properties	Identify priority sites for additional renewables	Identify priority sites for wave 2 EV chargers	Update carbon footprint for 2021-/22 and 2022/23	Review all leases and third-party contracts
Measures to enable the actions	Full audit of buildings with heating systems to establish remedial energy efficiency work	Create centralised hub of information, included profiles for al Council-owned building Identify funding sources	Heat assessment of Design, order and scheduled installation of heat pump systems at properties	Council land use assessment, identifying priority sites	Engage with UKPN over Local Area Energy planning framework	Embed annual process for data capture and updating Net Zero Strategy	Adopt carbon offsetting policy and review biodiversity net gain measures
Priority capital projects	Energy efficiency improvements programme	Tender for design of zero-carbon leisure centre. Secure innovation or grant funding for conversion	Tender for design of heating systems at selected sites	2,5MW solar development per annum	Invest in further [35] EV chargers	Not applicable	To be determined
Plans to develop	Building retrofit plan for six years beyond this plan	Building retrofit plan for six years beyond this plan	Heating decarbonisation plan for six years beyond this plan	Renewables development plan for six years beyond this plan	Transport decarbonisation plan for Council vehicle fleet for six years beyond this plan	Implement green procurement policy and commence	Identify priority options and plan for water saving measures

3.1 Electricity procurement

3.1.1 Current emissions

Electricity consumption is defined under Scope 2 emissions. It is spread across the Council's building and assets. Highest use is associated with the main council offices, NNDC Cromer Office and Fakenham Connect, which make up around 30% of all the council's electricity consumption. The electricity consumption figure includes amenity lighting.

194
tCO2e for
2020/21

The emissions from electricity consumptions in the last three years were:

- 184tCO2e in 2018/19
- 253.6tOO2e in 2019/20, and
- 194tCO2e in 2020/21.

3.1.2 Actions we are taking

Decarbonisation of the electricity system has led to significant reductions in emissions associated with electricity procurement over recent years. While coal burn has been almost eliminated from the generation mix and largely replaced by low or zero carbon renewable technologies, gas is still an important source of emissions during periods of low wind and/or high demand.

We will enter a new electricity contract in April 2022 with EDF, which will supply the Council with zero carbon electricity from wind, solar and nuclear sources of generation. The contract will run from April 2022 to March 2025.

Upon expiry, the Council will ensure the new electricity contract adopted is again zero carbon.

Even though our electricity consumption will be carbon neutral over the Plan period, we will still look to use less energy across our estate, as this should free up resources for other services and programmes. To enable us to better understand the scope for reduction, we will carry out a lighting audit of our buildings in 2022/23 with a view to an early switch over to LED systems from 2023/24.

We will also actively look for opportunities to install solar PV across the Council estate, using the power to supply our own buildings. The council already have 150kW of solar PV on the Cromer Office rooftop, which generated 100.6MWh in 2019/20 and 79.4MWh in 2020/21.[ix] The solar PVs contributed to the reduction in electricity consumption from the electricity grid by around 30%, resulting in emissions savings of 46.4tCO2e since April 2019.

Additionally, works have already been approved to establish a 300kW solar carport at the new Reef leisure centre in Sheringham, which could produce around 293MWh/year and be consumed at the site and power EV chargers.

We will be targeting a further renewable generation over the initial two-year Climate Action Plan period ana subsequently. We will also look to locate some of these facilities with other EV charging points at strategic locations.

In a related move, we will be working with consultants to see what measures can be taken locally to boost the take up of renewable energy sources in our area to reduce wider territorial emissions associated with energy supply in the NNDC area. There is already 120MW of renewable generation capacity located in North Norfolk, and we will aim to increase this to 200MW by 2025 subject to obtaining the necessary planning approvals.

3.1.3 Our commitments

We will over the Plan period:

1. Contract 100% zero carbon tariff from April 2022, and reduce emissions from Scope 2 to zero
2. Seek to reduce total electricity consumption by end 2023-24 by 10% over the 2021/22 baseline
3. Carry out lighting audit of sites to determine and quantify benefits of switching to LED lighting
4. Review our street lighting policy
5. Establish [5MW] of additional solar PV on or close to council estate by [2025]
6. Consider enabling measures to support deployment within the district of additional renewables generation subject to developers obtaining appropriate planning consents, and
7. Look to work with offshore renewable operators off the Norfolk Cost to ensure the benefits of these developments is captured by the district and that they support wider net zero efforts within the area.

3.2 Gas

3.2.1 Current emissions

Direct gas consumption by the Council is classed as Scope 1. It accounts for less than 2% of our carbon footprint. Current emissions from this source have remained consistent with the levels seen in 2018/19, with a significant drop of around a third in 2019/20 due to lower gas consumption in the Cromer Office over the summer months.

There are two key buildings contributing to the Council's gas consumption; NNDC Cromer Office and Fakenham Connect. NNDC Cromer Office accounts for around 80% of total gas emissions due to significantly higher gas demand.

The emissions from gas consumptions over the past three years were:

- 67tCO2e in 2018/19
- 48CO2e in 2019/20, and
- 69tCO2e in 2020/21.

69

tCO2e for 2020/21

3.2.2 What we are doing

We have already undertaken an assessment of the gas heating system at our NNDC Cromer Office to inform decision-making on a future low-carbon heating system and ensure readiness for future funding calls.

The Council has also already submitted a funding application under the Public Sector Decarbonisation Scheme for energy efficiency upgrades and a new ground source heat pump for the currently vacant Cedars building in North Walsham. Once leased, this building will form a part of our leased asset emissions, and so taking the opportunity to decarbonise its heating system now whilst it is in the process of being refurbished will ensure emissions are not increased across the estate and district.

We have also supported regional work on the role for clean hydrogen across heat, power and transport through the Bacton Energy Hub study carried out by Hydrogen East and supported wider discussions around distributed hydrogen development across the district.

Over the lifetime of the first Plan period, we will also explore development of a district heat strategy to prioritise areas and developments that could benefit from applications of new, lower-carbon heating systems.

3.2.3 Our commitments

We will:

1. As a priority, track and seek support from national heat decarbonisation funding competitions across 2022/24
2. Review NNDC's fossil fuel-based heating systems in 2022/23, with a view to establishing additional actions in the next annual update of this Action Plan
3. Focus on increasing energy efficiency across our estate and increased use of smart controls for buildings where it is not viable or economic to switch over the heating system
4. Seek to reduce total gas consumption across our estate by [25%] by end 2023/24. This can be achieved partially by implementing smart heating systems that allow for specific areas/rooms of offices to be heated in the winter rather than the heating the whole building
5. Making upgrades to energy efficiency across both the NNDC Cromer Office, Fakenham Connect and the Cedars by 2024
6. Assess alternative options for meeting heat demand at Council properties (e.g., heat pumps, community heating), and decide on the replacement gas systems at NNDC Cromer Office and Fakenham by 2026 at the latest (when the Government has issued clarity on the role of hydrogen for heat)
7. Continue support for work on the role of hydrogen for heat (but also transport and power) in the district, and
8. Commence development of a district heat strategy and produce a check list of priority areas for action.

3.3 Our transport vehicles

3.3.1 Current emissions

Emissions from NNDC's own transport vehicles also fall under Scope 1. We have 20 transport vehicles used by several teams within the Council such as Environmental Protection Team, Environmental Services Team, Leisure and Localities, Countryside and Parks and Property Services.

tCO2e for 2020/21

The nature of the work of these teams it difficult to use any other form of transport than cars and vans. Currently all the operating vehicles are diesel cars, vans and SUVs. Total emissions from that sector amount to about 0.6% of all emissions.

The emissions from our transport vehicles over the past three years were:

- 65tCO2e in 2018/19
- 56tCO2e in 2019/20, and
- 51.8tCO2e in 2020/21.

3.3.2 What we are doing

We are actively investigating options for vehicle upgrade, analysing leases and expiry dates. In the absence of specific incentives (such as scrappage schemes), it is essential to acquire new vehicles only at the end of life of the previous vehicle, as the carbon footprint of car production is an emission-intensive process. We will adopt EV and other low-emissions vehicles in place of every vehicle at the end of life.

Where replacement is not immediately contemplated, we will seek to use lower carbon fuels such as HVO, and we will also look to reduce fuel consumption across the fleet.

3.3.3 Our commitments

We will:

1. Produce a timeline for switchover of certain larger vehicles to HVO as soon as possible
2. Produce a timeline for switching the current smaller fleet to electric-based vehicles on refreshed leases. The vehicles will be replaced normally at the end of life by EVs throughout the 2020s
3. Tender for, and work with suppliers, to establish low-carbon vehicle contracts
4. Consider options for switching our Refuse Collection Vehicles to clean, green hydrogen through the Solar to Hydrogen Infrastructure for Transport (SHIfT) project as part of the Net Zero Norfolk programme of works being funded under the Community Renewal Fund (CRF)
5. Aim to reduce emissions from our vehicles by at least [5tCO2e] a year, and
6. Improve infrastructure for an increased number of EVs such as electric vehicle charging points in the car parks owned by the Council. As NNDC transitions to EVs, electrical grid upgrades may be needed at building depots to enable large-scale charging.

3.4 Business travel

3.4.1 Current emissions

Business travel refers to all employee travel for work-related reasons using their own vehicles. Most of the vehicles used for business travel are small to medium petrol and diesel cars. They fall under Scope 3.

tCO2e for 2020/21

Overall, business travel makes up 0.5% of NNDC's total emissions. Even though this percentage is small, it remains a challenge to reduce emissions in this sector. Business travel falls under Scope 3 emissions, which are emissions that the Council does not directly control, and we need to work with our workforce to push through change in this sector.

The emissions from business travel over the past three years were:

- 112tCO2e in 2018/19
- 75tCO2e in 2019/20, and
- 40tCO2e in 2020/21.

The drop in car usage and resulting fall in emissions was most likely caused by the COVID-19 pandemic and decreased business travel needs.

3.4.2 What we are doing

The Council's ability to provide employees with the option of working from home has greatly improved throughout the COVID-19 pandemic, and we will be promoting measures to enable flexible working where our workforce wishes to and is able to do so.

For those who prefer to work regularly at our office sites, we will provide information on alternatives and ensure there is attractive terms for EV charging. We are also building awareness and support for active travel options, such as cycling and working.

3.4.3 Our commitments

We will:

1. Reduce transport needs as far as possible through home working, fewer face-to-face meetings, transition to 'active' transport (cycling and walking) and avoiding car use for work-related activities
2. Provide information to our workforce on lower-carbon transport options
3. Look into strategies for incentivising public transport use where possible through initiatives such as providing loans for season tickets and also active travel
4. Support continued home working where our workforce wishes to take advantage of this
5. Make the case for early action to convert the Bittern rail line away from diesel, and
6. Engage with bus operators in North Norfolk around decarbonising fleets and identify areas where the Council can provide support.

3.5 Leased buildings

2,850

tCO2e for 2020/21

3.5.1 Current emissions

Leased buildings emissions fall under Scope 3. They are the second most emitting sector in North Norfolk District Council after council contracts. Based on the benchmarking applied, the emissions have remained broadly constant.

The emissions from leased buildings over the past three years were:

- 3,906tCO2e in 2018/19
- 2,874tCO2e in 2019/20, and
- 2,850tCO2e in 2020/21.

3.5.2 What we are doing

We have undertaken a detailed assessment of the gas heating system across three Council-owned assets contributing to emissions across the Council's estate, including two assets currently (or to be) leased; Rocket House and The Cedars.

We have also submitted a funding application to government for energy efficiency upgrades and a new ground source heat pump for the currently vacant Cedars building in North Walsham.

We will commence a review of building leases in 2022 to ensure there is as much alignment as possible between Council actions and the measures adopted by the tenants of our leased buildings.

3.5.3 Our commitments

We will:

1. Create a timeline of lease expiry dates and implement a sustainable/green approach to new tenancy agreements
2. Review all current leases for NNDC-owned buildings with a. view to better understanding carbon impacts
3. Work with our tenants to produce action plans for reducing gas use and its carbon intensity at premises under existing leases and start negotiations with occupiers on reducing energy usage, improving energy efficiency and switching to green electricity supply
4. Take necessary action at point of lease termination and develop strategy for reducing building emissions before issue of new lease
5. On heating systems – judge options based on criteria of property type and existing infrastructure, and
6. Produce a priority listing to replace gas boilers with heat pump and other alternative systems based on building characteristics and usage
    - Replace old gas boilers with new equivalents as an interim measure
    - Explore potential to initiate community heating schemes and heat zones
    - Review again in 2025 when the picture on hydrogen for heat is clearer.

3.6 Water

3.6.1 Current emissions

The emissions from use of water across the Council's estate fall under Scope 3. Total emissions from this source were around 12tCO2e in 2020/21. This is significantly lower than previous years (41tCO2e in 2019/20), primarily due to the COVID-19 pandemic, which saw a reduction in water use across most public conveniences in the district. It was also caused by lower water consumption at the Council's Cromer Office.

11.8
tCO2e in 2020/21

The emissions from water supply to our premised over the past three years were:

- 33tCO2e in 2018/19
- 41.1tCO2e in 2019/20, and
- 11.8tCO2e in 2020/21.

3.6.2 What we are doing

We will identify priority actions for reducing water consumption, including deployment of water saving devices.

As most of the inefficiency in water systems comes from leaks from pipes, plumbing fixtures and fittings, the Council is already looking into installing water meters into public conveniences and office buildings to monitor and detect leaks quicker.

We will also be considering the local water environment and how this is dealt with in the Council's planning and enforcement activities.

3.6.3 Our commitments

We will:

1. Reduce water consumption across our estate by implementing water efficiency measures and introduce a staff awareness campaign. We will aim to reduce emissions to less than half of 2019/20 levels by the end of 2023/24 with a target of [20tCO2e]
2. Designate a member of staff to monitor and drive improvements in water environmental issues from 2022
3. Work with Anglian Water to devise water usage strategies and decarbonisation of processing activities
4. Identify sites where rainwater harvesting, and use could be deployed by the end of 2022/23
5. Offset any remaining emissions from water consumption prior to 2030, and
6. Integrate sustainable drainage requirements into all the Council's new developments from 2022.

3.7 Council contracts

3.7.1 Current emissions

1,656

tCO2e in

2020/21

Emissions under Council contracts also fall under Scope 3. A large portion of these is a result of the Serco waste and street cleaning contract fleet, which accounts for 15% of overall NNDC emissions.

Council contracts are variable year-on-year and so this value is expected to fluctuate most depending on the need for building repairs and contracted support. There is also limited visibility currently on emissions from organisations falling under contracted work, and so the Council will put in place a mechanism to better understand emissions in this area.

Another key service provider is Everyone Active, who manages our leisure centres.

The emissions from council contracts over the past three years were:

- 2,023 tCO2e in 2018/19
- 1,701 tCO2e in 2019/20, and
- 1,656 tCO2e in 2020/21.

3.7.2 What we are doing

We will be working with our contractors to reduce fleet emissions and have already started the process of seeking emissions reductions through switching over part of the fleet associated with refuse collection to EVs. We also will be joining forces with Serco and our other key suppliers on the Council's Net Zero 2030 Target and we will ensure we engage with them proactively on our carbon reduction programmes.

All new suppliers will need to meet our sustainable procurement policy once this has been adopted. We will also consider further measures to limit demand for services and goods procurement.

3.7.3 Our commitments

We will:

1. Review all current service contracts with a. view to better understanding carbon impacts and reduction options
2. In particular, look into exploring the feasibility of improving emissions reduction from waste collection vehicles in partnership with our contractors Serco
3. As above for our leisure centres with Everyone Active
4. Adopt by mid-2023 a sustainable procurement policy
5. Target reductions in the emissions arising under the Council's contracts of not less than [15%] a year, with an overarching objective of reducing emissions to [1.200tCO2e] by end 2023/34, and
6. Deliver the Solar to Hydrogen Infrastructure for Transport (SHIfT) project as part of the Net Zero Norfolk programme of works funded under the Community Renewal Fund (CRF).

3.8 The Council's own waste

3.8.1 Current emissions

1.1

tCO_2e in 2020/21

Waste from the Council's own operations are also Scope 3. This category does not include emissions associated with our transport fleet, including our waste vehicles, which are included under Council Contracts (section 4.7)..

The emissions from waste generated from the Council's own operations were close to $1tCO_2e$ across both 2019/20 and 2020/21, which is less than 0.02% of all emissions. Although the percentage is low in comparison with other sectors, this number is still significant given the number of sites it covers (mainly the waste from two office buildings, country park and information centre). Much can be done to reduce waste from these assets.

The emissions from our in-house waste management activities over the past three years were:

- $1tCO_2e$ in 2018/19
- $1tCO_2e$ in 2019/20, and
- $1.1tCO_2e$ in 2020/21.

3.8.2 What we are doing

The Council is shortly to embark on a review of Council in-house waste activities and mitigations in the New Year.

3.8.3 Our commitments

We will:

1. Reduce our own waste wherever possible. Even though the waste reduction relies in big part on behaviour change by our workforce, there are still facilities that can make it easier for people to change their habits
2. Manage our waste by becoming a single-use plastic free council by 2023, as stated in our Environmental Charter
3. Enforce key principles for waste reduction in our office operations, which include buying in bulk, avoiding single use items and foods, encouraging staff to bring in their own lunch, and making sure waste is properly segregated
4. We will start an office furniture re-homing and re-use scheme, and
5. We will also work on improving North Norfolk's capacity for processing materials, which would include better sorting facilities and higher number of drop off points for sorted waste, such as clothes and electronic waste.

4 The Climate Action Plan 2022-24

NNDC has already been quick to take significant actions that are already beginning to drive down emissions across its building and activities. Some of these have been set out in section 2. However, we need to go further, faster if we are to push meaningfully towards a Net Zero 2030 target.

In this section we summarise the key actions contemplated in our Net Zero 2030 Strategy in the next two financial years. We call this the NNDC Climate Action Plan 2022-24.

The costs for the activities in this action plan have been accounted for in the Climate Change and Environment Team budget.

A delivery Plan reserve for the Net-Zero Strategy and Action Plan has also been identified and will support with funding aspects of the implementation which may sit outside the scope of the Climate Change and Environment Team budget allocation.

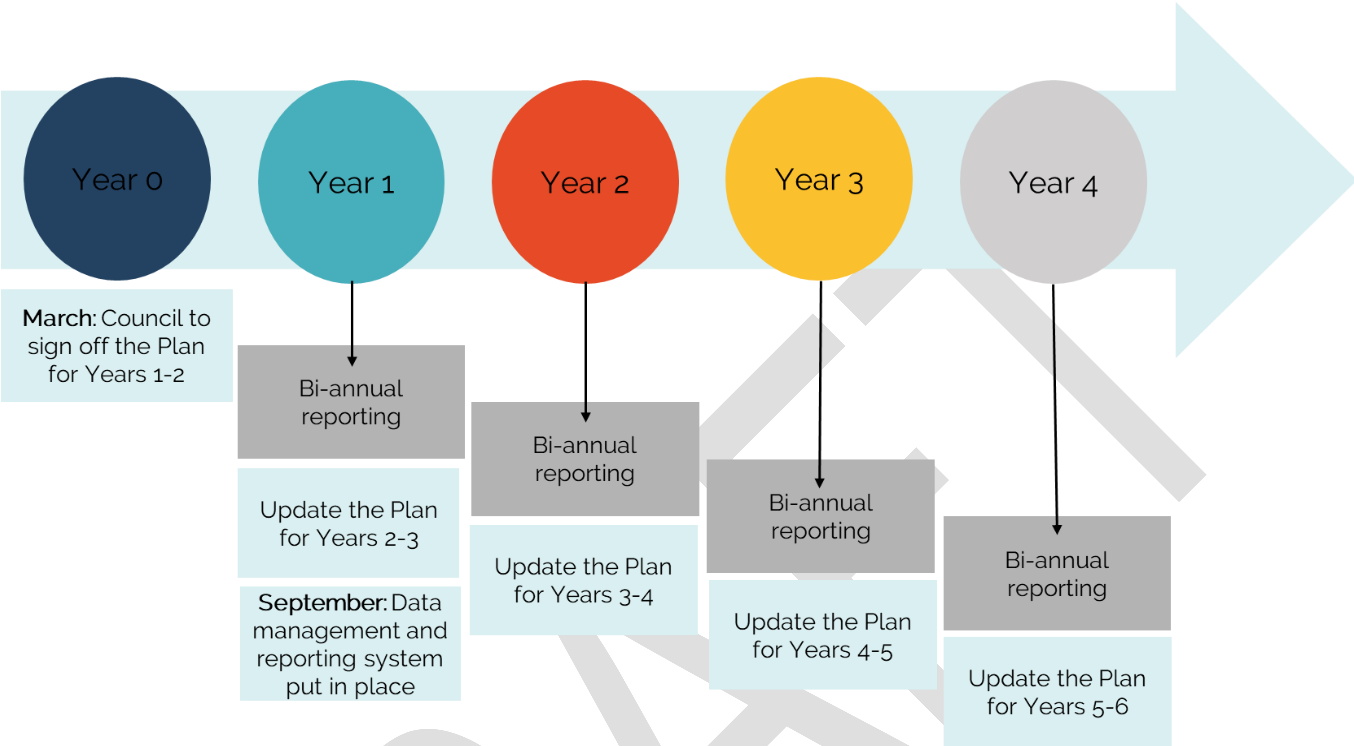
The costs for capital decarbonisation projects, which may occur in addition to the 2022-2024 action plan projects, will need to be considered on a case-by-case basis. These projects will be implemented through the council's existing governance framework, overseen through the Corporate Delivery Unit function

In all, we are proposing additional CO2 savings of around 500 tonnes in each of Years 1 (2023/24) and 2 (2023/24) respectively, reducing our carbon footprint by roughly 10% per annum. By the end of year 2, our aim is to reduce emissions to below.

In the rest of this section, we first set out the changes to our how we manage and govern the Council's carbon footprint, and how we will report progress. We then set out the priority actions and interventions we have identified for Year 1 (2022/23) and Year 2 (2023/24).

The new Net Zero and Climate Action governance framework is shown at Figure 5.

Figure 5: NNDC's governance reporting



Ref	Year	NNDC Climate Action Plan
		Governance
G1	22/23	Implement new carbon reporting process
G2	22/23	Complete 2021/22 footprint
G3	22/23	Appoint Carbon Data analyst
G4	22/23	Establish new governance rules on compliance of the Council's actions Net Zero 2030 Target
G5	22/23	Revise and publish Climate Action Plan for Year 2
G6	23/24	Complete 2022/23 footprint
G7	23/24	Adopt emissions reduction targets for Year 24/25 and 25/26
G8	23/24	Develop a biodiversity policy
G9	22/23	Review sustainable procurement policy
G10	23/24	Revise and publish plan for Year 3
		Buildings and energy
BE1	22/23	Move urgently to the purchase of 100% renewable energy from April 2022

BE2	22/23	Undertake energy audits of all our buildings and prepare a priority carbon reduction and energy efficiency plan
BE3	22/23	Prioritise efforts to switch away from oil and carbon-intensive fuels by 2030
BE4	22/23	Carry out review of change-over to LED systems and smart controls in council-owned buildings
BE5	22/23	Implement new LED and control system in the Cromer office
BE6	23/24	Implement new LED and control system in the Fakenham office
BE7	22/23	Make sure any new council-controlled buildings or refurbishments are designed to achieve Net Zero emissions by 2030
BE8	22/23	Granular assessment of heating requirements and heat loss by property to create priority conversion list for heating system replacement
BE9	23/24	Develop “invest to save” plan energy efficiency projects across our estate
		Renewable generation
RE1	22/23	Assess renewable energy generation opportunities across the Council Estate
RE2	23/24	Develop plan for supporting renewable energy for the district
RE3	23/24	Develop plan for supporting community energy for the district

RE4	23/24	Develop plan for collaboration with offshore developers for maximising benefits to North Norfolk from regional funds
		Gas
G1	22/23	Develop heating decarbonisation plan for Council estate using gas
G2	23/24	Identify energy reduction plan for legacy sites using gas supply
G3	23/24	Assess options for green gas
		Transport
T1	22/23	Develop a plan for increasing EV charge points at council-owned buildings and carparks
T2	22/23	Adopt a target for EV charge-points at Council owned carparks and buildings
T3	22/23	Implement shift over to HVO for all Council RCVs
T4	23/24	Assess options for decarbonisation of all other Council-owned vehicles
T5	23/24	Agree a replacement programme for all Council-owned vehicles to ensure they are all low-carbon by 2030
T6	23/24	Establish Active Transport plans
T7	23/24	Develop strategy to work alongside local rail operators to decarbonise diesel and coal-fired railway lines

		Business travel
Bt1	22/23	Review home working policy
Bt2	23/24	Adopt a staff active travel policy
		Leased buildings
Lb1	22/23	Carry out lease review and establish handover schedule
Lb2	22/23	Carry out energy efficiency review of leased buildings
		Council contracts
Cc1	23/24	Develop contracts carbon remediation plan
		Water
$O_2$1	22/23	Appoint a cabinet member to be responsible for coordinated cross-party work for water management
$O_2$2	22/23	Identify priority actions for saving water at Council-owned and occupied properties

O_23	22/23	Identify priority actions for improving water management across the district
		Waste
W1	22/23	Identify opportunities to reduce waste across the Council's own operations
W2	22/23	Reduce plastic pollution from Council operations
W3	23/24	Identify circular economy options
		Procurement
P1	22/23	Review procurement policies and develop green procurement strategy
P2	23/24	Commence pensions review
		Supporting staff and councillors
Ssc1	22/23	Briefing to staff and councillors on the newly adopted NZSAP in April
		Offsetting
Of1	22/23	Adopt Council offsetting policy

Of3	23/24	Carry out geo-spatial mapping assessment of natural capital and biodiversity across North Norfolk, identifying the existing state of play and opportunities for further action

5 The wider regional challenge

In this section we set out some initial thoughts on how we will aim to mobilise carbon reduction and climate mitigation actions within the North Norfolk district.

5.1 Addressing climate adaptation

Reducing emissions to as close to Net Zero as possible (climate-change mitigation) by 2030 across our operations and within the North Norfolk area wherever possible remains the key priority. In this context, we are already committed to increasing biodiversity within the district by planting 110,000 trees by 2023.[x] Many Impacts of climate change are however Inevitable, and we will need to be both resilient and adaptable In response.

As a maritime district, with widespread low-lying floodable landscapes and soft erodible cliffs, we are perhaps more exposed to the impacts of global heating, particularly sea level rise, than many. As a Council we have been at the forefront of developing and implementing adaptable solutions to the challenges faced by our coastal communities and coastal habitats. We have also developed new methods of safeguarding our coastline through dynamic natural processes, such as 'sandscaping'. We will continue to develop the resilience of our coastal areas and to ensure coastal adaptation is featured strongly in shoreline management solutions.

The target of Net Zero by 2030 might be hard to achieve due to the infrastructural, technological, and funding constraints in some sectors. Therefore, many councils are planning to use carbon offsetting and other Nature-based Solutions (NbS)[1] to tackle residual emissions.

Such solutions entail an integrated approach that can address climate change and biodiversity loss, while supporting sustainable development. Although well-designed NbS can deliver multiple benefits for people and nature, much of the recent limelight has been on tree planting for carbon sequestration. It is often referred in shorthand as carbon offsetting.

Box 9: What is carbon Offsetting?

A carbon offset is a reduction or removal of emissions of carbon dioxide or other greenhouse gases made to compensate for emissions made elsewhere. Offsets are measured in tonnes of CO2e.

Trees for Life calculates six trees offset 1 tonne of CO2, so one tree = 0.16 tonnes CO2.

There are presently [three] carbon offset providers in the UK that have a focus on delivering carbon offset schemes in the UK.

NbS is an umbrella term covering a range of types of projects:

- Restoring and protecting forests and wetlands in catchments
- Increasing number of green spaces in the cities and towns
- Coastal habitat restoration
- Carbon sequestration through tree planting and peat bog restoration
- Rewilding
- Aquaculture, and
- Regenerative agriculture

Due to their cross-cutting nature, the projects can provide a blend of ecosystem services. The gains include carbon sequestration, as well as nutrient balancing and numerous mental health benefits. We will actively support such activities but will only do this for the purposes of offsetting as a last resort. Should this be necessary we will target schemes in our own area. This should enable maximisation of economic, social, environmental and other co-benefits for local taxpayers at the same time as reducing emissions.

Given that the district of North Norfolk is relatively rural, agriculture, forestry and other land use potentially offer great benefits in terms of NbS. However, NNDC does not own a substantial amount of land, and the land already owned is used for different purposes. This means that nature-based initiatives will require partnerships with local landowners. The Council has therefore already started identifying and engaging with landowners interested in developing projects in line with our Biodiversity and Geology policy,[xi] which we will develop and review during 2022/23 to ensure consistency with this Net Zero 2030 Strategy.

5.1.1 Leveraging North Norfolk's natural assets

NNDC is home to a wide variety of natural environments. We have segmented our activites under six headings, being:

- Land
- Soil and sub-surface
- Habitats and species
- Freshwater
- Coast and marine, and
- Atmosphere.

5.1.1.1 Land

Land provides ecosystem services across food production, regulating carbon cycle, recreational use and habitats for many species contributing to biodiversity. North Norfolk is a rural district with above the country's average farming land area, and it is nationally important for cereal and horticultural crops production. There are good examples of land-use and agricultural practices in the North Norfolk and wider Norfolk region. It is important that NNDC builds on its record of facilitating sustainable local practices and works to identify opportunities in the shorter-term.

Key areas of focus for NNDC include:

- Investigating opportunities to increase open green spaces, and
- Working with local landowners, farmers and organisations such as NFU to encourage sustainable land-use and farming practices across the district.

5.1.1.2 Soil and sub-surface

Soils are a mixture of minerals, organic matter and organisms all interacting with each other. They provide important ecosystem services ranging across holding water and preventing flooding, providing food and non-food plants with nutrients, influencing gas exchanges between the roots and the atmosphere. Soil types in North Norfolk are largely gravel, sand, silt and clay.

NNDC has one of the highest rates of soil erosion in the country., and this position is expected to be exacerbated as the climate continues to shift towards heavier rainfall and thunderstorms.

Key areas of focus for NNDC include:

- Working with local landowners, farmers and organisations such as NFU to encourage sustainable land-use and farming practices across the district,
- Building awareness of projects such as the Wendling Beck Exemplar Project (see Case Study 1 box), and
- Supporting better understanding among council taxpayers and stakeholders around soil erosion and the need to develop coordinated policies in the district to tackle this.

5.1.1.3 Habitats and species

Habitats and species have intrinsic value as they promote biodiversity and add aesthetics to the landscape. Habitats provide spaces for species of plants and animals to thrive, helping maintain genetic diversity and gene-pool which can provide beneficial medicines and food sources in the future. They also play a role in carbon sequestration and storage.

North Norfolk is, of course, home to a significant amount of coastal habitats, in addition to areas with deciduous woodland enabling biodiversity to thrive. We will look to protect, re-generate and expand these by working with key local organisations such as the Coastal Partnerships Network, amongst others.

Key areas of focus for NNDC include:

- Investigating options for rewilding in the NNDC region
- Increasing engagement with WildEast[xii]
- Seeking to increase habitat connectivity as well as creating new habitat areas, and
- Examining which coastal habitats can be protected, re-generated and expanded.

5.1.1.4 Freshwater

Rivers, lakes, ponds, groundwaters, wetlands and all organisms living within them are described as freshwater. The availability and quality of freshwater for drinking, crop irrigation and living organisms is fundamental for us. North Norfolk has got a dry climate compared to the rest of England, making the stress on water resources more prominent. Maintenance of water resources will be crucial as the climate is predicted to enhance the drying of the region.

Key areas of focus for NNDC include:

- Identifying five priority locations where sewage, fertilizer run-off or industrial discharge are affecting water quality and implement management programme. Chalk streams should be an early focus
- Exploring whether desalination plant supported by offshore renewable energy could deliver benefits for the district, and
- Collaborating with the Broads Authority on water quality management within the Broads.

5.1.1.5 Coast and marine

Our marine environment and coastal zone provide food, add to landscape aesthetics and provide recreational opportunities. They are also home to important habitats, vital to supporting populations of marine mammals such as grey and harbour seals, as well as an array of seabirds. In the case of saltmarsh, they are also an important source of carbon sequestration.

Unfortunately, it is also a repository of human-produced pollutants. North Norfolk region is especially vulnerable to the effects of climate change, particularly sea level rise, with its sensitive habitats and already eroding coastline.

Key areas of focus for NNDC include:

- Working with and promoting the Norfolk Coastal Partnership
- Collaborating with Anglian Water to continually improve quality of wastewater being discharged into the sea, and
- Supporting robust visitor management at vulnerable coastal sites.

5.1.1.6 Atmosphere

Our atmosphere consists of gases that are essential for life on Earth and functioning of our ecosystems. The composition of these gases has a big impact on climate regulation and climate changes. Humans, animals and plants require clean air, free of chemicals and particulate matter, to live healthily. The atmosphere, however, is often a recipient of pollution from human activity.

Key areas of focus for NNDC include:

- Establishing pollution-free zones (or ultra-low emission zones)
- Building dialogue with the top five point-source emitters in the private sector to encourage and support their decarbonisation
- Strengthening air quality monitoring, targeting priority locations at schools and medical premises, and
- Exploring viability of deploying micro-scale pollutant capture and storage.

6 A role for us all

We know from our communication with residents and businesses that there is a shared concern about climate change, and the effect this might have on families, livelihoods, and communities.

NNDC therefore intends to engage with you and want you to work with us to be part of the process to help create a safe and secure environment for you and your families. We particularly want to work with communities and young people to build engagement to understand your views, concerns, ideas and priorities.

In this section, we set out some ideas on how all our council taxpayers and stakeholders can play a part focussing on measures that we are already taking outside of the specific commitments set out in this Strategy and Action Plan.

Following the adoption of our Environmental Charter in April 2021, this Strategy and Action Plan is the next essential step in that process. We want to continue the conversation, assisting in translation of the national Net Zero 2050 target to the local context but much sooner, by 2030.

6.1 If you live in North Norfolk

For residents of North Norfolk, there are a variety of actions that can be taken to reduce carbon emissions. They include:

- Growing some of your own food (in your garden or on an allotment), buying locally sourced produce (which will also support local businesses)
- Reducing waste where possible
- Installing renewable energy or buying green energy through your energy provider
- Improving the energy efficiency of your home, through improving insulation and utilising smarter controls to benefit from time-of-use pricing
- Take steps to consciously save water, as well as installing a water meter and water butts, and
- Recycling, which is an easy action that can benefit the wider environment.

6.2 If you visit North Norfolk

Visitors to North Norfolk can help the district reach Net Zero by using the existing public transport system, walking or cycling, and visitors with EVs should also use the fast-expanding local charging system.

You should seek out local food and drink providers, especially those who meet the “green mark” accreditation system.

You can also visit and support natural sites that look to boost biodiversity.

We will also promote to visitors recycling options.

6.3 If you go to school in North Norfolk

Walking, cycling or using public transport is an ideal way to reduce emissions from travelling to and from school, while increasing well-being.

You can also encourage your school to support the local environment through creating bio-diverse habitats on site.

You can share these experiences with your families and friends.

6.4 If you run a business in North Norfolk

Reducing emissions from running a business in North Norfolk is possible through a range of actions, including:

- Having green fleet vehicles and installing EV charge-points on site for you and your employees, to encourage the transition away from petrol and diesel cars
- Applying for Green Grants as they become available
- Carrying out your own carbon audit to determine the priority areas to target for decarbonization
- Reducing waste and managing water consumption
- Buying green energy through your energy company to power your business, and
- Exploring the use of green gases, using accredited low-carbon service providers and servicers.

Appendix A: Emissions across North Norfolk

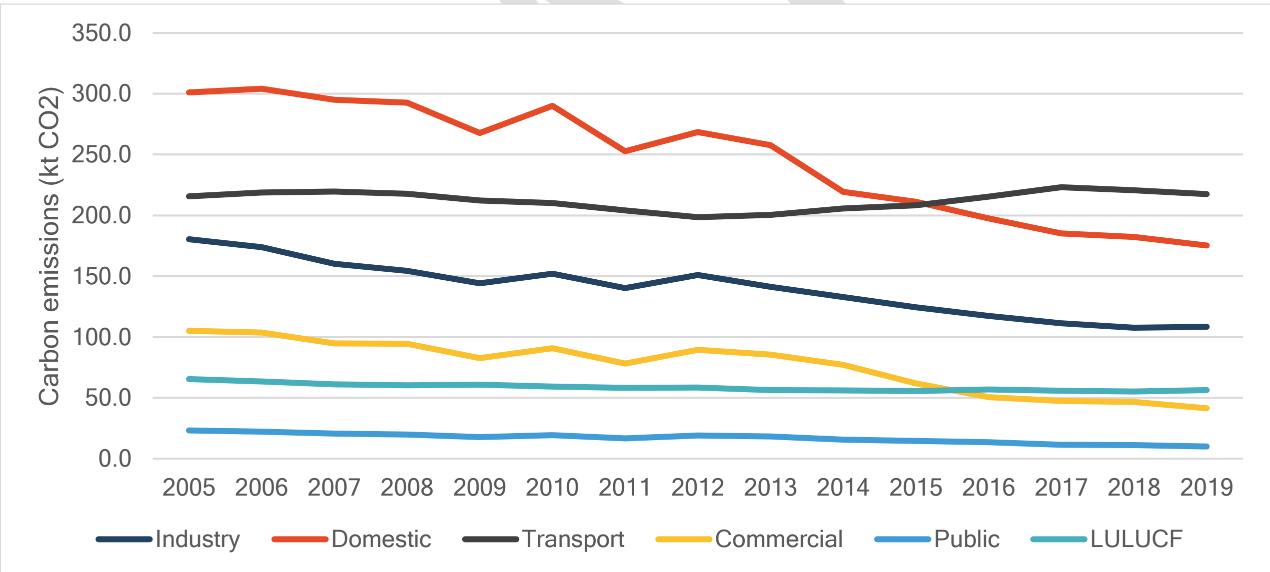
Emissions in the wider North Norfolk area are termed territorial emissions, and they too are usually expressed as tonnes of CO2 equivalent (CO2e). in 2019, the year that has the most recent complete data from the Government, were 609kt CO2 for the North Norfolk area. As noted, we estimate that about 1% arose from Council operations. Over recent years estimated territorial for the district have been falling because of wider changes particularly in the electricity sector.

In 2019, NNDC served an estimated population of close to 105,000, with average per capita emissions of 5.8 tonnes, across our area. This is down by over a third from 8.9 tonnes in 2005. District carbon emissions were the third lowest of the areas covered by the seven District Councils in Norfolk. Emissions/km2 were also down 0.6kt, a 33% reduction, down from 0.9kt emissions/km2 in 2005, when comparable government data start.

The main trends in emissions by the six sectors used by BEIS are shown for the period 2005-19 at Figure A1. These cover industrial, commercial, domestic and public sector use, transport and land use.

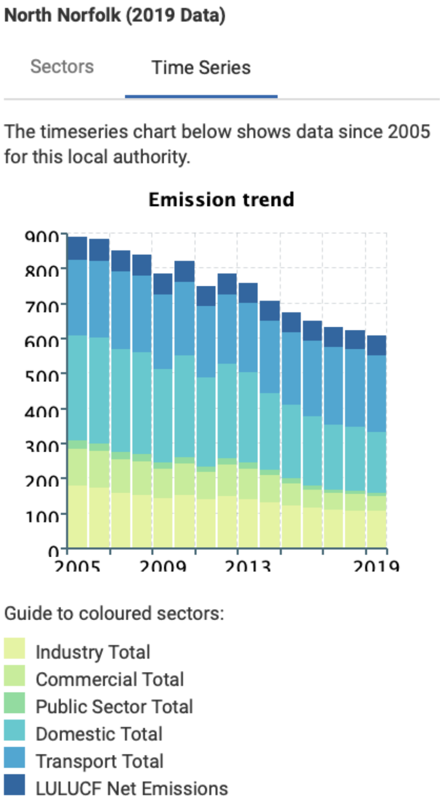
The break-down for the NNDC district for 2019 using government classifications and BEIS data derived from the National Atmospheric Emissions Inventory is then shown at Figure A2 This is shown alongside aggregated sub-totals by the main categories with a comparison looking back over a further four years.

Figure A1: NNDC emissions trends 2005 to 2019[xiii]



Source: Net Zero East (data source: BEIS LA territorial CO2 emissions (2019))

Figure A2: Emissions profile for NNDC 2005 to 2019 (kt CO2e)



Sector Name	CO_2(kt)
Industry Total[1]	108.5
Commercial Total[2]	41.4
Public Sector Total[3]	10.0
Domestic Total[4]	175.3
Transport Total[5]	217.6
LULUCF Net Emissions[6]	56.3
Grand Total	**609.0**

Source: National Atmospheric Emissions Inventory

This data shows that total territorial emissions have decreased steadily over the past five years. Most emissions in North Norfolk are sourced from the district's Transport and Domestic sectors, largely due to the rurality of the district, which means that there is a heavy reliance on private cars and transport within the population, and many domestic properties and businesses having oil central heating, rather than being supplied by the gas grid. These characteristics are consistent with other predominantly rural districts and is a shared national issue but is particularly prominent in NNDC.

Furthermore, Industrial emissions are also very low, with only two major point sources of emitters, being the Bacton Gas Terminal and the [Fakenham Crisp Maltings].

Advances in EVs and decarbonisation of heavier transport will be key to reducing emissions in the district. Creating awareness of the need to replace heating systems, especially in areas off the gas grid where oil and high-carbon fossil fuels are extensively used, will also be key to local decarbonisation. Active tracking of take up of incentives to participate in energy efficiency programmes, including retrofitting properties, will also be very important. The Council will support and promote such initiatives where possible.

[1]*Industrial sector emissions are comprised of: industrial electricity, industrial as, industrial 'other fuels', large industrial installations and agriculture*

[2]*Commercial sector emissions are comprised of commercial electricity, commercial gas and commercial 'other fuels'*

[3]*Public sector emissions are comprised of public sector electricity, public sector gas and public sector 'other fuels'*

[4]*Domestic sector emissions are comprised of domestic electricity, domestic gas and domestic 'other fuels'*

[5]*Transport sector emissions are comprised of road transport (A roads, motorways and minor roads), diesel railways and transport other*

[6]*LULUCF emissions are comprised of net emissions from forest land, cropland, grassland, wetlands, settlements, and harvested wood products.*

Word	Definition
1MW	One megawatt (1MW) is approximately equivalent to the amount of electricity used by 330 homes during one hour. 1MW is equivalent to 1,000 kilowatt hours (1,000 kilowatts of electricity used for one hour).
Adaptation	Action that helps cope with the effects of climate change – for example construction for barriers to protect against rising sea levels, or conversion to crop capable of surviving high temperatures and drought.
Anthropogenic climate change	Man-made climate change – climate change cause by human activity as opposed to natural processes.
Biofuel	A fuel derived from renewable, biological sources, including crops such as maize and sugar cane, and some forms of waste.
Black carbon	The soot that results from the incomplete combustion of fossil fuels, biofuels, and biomass (wood, animal waste, etc.). It I the most potent climate-warming aerosols. Unlike greenhouse gases, these particles absorb all wavelengths of sunlight and then re-emit this energy as infrared radiation.
Carbon budgets	A carbon budget is a permitted and cumulative amount of carbon dioxide emissions that are emitted over a period of time in order to keep within a certain temperature threshold. Every carbon budget provides a cap on the total greenhouse gas emissions which should not be exceeded, in order to meet emissions reduction commitments.
Carbon capture and storage	The collection and transport of concentrated carbon dioxide gas from large emission sources, such as power plants. The gases are then injected into deep underground reservoirs. Carbon capture is sometimes referred to as geological sequestration.
Carbon dioxide (CO_2)	Carbon dioxide is a gas in the Earth's atmosphere. It occurs naturally and is also a by-product of human activities such as burning fossil fuels. It is the principal greenhouse gas produced by human activity.

Carbon dioxide equivalent (CO_2e)	A carbon dioxide equivalent (CO_2e) is a unit of measurement that is used to standardise the climate effects of greenhouse gases. CO_2e is therefore the number of metric tons of CO_2 emissions with the same global warming potential as one metric ton of another greenhouse gas. Six greenhouse gases are limited by the Kyoto Protocol and each has a different global warming potential. The overall warming effect of these gases is standardised through carbon dioxide equivalent – the amount of CO_2 that would cause the same amount o warming/
Carbon footprint	The amount of carbon emitted by an individual or organisation in a given period of time, or the amount of carbon emitted during the manufacture of a product.
Carbon neutral	Carbon neutral refers to the balance between carbon dioxide released in to the atmosphere and the equivalent removal of carbon dioxide from the atmosphere.
Carbon offset	A carbon offset is a reduction in emissions made to compensate for emissions arising from Council estate. There are a range of offsetting carbon options, including zero carbon electricity generation that exceeds the Council's electricity consumption or tree planting.
Climate change	A pattern of change affecting global or regional climate, as measured by yardsticks such as average temperature and rainfall, or an alteration in frequency of extreme weather conditions. This variation may be caused by both natural processes and human activity. Global warming is one aspect of climate change.
Co-benefits	Co-benefits are defined by the Government as improved resource efficiency for businesses, lower household costs, and wider health co-benefits. There could also be beneficial impacts from improved air quality, and reduced emissions from other pollutants, as well as improvement in agricultural soil and peatland restoration, which in turn could positively impact water quality.
Conference of the Parties (CoP)	A Conference of the Parties is the supreme governing body of an international convention, in this case a series of United Nations climate change conferences and is the main decision-making body of the UNFCCC.
Deforestation	The permanent removal of standing forests that can lead to significant levels of carbon dioxide emissions.
Electric Vehicles (EVs)	An electric vehicle is a vehicle that is powered entirely or partially by electricity from a battery that requires recharging.

Energy efficiency	Energy efficiency is achieved by using less energy to carry out the same tasks in order to reduce energy waste.
Fossil fuels	Natural resources, such as coal, oil and natural gas, containing hydrocarbons. These fuels are formed in the Earth over millions of years and produce carbon dioxide when burnt.
Global warming	The steady rise in global average temperature in recent decades, which experts believe is largely caused by man-made greenhouse gas emissions. The long-term trend continues upwards, they suggest, even though the warmest year on record, according to the UK's Met Office, is 1998.
Greenhouse gases (GHGs)	Greenhouse gases refers to the collection of gases that contribute to the greenhouse effect by absorbing and trapping infrared radiation that is already in the Earth's atmosphere.
Greenhouse effect	The insulating effect of certain gases in the atmosphere, which allow solar radiation to warm the earth and then prevent some of the heat from escaping. See also Natural greenhouse effect.
IPCC	The Intergovernmental Panel on Climate Change is a scientific body established by the United Nations Environment Programme and the World Meteorological Organization. It reviews and assesses the most recent scientific, technical, and socio-economic work relevant to climate change, but does not carry out its own research. The IPCC was honoured with the 2007 Nobel Peace Prize.
Kyoto Protocol	A protocol attached to the UN Framework Convention on Climate Change, which sets legally binding commitments on greenhouse gas emissions. Industrialised countries agreed to reduce their combined emissions to 5.2% below 1990 levels during the five-year period 2008-2012. It was agreed by governments at a 1997 UN conference in Kyoto, Japan, but did not legally come into force until 2005. A different set of countries agreed a second commitment period in 2013 that will run until 2020.
LULUCF	This refers to Land Use, Land-Use Change, and Forestry. Activities in LULUCF provide a method of offsetting emissions, either by increasing the removal of greenhouse gases from the atmosphere (i.e. by planting trees or managing forests), or by reducing emissions (i.e. by curbing deforestation and the associated burning of wood).
Mitigation	Action that will reduce man-made climate change. This includes action to reduce greenhouse gas emissions or absorb greenhouse gases in the atmosphere.

Nature-based solutions (NbS)	Nature-based Solutions (NbS) are defined by IUCN as "actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits".
Net Zero	The UK has committed to Net Zero greenhouse gas emissions by 2050. The term Net Zero refers to the balance of emitted and sequestered/captured emissions coming into and out of the atmosphere.
Per capita emissions	The total amount of greenhouse gas emitted by a country per unit of population.
Renewable energy	Renewable energy is energy created from sources that can be replenished in a short period of time. The five renewable sources used most often are: biomass (such as wood and biogas), the movement of water, geothermal (heat from within the earth), wind, and solar.
UNFCCC	The United Nations Framework Convention on Climate Change is one of a series of international agreements on global environmental issues adopted at the 1992 Earth Summit in Rio de Janeiro. The UNFCCC aims to prevent "dangerous" human interference with the climate system. It entered into force on 21 March 1994 and has been ratified by 192 countries.

Endnotes

[i] [Link to Council decision.]
[ii] https://www.gov.uk/government/news/uks-path-to-net-zero-set-out-in-landmark-strategy
[iii] https://www.north-norfolk.gov.uk/media/6917/environmental-charter-v5.pdf
[iv] Co-benefits are defined by the Government as improved resource efficiency for businesses, lower household costs, and wider health co-benefits. There could also be beneficial impacts from improved air quality, and reduced emissions from other pollutants, as well as improvement in agricultural soil and peatland restoration, which in turn could positively impact water quality.
[v] https://www.north-norfolk.gov.uk/media/6917/environmental-charter-v5.pdf
[vi] https://www.north-norfolk.gov.uk/projects/climate-emergency/
[vii] For further information contact Norfolk Warm Homes.
[viii] https://www.north-norfolk.gov.uk/tasks/community-grants-and-funding/north-norfolk-sustainable-communities-fund-details/
[ix]. Decrease in the generation was caused by maintenance works in early 2020.
[x] [Ref to Local Plan]
[xi] https://www.north-norfolk.gov.uk/info/planning-policy/current-local-plan/policies/policy-en9-biodiversity-and-geology/
[xii] https://www.wildeast.co.uk
[xiii] LULUCF is emissions associated with land use, land use change and forestry, which can be positive or negative. In NNDC the figure is positive, meaning a detrimental contribution to emissions.

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Capital Strategy 2022-23

Summary:	This report sets out the Council's Capital Strategy for the year 2022-23. It sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.
Options Considered:	This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
Conclusions:	The Council is required to approve a Capital Strategy to demonstrate compliance with the Codes and establishes the strategic framework for the management of the capital programme.
Recommendations:	That Cabinet recommends to Full Council that; (a) The Capital Strategy and Prudential Indicators for 2022-23 are approved.
Reasons for Recommendation:	Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

None

Cabinet Member(s)	Ward(s) affected: All

Contact Officer, telephone number and email: Lucy Hume, 01263 516246, lucy.hume@north-norfolk.gov.uk

1 Introduction

1.1 The CIPFA *Prudential Code for Capital Finance in Local Authorities 2017* and

Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017 Edition require Local Authorities to publish a Capital Strategy each year. Under the provisions of the Local Government Act 2003, Local Authorities are required to operate within the guidance of the Prudential Code (the Code) with regard to capital investment decisions.

1.2 This Capital Strategy sets out the Council's approach and process to the deployment of capital resources in meeting the Council's overall aims and objectives. It also provides a strategic framework for the effective management and monitoring of the capital programme, within which the Council will work in formulating the strategies for individual services. It is a primary document for all capital decision making, together with the Corporate Plan and other strategies.

2 Capital Expenditure

2.1 The Corporate Plan sets out what the Council intends to do between 2019 and 2023. It focuses on six priorities which will influence how we move forward:

- Local Homes for Local Need
- Boosting Business Sustainability and Growth
- Customer Focus
- Climate, Coast and the Environment
- Financial Sustainability and Growth
- Quality of Life

The Council's capital works can be used to help deliver these priorities.

2.2 All capital projects are considered and prioritised as part of the Council's overall budget process, with affordability in relation to the Medium Term Financial Strategy (MTFS) being a key issue. The revenue implications and funding of any approved bids are included within the Council's revenue budget forecasts to identify the resultant effects on future Council Tax levels.

2.3 The business case and options appraisal methodology is applied to all significant projects (those with a capital cost of over £50,000). The options appraisal should be undertaken by the relevant manager (project leader) initially.

2.4 The business case considers the full options appraisal as evidence to support the recommended option as required. The options analysis will cover elements such as risk, sensitivity and cost benefit analysis and will seek to identify the option that delivers maximum benefit at the lowest or most appropriate cost.

2.5 Projects that generate future income streams for the Council, for example industrial estates and other Commercialisation projects are also viewed positively within the evaluation process. The Asset Management Plan framework helps to identify these assets in order to ensure the revenue implications are again fully accounted for in the decision-making process for the disposal of assets.

2.6 The Current approved Capital Programme (as at December 2020) can be found as part of the Council's draft Budget papers (Appendix C1).

3 Medium and Long Term Funding Strategy

3.1 There are a number of sources of funding available to the Council for capital schemes (capital grants/contributions, capital receipts, borrowing etc). Revenue funding is also available via a Revenue Contribution to Capital Outlay (RCCO), however it should be noted that the scope for using revenue resources for capital purposes is limited.

3.2 Funding from capital receipts is forecast for the next three years to ensure a level of internal resources is maintained and can support future projects. It should however be noted that these are only forecasts at the present time and anticipated balances at the end of the period are based on the current approved capital budget.

3.3 The current Capital Programme is funded from grants and contributions, capital receipts from the disposal of assets and from the Council's own reserves, internal and external borrowing. Whilst capital funding is available to invest in new assets or in improving existing assets, the impact on the revenue account due to the loss of investment income is always a key consideration.

3.4 The Council has access to short or long term borrowing if required to finance capital expenditure. Although business cases for new capital projects are modelled on the assumption that borrowing will be required (to reflect a 'worst case scenario' in terms of cost), the decision to borrow externally is ultimately a treasury one, and is made closer to the time when expenditure is actually incurred, taking into account available cash balances, the opportunity cost of investments, and the exposure to interest rate and credit risks.

3.5 It is a requirement of the new CIPFA code that the Council consider alternative means of financing if required. The Council is aware of the opportunities that may be realisable through a Private Finance Initiative (PFI). The Procurement Strategy includes guidance on appraising Private Public Partnerships in the context of service delivery, and emphasises that obtaining 'value for money' means choosing the optimum combination of whole life costs and benefits to meet the customer's requirements. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue/resource implications as well as initial capital investment.

3.6 The Council recognises the importance of attracting 'new money' into the district and wherever possible supports match funding requests. When identifying and planning new schemes, the Council will try to maximise all external sources of finance without reducing the effectiveness of the scheme.

4 Asset Management and Commercial Activities

4.1 The Council has a diverse range of land and property held to meet its Corporate Objectives and values as outlined in the Council's Corporate Plan. Land and property assets can play a key role in reducing Council budget deficits and generating both capital and revenue income. The Council can use its assets more effectively to meet tough financial targets both through reducing costs and generating income.

4.2 In the main the Council will adopt a "buy and hold" strategy for property investments. This is where the Council purchases an asset and lets it to generate revenue income, whilst retaining it for the long term. A long term investment is considered to be of 10 years and over. Whilst it cannot be guaranteed, in the long term a good overall rate of return is anticipated allowing for a cyclical property market.

4.3 In terms of development opportunities, the Council may seek to "buy and hold" assets for the medium term where it sees a strategic advantage of doing so, for example land assembly for town center regeneration or acquiring land to develop in a phased approach to minimise risk of oversupply and for cash flow purposes.

4.4 The Council may also seek to "buy and sell on" an asset in the short to medium term of between 1 – 5 years. For example, where there is opportunity to secure good terms or a low price enabling a surplus to be made from a sale or redevelopment.

4.5 Further information can be found in the Council's Land and Property Acquisition Policy.

4.6 The Council seeks to achieve a spread of risk across a greater number of assets and by acquiring properties across the range of commercial property types, including: retail, leisure/tourism, office and industrial assets.

4.7 The Council has a small portfolio of commercial assets to rent within the district. These are identified within the Asset Management Plan as being held by the Council primarily for the purpose of generating income to support the Councils, revenue and capital budgets. Whilst generating income, returns and financial independence to support the delivery of services, there are a number of benefits to the Council, the community, tourist and business sector from the Council commercial portfolio including promoting strategic regeneration, increasing business rate and council tax income and supporting tourism.

4.8 Where assets are identified as being surplus to requirements and not achieving required financial or service delivery performance targets, they can be considered for disposal to provide useable capital receipts, which can then be redirected to achieve the Council's objectives. Further information can be found in the Council's Disposal Policy.

4.9 The Council's Property Services Team has historically managed the Council property portfolio with support of the Finance team, Eastlaw and Economic Development. Different types of commercial property require different levels of resource to manage effectively. Business Centers with easy in and out terms, tend to be more management intensive due to the relatively high turnover of tenants, in comparison to the longer leases of industrial units, where typically tenants have responsibility for full maintenance/repairs and insuring.

4.10 Asset management undertaken includes:

- Rent collection and rent arrears management
- Service charge reviews and collection
- Building and grounds maintenance, testing of appliances and monitoring
- Tenant liaison
- Marketing and re-letting empty units
- Negotiating terms of rent reviews and new leases
- Expiry of leases, lease renewals and terminations
- Dilapidations

An increase to the portfolio will require additional resource to manage effectively which could be achieved by additional staff for internal management or appointing experienced commercial agents for external management. Assets held outside of the district would require external resource to manage the assets effectively. In the coming months, the Council will be undertaking surveys across its asset portfolio in order to identify areas for investment in terms of repairs and ongoing maintenance. This will inform future year's Revenue budgets and ensure the ongoing viability of the asset portfolio.

4.11 Successful delivery of the Council's vision for Capital investment relies on the skills and culture of the organisation being appropriate. Members, Statutory Officers, and those with decision making powers keep their relevant knowledge up-to-date through CPD schemes, workshops with treasury advisers and other relevant bodies and networking with other authorities to share best practice. Information is disseminated between parties within the organisation when appropriate.

5 Debt Management and MRP Statement

5.1 Where a local authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP). There has been no statutory minimum amount to be applied since 2008, although the Local Government Act 2003 does require authorities to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision 2012, which is currently undergoing a revision, subject to consultation.

5.2 The Guidance requires that the Council approve an Annual MRP Statement in advance of each financial year, and identifies a number of options for calculation of a prudent provision for MRP. Whilst there are four alternative methods available for this calculation, only two apply to new borrowing under the

Prudential system for which no Government support is being given, i.e. borrowing which is intended to be self-financed.

5.3 All Council decisions made in relation to capital expenditure will be reviewed on their own merits and the most equitable treatment will be introduced in respect of the financing of these schemes. For the purposes of existing schemes and those proposed for the coming financial years where borrowing has been assumed, the Council will be applying the Asset Life Basis (Option 3 under the DLUHC Guidance). This allows MRP to be charged to the revenue account across the estimated life of the assets that are being funded, in accordance with the regulations.

5.4 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

5 Prudential Indicators

5.1 Under the Prudential Code the Council is required to set and approve a range of performance indicators each year in line with the budget and Treasury Management Strategy, and to monitor them during the year. Under these arrangements local authorities are allowed to enter into borrowing to support capital spending as long as they are able to demonstrate that they can afford to do so.

5.2 *Authorised Limit for External Debt*

The Council has an integrated Treasury Management Strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council, and not just those arising from capital spending reflected in the CFR. The Council is required to set for the coming year and he following two financial years an authorised limit for its total gross external debt, separately identifying borrowing from other long term liabilities. The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured against all external debt items (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). The indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved Treasury Management policy statement and practices. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

	2022/23	2023/24	2024/25	2025/26

	£m	£m	£m	£m
Authorised limit for borrowing	28.400	28.400	28.400	28.4000
Authorised limit for other long-term liabilities	3.000	3.000	3.000	3.000
Authorised limit for external debt	31.400	31.400	31.400	31.400

5.3 *Operational Boundary for External Debt*

The Council is required to set for the forthcoming financial year and the following two financial years an operational boundary for its total external debt, excluding investments, separately identifying borrowing from other long-term liabilities. The Operational Boundary is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario, and without the additional headroom included within the Authorised Limit for unusual cash movements.

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Operational boundary for borrowing	23.530	23.530	23.530	23.530
Operational boundary for other long-term liabilities	2.000	2.000	2.000	2.000
Operational boundary for external debt	25.530	25.530	25.530	25.530

5.4 *Capital Expenditure*

Local Authorities are required by the Prudential Code to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax. The Council is required to make reasonable estimates of the total capital expenditure that it plans to incur during the forthcoming year and at least the following two financial years.

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Estimated Capital Expenditure	7.297	2.227	1.970	1.870

5.5 *Capital Financing Requirement*

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. The Council is required to make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years as shown in the table below. The total CFR indicated in the table relates in part to vehicles and equipment used on the Council's refuse and car park management contracts. These are recognized under IFRS accounting regulations which require equipment on an embedded finance lease to be recognized on the balance sheet. The CFR takes into consideration the Cabinet decision to provide loan advances to Registered Providers under the Local Investment Strategy. Although initially this will increase the CFR, the capital receipts generated by the annual repayments on the loans will be applied to reduce the CFR across subsequent years. This is a key indicator for prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
CFR	9.208	8.217	7.225	6.234
Less: Other Debt Liabilities	0.000	0.000	0.000	0.000
Estimated Capital Financing Requirement	9.208	8.217	7.225	6.234

5.6 *Proportion of Financing Costs to Net Revenue Stream*

The Council is required to estimate for the following financial year and the following two years the proportion of financing costs to net revenue stream. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code and is based on the costs net of investment income.

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Financing cost (net)	(0.989)	(0.984)	(1.080)	(1.080)
Net Revenue Stream	15.578	14.203	13.436	13.751
Ratio	-6.35%	-6.93%	-8.04%	-7.86%

6 Links to other Strategies and Plans

6.1 The Council has fully integrated its Capital Strategy as part of its strategic financial planning process and this policy influences both the production of the MTFS and the capital and revenue budget planning process. The Strategy is also linked to the other main asset related policies, namely the Asset Management Plan, the Land and Property Acquisition Policy, the Commercial Property Strategy, the Land and Property Disposals Policy.

6.2 The Treasury Management Strategy details the Council's treasury management arrangements to manage the Council's cash flow, including the anticipated use of reserves, so as to maximise income from investments and minimise interest payments on borrowing, whilst minimising the risk to the Council's assets. This strategy can influence the potential receipts available for funding capital and will also directly inform any borrowing decisions for capital purposes.

6.3 The Procurement Strategy seeks to ensure that Value for Money is achieved in all of the Council's procurement decision-making activities and systems. The guidance should be applied by all Officers in conjunction with the requirements incorporated within the Council's Contract Standing Orders and Financial Regulations and has great relevance to preparing capital bids.

6.4 The Capital Strategy is also aligned with the Risk Management Strategy, and managers are required to consider risk when completing the standard business case pro-forma.

7 Financial Implications and Risks - The financial implications and risks of any capital investment will be included as part of the budget process and business case preparation in relation to individual schemes and proposals coming forward.

8 Sustainability – None as a direct consequence of this report.

9 Equality and Diversity - None as a direct consequence of this report.

10 Section 17 Crime and Disorder considerations - None as a direct consequence of this report.

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North Norfolk District Council Investment Strategy 2022/23.

Summary:	This report sets out details of the Council's investment activities and presents a strategy for the prudent investment of the Council's resources.
Options Considered:	Alternative investment and debt options are continuously appraised by the Council's treasury advisors, Arlingclose and all appropriate options are included within this Strategy.
Conclusions:	The preparation of this Strategy is necessary to comply with the guidance issued by the Department of Levelling Up, Housing & Communities (DLUHC).
Recommendations:	That the Council be asked to RESOLVE that The Investment Strategy is approved.
Reasons for Recommendation:	The Strategy provides the Council with a flexible investment strategy enabling it to respond to changing market conditions.

Cabinet Member(s)	Ward(s) affected: All
Cllr E Seward	

Contact Officer, telephone number and email: Lucy Hume, 01263 516246

Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

The Corporate Plan sets out what the Council intends to do between 2019 and 2023. It focuses on six priorities which will influence how we move forward:

- Local Homes for Local Need
- Boosting Business Sustainability and Growth
- Customer Focus
- Climate, Coast and the Environment

- Financial Sustainability and Growth
- Quality of Life

The Council's investments can be used to help deliver these priorities.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £32.9m and £46.5m during the 2022/23 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy, available elsewhere on this agenda.

Service Investments: Loans

Contribution: The Council lends money to housing associations and community housing entities to support local public services and stimulate local economic growth. As part of the Councils 'Local Homes for Local Need' agenda, these loans are made to improve the supply of affordable housing within the District.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2021 actual			2022/23
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Housing associations	2.557m	0.003m	2.574m	£10m
Community Housing Entities	0.192m	0.000m	0.192m	£5m
TOTAL	**2.749m**	**0.003m**	**2.746m**	**£15m**

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding service loans by using advisors and quality financial press to assesses the market that the investment will be competing in, the nature and level of competition, along with expectations on how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements. The quality of advice is moderated by frequently subjecting the contracts to tender. Risk assessments include reference to credit ratings, but are not the sole indicator of risk used. Credit ratings are actively monitored by advisors and changes are relayed to the Authority using an alert system. Other information, such as credit default swaps, are used to assess risk.

<u>Service Investments: Shares</u>

Contribution: The Council may invest in the shares of its suppliers, and local businesses to support local public services and stimulate local economic growth. At the present time, the Council does not hold these type of investments.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

Category of company	**31.3.2021 actual**			**2022/23**
	Amounts invested	**Gains or losses**	**Value in accounts**	**Approved Limit**
Subsidiaries	Nil	Nil	Nil	£5m
Suppliers	Nil	Nil	Nil	£5m
Local businesses	Nil	Nil	Nil	£5m
TOTAL	**Nil**	**Nil**	**Nil**	**£15m**

Risk assessment: The approach is very similar to that of the service loans, the Authority assesses the risk of loss before entering into and whilst holding shares by using advisors and quality financial press to assesses the market that the investment will be competing in, the nature and level of competition, along with expectations on how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements. The quality of advice is moderated by frequently subjecting the contracts to tender. Risk assessments include reference to credit ratings, but are not the sole indicator of risk used. Credit ratings are actively monitored by advisors and changes are relayed to the Authority using an alert system. Other information, such as credit default swaps, are used to assess risk.

Liquidity: The Council actively monitors the availability of cash, using established cash flow procedures to inform decisions around the maximum that may be committed over any given time horizon.

Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

Contribution: The Council invests in local commercial property with the intention of making a profit that will be spent on local public services. The Council currently holds one main investment property, the Depot building at Grove Lane, Holt, which is rented to a private sector developer.

Table 3: Property held for investment purposes in £ millions

Property	Actual	31.3.2021 actual		31.3.2022 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Grove Lane Depot	-	0.062m	0.453m	-	0.453m
TOTAL	**-**	**0.062m**	**0.453m**	**-**	**0.453m**

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2021/22 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding property investments by using advisors and quality financial/property press to assesses the market that the investment will be competing in, the nature and level of competition, along with expectations on how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements. We have qualified staff that will consider the local market and also have a number of external advisors and agents who we seek advice from where appropriate. This also extends to national advice although the Council's current strategy is to invest within the local area. Risk assessments include reference to credit ratings, but are not the sole indicator of risk used. Credit ratings are actively monitored by advisors and changes are relayed to the Authority using an alert system.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority maintains a balanced portfolio of investments, with short term investments allowing for faster liquidation should it be required.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.

The Authority has not currently contractually committed to make any loans or guaranteed any loans and has no current plans to do this.

Proportionality

The Authority plans to become dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net profit, the Authority will in the short term use available reserve balances to meet the shortfall, while a full review of service provision is undertaken.

Table 4: Proportionality of Investments

	2020/21 Actual	**2021/22 Forecast**	**2022/23 Budget**	**2023/24 Budget**	**2024/25 Budget**
Investment income	1.128m	1.015m	1.134m	1.121m	1.208m
Gross service expenditure	163.6m	62.2m	61.7m	60.8m	59.1m
Proportion	0.69%	1.63%	1.84%	1.84%	2.04%

Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority has chosen to follow this guidance.

Capacity, Skills and Culture

Elected members and statutory officers: Members and Statutory officers attend regular training on Treasury Investment principles and have access to informed officers who are required to keep up with CPD requirements by their professional bodies. The individual business cases allow Members to assess individual assessments in the context of the strategic objectives and risk profile of the local authority; and enable them to understand how these decisions have changed the overall risk exposure of the local authority.

Commercial deals: The Council's Asset Management Plan is closely linked to the Corporate Plan and the Capital Strategy which contains the Prudential Indicators. We have qualified staff and support from external advisors to support with property transactions and negotiations. The Estates team are aware of the various strategy documents and the requirements contained therein, this also covers the prudential framework and the regulatory regime in which the Council operates and is supplemented by external training and Continuing Professional Development where appropriate.

Corporate governance: Budgets for investment purchases are agreed by Full Council in line with corporate objectives. Treasury Investments are subject to governance checks through the agreement of the Treasury Strategy for the year, as well as half-yearly updates.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2021 Actual	31.03.2022 Forecast	31.03.2023 Forecast
Treasury management investments	44.368	41.892	39.000
Service investments: Loans	2.557	2.449	2.157
Commercial investments: Property	0.453	0.453	0.453
TOTAL INVESTMENTS	**47.378**	**44.794**	**41.610**
Commitments to lend	0.00	0.00	0.00
Guarantees issued on loans	0.00	0.00	0.00
TOTAL EXPOSURE	**47.378**	**44.794**	**41.610**

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 6: Investment rate of return (net of all costs)

Investments net rate of return	2020/21 Actual	2021/22 Forecast	2022/23 Forecast
Treasury management investments	2.20%	2.60%	2.90%
Service investments: Loans	3.80%	3.74%	3.74%

Commercial investments: Property	0%	7.28%	7.28%

Table 7: Other investment indicators

Indicator	**2020/21 Actual**	**2021/22 Forecast**	**2022/23 Forecast**
Debt to net service expenditure ratio	Nil	Nil	Nil
Net Commercial income to net service expenditure ratio	0.15%	0.19%	0.16%

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North Norfolk District Council Treasury Management Strategy Statement 2022/23

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy, which is included elsewhere on this agenda.

External Context

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

Credit outlook: Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 2.9%, and that new long-term loans will be borrowed at an average rate of 2.2%.

Local Context

On 31st December 2021, the Authority held £5m of borrowing and £40m of treasury investments. This is set out in further detail at ***Appendix B***. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.21 Actual £m	**31.3.22 Estimate £m**	**31.3.23 Forecast £m**	**31.3.24 Forecast £m**	**31.3.25 Forecast £m**
General Fund CFR	10.200	9.209	8.217	7.225	6.223
Less: External borrowing **	0.000	0.000	0.000	0.000	0.000
Internal borrowing	**10.200**	**9.209**	**8.217**	**7.225**	**6.223**
Less: Balance sheet resources					
Treasury investments					

** shows only loans to which the Authority is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Authority is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments are forecast to fall as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2022/23.

Borrowing Strategy

The Authority currently holds £5 million of loans, as in the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority does not expect to need to borrow in 2022/23. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Norfolk Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £35.6 and £71.7 million, and lower levels are expected to be maintained in the forthcoming year as we are not expecting to receive further cash balances relating to COVID 19 business grants, which inflated our cash balances this year.

Objectives: The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2022/23 where cash balances allow. This diversification will represent a continuation of the strategy previously adopted.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the limits shown.

Table 2: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£6m	Unlimited
Secured investments *	25 years	£6m	Unlimited
Banks (unsecured) *	13 months	£2m	£5m
Building societies (unsecured) *	13 months	£2m	£5m
Registered providers (unsecured) *	5 years	£2m	£10m
Money market funds *	n/a	£6m	£20m
Strategic pooled funds	n/a	£6m	Unlimited
Real estate investment trusts	n/a	£6m	£10m
Other investments *	5 years	£2m	£5m

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Authority has revenue reserves available to cover investment losses. In order that no more than an acceptable level of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £2m in operational bank accounts count against the relevant investment limits.

Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£6m per country

Liquidity management: The Authority uses purpose-built cash flow forecasting tools to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit score	6.0

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount it can borrow each quarter without giving prior notice.

Liquidity risk indicator	Target
Total sum borrowed in past 3 months without prior notice	£10m

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£600,000
Upper limit on one-year revenue impact of a 1% fall in interest rates	£600,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

Maturity structure of borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£50m	£50m	£50m

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2022/23 is £1.132 million, based on an average investment portfolio of £39.0 million at an interest rate of 2.90%. The budget for debt interest paid in 2022/23 is £0.14 million, based on an average debt portfolio of £4 million at an average interest rate of 1.15%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then a proportion of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain

Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2021

Underlying assumptions:

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.

- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month money market ra													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
10yr gilt yield													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
20yr gilt yield													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
50yr gilt yield													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B – Existing Investment & Debt Portfolio Position

	31/12/2021 **Actual portfolio £m**	31/12/2021 **Average rate %**
External borrowing:		
Local authorities	**5.000**	**0.10**
Other loans	**0.000**	
Total external borrowing	**0.000**	
Other long-term liabilities:		
Private Finance Initiative	0.000	
Leases	0.000	
Transferred Debt	0.000	
Total other long-term liabilities	0.000	
Total gross external debt	5.000	
Treasury investments:		
The UK Government	0.000	
Local authorities	0.000	
Banks (unsecured)	0.000	
Registered providers	2.557	3.80
Money market funds	5.550	0.02
Strategic pooled funds	32.000	2.91
Total treasury investments		
Net debt	(35.108)	

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FEES AND CHARGES 2022-23

Summary:	This report recommends the fees and charges for 2022-23 that will come into effect from April 2022.
Options considered:	Alternatives for the individual service fees and charges now being proposed will have been considered as part of the process in arriving at the fees presented within the report.
Conclusions:	The fees and charges as recommended have been used to inform the income budgets for the 2022/23 budget.
Recommendations:	**That Cabinet agree and recommend to Full Council:** **a) The fees and charges from 1 April 2022 as included in Appendix A.** **b) That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required as outlined within the report**
Reasons for Recommendations:	To approve the fees and charges as set out in the report that will have been used to support the 2022/23 budget process.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Current fees and charges

Cabinet Member(s)	Ward(s) affected: All
Contact Officer, telephone number and email: Lucy Hume, 01263 516246, lucy.hume@north-norfolk.gov.uk	

1. Introduction

1.1 The setting of the fees and charges for the next financial year forms part of the annual budget setting process. This year, service managers were asked to fundamentally review their fees and charges as part of the Zero Based Budgeting exercise, to determine a suitable level of charging. This was particularly important in services where full cost recovery is to be achieved.

2. Fees and Charges 2022/23

2.1 Fees and charges proposals for 2022/23 have been reviewed by the relevant budget managers so that income budgets can be updated as part of the budget process. Appendix A to this report provides the detail of the proposed charges for 2022/23 from 1 April 2022, these have been discussed by Cabinet.

2.2 Where appropriate, some services will experience an inflationary increase in charges. The exceptions to this are for those fees and charges which are set by central government, for example planning and premises licence fees. Also a number of the Council's fees are calculated on a cost recovery basis and will be excluded for example Land Charges, Building Control and the majority of our locally set licence fees. In addition Council facilities operated by an external contractor will also be excluded as the Council has no discretion on the setting of these fees.

2.3 Some fees are not published as part of this process such as those relating to trade waste collection and garden bin fees. This is due to the fact that some of our costs are not known this early in the year and in order to ensure that the services operate in a financially effective manner, the setting of the associated fees is done separately under delegated powers once we are more certain of future costs.

2.4 As part of the Zero Based Budgeting exercise, service managers were asked to review their fees and charges and, where appropriate, revise these. Gold and Silver options were presented and the relevant option was selected in line with the wider Zero Based Budgeting prioritisation exercise.

3. Conclusion

3.1 The report makes recommendations for the fees and charges that will come into effect from 1 April 2022. These have informed the service income budgets that are included within the detailed 2022/23 budget when it is presented for recommendation and approval in February 2022.

4. Financial Implications and Risks

4.1 For demand led services there is a risk that income will not be received as budgeted. When producing income budgets assumptions will be made around the level of income to be achieved from services, these will be based on service managers best estimates with assistance from Finance.

5. Sustainability – none as a direct impact.

6. Equality and Diversity – none as a direct impact.

7. Section 17 Crime and Disorder considerations - none as a direct impact.

Rate Relief Policy

Summary:

1. In the Budget on 27 October 2021 the Chancellor announced the Government would award a 50% Retail Hospitality and Leisure Discount for properties up to a cash limit of £110,000 per business for the 2022/23 financial year.

2. In the Budget on 27 October 2021 the Chancellor announced the Government would extend Supporting Small Business Relief (SSB) for another year until 31 March 2023. This is for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the revaluation and consequently lost Small Business Rates Relief or Rural Rate Relief. This relief to be awarded will limit any increase in the rates to £600 per year.

3. In the Budget on 27 October 2021 the government announced that it would extend the current transitional relief scheme and for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

3. On 25 March 2021 the government announced it would make available a discretionary fund to North Norfolk DC to support businesses for one year only for the period 1 April 2021 to 31 March 2022 affected by COVID-19 but not eligible for existing support linked to business rates. The COVID-19 Additional Relief Fund (CARF) of £1.580,862 will be allocated relief as agreed by the Norfolk councils working party.

4. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020 including the extension of the £1,500 business rates discount for office space occupied by local newspapers that will apply for an additional 5 years until 31 March 2025. The scheme will be available to local newspapers that occupy office space. Under the scheme, eligible local newspaper businesses will continue to receive up to a £1,500 discount on their bill for the 2022/23 financial year.

5. The 2016 Autumn Statement confirmed the doubling of rural rate relief available to eligible businesses from 50% to 100%. The Government subsequently set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Following the decision not to reintroduce the

	Local Government Finance Bill, for 2018/19 the Government expects local authorities to continue to use their discretionary relief powers to grant 100% rural rate relief to eligible ratepayers in 2022/23, as they have done previously. The Government expects local authorities to use their discretionary relief powers to grant these reliefs. All the above will be compensated in full for our loss of rates income because of these changes. This compensation except the CARF will be paid by section 31 grant and calculated based on the returns that the council makes under the rates retention scheme. The Council's Discretionary Rate Relief Policy has been revised to reflect these changes.
Conclusions:	The policy has been updated to reflect the extended schemes announced and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.
Recommendations:	**It is agreed that Cabinet recommend to Full Council that the Revenues Manager has delegated authority to make decisions up to the NNDC cost value of £2k as indicated in Appendix A.** **It is agreed that Cabinet recommend to Full Council that the Revenues Manager has delegated authority to make Covid-19 Additional Relief Fund (CARF) decisions as indicated in Appendix C.** **It is agreed that Cabinet note this report and recommend to Full Council that the Rate Relief Policy is revised as indicated in Appendix A, B and C.**
Reasons for Recommendations:	The new policy will enable the Retail Hospitality and Leisure Discount, Supporting Small Business Relief, transitional relief scheme, COVID-19 Additional Relief Fund, the scheme for local newspaper discount and the Rural Rate Relief to be awarded discretionary reliefs in 2019-20 onwards.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information, and which are not published elsewhere)

Cabinet Member(s) All	Ward(s) affected All
Contact Officer, telephone number and email: Sean Knight. Sean.Knight@north-norfolk.gov.uk 01263 516347	

1. Introduction

1.1 National Non-Domestic Rates (NNDR) are paid by those occupying non-domestic property and collected by the local authorities. Under the business rate retention scheme introduced from April 2013, 50% of the business rates paid is kept locally, 40% by North Norfolk District Council (NNDC) and 10% Norfolk County Council and the balance is paid back to government, an element of which is then paid back to local authorities through the Formula Grant System. As part is retained by local authorities, they are incentivised to increase their NNDR yield as they now benefit directly from it.

1.2 There are currently several different reductions available to businesses. Empty properties – Business rates will not be payable in the first three months that a property is empty (six months for certain industrial properties). After this period empty rate is payable at the full charge. There are a few exemptions such as listed buildings and land used as storage.

1.3 Small business rate relief (SBRR) – the relief supports small businesses who generally occupy only one property. SBRR was available at 100% for eligible properties up to £6,000 rateable value (RV) and was tapered for properties with a RV up to £12,000. The 100% relief was extended until 31 March 2017 and if a ratepayer receiving small business rate relief took on an additional property, they continued to receive their existing relief for 12 months (previously if they had taken on a second property they would have been disqualified from the relief).

1.4 At Budget 2016, the Government confirmed that the doubling of the SBRR from 50% to 100% would be made permanent from 1 April 2017.

1.5 The relief has been increased from 2017/18 to 100% for eligible properties up to £12,000 rateable value (RV) and is tapered for properties with a RV up to £15,000 and if a ratepayer receiving SBRR takes on an additional property or properties within the threshold RV they will continue to receive their existing relief for 12 months.

1.6 Charity and discretionary reliefs –Charities are entitled to an 80% reduction in their bills. The Council has discretion to grant reliefs in other circumstances and the report covers these areas of discretion.

2. Discretionary Rate Relief

2.1 Under Section 47 of the Local Government Finance Act 1988 billing authorities have discretion to grant relief to certain ratepayers (certain types of charitable and non –profit organisations) from all or part of their non-domestic rates payable. The Localism Act 2011 amended section 47 of the

Local Government Finance Act 1988 to enable local authorities to grant relief in a wider range of circumstances.

2.2 The cost of granting discretionary relief varies according to the circumstances. Full details of the circumstances are in the policy and guidelines within Appendix A.

2.3

Type of Relief	% Funded by the Council	% Funded by central government
Mandatory Relief for charities and community amateur sports clubs (CASCs) (80%)	40%	50%
Up to 20% discretionary relief to top up mandatory	40%	50%
Up to 100% discretionary relief for other eligible organisations	40%	50%

2.3 Should a local authority choose to award discretionary rate relief under the Localism Act powers to a business or profit organisation the Council will bear the full 100% cost.

3. New Schemes

3.1 In the budget statements since 2016 onwards the government announced new schemes of discretionary rate reliefs to assist and encourage the development and occupation of business premises.

3.2 The new schemes are all fully funded by central government.

4. Conclusion

4.1 The Rate Relief Policy and guidelines have been amended to reflect the changes introduced by central government.

5. Implications and Risks

5.1 It is important that the Council's policy and guidelines are clear about the criteria under which it will make an award as all potential applicants need to be aware of the grounds for eligibility for discretionary relief, what their own responsibilities are and why their application has either been accepted or refused.

6. Financial Implications and Risks

6.1 The new schemes are fully funded by central government.

6.2 The other discretionary and mandatory relief schemes are funded as indicated in paragraph 2.2 through the business rate retention scheme.

7. Sustainability

7.1 The granting of reliefs assists organisations to be viable, particularly in rural areas, and this aids the development of sustainable communities and ensures that people have access to goods, services, leisure, and other opportunities.

8. Equality and Diversity

8.1 On considering this policy against the categories looked at within the Equality Impact Assessment process – age, disability, gender, race, religion or belief, sex, sexual orientation, the policy has no adverse impact.

9. Section 17 Crime and Disorder considerations

9.1 There are no crime and disorder implications arising from the policy.

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Appendix A

Discretionary Rate Relief Policy

1 Introduction

If an organisation occupies a property on which it pays National Non-Domestic Rates (NNDR) it may be eligible for up to 100% Discretionary Rate Relief if it is operated within some or all of the following guidelines appropriate to the particular organisation.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will be judged on its merits taking into account the contribution which each organisation/business makes to the district's amenities and its resident's lifestyles and wellbeing.

2 Eligibility Criteria

Eligibility Criteria for Rate Relief	**Rate Relief**	**Amount of Relief**
Property wholly or mainly used for charitable purposes which is occupied by a registered charity, charity shop or registered Community Amateur Sports Club (CASC)	Mandatory (Charity) Discretionary	80% 20% (maximum)
Property, all, or part of which is occupied for the purposes of a non-profit making: a) Institution or other organisation whose main objects are philanthropic or religious or concerned with social welfare, science, literature, or the fine arts. b) Club, society or other organisation and is used for the purposes of recreation	Discretionary	100%(maximum)
Property is a qualifying: Food Shop General Store Post Office Sole Public House Sole Petrol Filling Station	Mandatory (Rural Rate Relief) Discretionary (Rural Rate Relief)	50% 50%(maximum)

3 Scope

The policy will be adhered to by all staff and members involved with consideration of Discretionary Rate Relief applications.

4 Applications

Applications must be supported by the organisation's constitution, main purposes, and objectives e.g., written constitution, memorandum of association, membership rules etc.

A full set of audited accounts for the latest financial year at the application date.

Details of how organisations/ businesses meet the criteria within the guidelines.

Applications from excepted businesses/organisations can not be considered. These are properties which are occupied by a billing or precepting authority e.g., District Council. County Council.

5 Factors to be taken into account

North Norfolk District Council is keen to ensure that any relief awarded is justified and directed to those organisations making a valuable contribution to the well-being of local residents. The following factors will therefore be considered:

a. The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide

b. The organisation should provide training or education for its members, with schemes for particular groups to develop skills

c. It should have facilities provided by self-help or grant aid. Use of self-help and / or grant aid is an indicator that the club is more deserving of relief

d. The organisation should be able to demonstrate a major local contribution.

e. The organisation should have a clear policy on equal opportunity, freedom of access and membership.

f. It should be clear as to which members of the community benefit from the work of the organisation.

g. Membership should be open to all sections of the community and the majority of members should be NNDC residents.

h. If there is a licensed bar as part of the premises, this must not be the principal activity undertaken and should be a minor function in relation to the services provided by the organisation.

i. The organisation must be properly run and be able to produce a copy of their constitution and fully audited accounts.

j. Those organisations applying for relief, whose work involves young children, young people or vulnerable adults must be able to demonstrate that appropriate checks have been carried out on staff and volunteers, and that sound child protection policies are in place.

k. The organisation must not have any unauthorised indebtness to NNDC.

Rates are due and payable until a claim for discretionary rate relief is agreed.

6 Period of Relief

Relief will be granted for one year at a time.

The granting of relief will be reviewed annually and those in receipt of relief will be asked to supply or confirm relevant information for the purposes of the review.

7 Approval

Approval of discretionary rate relief applications up to £2,000 cost to NNDC will be approved by the Revenues Manger under delegated authority shown below.

Initial recommendations are to be made by the Revenues Manager to the Discretionary NDR Relief Panel for all other cases with a cost to NNDC of £2,000 and above, plus any new cases which the policy does not cover and needs further discussion.

The Discretionary NDR Relief Panel will consist of the following:

Revenues Manager
Section 151 Officer/Director for Resources and
Portfolio Member for Revenues and Finance.

Authorities must determine applications within six months after the end of the financial year for which the application for relief is made. Determinations after this time are invalid.

8 No Right of Appeal

Once the application has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal right of appeal process against the Council’s decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

9 Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

10 Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

11 Costs to the Council

The Local Government Finance Act 2012 introduced the Business Rate Retention Scheme in England from 1 April 2013. The Business Rate Retention Scheme currently provides for 50% of rate revenue to be retained by local authorities (40% NNDC and 10% NCC) and 50% by central government. As a result of this most discretionary reliefs are paid for by the local authority and central government, in these proportions.

Enterprise Zone Discount

The District Council, alongside other Local Authorities, was invited by the Anglia Local Enterprise Partnership (LEP) in 2015 to submit applications for sites within the district area to be included in a New Anglia ‘Space to Innovate’ multi-site Enterprise Zone programme.

Two Sites have been agreed within North Norfolk District Council commencing 1 April 2016. Egmere Business Zone and Scottow Enterprise Park are geographically defined areas, hosted by Local Enterprise Partnerships in which commercial and industrial businesses can receive incentives.

Businesses that started up or relocating to the enterprise zone and were occupied by 31 March 2021 could qualify for business rates relief. This relief is applied if the hereditament is within the Enterprise Zone.

Up to 100% business rate discount can be awarded subject to subsidy controls.

Eligibility criteria

The discount is for businesses occupied within the Enterprise Zone defined area from 1 April 2016 up to 31 March 2021.

Amount of Relief

The Enterprise Discount is awarded at 100% of the rates liability.

Time Limited Relief – Rural Rate Relief

In the Autumn 2016 Budget Statement, the chancellor announced the doubling of rural rate relief from 50% to 100% with effect from 1 April 2017.

Rate relief for businesses in rural areas

Rural Rate Relief of 50% is currently awarded as mandatory relief under legislation.

Certain types of properties in a rural settlement (see Appendix B) with a population below 3,000 may be entitled to this relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property must be occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill.

Currently NNDC can award up to 50% discretionary top up relief.

The 2016 Autumn Statement confirmed the doubling of rural rate relief from 50% to 100% from 1st April 2017. The Government set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Local authorities were expected to use their discretionary rate relief powers to grant 100% rural rate relief to eligible ratepayers from 1st April 2017. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the Government announced it expects local authorities to continue to use their powers to grant 100% rural rate relief to eligible ratepayers, as they have done so since 2017/18. The 50% top up discretionary rate relief will be fully funded by government through a Section 31 Grant.

Time Limited Relief – Relief for Local Newspapers

In the March 2016 Budget Statement, the government announced a new scheme of discretionary rate reliefs to assist and encourage the development and occupation of business premises.

Relief for Local Newspapers

This relief is government funded to local authorities so that they can provide a rates discount for office space occupied by local newspapers worth up to £1,500 a year.

This was originally for 2 years only from 1st April 2017 however the Government extended this in the 2018 Autumn Budget to include 2019/20. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020 including the extension of the £1,500 business rates discount for office space occupied by local newspapers that will apply for an additional 5 years until 31 March 2025.

This is up to a maximum of one discount per local newspaper title and per hereditament, and up to subsidy controls. The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended).

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

The relief will provide £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament.

Local Newspapers

The relief is to be specifically for local newspapers and by that we mean what would be considered to be a “traditional local newspaper.” The relief will not be available to magazines.

Office Space

The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

The amount of relief is limited to a maximum of one discount per newspaper title (e.g., per newspaper name) and per hereditament.

The case for a business rates relief for local newspapers, can be obtained at www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council’s decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Time Limited Relief – Supporting Small Businesses Relief

At the Budget on 8 March 2017 the Chancellor announced the Government would make available the following business rate reliefs at the Spring Budget 2017. At the Budget on 27 October 2021 the Chancellor announced the Government would extend this by another year until 31 March 2023.

The Supporting Small Businesses Relief

This relief is government funded to local authorities so that they can provide relief for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the 2017 NDR revaluation and as a consequence lost Small Business Rates Relief or Rural Rate Relief. This relief will limit any increase to £600 per year subject to subsidy control rules.

This scheme was due to end on 31 March 2022 however the government has extended this scheme by a further year until 31 March 2023.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

This relief will limit any increase to £600 per year subject to subsidy control rules until 31 March 2023.

Amount of Relief

The amount of relief will limit these rate increases to £600 per year.

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Time Limited Relief – Retail, Leisure and Hospitality Discount and Nursery Discount

This relief was announced in the budget on 29 October 2018 for a two-year period that ended on 31 March 2021. This discount was extended and expanded to include Retail, Leisure and Hospitality Discount plus Nursery Discount until 31 March 2022.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

To qualify for retail, Leisure and Hospitality discount the business must be a:

- shop
- restaurant, café, bar, or pub
- cinema or music venue
- hospitality or leisure business - for example, a gym, a spa, a casino, or a hotel

To qualify for nurseries discount, it must have the following:

- the nursery is on Ofsted’s Early Years Register
- and the premises is wholly or mainly used to provide the Early Years Foundation Stage of education

Amount of Relief

If eligible, the business could get:

- 100% off your business rates bills for the period 1 April 2020 to 31 March 2021.
- 100% off your business rates bills for the first 3 months of the 2021 i.e., for the period 1 April 2021 to 30 June 2021.
- 66% off your business rates bills for the rest of the 2021 i.e., for the period 1 July 2021 to 31 March 2022 - up to a total value of £2 million

The above amounts have a cash cap up to up to £110,000 per business.

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

<u>Time Limited Relief – COVID-19 Additional Relief Fund (CARF)</u>

This relief was announced by government on 25 March 2021 to support businesses in England for one year only for the period 1 April 2021 to 31 March 2022 affected by COVID-19 but not eligible for existing support linked to business rates.

Guidance on this support package, the COVID-19 Additional Relief Fund (CARF), applies to England only and can be found at CARF Guidance.docx (publishing.service.gov.uk)

The guidance is intended to support billing authorities in administering the CARF business rates scheme and includes information on the eligibility criteria and operation of the scheme.

The government has allocated £1.5 billion to be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund.

NNDC has received an allocation of £1.580,862 and has been working with other Norfolk councils to develop a scheme which shares commonality and best practice across Norfolk. Please see Appendix C for the details of the scheme.

<u>Time Limited Relief – Retail, Leisure and Hospitality Discount</u>

At the Budget on 27 October 2021 the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality, and leisure properties in 2022/23.

The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible retail, hospitality, and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

To qualify for retail, Leisure and Hospitality discount the business must meet the following conditions:

- be an occupied property and
- it is wholly or mainly

i. as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues
ii. for assembly and leisure; or
iii. as hotels, guest & boarding premises, or self-catering accommodation

For more information regarding the above types of properties and what we consider them to mean, please visit the government's guidance 2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK (www.gov.uk)

Amount of Relief

If eligible, the business could get:

- 50% off the business rates bills for the period 1 April 2022 to 31 March 2023.

The above amounts have a cash cap up to up to £110,000 per business.

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council’s decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

The business may refuse this relief for each eligible property anytime up to 30 April 2023. The ratepayer cannot withdraw their refusal for either all or part of the financial year.

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Discretionary Transitional Relief

At revaluation, the Valuation Office Agency (VOA) adjusts the rateable value of business properties to reflect changes in the property market.

It usually happens every 5 years. The most recent revaluation came into effect in England and Wales on 1 April 2017, based on rateable values from 1 April 2015.

There was due to be a revaluation from 1 April 2022 however this has been delayed by government.

At the Budget on 27 October 2021 the government announced that it would extend the current transitional relief scheme and for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value) subject to control limits.

Costs to the Council

The above reliefs are government funded.

Discretionary Rate Relief - Guidelines

There are two ways in which Discretionary rate relief is granted

a) To ‘top-up’ mandatory relief already awarded
b) To award up to 100% based on various criteria

<u>Mandatory Relief is</u> granted where: -

- the ratepayer of a property is a charity or the trustees of a charity and
- the property is wholly/mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purposes of the charity)
- the ratepayer of a property is registered with Her Majesty’s Revenues and Customs (HMRC) as a Community Amateur Sports Club (CASC)

or

in the case of Mandatory Rural Rate Relief, the property is a qualifying: -

- food shop
- general store
- post office
- public house
- petrol filling station

Registration under the Charities Act 1993 as amended is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are excepted from registration or are exempt charities are also eligible for mandatory relief. Providing the above criteria are met 80% mandatory relief will be granted.

<u>Discretionary Rate Relief</u>

When deciding whether to award discretionary rate relief consideration should be given to the interests of the taxpayers of North Norfolk District Council. The factors outlined in the policy should be taken into account when considering any application for relief.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will be judged on its merits taking into account the contribution which each organisation/business makes to the district’s amenities and its resident’s lifestyles and wellbeing.

Discretionary Rate Relief Criteria ‘Top –Up’

The Council has the discretion to award up to a further 20% additional rate relief to reduce the liability still further and the policies detailed below are to be followed when dealing with an application.

Up to 20% Discretionary Rate Relief may be given.

<u>Charity Shops</u>

Mandatory relief will be granted where the ratepayer for a property is

- a charity or the trustees of a charity and
- donated goods relate to more than 50% of total sales and
- the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity

Providing the above criteria are met 80% mandatory relief will be granted.

Up to 20% Discretionary Rate Relief may be given in exceptional circumstances. Generally, relief will be limited to the 80% mandatory entitlement.

1	Meets local needs in the district and benefits local people	• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief • if the premises are used for a local organisation the extent to which the district and its residents benefit from the organisation will be taken into account.
2	As a guide does not have more than 12 months spending available as “free reserves” (not legally restricted)	• unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community

Non-Profit Organisations, Clubs and Societies

The Council has the discretion to award up to 100% Discretionary Rate Relief to organisations whose main objects are charitable or philanthropic, or concerned with education, social welfare, science, literature or fine arts or recreation. The determination of charitable status largely relies on case law which has established 4 main divisions of charity: -

- relief of poverty
- advancement of religion
- advancement of education and
- other trusts beneficial to the community and not falling under the other headings.

Criteria

Discretionary relief can only be awarded if the organisation is not excepted (a billing authority or precepting authority) and: -

1	The main objects of the organisation are concerned with	• relief of poverty • advancement of religion • advancement of education • social welfare • science • literature • fine arts or • recreation or • in other ways are beneficial to the community
2	Meets local needs in the district and benefits local people	• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief • if the premises are used for a local organisation the extent to which the district and its residents benefit from the organisation will be taken into account.
3	Provides a valuable service to the community	• which is complimentary to those services provided by or supported by the Council or • which relieves the need for the Council to provide such services
4	Is open to all sections of the community	• or access is restricted by providing a service for a specific sector of the community for justifiable reasons such as addressing inequality
6	Is non-profit making	• as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community

Sports Clubs

There are additional considerations in the case of sports clubs.

If a club effectively discriminates by only accepting members who have already reached a certain standard, rather than seeking to promote the attainment of excellence by enhancing access and the development of sporting aptitude, then it does not have an open membership policy. So, a club selecting members based on existing attainment would not come within the requirements.

Although clubs should be open to all without discrimination, single sex clubs may be permitted where such restrictions are not discriminatory in intent but a genuine result of physical restraints (such as changing room facilities) or the requirements of the sport

(2) Organisations with Licensed Bar Facilities

Sports Clubs/Other Organisations

Any Discretionary Rate Relief award will be aimed at the sporting activity of the club.

- If the bar income aids the overall operation and development of the organisation this would be allowable if the sporting activity remains the overall objective of the organisation. This will be particularly relevant where the organisation is the only such one in the Parish.

(3) Membership and Entry Fees

If the organisation requires a membership or entry fee the Council will give regard as to whether: -

- The subscription or fees are set at a high level which excludes the general community
- Fee reductions are offered for certain groups such as under 18s or over 60s
- Membership is encouraged from groups such as young people, older age groups, persons with disabilities or ethnic minorities
- Facilities are available to people other than members, e.g., schools, public sessions

Where the Council gives relief practice has been to award up to 80% to Clubs and organisations and up to 50% where organisations operate bar facilities.

<u>Community Amateur Sports Clubs (CASC)</u>

If a sport's club is registered with HM Revenues and Customs (HMRC) as a CASC it will be entitled to 80% mandatory relief. The club may also be awarded 20% discretionary rate relief.
Normally sports clubs that can register with HM Revenues & Customs as a CASC and have not done so will not be awarded discretionary rate relief. Details can be found on the HMRC website https://www.gov.uk/register-a-community-amateur-sports-club

Discretionary Rural Rate Relief

Rural Rate Relief applies to certain properties which are situated in a rural settlement (see Appendix B). A rural settlement is one which appears to have a population of not more than 3,000 on the 31st of December preceding the financial year in question, which is wholly or partly within a designated area. The Rural Settlement list is published each year. If a business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation, then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given See details of mandatory relief for rural rate relief properties.

Sole - General Store/Post Office/Food Shops with a Rateable Value of £8,500 or less.

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation, then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

Criteria

- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

Sole - Public Houses/ Petrol Filling Stations Rateable Value of £12,500 or less

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation, then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

Criteria

- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

Any Other Business within a Rural Settlement

Up to 100% Discretionary Rural Rate Relief may be given.

Criteria

- Rateable Value above £8,500 and less than £14,000
- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

UK Subsidy Control

Following Brexit, the UK Subsidy Control Bill replace State Aid with Subsidy Control.

Providing relief under this policy is likely to amount to Subsidy. This policy is covered by the rules set out in the following guidance document:

CARF Guidance.docx (publishing.service.gov.uk)

Revised 20 January 2022.

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NORTH NORFOLK DISTRICT COUNCIL

Appendix B

Non-Domestic Rating Rural Settlement List 2022/2023

Background

The provisions of the Local Government and Rating Act 1997 relating to Rural Rate Relief for village stores, post offices and small businesses came into force on the 1 April 1998.

Before any business can be considered for mandatory or discretionary relief, it must be in a designated rural settlement. Initially, by the 31 December 1997, Local Authorities were responsible for compiling a rural settlement list comprising of settlements within rural areas where the population is less than 3,000 on the preceding December.

Maintaining the List

The Council has a duty to compile and maintain the list. The new proposed Rural Settlement list for North Norfolk District Council is shown overleaf.

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NORTH NORFOLK DISTRICT COUNCIL

Alby with Thwaite
Aldborough and Thurgarton
Antingham
Ashmanhaugh
Aylmerton
Baconsthorpe
Bacton and Edingthorpe
Barsham and Houghton St Giles
Barton Turf and Irstead
Beeston Regis
Binham and Cockthorpe
Blakeney
Bodham
Briningham
Brinton and Sharington
Briston
Brumstead
Catfield
Cley Next The Sea
Colby and Banningham
Corpusty and Saxthorpe
Dilham
Dunton, Toftrees and Shereford
East Beckham
East Ruston
Edgefield
Erpingham and Calthorpe
Felbrigg
Felmingham
Field Dalling and Saxlingham
Fulmodeston and Barney
Gimingham
Great Snoring
Gresham
Gunthorpe and Bale
Hanworth
Happisburgh
Helhoughton
Hempstead
Hempton
Hickling
High Kelling
Hindolveston
Hindringham
Holkham
Honing and Crostwight
Horning
Horsey
Hoveton
Ingham
Ingworth
Itteringham
Kelling
Kettlestone
Knapton
Langham
Lessingham and Eccles
Letheringsett with Glandford
Little Barningham
Little Snoring
Ludham
Matlask
Melton Constable
Morston
Mundesley
Neatishead
Northrepps
Overstrand
Paston
Plumstead
Potter Heigham
Pudding Norton
Raynham
Roughton
Runton
Ryburgh
Salthouse
Scottow
Sculthorpe
Sea Palling and Waxham
Sidestrand
Skeyton
Sloley
Smallburgh
Southrepps
Stibbard
Stiffkey
Stody and Hunworth
Suffield
Sustead, Bessingham and Metton
Sutton
Swafield and Bradfield
Swanton Abbott
Swanton Novers
Tattersett and Tatterford
Thornage
Thorpe Market
Thurning
Thursford
Trimingham
Trunch
Tunstead and Sco Ruston
Upper Sheringham
Walcott
Walsingham
Warham
Wells-next-the-Sea
West Beckham
Westwick
Weybourne
Wickmere
Wighton
Witton and Ridlington
Wiveton
Wood Norton
Worstead and Briggate

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Appendix C

COVID-19 Additional Relief Fund (CARF)

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1. GUIDANCE SUMMARY

In March 2021 the government announced a new Covid-19 Additional Relief Fund (CARF) to support businesses adversely affected by the pandemic who are ineligible for any other support linked to business rates.

The fund is available to support those ratepayers who were not eligible for the Nursery Discount, Expanded Retail Discount or the Airport and Grounds Operations Support Scheme. The ratepayer must also have been adversely affected by the pandemic and unable to adapt to that impact.

North Norfolk District Council has been awarded 1.580,862 for CARF relief awards and has designed a scheme within this funding which awards a fixed percentage reduction for all eligible ratepayers, subject to a cash cap.

CARF relief takes the form of a reduction in net rates bills in the 2021/2022 financial year. It is only awarded for occupied properties used for commercial purposes, and ratepayers must have been liable for business rates on 31 January 2022 to qualify.

This policy covers the award of relief under the Covid-19 Additional Relief Fund (CARF). This relief is awarded under S47 of the Local Government Finance Act 1988 and follows the government guidance published in December 2021.

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2. CARF RELIEF ELIGIBILITY

1. The relief will be available to reduce chargeable amounts in respect of 2021/2022 only and the scheme will not extend prior to or beyond that financial year.

2. This scheme will:

    a. not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),

    b. not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief),

    c. not award to relief to an ineligible type of hereditament listed below, and

d. direct support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

3. CARF relief is not available to ratepayers who already benefit from full rate relief for 2021/2022 from another scheme, for example Small Business Rate Relief.
4. In order to be eligible for relief the ratepayer must be in occupation of the relevant property on 31 January 2022
5. Relief is available for occupied properties only
6. Relief is only available for properties used on a commercial basis. Properties for personal use, such as beach huts and private boatsheds are excluded.
7. Relief will be calculated as a fixed percentage of net liability with a limit of £20,000 relief per eligible property
8. Relief will terminate and be apportioned on a daily basis to the date of vacation. Relief will not be carried forward to a new property.
9. If there is a change in liability for any reason which leads to the original net rates charge being reduced, CARF relief will be recalculated,
10. If a change in circumstances renders a property ineligible or reduces the value of the award, the relevant bill can be amended in the year to reflect the loss of the relief.
11. If a property ceases to be an eligible property during the period of entitlement, relief may be withdrawn.
12. Any overpaid relief will be payable and recoverable through the rates bill.
13. New occupiers who become rateable after 31 January 2022 will not be eligible for relief.
14. Ratepayers occupying excepted hereditaments will not qualify for relief. An excepted hereditament is defined as a property occupied by the billing authority or a precepting authority.
15. Ratepayers may decline the relief by writing to or emailing the Revenues team.
16. The scheme will end on 31 March 2022.

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3. ADDITIONAL DISCRETIONARY SUPPORT

The council may award additional discretionary relief on a case-by-case basis with any unspent sums being allowed to ratepayers assessed as in greater need as a result of the pandemic. Such awards will be made at the discretion of the Revenues Manager. Evidence of need may be requested in the form of bank statements, financial accounts and/or other trading records.

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4. APPLICATIONS

The relief will be awarded automatically to qualifying ratepayers, unless there is a query regarding eligibility or Subsidy Allowances, in which case more information may be required.

Awards of this relief are entirely at our discretion, and we reserve the right to refuse or query any application. The relief is awarded as a reduction on the business rates bill and not by any other method (although any subsequent overpayment arising from an award of CARF relief can be refunded to the ratepayer).

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5. SUBSIDY ALLOWANCES

Providing relief under this policy is likely to amount to Subsidy and this policy is covered by the rules set out in the following guidance document:

CARF Guidance.docx (publishing.service.gov.uk)

Ratepayers may decline the relief if they wish.

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6. APPEALS

There is no right of appeal against an authority's decision not to award Discretionary Relief or against the amount of relief allowed. If however should an applicant wish to challenge the decision then they should contact the Revenues Manager who will take the case to the Non-Domestic Rate Relief Panel.

The Non-Domestic Rate Relief Panel decision will be final with respect to any decision not to award, to revoke or to vary the amount of relief allowed.

The following types of property are ineligible for CARF relief:

The following properties are not considered to be adversely impacted by the pandemic, or are properties for personal use only, and are ineligible for CARF Relief:

Description

AIRFIELD
AMBULANCE STATION AND PREMISES
Anaerobic Digestion Gas To Grid Plant And Premises
Anaerobic Digestion Plant and premises
BANK AND PREMISES
BEACH HUT
BEACH HUT AND PREMISES
BOAT HOUSE- for private boats
BUILDING SOCIETY
CAR PARK
CAR PARK PUBLIC CONVENIENCES & PREMISES
Car Parking Space and premises
CAR PARKING SPACES

Car Storage and premises
CIVIC AMENITY SITE AND PREMISES
COLLEGE AND PREMISES
Communication Station and premises
Crematorium and premises
DELIVERY OFFICE AND PREMISES
Dock Hereditament and premises
ELECTRICITY GENERATING PLANT AND PREMISES
Electricity Hereditament and premises
FIELD STATION & PREMISES
GAS COMPRESSION STATION AND PREMISES
GAS PROCESSING PLANT & PREMISES
HEALTH CENTRE AND PREMISES
Hospital and premises
Independent Distribution Network Operator
LIFEBOAT HOUSE
LIFEBOAT STATION AND PREMISES
LIVERY STABLES AND PREMISES
MEAT CUTTING ROOM AND PREMISES Photovoltaic Installation and premises
PIPELINE AND APPURTENANCES
PIPELINE BULK LIQUID STORAGE DEPOT & PREMISES
Police station and premises
POST OFFICE AND PREMISES
PRISON AND PREMISES
RAF STATION
School and premises
SECURITY FACILITY
SEWAGE TREATMENT WORKS AND PREMISES
Sorting Office and premises
Surgery and premises
Veterinary Clinic and Premises

Draft Medium Term Financial Strategy 2023/26 including Base Budget Projections 2022/23

Summary:	To provide Members with the opportunity to discuss assumptions around Medium Term Financial Planning and the impact on NNDC finances.
Options considered:	The Council is required by law to set a budget in advance of the financial year. The report to Full Council will present options for budget setting with respect to Council Tax and other items.
Conclusions:	The Council is required to agree a budget in advance of each financial year. This is done is February of each year at Full Council, after meetings of Cabinet and Overview and Scrutiny. To aid the Committee, an early draft of the Medium Term Financial Plan is presented here for scrutiny and discussion.
Recommendations:	**To approve the Medium Term Financial Strategy for 2023/26**

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LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Budget Monitoring Reports 2021/22
Outturn Report 2020/21
Medium Term Financial Strategy 2022-25

Cabinet Member(s)	Ward(s) affected
Cllr Eric Seward	All

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1. Introduction

1.1 The Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan outcomes. The MTFS establishes how the Council's priorities will be achieved by setting out the framework within which resources are available over the medium term and the financial challenges facing the Council in terms of future funding gaps. It is the method by which the Council plans translates its long-term goals into action by considering;

- Where the Council is now
- Where the Council wants to be
- What the Council's plans are to get there

1.1 The MTFS helps to ensure that the Council is 'doing the right thing' while taking account of internal strengths/weaknesses and external threats/opportunities. It should also provide a link between the Council's long-term service objectives and its financial capacity, which effectively asks the question 'can the strategic objectives be achieved within the available financial envelope?'

1.2 The Medium Term Financial Strategy will be presented for final approval as part of the February Committee cycle and is provided here in draft format to allow discussion by the Overview and Scrutiny Committee.

2. 'Where we want to be' - The Council's Corporate Plan

2.1 In May 2019 a new Council was elected and has now adopted a new Corporate Plan which sets out the intent and ambition of the authority for the period 2019 – 2023 (which can be found here). The Corporate Plan provides the framework and context for the Council's service provision, project interventions and resource allocation (financial and staffing) for the period through to 2023. The Plan is subject to annual review to ensure that it continues to reflect the Council's priorities and objectives throughout the next four years in response to emerging trends, policy developments and legislation.

2.2 It reflects the essential needs and aspirations of our customers and communities and how we feel the Council can best use its resources to deliver services and outcomes that make a positive difference for everyone who lives in, works in or visits North Norfolk.

2.3 However, despite the District having a number of very positive attributes we also have some big challenges: – responding to environmental change, increasing housing supply, supporting economic growth, meeting the challenges of service delivery to rural communities and the needs of both our young people and a rapidly ageing population.

2.4 The Corporate Plan identifies six key themes where we would propose developing actions and allocating resources to respond to the challenges our district faces in the years to come as detailed below;

- Local Homes for Local Need
- Boosting Business Sustainability and Growth
- Climate, Coast and the Environment
- Quality of Life
- Customer Focus
- Financial Sustainability

2.5 Planning for the future is challenging, especially given the broad range of services we provide, and the competing demands for increasingly scarce resources. All our services are committed to making improvements and finding savings, so that the Council remains efficient, effective and meets the day to day needs of the communities we serve. The purpose of the Corporate Plan is to focus on those priorities where we need to give specific attention. It will help us target better our dwindling capital and revenue resources and help direct and focus any bids for external grant support. The Plan also provides a framework against which we can assess our progress to support the needs of our customers and communities.

2.6 The Delivery Plan, which supports the objectives contained within the Corporate Plan, was approved by Full Council during 2020. This details how we will judge our performance; it will also be the means by which the Council agrees its improvement objectives. It includes the expected outcomes from each of the six key themes and be supported by a set of priority actions and measures through which the Council will undertake a self-assessment of the level of improvement made.

2.7 The Climate, Coast and Environment theme will help to ensure that the Council delivers on its Climate Emergency agenda and this element of the Corporate Plan will permeate and influence all of the other work stream and Delivery Plan themes so that it becomes embedded within the culture of the organisation. The Council will look to generate income from the Electric Vehicle Charging Points which have been installed in Council owned car parks across much of the District. Solar panels are also generating an income on the Council's main office block in Cromer. In addition to reducing the Council's running costs, these panels are projected to provide £10,000 per annum of income to support the Council's budget.

2.8 A number of the Delivery Plan projects will support the Climate Emergency agenda and the Council will try and ensure as far as possible that environmental considerations are built in to all areas of the Council's day to day business operations.

2.9 The Council is currently supporting its Climate Change agenda and motion on Climate Emergency by earmarking £330,000 from the Delivery Plan Reserve to facilitate the planting of 110,000 trees in the District. Two climate change officers are now in post and working on the draft Environment Charter and Action Plan. A further £150,000 is available within an earmarked reserve to support initiatives under this plan. Activities are likely to be related to:

- Monitoring and managing the Council's carbon footprint
- Alternative Energy Projects
- Biodiversity improvements
- Electric Vehicle Charging
- Waste reduction
- Raising awareness and creating behaviour changes through community engagement

2.10 Underpinning the Corporate Plan is the day to day business that departments undertake and which will be reflected in departmental Service Plans. All Service Plans are linked to the Corporate Plan. These plans also include the performance measures by which the delivery of wider improvement activity can be managed. The Corporate Plan is a living document and will be regularly reviewed throughout its life to reflect changes in the local, regional and national context.

2.11 The priorities within the Corporate Plan were developed by talking with, and listening to the community, Elected Members, staff and other key stakeholders all of whom have helped to shape the content of the Plan.
Our Strategic Priorities 2019 – 2023

2.12 The Delivery Plan includes a series of priority actions and measures that we will monitor to assess if we have made a difference. Progress and tracking against the identified actions and delivery of the outcomes will form a key part of the Council's performance management framework.

Investment in Priority Areas

2.13 Whilst the overall level of the Council's resources is reducing it is important that a clear focus is maintained on matching funding to priorities. This will remain a key focus over the coming years to ensure the aspirations contained within the new Corporate Plan and the projects contained within the Delivery Plan are realised.

Our Vision

2.14 In order to develop a long term plan, every organisation needs to set an aspiration of where the organisation is aiming to be in the future. This enables everyone to be united in a shared direction and purpose. The Council's aspiration is as follows:

North Norfolk District Council – putting our customers at the heart of everything we do

Our Values

2.15 Our values represent the beliefs and expected behaviour of everyone working for North Norfolk District Council. Our values, which aim to support quality services, we;

- Respect everyone and treat everyone fairly
- Are open and honest and listen
- Strive to offer the best value for money service
- Welcome new challenges and embrace change

'One Team' Team Approach

2.16 In order to deliver high quality services, we need to have excellent teams to deliver them. We recognise that our staff are our most important resource at the heart of the services we provide. We are committed to investing in staff and their development so that we have well trained and supported employees, providing professional services and who are happy and motivated in their work. The One Team approach also includes Members to ensure we work closely together to deliver our priority outcomes and that their training needs are also met as part of their ongoing development.

3. 'Where we are now' – Current financial projections and analysis

Provisional Local Government Finance Settlement

3.1 The Provisional Local Government Finance Settlement was announced on Thursday, 16th December. It was a single year settlement that was largely a rollover of the 21/22 settlement, with a few increases in resources. This is the fourth consecutive one-year settlement, and the third “roll-over” type settlement in a row. While this does its best to ensure financial sustainability in the short term for the largest number of Councils possible, it has not given us the stability needed for strong medium term financial planning.

3.2 The forecast financial projections included at Appendix A make assumptions around future spending forecasts but have now been updated following receipt of the provisional settlement figures for 2022/23 and attempt to predict future income levels.

3.3 A summary of grant income streams from Central Government, alongside recent projections made by the Finance team in November 2021 can be found in the table below. The majority of the variance relates to an additional allocation of New Homes Bonus for Year 11 of the scheme, which had not been expected. The entry for “NHB funding returned to sector” represents an assumption that any funding Councils would lose due to the quantum of New Homes Bonus funding reducing, would be somehow redistributed within the Local Government sector. The Finance team assumed this would be done on the previous assessment of Councils needs and resources. The Lower Tier Services Grant was billed as a one-off grant as part of the 2021-22 settlement which has been rolled forward. The Services Grant is a completely new allocation. These figures are all provisional until the Final Local Government Finance Settlement is announced in early February.

Table 1	Nov 2021 Projection (£)	Provisional Settlement Figure (£)	Variance (£)
Revenue Support Grant	(92,101)	(93,540)	(1,439)
New Homes Bonus	(486,536)	(886,575)	(400,039)
Rural Services Delivery Grant	(507,661)	(507,661)	0
Lower Tier Services Grant	0	(144,975)	(144,975)
NHB Funding Returned to sector	(334,899)	0	334,899
Services Grant	0	(222,339)	(222,339)
Total	(1,421,197)	(1,855,090)	(433,893)

3.4 The assumptions around council tax funding reflect a year on year £4.95 increase in council tax in line with the current referendum principles although it should be noted that any decision regarding increases to council tax will be made annually in line with the budget setting process.

3.5 In view of the Governments change in approach towards funding for Local Authorities with a greater emphasis on Council Tax rises, and the cumulative impact of grant reductions from RSG and New Homes Bonus, freezing council tax for 2022/23 is not an approach that can be recommended.

Zero Based Budgeting

3.6 As part of the Corporate Plan, the Council committed to undertaking a trial of Zero Based Budgeting as a new method for setting its budget during the current administration. The draft budget has been prepared following an extensive Zero Based Budgeting exercise.

3.7 All service managers prepared Gold and Silver budget options for their service area, realigning their financial plans to the delivery of the Council's Corporate Plan. Cabinet made provisional allocations of Gold or Silver for each service area in November 2021, and these have been used to prepare the draft budget.

3.8 The draft position on the Council's General Fund with respect to Revenue and Capital can be found at Appendix A and C, with the Reserves Statement at Appendix D.

Scenario Analysis

3.9 As part of drawing up the draft budget for 2022/23 and future year's projections, a number of assumptions have had to be made about the scale and timing of the impacts of a number of factors. These assumptions are based on information currently available from the Government, plus the latest indications following various consultations. The assumptions have been sense checked with other local authorities and follow guidance from our funding advisors.

3.10 Readers should note that these projections and assumptions are made at a point in time, and will invariably change in response to Government announcements. The sensitivity analysis of the forecasting scenarios, as well as confirmation of the central case, can be found at Appendix B.

Financial Resilience Assessment

3.11 In December 2021, the Council's Corporate Leadership Team undertook a Financial Resilience Assessment supported by the Finance Team. A key action point on the Council's implementation plan for the CIPFA Financial Management Code was to undertake such an assessment for the 2022/23 year and annually thereafter. The Finance team worked with CIPFA and a team of academics specialising in Local Government financial resilience to trial a new Financial Resilience Toolkit which has been developed following extensive academic research across multiple countries [1,2]

3.12 This toolkit is in draft, but will be made publically available to Local Authorities in a beta version in the next few months following feedback from Councils who are trialling its use in a number of areas. With that in mind, we have not published the detail of the toolkit here, but have presented the findings under the relevant headings in Appendix E.

3.13 The Council's Management Team and Operational Management Team will now be tasked with preparing and delivering an action plan following the assessment undertaken by the Leadership Team.

4. 'How we get there' – Bridging the Budget gap

Financial Sustainability Strategy

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[1] Barbera et al (2016), "Governmental financial resilience under austerity in Austria, England and Italy: How do local governments cope with financial shocks?", Public Administration, DOI: 10.1111/padm.12350

[2] Barbera et al (2018), Local government financial resilience: Germany, Italy and UK compared, CIMA executive report www.cimaglobal.com/FinancialResilienceToolkit

4.1 The Local Government Association (LGA) are encouraging Councils to move towards a more efficient culture as a way of developing sustainable self-funding streams that reflect Council's individual priorities and place shaping aspirations and delivery of value for money (VFM) services for local residents. Consequently, the Council needs to think about how it can maximise revenue, efficiencies and VFM moving forwards – a Financial Sustainability Strategy is a key part of this in order to deliver managed change that is right for North Norfolk. Any strategy needs to be considered in the context of our key corporate objectives, flowing from the Corporate Plan and our post Covid world in terms of 'building back better'.

4.2 In terms of an approach there is no one size fits all, but developing a Financial Sustainability Strategy will help direct already stretched resources in a targeted way, focussing resources on our key priorities and generating income and efficiencies whilst at the same time investing in our local communities to generate social value, minimise environmental impact and ensure delivery of VFM services.

4.3 The Council should aim to stimulate innovation, grow existing services, develop new business and develop an efficient, sustainable approach which generates a greater financial and social return that assists the Council's financial resilience and sustainability. This will enable the Council to safeguard and deliver the services that people need, and more effectively deliver its corporate aims and objectives whilst demonstrating delivery of VFM.

4.4 A Financial Sustainability Strategy means that the Council can adapt to the changing financial climate by looking for efficiencies and generating income, putting customers at the centre of our service delivery and making every pound count.

4.5 The success of the Financial Sustainability Strategy will be highly dependent upon the way in which it is implemented, and will require NNDC to put initiatives in place which are focussed and realisable. A strategic focus will encourage the organisation to develop disciplined processes for feeding strategic initiatives across the organisation in a meaningful, realistic and achievable way and this process would feed in well to the newly established Corporate Delivery Unit (CDU).

4.6 There are now significant challenges around delivery based purely on taking a more commercial approach and this is mentioned in more detail below and as such requires a change to the focus and objectives of any Sustainability Strategy moving forward.

4.7 The Financial Sustainability Strategy is currently in draft and will come through the Committee cycle later this year.

4.8 A programme of asset valuations and condition surveys are currently underway which will help us better understand the costs of maintaining and improving our asset base over the medium to long term to ensure that it remains fit for purpose. Assets will be used to deliver a service benefit and deliver income for the Council where appropriate.

4.9 Further direct investment in property will be considered where there are additional benefits over and above income generation, such as regeneration and supporting the local economy or housing initiatives in line with guidance from MHCLG.

4.10 Opportunities for the most efficient utilisation of the Council's assets and maximising returns where appropriate are vital. Indirect property investments via treasury instruments, such as the purchase of pooled property funds, can potentially provide a return in terms of a regular income and growth in the value of the investment. Under the Treasury Management Strategy, the Council has made investments in a number of pooled funds which invest in property. One of these funds, the CCLA Local Authorities Pooled Property Fund, invests exclusively in various property assets with the aim of achieving a regular income and growth in the value of the investment.

4.11 In addition to these investments, the Council has agreed to provide capital expenditure loans to registered providers of social housing to facilitate the delivery of housing in the district, along with achieving an income return on its investment. The Council can choose to use its capital resources to finance a programme of asset investment which aims to deliver long-term revenue streams for the Council and work on an ongoing basis is required to identify the most appropriate projects. This strategy of direct property investment can ensure a secondary benefit to the district as it is possible to generate an economic growth benefit when the investment is located in North Norfolk. This is, however, more resource intensive to manage than externalising these investments.

Growing the Rates and Tax bases

4.12 Under the current allocation method of New Homes Bonus (NHB) there was a direct financial benefit to the Council from growth in homes through the NHB funding and through increasing the council tax base and additional income generated from council tax. Whilst new housing growth has an impact on the demand for local services, there will still be a net gain in terms of overall income for delivery while the NHB remains and subject to potential changes to the scheme. The Government seems committed to an incentive based scheme to promote house building, so it is possible that this will continue to be an important income stream for the Council, however, the benefit of the continuation of the scheme to North Norfolk will depend ultimately on how the scheme is developed. Any growth in the Council Tax base will also increase the amount of income that the Council can collect through the District call on the Collection Fund.

4.13 For similar reasons growing the business rates base will have a direct impact on the level of business rates income retained locally. Equally, maintaining existing business rates remains a priority in that decline in business rates will reduce the amount of income retained.

4.14 Under the current Business Rates Retention Scheme, Shire District Councils keep a generous share of the above baseline growth. Retaining this under a new scheme will be an important request to make of Central Government.

4.15 The increased flexibilities around council tax discounts and increases following the removal of the tax freeze grant in 2016/17 provides a further potential income stream. Further review of the current level of discounts can also provide additional income, most recent recommendations on the level of council tax discounts were reported in December 2021.

Implementing CIPFA's Financial Management Code

4.16 The CIPFA Financial Management Code presented Councils will new principles and standards with respect to Financial Management, based on their view of what good Financial Management looks like in Local Government and in response to a spate of Section 114 notices across the sector.

4.17 The Council has developed an action plan to achieve compliance with the Code, which is currently being implemented. One large project which featured on this action plan was to undertake Zero Based Budgeting, which is mentioned in section 3 of this report.

4.18 Implementation of the Code's guidance will improve financial management at the Council and contribute positively to its financial sustainability in the medium to long term by helping officers to more effectively horizon scan, identify risks and plan accordingly.

Lobbying and Consultation

4.19 The Council will continue to lobby central government in terms of increased funding allocations and relaxation/increased flexibility in terms of the council tax referendum principles which will be one of the things required if income raising and decision making is ever to be truly local. We will also continue to respond to all relevant consultations, in particular at the present time on relation to the Business Rates and Fair Funding Reviews.

4.20 The Council has changed the way it runs the statutory ratepayer consultation on the draft Budget for 2022/23 in order to make it more interactive and easier for members of the public to participate in. This will allow the Council to achieve better Value for Money by aligning its budgets to Corporate Priorities which are reflective of the needs of the District.

Barriers to a commercial approach

4.21 The Department for Levelling Up, Housing and Communities (along with its predecessor) has raised concerns about Councils becoming directly invested in property for income generation purposes with taxpayers' money. It is his view that Councils do not have the expertise and resources to do this effectively, and are as such taking too great a risk with public funds. Government guidance states that Councils should not borrow in advance of need to spend on service provision, and that taking on debt to fund property purchases, unless it is primarily for a service related objective, is not allowed. The Public Works Loan Board's lending terms now specifically excludes Councils that have 'debt for yield' projects in their Capital Programme from borrowing for any purpose. This significantly restricts the commercial activity of Councils and removes a key potential income stream.

5. Conclusions

5.1 At the present time the forecast draft budget position for 2022-23 is balanced, subject to the assumptions listed within the report. There are challenges ahead as a budget gap remains in the future years. The Council will attempt to address this by taking the measures outlined within this report.

6. Medium Term Financial Strategy and Corporate Plan Objectives

The implications for the Medium Term Financial Strategy are set out in the report. With funding levels continuing as projected, we are expected to be dealing with deficits in the years going forward. These projections are regularly reviewed in light of Government announcements and consultations. The resources identified as available within the MTFS will directly affect the Council's ability to deliver the Corporate Plan. This year the budget setting process has realigned service budgets to the Corporate Plan priorities in order to support this.

This report supports the Financial Sustainability work stream of the Corporate Plan. For a Council to be financially stable, it must be able to produce a balanced budget for each financial year and provide Medium term forecasts to aid future planning.

7. Financial Implications and Risks

7.1 A comprehensive financial risk assessment has been undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified. These are reviewed each year as part of the refresh of both the MTFS and the budget. The key strategic financial risks to be considered in developing the budget for 2021/22 are included within the table below.

7.2 Medium term financial planning, set against a backdrop of severe reductions in Government funding, carries with it a significant element of risk. Many factors may impact on the figures presented here and themes have been highlighted where appropriate. Most significant are the potential revisions in Local Government finance policy, continual cuts to general grant and significant revisions to the New Homes Bonus and its ultimate replacement. Should there be a change in emphasis, particularly around the assessment of need (Fair Funding Review) and business rates funding, there may be further reductions compared with those presented within this report that would place further pressure on the council to deliver balanced budgets, without impacting on frontline services.

7.3 Beyond this, Government policy announcements can have large impacts on our finances. We will continue to monitor announcements from Government departments and work with service managers to assess any potential impact on the Council's services and budget.

Despite these risks, we will continue to plan effectively to strengthen our culture of strong financial management so that the Council can continue to meet its Corporate Plan priorities and provide the best possible services to the district. The Council is currently working to deliver CIPFA's new Financial Management Code (as referenced elsewhere within this report) and build on its already positive culture of good financial management.

Risk	Likelihood	Impact	Risk Management
1. Future available resources less than assumed	Possible	High	Annual review of reserves and reserves policy to identify future resources. Assumptions on

			funding for 2022/23 and beyond are based on best estimates at this time. A prudent approach has been adopted based on previous years' experience as well as using regional network contacts to inform modelling.
2. Volatility of business rates funding given uncertainty around impact of appeals	Likely	High	Volatility of funding stream outside of council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning. Unknown impacts of proposed additional reliefs for 2022/23 if COVID 19 restrictions are in place during the year.
3. Pay Awards, fee increases and price inflation higher than assumed	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and care fees. Where pay awards have been agreed these will be factored into the future estimates.
4. Future spending plans underestimated	Possible	Medium	Service planning process identifies future budget pressures and these will inform the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures.
5. Anticipated savings/ efficiencies not achieved	Possible	High	Regular monitoring and reporting takes place but the size of the funding cuts increase the likelihood of this risk. Non-achievement of savings would require compensating reductions in planned spending within services. Greater scrutiny of savings has taken place since 2016/17 through the revenue monitoring process. History of delivering savings.
6. Revenue implications of capital programmes not fully anticipated	Unlikely	Low	Capital bid approval framework identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning.

7. Income targets not achieved	Possible	Medium	Current economic climate could impact. Regular monitoring and reporting takes place.
8. Budget monitoring not effective	Unlikely	Medium	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Regular reports to Cabinet and to O&S. Track record of delivering budget and savings.
9. Exit strategies for external funding leasing/tapering not met	Possible	Medium	Regular monitoring and reporting. Government policy to remove ring fencing provides greater flexibility.
10. Loss of principal deposit	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which balance security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions. It is the Council's policy to hold more volatile investments over a medium term time frame rather than using them for liquidity purposes, further reducing the risk that they will need to be sold at a price which represents a loss of principle.
11. Interest rates lower than expected	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2022/23 are incorporated into the budget. Interest rates are currently at historic lows; the likelihood of further reductions (or reductions into negative territory) remains low.
12. Collection rates for retained business rates and council tax lower than anticipated	Possible	High	Impact mitigated by the review of bad debt provisions and availability of reserves. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process.
13. Financial budget impacts of the COVID 19 pandemic	Likely	Medium /High	Continue to work collaboratively with central government departments to monitor and forecast additional expenditure and reduced income caused by restrictions introduced to curb the transmission of COVID 19. It is not possible to predict exactly what restrictions (if any) will be in

			place during the 2022/23 financial year.
14.Devolution/Unitary status –	Possible	Medium	Local Government reorganisation has been put on hold. Officers and Members will keep a watching brief in respect of this but again at present no budgetary impact is being assumed.
15. All MTFS risks not adequately identified	Unlikely	Low	Council's Risk Management Framework ensures all operational and strategic risks are identified as part of the annual service planning process.

8. Sustainability

There are no sustainability issues as a direct consequence of this report.

9. Equality and Diversity

The Council is required to consider the equality duty in its decision-making and this includes the budget process. As part of any savings or investments the Council must consider how it can:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between different groups; and
- Foster good relations between different groups by tackling prejudice and promoting understanding.

No new specific savings proposals have been factored into the 2022-23 budget, so there are no equality issues arising.

10. Section 17 Crime and Disorder considerations

There are no Section 17 Crime and Disorder considerations as a direct consequence of this report.

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CAR PARK CHARGES – REVIEW

Summary:	Car parking income represents a significant income source to the Council and as such has a substantial contribution to make to the Council's longer term financial sustainability and helping to set and maintain a balanced budget. There are significant costs associated with a range of Council services which support the tourism economy, with provision of public conveniences, foreshore activities, parks, open spaces and woodlands representing a combined annual revenue spend in excess of £2.2m. It is appropriate for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience. These are all discretionary areas of spend but help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate. The current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible. Car park charges have not been increased since July 2016. This report considers the current car park fees and charges and provides the Cabinet with an opportunity to consider changes to the fee structure as appropriate. At their meeting on 12 January 2022 Overview and Scrutiny Committee were provided with an opportunity to pre-scrutinise the officer report to consider the range of potential options prior to any consideration by Cabinet and the recommendations from the Committee are therefore now included within this report for further consideration.
Options considered:	A number of options are considered within the report as follows; 1. Do nothing – the Council could opt to do nothing and not change the current fees and charges. 2. Alternatively the report considers a number of different proposals to fee structures for potential introduction from July 2022.
Conclusions:	As one of the Council's largest external income sources car parking charges have a significant contribution to make in terms of the Council's financial sustainability in the medium to long term. Financial Sustainability and Growth is one of six key themes within the Corporate Plan and links directly with objective 2.2 of the Delivery Plan. The Council incurs significant levels of expenditure on discretionary service areas which help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the

current financial climate. These costs cover a range of Council services which support the tourism economy, from provision of public conveniences, maintenance and operation of Cromer pier, foreshore activities, parks, open spaces and woodlands which represent a combined annual revenue spend in excess of £2.2m. It is appropriate therefore for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

There are clearly multiple variations on the possible range of pricing options and initiatives for car parks. Due to the nature of parking charges and for simplicity it is best to make any increases to the nearest 10p. Even a relatively modest annual increase of 3.5% from 2016 would have increased the hourly charge at our 'Coastal' car parks from £1.50 per to £1.84 (unrounded) by April 2022.

To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position and to strengthen day to day car park management to minimise losses by more timely resolution of machine breakdowns etc, Cabinet are invited to consider and comment on the issue of resource for improved management of the service.

The Overview and Scrutiny Committee have pre-scrutinised the officer report and their recommendations are included as part of this updated report for further consideration by Cabinet.

Recommendations:

Cabinet consider the options and proposals contained within this report and make recommendations to Full Council on;

- **the preferred way forward in terms of pricing changes so that these changes can be considered as part of the budget setting process for 2022/23 and inform the future financial strategy;**
- **changes to car park designations as outlined within the report;**
- **implementing any new pricing changes from July 2022 and instigating the Car Park order (CPO) consultation process;**
- **budgetary provision of £25k to cover implementation costs resulting from any changes.**

Reasons for Recommendations:

Car parking income represents a significant income source to the Council and as such has a substantial contribution to make to the Council's longer term financial sustainability and helping to set and maintain a balanced budget.

Car parking income needs to be considered against the context of our discretionary service provision which people value but which is often difficult to charge for, such as we public conveniences, the seafront environment and Blue Flag beaches, beach lifeguards, additional street cleansing, litter bins etc. It is becoming increasingly more difficult for the Council to continue to provide these services at the level expected by local residents, businesses and tourist visitors from Council Tax payers alone. Further to this it is not fair or equitable across the District as a whole and doesn't operate under the 'user pays' principle.

Car park charges have not increased since July 2016, there are a number of options that Members need to consider in relation to any potential changes to the car park fees and charges so that any alterations can be implemented through a new Car Park Order (CPO). Members of the Overview and Scrutiny Committee were given the opportunity to pre-scrutinise the officer report ahead of consideration and their recommendations are included now for further consideration.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Cabinet Member(s); Cllr Eric Seward	Ward(s) affected; All
Contact Officer, telephone number and email: Duncan Ellis, 01263 516330, duncan.ellis@north-norfolk.gov.uk	

1. Introduction

1.1 The aim of this report is to present the findings of an options appraisal undertaken by officers for potential changes to car parking fees and charges and associated initiatives. It outlines the existing charging regime, presents some general information on car park usage and income comparisons and proceeds to discuss potential charging options.

1.2 Within the Corporate Plan and supporting Delivery Plan, Objective 2 under the 'Financial sustainability and growth' theme centres on 'taking, where appropriate, a more commercial approach to the delivery of discretionary services.' One of the Delivery Plan actions to help achieve this is set out under 2.2 and is to 'review the Car Parking Policy in order to maximise the revenue generated from car parking income.' This report considers ways in which the Council might best be able to achieve that objective.

1.3 Please note that due to the ongoing Covid pandemic and the impact this had on income figures for 2020/21, comparative information within this report focuses on the 2019/20 financial year.

1.4 The Council incurs significant levels of expenditure on discretionary service areas which help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate.

1.5 There are significant costs associated with a range of Council services which support the tourism economy, from provision of public conveniences, maintenance and operation of Cromer pier, foreshore activities, parks, open spaces and woodlands which represent a combined annual revenue spend in excess of £2.2m. It is appropriate therefore for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

1.6 Car parking income needs to be considered against the context of our discretionary service provision which people value but which is often difficult to charge for, such as we public conveniences, the seafront environment and Blue Flag beaches, beach lifeguards, additional street cleansing, litter bins etc. It is becoming increasingly more difficult for the Council to continue to provide these services at the level expected by local residents, businesses and tourist visitors from Council Tax payers alone. Further to this it is not fair or equitable across the District as a whole and doesn't operate under the 'user pays' principle.

1.7 Car park charges have not increased since July 2016. This report considers the current car park fees and charges and provides Cabinet with an opportunity to consider the range of potential options.

1.8 While officers appreciate the current financial pressures that our customers and residents are experiencing in terms of living costs, it needs to be recognised that the Council is also facing very similar cost pressures from increasing contract prices through to energy cost pressures.

1.9 There is a need for the Council to reach a sustainable medium to long term financial position and raising fees and charges for the range of services that the Council provides is one such way of helping to deliver this whilst protecting front line services.

1.10 Despite a favourable Provisional Settlement announcement for the 2022/23 financial year, the current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible.

1.11 As well as statutory core services the Council provides a range of non-statutory services. There are however significant costs associated with a range of Council services which support the tourism economy. The revenue budget for provision of public conveniences for example for the 2021/22 financial year is £0.7m with capital investment of c£1.2m since 2018. Similarly budgets for the foreshore activities, parks, open spaces and woodlands total approximately £1.5m.

These areas represent a combined annual revenue budget in excess of £2.2m and it is appropriate for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

1.12 There are clearly multiple variations on the possible range of pricing options and initiatives for car parks, some of which are presented within this report. It is within this context that Cabinet are asked to consider options and proposals for future charging arrangements and to make recommendations to Full Council regarding any changes as required.

2. Consideration by the Overview and Scrutiny Committee

2.1 At their meeting on 12 January 2022 the Overview and Scrutiny Committee were provided with an opportunity to pre-scrutinise the officer report to consider the range of potential options prior to any consideration by Cabinet and the recommendations from the Committee are therefore now included within this report for further consideration.

2.2 Following discussion around the options presented within the report the Overview and Scrutiny Committee made the following recommendations as outlined within the officer report, for further consideration by Cabinet;

- Option 1 (b) – consideration of increasing car park charges with the introduction of seasonal charging at coastal car parks
- Option 2 – consideration of season ticket increases
- In relation to the additional staffing recommended, the Committee stated that they would require further detail and understanding of what the posts would deliver and what the business case looked like before they were able to support the proposals

2.3 In relation to Options 1 (b) and Option 2, while the Committee were minded to increase charges, appreciating the current cost pressures the Council is facing and the need for tourists to help support the costs of the coastal infrastructure, this was on the basis of increases tied to the Consumer Price Index rises sine the charges were last increased back in July 2016.

2.4 Sections 3 onward are presented as per the report that went to the Overview and Scrutiny Committee for pre-scrutiny but the impact of the recommendations which were made in terms of potential income increases are summarised within the tables below.

2.5 In terms of CPI inflation over the last 6 years, the annual inflation figures have been taken as at July each year from the Office of National Statistics (ONS) and are as follows;

July 2017	-	2.6%
July 2018	-	2.3%
July 2019	-	2.0%
July 2020	-	2.1%
July 2021	-	2.0%
July 2022	-	5.1% (estimate based on current rate in November 2021)

2.6 These inflationary rates have then been applied to the current car park charges across the three car park tariff types to arrive at the potential hourly rates within the table below. This would result in the following potential new rates for the various car park types;

Standard car parks - £1.20 for 2 hours then 80p per hour thereafter (£6.00 24-hour ticket)
Resort car parks - £1.50 for the first hour then £1.20 per hour thereafter (£8.70 24-hour ticket)
Coastal car parks - £1.80 per hour (£9.00 24-hour ticket)
Coach parking - £11.70
Holt Country Park - £2.30

2.7 The table below shows what the charges would be across the 3 car park types based on these charges although tt would be sensible to put the round the coach ticket to £12 from £11.70 and the 7+ Resort ticket to £9 from £8.70. Seven day tickets will be based on the daily rates.

Option 1 (b) - seasonal charging linked to CPI rates for the last 6 years (uprated hourly car park charges)

Standard Car Parks

	30 mins	1 - 2 hrs	3	4	5	6	7	8+	Coach
£1.00 for 2 hrs then 70p per hr	£0.50	£1.00	£1.70	£2.40	£3.10	£3.80	£4.50	£5.00	£10.00
£1.20 for 2 hrs then 80p per hr (CPI)	**£0.60**	**£1.20**	**£2.00**	**£2.80**	**£3.60**	**£4.40**	**£5.20**	**£6.00**	**£11.70**
Ticket increase (cash)	£0.10	£0.20	£0.30	£0.40	£0.50	£0.60	£0.70	£1.00	£1.70

Resort Car Parks

	30 mins	1	2	3	4	5	6	7+	Coach
£1.30 for 1st hr then £1.00 per hr (current)	£0.60	£1.30	£2.30	£3.30	£4.30	£5.30	£6.30	£7.00	£10.00
£1.50 for 1st hr then £1.20 per hr (CPI)	**£0.70**	**£1.50**	**£2.70**	**£3.90**	**£5.10**	**£6.30**	**£7.50**	**£8.70**	**£11.70**
Ticket increase (cash)	£0.10	£0.20	£0.40	£0.60	£0.80	£1.00	£1.20	£1.70	£1.70

Coastal Car Parks

	30 mins	1	2	3	4	5+	Coach
£1.50 per hr	£0.60	£1.50	£3.00	£4.50	£6.00	£7.00	£10.00
£1.80 per hr	**£0.70**	**£1.80**	**£3.60**	**£5.40**	**£7.20**	**£9.00**	**£11.70**
Ticket increase (cash)	£0.10	£0.30	£0.60	£0.90	£1.20	£2.00	£1.70

2.8 The proposal in relation to the seasonal charging reflects freezing the prices at the coastal car parks during the months of November through to February inclusive (4 months). The first table below shows the projected income levels based on the forecast income levels **excluding the seasonal change** but based on the hourly charges outlined above. This shows the projected additional income, basing ticket prices on CPI increases, at c£321k pa.

Income growth projections vs current

	Current £000	Projected £000
Resort	921	118
Standard	269	30
Coastal	1,051	173
	2,241	321

2.9 The next table shows what the projected income levels would be based on the charging levels above but this time assuming that the charges at all Coastal car parks are frozen at current levels between the months of November – February inclusive.

Coastal income growth projections – Seasonal Variant

	Current £000	Seasonal £000
March - Oct	949	158
Nov - Feb	102	3
	1,051	161
Non-seasonal increase		173
Variance		-13

2.10 The table shows that the impact of introducing the seasonal reduction for four months over the winter reduces the anticipated income by c£13k based on current projections.

2.11 As with the hourly car park ticket tariffs the short and long term season ticket prices have been similarly increased by the CPI figures with the potential updated ticket rates shown within the table below.

Option 2 - seasonal tickets linked to CPI rates for the last 6 years						
	Short 3 m	Short 6 m	Short 12 m	Long 3m	Long 6m	Long 12m
Current price	£16	£31	£56	£66	£122	£204
CPI increase	**£19**	**£36**	**£66**	**£77**	**£143**	**£239**
Ticket increase (cash)	£3	£5	£10	£11	£21	£35

2.12 The CPI inflationary ticket price increases have been applied to the forecast ticket sales and these changes would result in a projected increase of £48k pa based on current forecasts when compared to the current budget as can be seen within the table below.

	Short 3 m	Short 6 m	Short 12 m	Subtotal	Long 3m	Long 6m	Long 12m	Subtotal	Total
CPI ticket increases	*£19*	*£36*	*£66*		*£77*	*£143*	*£239*		
	10	13	142	**165**	32	19	108	**158**	**323**
								Extra income	48

2.13 The CPI inflationary ticket price increases for Holt Country Park would increase the ticket price from £2.00 to £2.30 and would result in additional income of just over £4k based on current usage levels.

2.14 The table below brings all of the above together to summarise the position and shows the net projected increase in income based on the recommendations made by the Overview and Scrutiny Committee of c£361k pa.

Income growth projections based on O&S recommendations		
	£000	**£000**
Pay & Display Ticket Income		
Resort	118	
Standard	30	
Coastal	173	
Coastal - seasonal	-13	
Holt Country Park	4	
		313
Season Ticket Income		
Season tickets - short stay	25	
Season tickets - long stay	23	
		48
	361	**361**

3. Background

3.1 North Norfolk District Council (NNDC) owns 32 car parks, 30 of which operate a pay and display (P&D) scheme. The remaining two facilities are; a car park on Midland Road, North Walsham (which is leased to and operated by North Walsham Town Council on a free basis) and a 'season ticket only' car park at Hall Staithe, Fakenham.

3.2 There are a number of components to the service which are managed party by NNDC, and, since 2010, partly through a shared working arrangement with the Borough Council of King's Lynn and West Norfolk who cover enforcement and cash collection on our behalf.

3.3 Car park income in North Norfolk has a seasonal bias with the majority of the income derived between May-September, particularly during peak holiday periods. This is particularly the case for the Resort and Coastal tariff car parks which provide key facilities for visitors during the summer season.

3.4 The car park fees and charges were last reviewed in June 2015 and subsequently changed in July 2016 and had not been increased since April 2012 prior to that. Parking charges currently apply from 8 am to 6 pm. Our Car Park leaflet provides further information on charges and season ticket prices.

3.5 Operating costs for the Council's car parks for the 4 years to 2019/20 are shown below, the net income position has consistently been around £1.6m over this period.

Subjective heading	2016/17	2017/18	2018/19	2019/20
	Actual £000	Actual £000	Actual £000	Budget £000
Premises	403	388	472	467
Supplier & Services	305	327	349	378
Support Services	204	257	182	172
Capital Financing Costs	24	33	156	28
Income	(2,613)	(2,626)	(2,734)	(2,655)
Net Income	(1,677)	(1,621)	(1,576)	(1,609)
Enforcement Income (already taken into account but identified here for information)				
	(87)	(71)	(88)	(49)

Explanation of categories
Premises *Relates to business rates, on-going and ad-hoc minor repairs and maintenance*
Supplies and Services *Relates mainly to the enforcement payments made to the Borough Council of Kings Lynn & West Norfolk*
Support Services *A percentage of internal back office/support costs incurred to run this service*
Capital charges *General capital charges relate to depreciation which in the case of car parks will only be for the equipment (ticket machines)*
Income *Pay and display income (cash and credit cards), season ticket/permit sales, penalty charge income and market recovery*

3.6 The gross budgeted income across all car park income streams and outturn figures (excluding VAT) for the last 5 years can be seen within the table below. As can be seen above the impact of the lockdown due to the Covid pandemic during the 2020/21 financial year had a significant effect on the car park income levels and resulted in a reduction of c£0.7m compared to the budget.

3.7 The gross income forecast from car parks across the district for 2021/22 is £2.7m (excluding VAT). The net budget after taking account of all running costs is £1.6m and as such this service area represents a significant income stream for the Council. This assumes full recovery to post Covid income levels and usage and does not take account of any further lockdown periods during the year.

Car park income figures for the last 5 years

	Actual (£m)	Budget (£m)	Variance (£m)	Notes
2017/18	2.6	2.7	0.1	
2018/19	2.7	2.7	0	
2019/20	2.7	2.7	0	
2020/21	2	2.7	0.7	*Covid
2021/22	-	2.7	-	

3.8 As mentioned above gross budgeted income for 2021/22 (excluding VAT and internal recharges) totals £2.7m and is split as follows:

	(£000)
Cash/credit card payments in P&D machines	£2,361
Penalty Charges	£70
Season Tickets	£263
Other income/rentals	£ 40

3.9 As at period 6 (end of September 2021) the car parking income is £152k up against the year to date budget for 2021/22 with a full year effect of £80k currently being forecast once additional business rates costs have been taken into account.

3.10 The Council made a £250k investment in a scheme to deliver 40 electric vehicle charging points (EVCPs) across a range of Council car parks. This scheme is now complete with EVCPs installed in NNDC owned car parks in Sheringham, Cromer, Holt, Fakenham, Wells and North Walsham as well as some at the Council offices in Cromer.

3.11 Despite a favourable Provisional Settlement announcement for the 2022/23 financial year, the current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible.

3.12 There is a significant cost associated with a range of Council services which support the tourism economy. The revenue budget for provision of public conveniences for example for the 2021/22 financial year is £0.7m with capital investment of c£1.2m since 2018. Similarly budgets for the foreshore activities, parks, open spaces and woodlands total approximately £1.5m. These areas represent a combined annual revenue budget in excess of £2.2m and it is appropriate for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

3.13 These are all discretionary areas of spend but help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate.

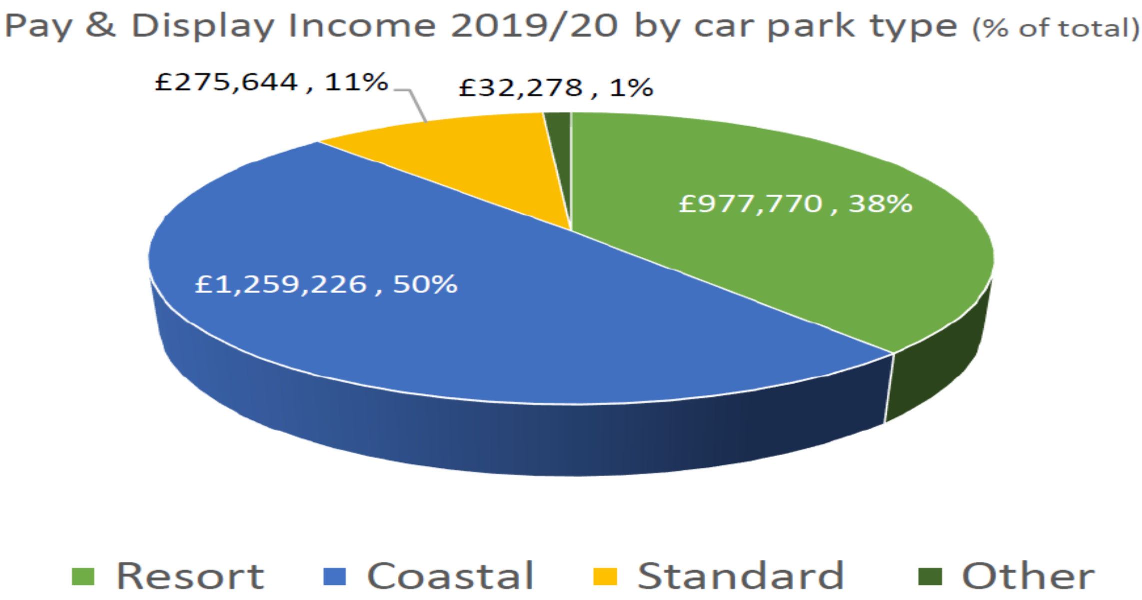
3.14 A significant element of the car parking income is generated from the seaside resorts during the peak holiday periods and the 6 weeks of the summer when the district sees a huge influx of holiday makers from outside the area. These visitors get to enjoy our Blue Flag beaches and our parks and open spaces without making any contribution to their upkeep and car park charges are a way to provide a contribution towards the continuance of these vital services which significantly support the visitor experience.

4. Current Charging Regime and Performance Data

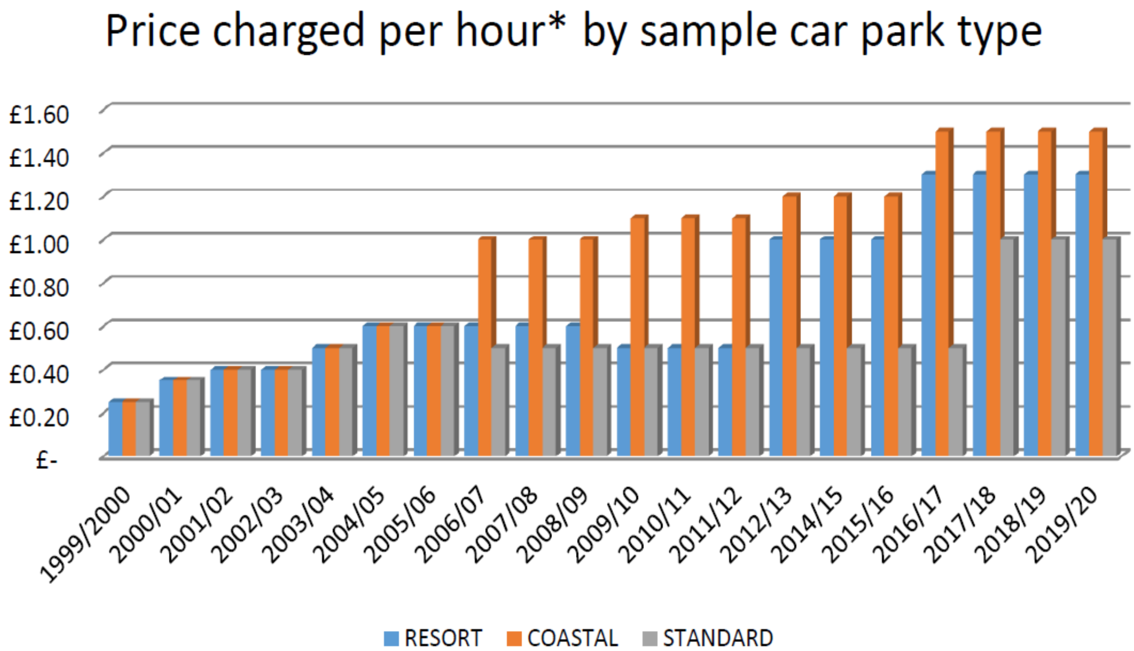
4.1 Current car park charges in North Norfolk reflect different types of car parks, but in summary are as follows (where available coach parking is £5 for up to 4 hours and £10 for 24 hours);

Tariff Type	8am to 6pm	30 minutes	24 hour
Standard	£1.00 for two hours, then £0.70 for every additional hour thereafter.	£0.50	£5.00
Coastal	£1.50 per hour.	£0.60	£7.00
Resort	£1.30 for the first hour, then an extra £1 for every additional hour thereafter.	£0.60	£7.00
Holt Country Park	£2.00 per all-day ticket.		

4.2 Of the 30 facilities operated on a P&D basis, 11 operate on a 'Standard' tariff, 11 on a 'Coastal' tariff, 8 on a 'Resort' tariff with Holt Country Park having its own pricing structure. Around 50% of the income is generated from the Council's 11 'Coastal' car parks as per the chart below. Previously the Council operated a £1 evening charge for parking after 6pm which generated c£90k pa, however this was removed from all car parks in November 2014.



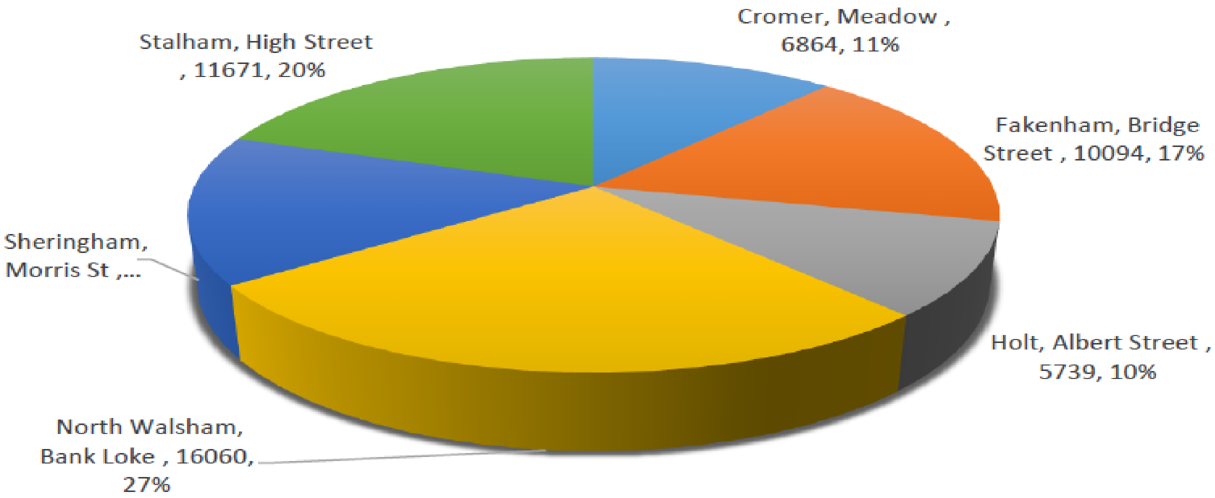
4.3 This chart shows how the P&D charges have increased over the last 20 years.



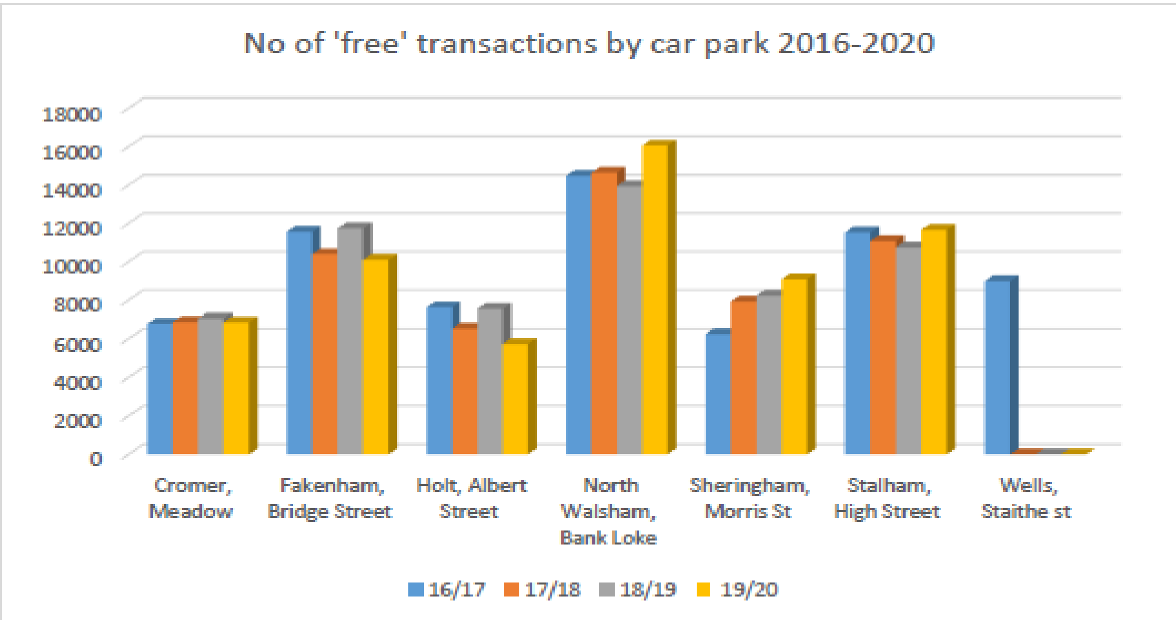
4.4 There are 3 free 30-minute parking bays available in each of the seven market towns. These are situated at the following car parks and the usage split can be seen within the chart below:

- Cromer – Meadow
- Fakenham – Bridge St
- Holt – Albert St
- North Walsham – Bank Loke
- Sheringham – Morris St
- Stalham – High St
- Wells – Staithe Street (non-operational for a number of years due to Maltings works)

Free transactions 2019/20 as no. and % of whole

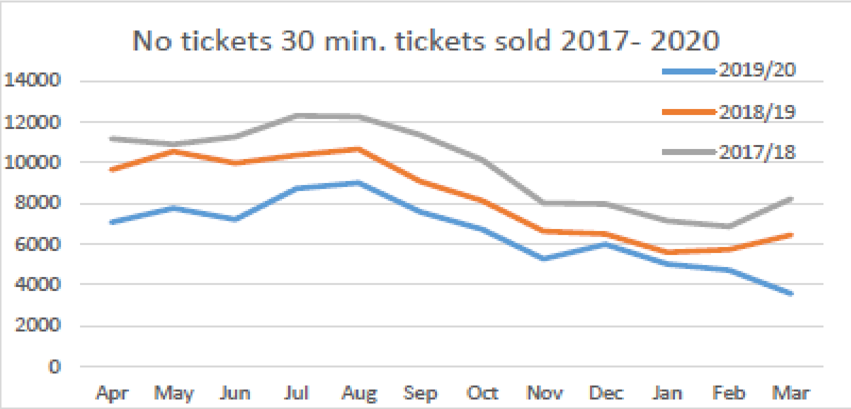


4.5 The chart below shows the pattern of usage across the 7 towns over the last 4 years.



<u>30-minute short stay tickets</u>

4.6 In 2012 a '50p for 30 minutes parking' tariff was introduced across all NNDC P&D car parks to accommodate those undertaking short stays and this charge has since been increased slightly to 60p for coastal and resort car parks. The trend in use of this ticket type is declining, reducing from a peak of nearly 160k in 2014/15 to 79k in 2019/20 representing almost 50%.



This indicates this tariff band is predominantly used by local people with only minor fluctuations during the peak holiday periods.

Since 2016, there has been a steady fall in the sale of 50p tickets.

	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2014/15	11,441	12,721	14,386	13,740	14,262	11,917	11,061	14,965	17,009	13,216	12,884	11,588	159,190
2015/16	10,626	11,231	13,914	12,458	14,744	13,313	10,951	10,376	8,515	7,604	10,355	10,063	134,150
2016/17	10,130	10,435	10,371	13,202	13,252	11,548	9,420	9,421	9,296	7,447	7,584	9,734	121,840
2017/18	11,169	10,907	11,263	12,312	12,255	11,351	10,143	8,011	7,974	7,131	6,863	8,223	117,602
2018/19	9,660	10,559	9,986	10,364	10,660	9,067	8,139	6,638	6,482	5,601	5,729	6,455	99,340
2019/20	7,066	7,764	7,212	8,735	9,010	7,583	6,711	5,259	5,982	5,017	4,718	3,567	78,624

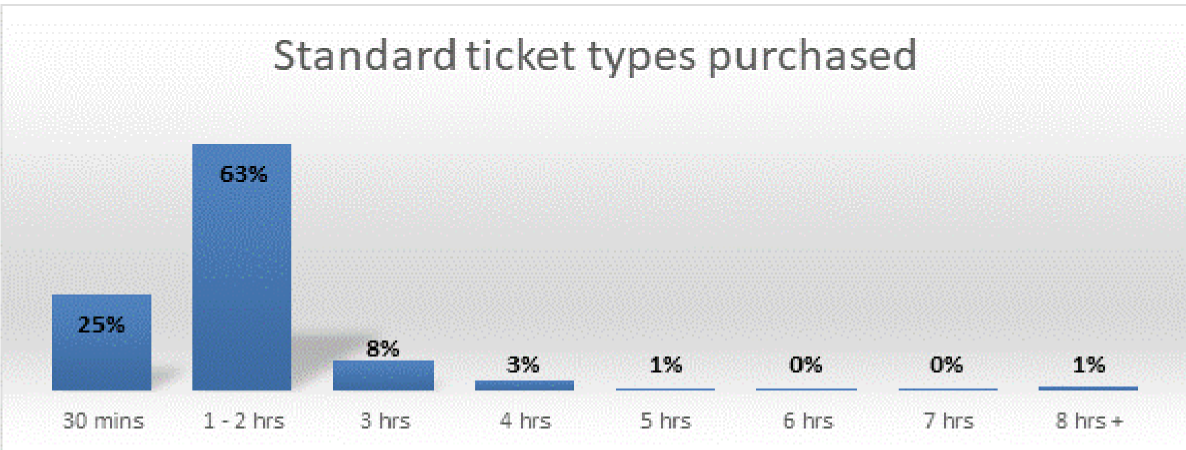
Whole day parking

4.7 In 2012 a £5 ticket for 24-hour parking was introduced across all car parks. In 2016/17 the 24-hour ticket price was increased to £7 for both Coastal and Resort car parks. Ticket numbers sold clearly reflect this option being predominantly used in July and August (41% 2019/20), suggesting it is popular with tourist/day trippers to the area and that sales remain fairly buoyant.

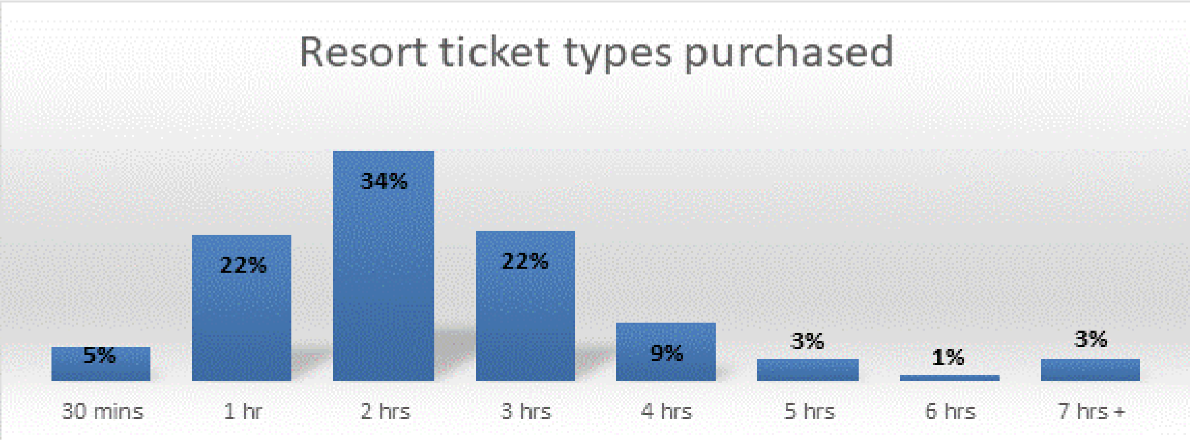
	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2014/15	3,926	6,520	5,585	10,913	17,075	5,307	3,270	1,854	1,801	1,251	1,459	2,178	61,139
2015/16	4,416	6,513	6,142	11,172	21,375	5,493	3,868	1,889	2,031	1,687	2,252	3,498	70,336
2016/17	4,074	7,008	5,726	7,814	12,976	4,367	2,816	2,000	2,312	1,556	1,952	2,450	55,051
2017/18	3,586	4,416	4,504	6,159	14,350	4,978	3,538	1,196	1,869	1,776	2,094	2,117	50,583
2018/19	3,635	7,015	5,176	11,224	15,049	3,805	3,488	2,008	2,208	2,027	2,675	2,832	61,142
2019/20	5,352	5,296	5,675	8,736	15,788	5,466	3,399	2,057	2,409	2,234	2,131	1,785	60,328

Ticket types purchased

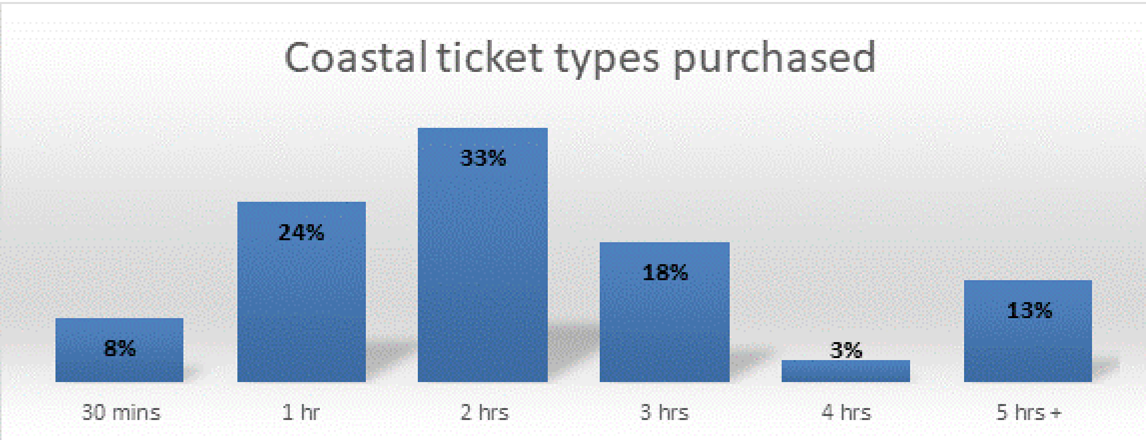
4.8 In total approximately 1.1m tickets are purchased annually, with roughly 0.3m of these relating to Standard car parks, 0.4m Resort and 0.4m Coastal. The split of ticket types purchased between the different classifications of car parks can be seen within the charts below.



4.9 Ticket purchases for Standard car parks are focussed predominantly at stays of 2 hours or less which represent 88% of sales. Sales for 4 hours or more only represent around 5% of total ticket sales. Members could consider a maximum charging regime for this type of car park of 3 hours, with the 3-hour ticket representing the maximum charge due to the ticket sales for 4 hours or more being comparatively low. This could encourage longer stays in these towns (North Walsham, Fakenham and Stalham) and would not significantly impact on income levels which would reduce by c£35k based on future projections, although this could be partly offset by any increased charges for the first 3 hours.



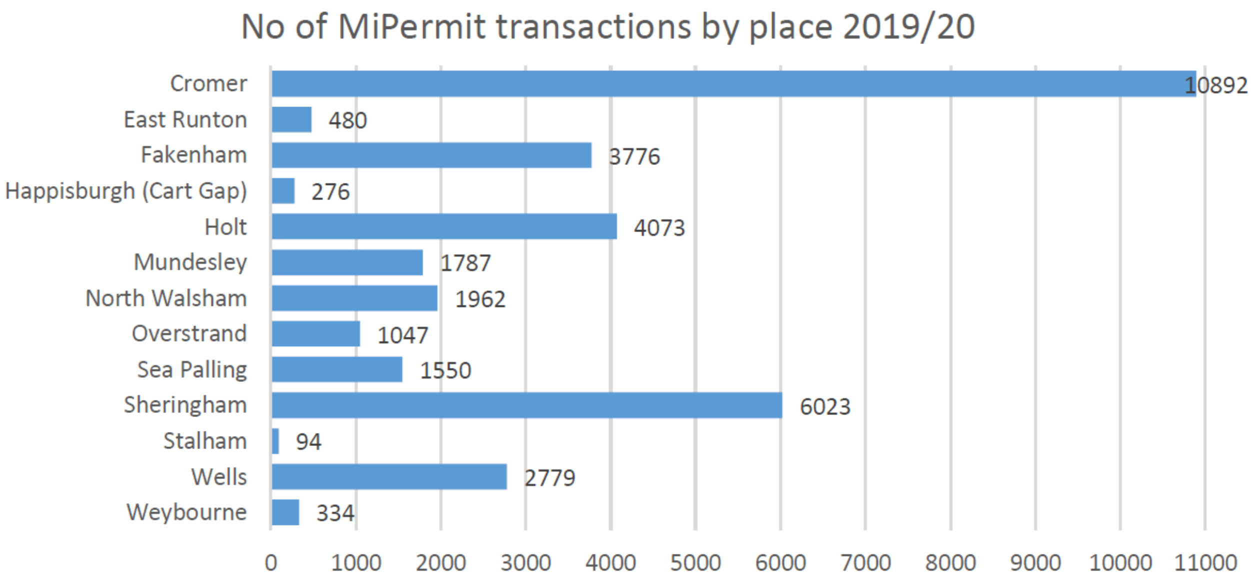
4.10 The pattern of Resort ticket purchasing differs from Standard car parks, reflecting slightly longer average stays with 84% of purchases being for 3 hours or less. Interestingly the 30-minute ticket is purchased far less often (5%) when compared to the Standard car parks (25%) which again suggests a far higher level of short stays at the Standard car parks.



4.11 As with the Resort car parks, 84% of the ticket purchases for Coastal car parks are for stays of 3 hours or less. However, there is a significant level of tickets purchased for 5 hours of more (13%) which effectively represents the 24 hour stay, reflecting longer stays/day trips. The level of 4 hour tickets purchased (3%) is probably reflective of the fact that currently the 4-hour ticket costs £6 whereas for an additional £1 you can purchase a 24-hour ticket (£7).

<u>Cashless Parking (MiPermit)</u>

4.12 In 2018 a cashless parking system was introduced which allowed users to download an app (MiPermit) and pay for their parking via text using a credit or debit card. This system is connected to the enforcement team who can check validity of ticket purchases. This system has become increasingly popular (as can be seen from figure 8 below), particularly in the peak summer periods. We anticipate that with ongoing Covid concerns, cashless payments will become increasingly popular.

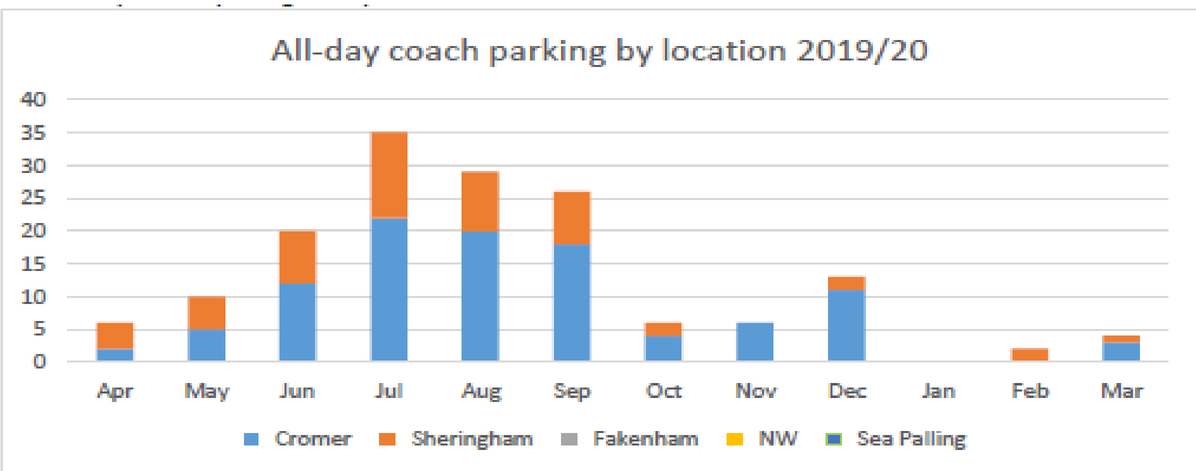


4.13 The Council's car park ticket machines are also fitted with cashless card sensors which enable customers to pay for parking with debit/credit cards which, like the MiPermit system, provides customers with added flexibility and convenience in terms of payment mechanisms.

4.14 Both these systems have the added benefit of reducing the costs of cash processing and the risk of vandalism so the Council will continue to promote these payment methods as being the most convenient for customers.

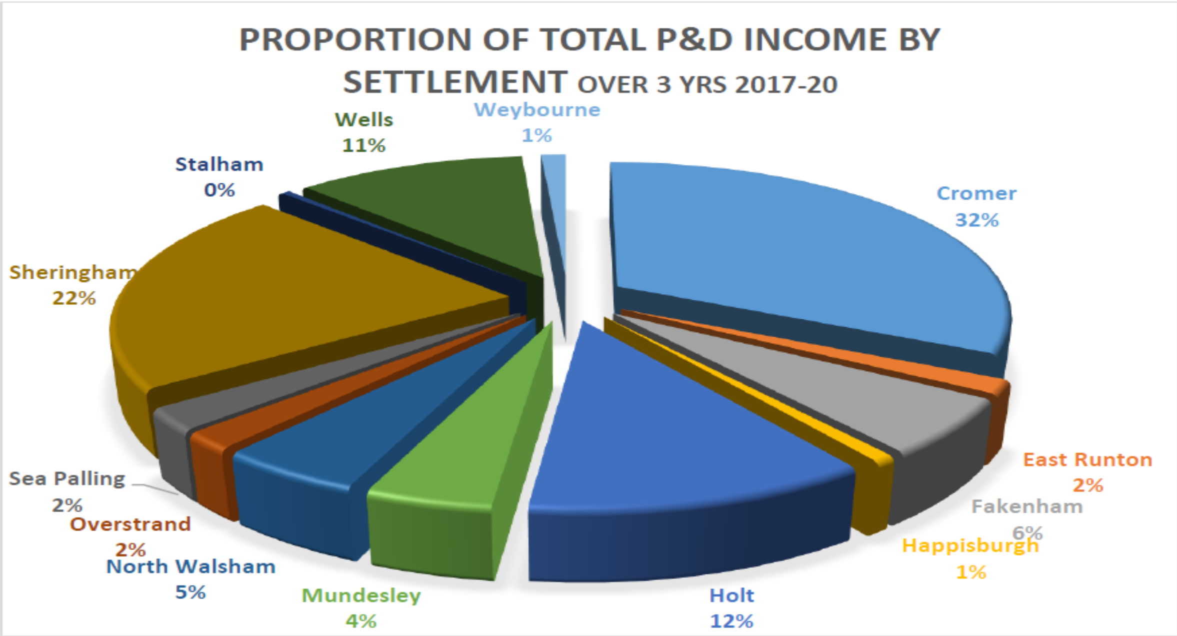
Coach parking

4.15 There are five car parks that offer coach parking (Station Approach Sheringham, Cadogan Road Cromer, Vicarage Street North Walsham, Clink Road Sea Palling and The Limes Fakenham). Coaches have the option of two tariffs: £5 for up to 4 hours and £10 for 24 hours. Figures for 2019/20 indicated no all-day coach parking tickets were purchased in Sea Palling or Fakenham although Fakenham coach bay was only opened in late 2019. In North Walsham 1 ticket was purchased through MiPermit. Purchases for 2019/20 are shown in the chart below.



Income by resort/town

4.16 The majority of car parking income comes from our seaside resorts/visitor destinations with 77% of the income in 2019/20 coming from these towns (Cromer, Sheringham and Wells) and Holt. The chart below illustrates the share of the average car park income over a three-year period.



Seasonal variations

4.17 Car park income is very seasonal with over 70% of the annual income being derived from the period April – September and 84% if you add March and October which are getting busier each year. Inevitably, it is very weather dependent, especially in the seaside resorts and coastal villages. The six weeks of the school summer holidays are crucial with for example, with 60% of income at Sea Palling coming from the months of July and August alone.

4.18 The highest earning car parks are those in resort towns which benefit from all year use as well as high summer use ie The Meadows (Cromer), Station Approach (Sheringham) and Albert Street (Holt). The seasonal prevalence is especially high as would be expected in coastal and then resort car parks with those designated as 'standard' having a fairly even usage across the year as shown within the table below.

2019/20	**March - Oct**	**Nov - Feb**	
Coastal	92%	8%	100%
Resort	79%	21%	100%
Standard	69%	31%	100%
Overall split	**84%**	**16%**	**100%**

Season tickets

4.19 Season tickets represent excellent value for money for people who park in our towns on a regular basis for work, shopping and leisure. Income from season tickets is currently at around £270k pa but has steadily increased over the past 5 years (c.37%), having seen only very small increases in price (2016 - just a £4 increase to the £200 charge), recognising the value these provide at £204 for a 12 month 24-hour ticket, this represents a cost of just £0.55 per day.

24-Hour Season Tickets

4.20 These tickets allow 24-hour, 7 days a week parking. Their use is restricted to car parks that are considered suitable for long-term parking and exclude Cromer (Meadow Road), Holt (Albert Street), Sheringham (Chequers), Sheringham (Morris Street) and Wells (Staithe Street). The current charges for 24-hour season tickets are as below.

7 Day Ticket	£28	Purchased from the car park ticket machines
3 Month Ticket	£66	Registration specific, purchased from NNDC
6 Month Ticket	£122	Registration specific, purchased from NNDC
12 Month Ticket	£204	Registration specific, purchased from NNDC

4.21 The 7-day ticket works out at £4 per day so there is potentially scope to consider increasing this to £5; £6 or £7.50 per day if the general daily charges are otherwise increased. These ticket types will predominantly be used by tourist visitors staying in self-catering and B&B accommodation or even camping and wanting to access the beach every day. At £5 per day this ticket type would cost £35 but that would still represent a £35 saving if daily charges at coastal car parks were increased to £10 for example.

4.22 Many Long Stay Season Tickets are purchased by local residents in town centres who live in terraced housing or flats and don't have private off-street parking and also by people who work in town centre retail and commercial businesses. Having bought a season ticket these can then be used at designated car parks at weekends at no additional cost.

4.23 Around 70% of 3 month tickets are purchased by people with a North Norfolk post code, and this increases to around 72% for the 6-month ticket and 84% for the 12-month ticket. Some of these purchases are however undoubtedly for second home owners and holiday lets as opposed to local residents.

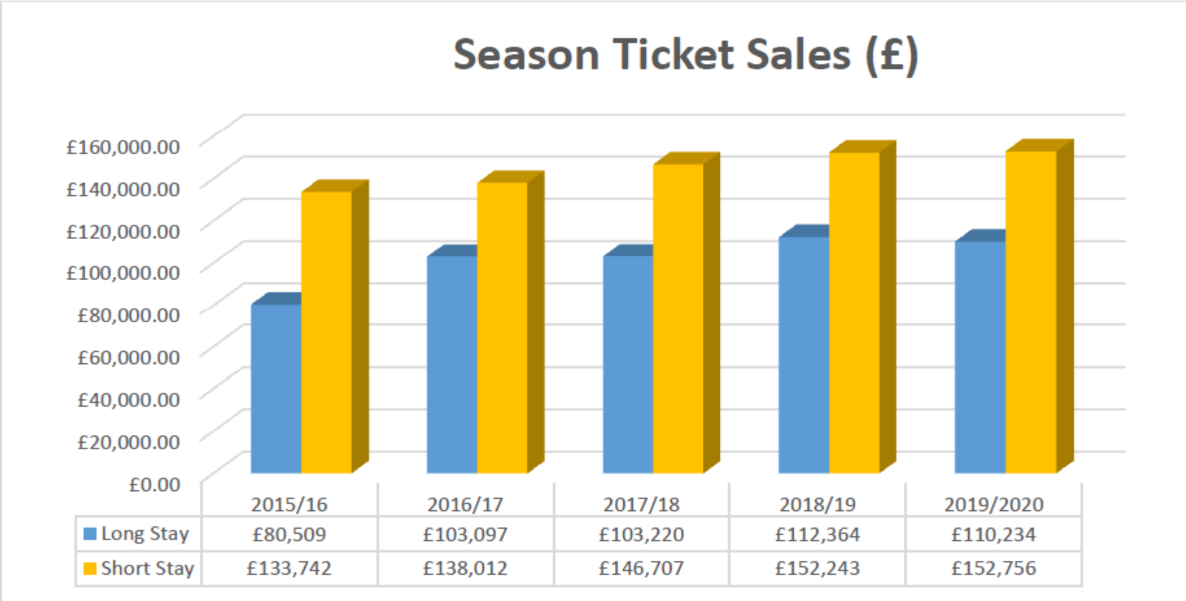
3-Hour Season Tickets

4.24 These season tickets allow up to 3 hours parking on any one car park on any one occasion, being designed for shoppers or those requiring regular short-term parking. The ticket consists of a manual dial that users set at the time they park the vehicle, enabling Kings Lynn's car parking enforcement personnel to enforce where necessary.

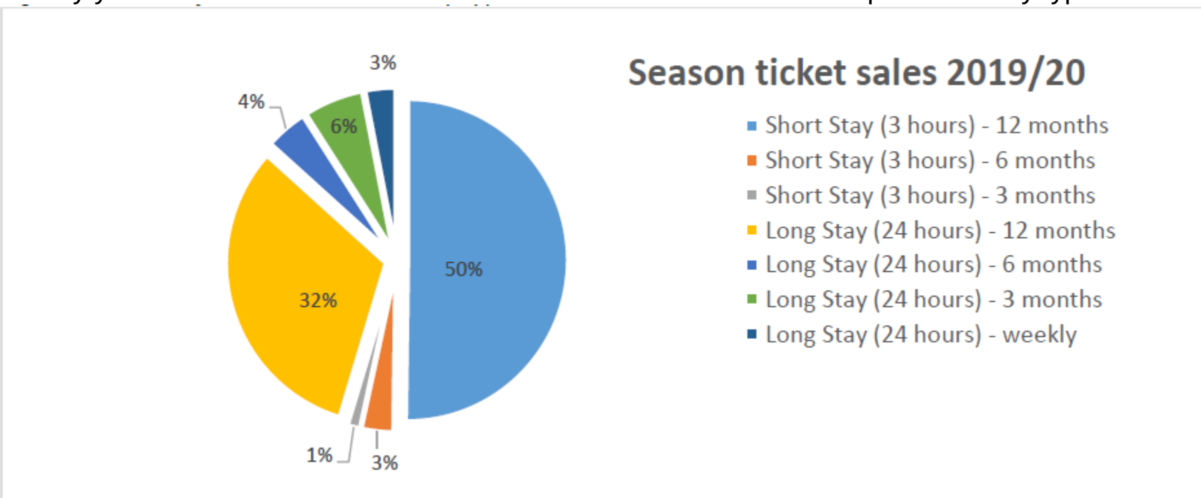
4.25 Any vehicle using this season ticket must be moved from the car park before the duration has expired. The same vehicle cannot return to the car park within two hours, but may park on an alternative NNDC car park for another three hours if required. The current charges for 3-hour season tickets are as below along with income levels for previous years.

3 Month Ticket	£16
6 Month Ticket	£31
12 Month Ticket	£56

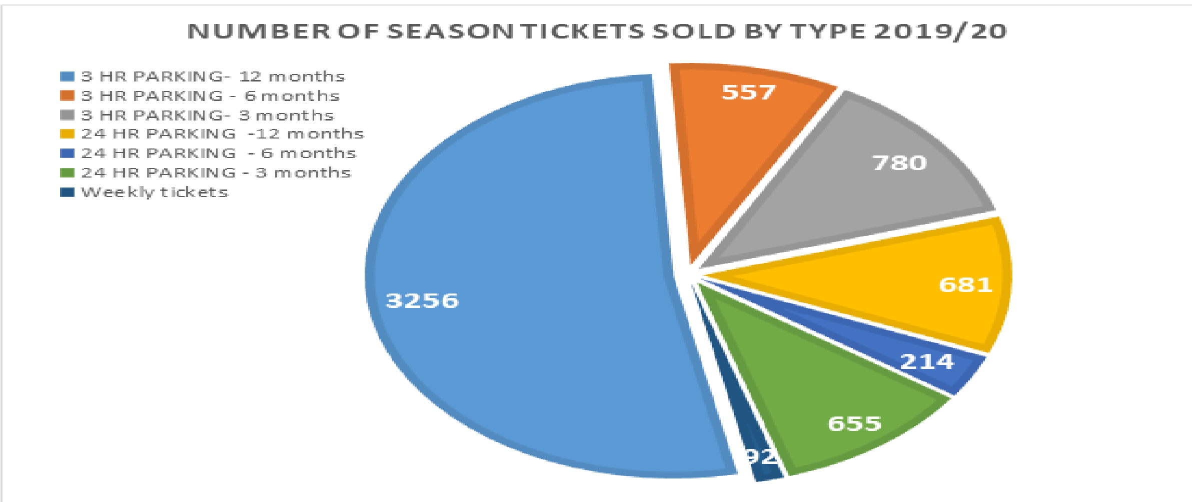
4.26 Around 55% of 3 month tickets are purchased by people with a North Norfolk post code, and this increases to around 50% for the 6-month ticket and 88% for the 12-month ticket. Some of these purchases are however undoubtedly for second home owners and holiday lets as opposed to local residents.



4.27 The most popular season tickets are short stay (3hr) tickets contributing to around 58% of total sales income, with 50% of those sales being for 12-month season tickets currently costing £56 each. There is a gradual shift to increased sales in 'long stay' ticket sales of about 1-2% more every year. The chart below shows the breakdown of season tickets purchased by type.



4.28 The chart below shows the breakdown of season tickets purchased by type as opposed to income generated.



Comparisons with other locations

4.29 Similar coastal resorts in Norfolk have the following charges:

Resort	Per hour	Winter Rates	Season tickets
Hunstanton car parks	Range from £1.80 - £4.00 and then £5.00 for 3 hours All day £7.00 Peak 1 July – 31 August	The same as summer except all day £6.00 Off-peak 1 September – 30 June	Details are here of various options at Hunstanton Car Parks. There are various options but the main annual permit costs £220 although there are exclusions.
Kings Lynn	Short term – range from £1.80 per hour up to £4.70 for 5 hours (8:00am until 4:59pm) with a £2.00 evening charge (5:00pm – 07:59am) Long term – Before 10:00 am – £2.80 After 10:00 am – £3.60 £2.00 evening charge (5:00pm – 07:59am)	All year round charge remains the same for all car parks	The details of the long-term season tickets can be found here, with an annual 24 hour ticket costing £400 or a monthly alternative at £40. Short term ticket information can be found here and the cost for an annual permit is £800 with no monthly option.
Great Yarmouth seafront	Summer £2.50 per hour, £5.00 for 2 hours then £3.30 per hour thereafter British Summer time – 31 October (ie last Sunday in March)	Winter £1.50 per hour Winter 1 November – start of British summer time (ie last Sunday in March)	Details are here of various options at Great Yarmouth Car Parks. Broadly speaking permits range from 3-day (£13.50, 8-day (£32.00) and monthly (£65.00). The monthly permit equates to £780 pa.
Great Yarmouth long stay	4 hours for £6.00, £9.30 for over 4 hours Summer 1 April – 31 October	Winter Closed 1 Nov – 31 March	As above.
Caister Beach Road	£1.00 per hour Summer 1 April – 30 September	Free Winter 1 October – 31 March	Residents quarterly pass £20.70
Wells, Beach Rd and Lady Anne Drive (Holkham Estates) Freeman Street	Up to 2 hours £3.50 Up to 4 hours £6.50 Over 4 hours & all day £9.00 Up to 2 hours £3.50 Up to 4 hours £5.00 Over 4 hours & all day £7.00	All year round charge remains the same for all car parks	Car passes run from 1st January to 31st December 2022. Holkham Beach £98.00 Wells Beach £98.00 Freeman Street, Wells £52.00

4.30 This suggests that in terms of seaside resorts, NNDC charges are generally lower than comparable areas, particularly in respect of season tickets for certain areas. There is a general expectation to pay for seaside car parking recognising the other infrastructure which is provided alongside these facilities.

Covid-19

4.31 During the 2020/21 financial year the car park income levels were significantly impacted as a result of the lockdown period experienced as a result of the Covid-19 pandemic. This resulted in a negative budget variance of c£0.7m for the year although support for some of this lost income was ultimately received through the central government fees and charges scheme which was introduced.

4.32 This undoubtedly represents an ongoing risk to not only this but other Council income streams and is continuing to be witnessed over the winter period in the form of the Omicron variant. However, if the pattern of the virus and any subsequent variants follows a similar pattern of low cases during the warmer summer months and increasing cases during the colder winter months the income levels would be impacted to a lesser extent as the majority of income (70%) is generated between April and September.

4.33 Further to this due to a combination of factors, including ongoing travel restrictions and a general nervousness continuing around foreign travel, the area is seeing increases in visitor numbers due the prevalence of ‘staycations’ which again could have a beneficial impact on this income stream.

4.34 This has been seen during the 2021/22 financial year and we are currently projecting a positive year end variance on car parking income of c£80k by the year end although we will have to see what the next few weeks hold in terms of any further restrictions which would negatively impact.

North Walsham Heritage Action Zone (HAZ)

4.35 A paper was taken to Cabinet on 1 November 2021 regarding North Walsham town centre ‘place making’ proposals (here). The report set out the proposed improvements to North Walsham town centre and sought authority to proceed with the activities to enable the proposals to be implemented as part of the High Street High Street Heritage Action Zone programme.

4.36 The final recommendations (slightly amended from the original) from this report related to car parking in the town and was as follows;

1. Agree to the potential use of a section of the New Road Car Park as a bus interchange and to meet the revenue costs of its future maintenance.

2. Agree in principle to the permanent designation of eight spaces at the Bank Loke Car Park and eight spaces at Vicarage Street car park as free short stay (1-hour) spaces, to compensate for the sixteen (30-minute) short stay free parking spaces that would be lost on Market place (whilst retaining disabled parking spaces in the Market place) should the place making scheme go ahead.

4.37 As these recommendations were agreed these need to be reflected in any new Car Park Order. There should be no significant impact on the overall car parking income across the district as a result of these changes.

5. Options appraisal

5.1 The price modelling that has so far been undertaken has not taken account of behaviour change as a result of price change although this is considered as part of the scenario planning. In practice, increases in prices can deter some users.

5.2 Due to the nature of car parking charges and for simplicity it is best to make any increases to the nearest 10p. Taking the current hourly charge for the coastal car parks of £1.50 per hour, a relatively modest annual increase of 3.5% since the last price increases in 2016 would have had the following effect (unrounded);

2016 £1.50
2017 £1.55 + 3.5% increase
2018 £1.61 + 3.5% increase
2019 £1.66 + 3.5% increase
2020 £1.72 + 3.5% increase
2021 £1.78 + 3.5% increase
2022 £1.84 + 3.5% increase

5.3 On the basis of the above modelling the unrounded charge for 2022 would be £1.84 based on annual 3.5% increases for an hourly coastal car park ticket.

5.4 This section discusses a number of options in terms of principles and demonstrates the impact on income as a result of the potential proposals which include;

Option 1 (a)	Increasing fees across coastal (mainly used by tourists), resort and standard car parks by between 10p and 40p per hour
Option 1 (b)	Increasing fees at coastal car parks during March – October, but having lower fees during the shoulder months November – February inclusive
Option 2	Increasing season ticket prices, including consideration of a discounted 'residents' permit

Option 1 (a) - Increasing fees across all car parks

5.5 The table contained within Appendix A shows the potential revised charging options compared to the current position, with charges increasing between 10p and 40p per hour across all car park types. The table below shows the projected additional income forecast over and above current levels from the various potential increases based on a full year of operation.

		Income growth projections vs current			
	Current £000	**10p £000**	**20p £000**	**30p £000**	**40p £000**
Resort	921	61	112	172	232
Standard	269	18	33	53	69
Coastal	1,051	75	109	175	239
	2,241	154	254	400	540
High Level Sensitivity Analysis					
+20%		31	51	80	108
+10%		15	25	40	54
+ 5%		8	13	20	27
- 5%		-8	-13	-20	-27
- 10%		-15	-25	-40	-54
-20%		-31	-51	-80	-108

5.6 The table highlights the projected impact of a range of charges across car park types. For example, a 10p increase per hour across the three car park designations would achieve additional projected income of c£154k whilst a 20p increase could generate around £254k.

5.7 A 'mix and match' approach across the various types could also however be adopted and the 3 figures highlighted in blue within the table above represent 30p per hour increases in Resort and Coastal car parks and a 10p per hour increase in Standard car parks which would generate additional income forecast in the region of £365k per annum.

5.8 It is important to note that, as with any financial forecasting, these figures are indicative and can be impacted by a range of factors. A bad summer weather wise can impact negatively both on visitor numbers and length of stay during a period which sees a significant element of the income generation, although conversely prolonged good weather would have a beneficial impact. The starkest demonstration of the influence of external factors which are beyond the control of the Council is however as a result of the Covid pandemic which saw the income decimated and reduced to almost zero during the periods of lockdown experienced during 2020.

5.9 The high level sensitivity analysis shows the potential impact in forecast cash terms of increases/decreases in additional income levels between +/- 20%. For example, if income where to see a 10% increase across all car park types following a 10p per hour increase the additional projected income would be £15k pa on top of the annual estimate of £154k, so a total projected figure of £169k. If the same projections (10p per hour) were to see a 20% reduction this would represent a loss of income of £31k, which would take the projected increase down from £154k to £123k.

Option 1 (b) – Introducing a seasonal charge across Coastal car parks

5.10 As discussed elsewhere within the report the car park income can be very seasonal in nature and nowhere is this more clearly demonstrated than with the Coastal car parks which achieve over 70% of their annual income levels between the months of April and September. This reflects their location and popularity with tourists and visitors during these peak periods.

5.11 This is a variant of Option 1 (a), Members could consider the introduction of seasonal charges across this car park type which look at increasing fees potentially during March – October, but then having lower fees during the shoulder months November – February inclusive. This would provide a benefit to residents who live within the district all year round whilst still generating additional income from the significant influx of tourists and visitors to the district during the peak season. This could also be introduced in combination with a combination of the proposals outlined above within Option 1 (a).

5.12 The table below shows the March – October seasonal split based on the increases between 10p and 40p per hour with the November – February period frozen at current pricing levels (as in operation as at January 2022). Again this projected additional income is based on a full year of operation and represents the forecast income over and above current levels.

Coastal income growth projections vs current (seasonal variant)

	Current £000	10p £000	20p £000	30p £000	40p £000
March – Oct	949	67	97	157	216
Nov – Feb	102	3	3	3	3
	1,051	70	99	159	218
Projected income from full year increase		75	109	175	239
Variance		-5	-10	-15	-21

5.13 The table highlights the impact of freezing the charges at current levels for the period from November through to February when compared to just increasing the prices for the whole year. For example, if the 30p increase was introduced the expected additional income would be in the region of £159k if the full charging regime was in place for the full year. If, however the 4 months covering November – February were frozen at current pricing levels for that period, then the income would be reduced by approximately £15k per annum.

5.14 Whilst this proposal would see a reduction in charging over the winter months it would add a further tier of charging and complication which can lead to confusion for customers and complexity in terms of parking machine software configuration and updating.

5.15 Although not detailed within the table above to offset any potential reductions in income experienced within the shoulder months of the season (November to February) which would benefit from the lower charges, a standard charge of £2 per hour or £10 per day could be considered for high season coastal car park charges which would offset the lower charging levels during the winter.

Option 2 - Increasing season ticket prices

5.16 As outlined above season ticket prices have seen only very small increases in price (2016 - just a £4 increase to the £200 charge which had been in place since 2009), recognising the value these provide to residents and at £204 for a 12 month 24-hour ticket this represents a cost of just £0.55 per day to park.

5.17 However, as these charges have not increased in any meaningful way for over 10 years the charge is now not only considerably behind other local charges (please see comparison table above) but also out of step with charges on individual car parks. For example, a 12 month 3-hour season ticket currently works out at a cost of just over 15 pence per day (£56 / 365). If you parked on a coastal car park for 3 hours, such as Station Approach in Sheringham, the charge would be £4.50 for a normal ticket for 3 hours, so this represents a discount of £4.35 off the normal cost or over 96% although it is acknowledged that this is based on the purchase of an annual ticket.

5.18 The summary table below considers a range of options in relation to season ticket charging and considers both percentage increases but also cash increases based on the representative cost of parking per day. Appendix B contains more detail in respect of these projections.

	Short stay				Long stay					Cash inc
Season Tickets	**3m**	**6m**	**12m**	**Total**	**3m**	**6m**	**12m**	**Total**	**Total**	**(70%)**
Current price	*£16*	*£31*	*£56*		*£66*	*£122*	*£204*			
Income (excl VAT)	9	11	120	**140**	27	16	92	**135**	**275**	
Straight Percentage Increases to ticket prices										
10% (rounded)	10	12	132	**154**	30	18	101	**149**	**303**	19
20% (rounded)	10	13	144	**168**	33	19	111	**162**	**331**	39
30% (rounded)	11	15	156	**182**	35	21	120	**176**	**358**	58
40% (rounded)	12	16	168	**196**	38	22	129	**189**	**386**	77
50% (rounded)	13	17	180	**210**	41	24	138	**203**	**413**	96
Daily Charge Increases										
£5 - £15/month	10	12	129	**151**	22	13	81	117	**267**	-6
£7.5 - £22.5/month	16	18	193	**227**	33	20	122	175	**402**	89
£10 - £30/month	21	25	258	**304**	45	26	163	234	**538**	184
£0.25 - £1/day	17	20	196	**232**	46	27	165	237	**470**	136
£0.5 - £1/day	32	38	392	**461**	46	27	165	237	**699**	296

5.19 The straight percentage increases consider the current prices and then a percentage uplift from 10% - 50% rounded to the nearest £. The additional forecast income from these changes has then been reduced to 70% of the total to reflect potential changes to customer habits or resistance to the increases so that the income is not overly optimistic.

5.20 The projected additional income therefore ranges from £19k pa from a 10% increase through to £96k pa from a 50% increase.

5.21 The 'daily charge increases' are calculated on an entirely different basis and reflect the cost per day or per month. For example, the first 3 options represent charges of £5/£7.50/£10 per month for short stay tickets (which equate to annual ticket charges of £60/£90/£120 respectively) and £15/£22.50/£30 per month for long stay (equating to annual charges of £180/£270/£365).

5.22 Based on these pricing variants the projected changes to income (again assuming a 70% take up level) range from a small loss of £6k compared with the current pricing arrangements to additional income of £184k pa based on the annual £120 (short stay) and £365 (long stay) proposals.

5.23 The final 2 variants consider daily charges of either 25 pence (£91) or 50 pence (£183) for annual short stay tickets and £1 a day (£365) for annual long stay tickets and produce estimated increases in income levels of £136k and £296k respectively.

5.24 The latter, which would see an annual short stay season ticket priced at £91 and the equivalent long stay ticket at £365, generates a significant amount of additional income. However, this also reflects a significant increase against current prices of £56 and £204 respectively. In cash terms this is an additional £35 for a short stay ticket and £161 for the long term equivalent and represents percentage increases of 62% and 75% respectively. These charges do still however compare favourably to neighbouring authorities.

5.25 It is worth bearing in mind that, had these tickets seen a relatively modest 3% year on year increase since 2009, then the charges would now be £82 for short stay and £294 for long stay, which is only £9 less in cash terms for short stay and £71 for long stay.

5.26 As a significant amount of season tickets are purchased by local residents (around 80% of total purchases by ticket number for both short and long term tickets), Members could consider freezing the charges for residents at the current levels and only levying increased charges for customers based outside of the district. Eligibility could be based on the electoral role although the mechanics of this require further consideration and discussion.

5.27 At a very basic level this would reduce additional income forecasts by around 80% compared with the table above. On that basis the 10% to 50% percentage increases would then only generate between £4k to £19k and the daily/monthly scenario from between (£1k) and £59k.

Holt Country Park

5.28 Holt Country Park has always had its own separate charging regime and the park currently operates a charging policy of £2 to park all day. The park generates around £28k pa at present from the car parking charges levied and the proposal this year is to increase this charge to £2.50 which would generate in the region of an additional £7k pa.

Current anomalies

5.29 As discussed above the car parks are categorised between 'standard', 'resort' and 'coastal' which each have their own specific charging regimes in place. Following a review of these designations as part of this review there are two which potentially require consideration for re-designation, those being the Chequers car park in Sheringham and the parking provision on Cromer promenade.

5.30 Both of these car parks are currently designated as 'resort' car parks, however their proximity to the seafront would suggest that these should be re-designated as 'coastal' car parks and it is the officer recommendation that this is progressed as part of any new Car Park Order.

6. Strengthened Car Park Management Arrangements

6.1 The net budget after taking account of all running costs is £1.6m and as such this service area represents a significant income stream for the Council. To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position it is suggested that a new car park management post is considered to ensure that the Council is able to maximise current income streams and also develop new ones to support the medium term financial position.

6.2 Whilst the job description has not yet been fully developed or assessed through the Job Evaluation process it is envisaged that the role would need to be at a fairly senior level to enable them to negotiate, liaise and co-ordinate activities across the Council. It should be noted that, whilst the core part of the role will focus around the delivery and improvement of the Council's car parking revenue streams in terms of operational day-to-day efficiency and also strategic direction and longer term improvement, the focus will be wider than purely car parks.

6.3 A focus particularly around car park income would enable consideration of improvements and expansion potentially at car parks which are already owned and operated and also potential acquisition of new assets.

6.4 Due to the level this officer will be expected to work at and for the purposes of this report it has been assumed the post will be at a grade 6, the mid-point (spinal point 36) for which (including oncosts) is c£51k.

6.5 Due to the focus of this role consideration should also be given to an assistant car park management role, introduced to focus on the more operational aspects of service delivery, particularly around car park operation and management which would see the responsibility for this area move away from the Environmental Services directorate.

6.6 The net cost of these posts is anticipated to reduce further due to the capacity and ability to more pro-actively manage machine breakdowns and potential issues. Work is ongoing to review potential lost income due to machine breakdowns and failures over previous years as this is additional income that could be gained regardless of any additional charges levied. These posts would provide the capacity to focus on this area and to help avoid some of these potential losses and to insure where issues are discovered that they are rectified as quickly as possible.

6.7 Again prior to any formal JE assessment and for the purposes of this report it has been assumed the post will be at a grade 8, the mid-point (spinal point 25) for which (including oncosts) is c£39k.

6.8 To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position and to strengthen day to day car park management to minimise losses by more timely resolution of machine breakdowns etc, Cabinet are invited to consider and comment on the issue of resource for improved management of the service.

7. Corporate Plan Objectives

7.1 The proposals contained within this report directly contribute towards the 'Financial Sustainability and Growth' element of the Corporate Plan. Within the Corporate Plan and supporting Delivery Plan, Objective 2 under the 'Financial sustainability and growth' theme centres on 'taking, where appropriate, a more commercial approach to the delivery of discretionary services.' One of the Delivery Plan actions to help achieve this is set out under 2.2 and is to 'review the Car Parking Policy in order to maximise the revenue generated from car parking income.'

7.2 The Council has the opportunity to generate additional income whilst at the same time considering the expansion and/or acquisition of new car parks which would further increase this opportunity.

7.3 This area represents a fundamental external income stream for the Council and as such can contribute significantly to helping sustain the Council's medium term financial position.

8. Car Park Order

8.1 Ultimately Cabinet will need to make recommendations to Full Council for consideration if the car parking pricing policy is to be altered. Once approved in principle, any new charging regime would have to be formalised through the agreement of a new Car Park Order (CPO), the consultation process for which takes a number of months.

8.2 If no significant objections are received the Order could be agreed under delegation but if there is a requirement for further consideration of the results, then this could go back to Cabinet in June 2022. This would mean delivery of the new charges from July 2022 which is 6 years after the previous increases. A project timetable is provided within Appendix B.

9. Financial and resource implications

9.1 As outlined above the main proposals for consideration are as follows;

Proposal 1 (a)	Increasing fees across coastal (mainly used by tourists), resort and standard car parks by between 10p and 40p per hour
Proposal 1 (b)	Increasing fees at coastal car parks during March – October, but having lower fees during the shoulder months November – February inclusive
Proposal 2 (a/b)	Increasing season ticket prices, including consideration of a discounted 'residents' permit

Proposal 1 (a) – Increasing fees across all car park types

9.2 The table highlights the impact of 10p/20p/30/40p increases to hourly charges and the **additional** income projected over and above current levels as a result of the potential changes.

	10p increase	20p increase	30p increase	40p increase
Proposal 1 (a)	£154k	£254k	£400k	£540k

Proposal 1 (b) – Seasonal charging variant for coastal car parks

9.3 This proposal is a variant of Proposal 1 (a), Members could consider the introduction of seasonal charges across this car park type which look at increasing fees potentially during March – October, but then having lower fees during the shoulder months November – February inclusive. This would provide a benefit to residents who live within the district all year round whilst still generating additional income from the significant influx of tourists and visitors to the district during the peak season. This could also be introduced in combination with a combination of the proposals outlined above within Option 1 (a).

9.4 The summary table below highlights the loss of income compared to the introduction of these increases for the whole 12 months, reflecting the lower charges (which are based on current prices) for the months November to February inclusive.

	10p increase	20p increase	30p increase	40p increase
Proposal 1 (b)	-£5k	-£10k	-£15k	-£21k

9.5 Whilst this proposal would see a reduction in charging over the winter months it would add a further tier of charging and complication which can lead to confusion for customers and complexity in terms of parking machine software configuration and updating.

Proposal 2 – Season tickets

9.6 Season ticket prices have seen only very small increases in price (2016 - just a £4 increase to the £200 charge which had been in place since 2009), recognising the value these provide to residents and at £204 for a 12 month 24-hour ticket this represents a cost of just £0.55 per day to park.

9.7 It is recommended that, if any price increases are agreed, that the season ticket prices are also increased as these have not seen any substantial increases since 2009. There are however options relating to potential residents permits but this needs to be confirmed in terms of principles with legal.

9.8 The first table below highlights the **additional** income projected over and above current levels as a result of the potential changes as a result of increasing both the 12 months' short stay and long stay season tickets by between 10% and 50% of current prices.

	10% increase	20% increase	30% increase	40% increase	50% increase
Proposal 2 (a)	£19k	£39k	£58k	£77k	£96k

9.9 The second table is based on 'daily charge increases' which have been calculated on an entirely different basis and reflect the cost per day or per month for parking. For example, the first 3 options focus on charges of £5/£7.50/£10 per month for short stay tickets (which equate to annual ticket charges of £60/£90/£120 respectively) and £15/£22.50/£30 per month for long stay (equating to annual charges of £180/£270/£365). The final 2 options consider daily charges of either 25 pence (£91) or 50 pence (£183) for annual short stay tickets and £1 a day (£365) for annual long stay tickets. Again the figures reflect the changes in income projected over and above current levels but please note this would be an 'either/or' and doesn't therefore represent additional income over and above that outlined within the table above.

	£5 - £15/month	**£7.5 - £22.5/month**	**£10 - £30/month**	**£0.25 - £1/day**	**£0.5 - £1/day**
Proposal 2 (b)	-£6k	£89k	£184k	£136k	£296k

9.10 As mentioned above consideration also needs to be given to the 7-day ticket which currently works out at £4 per day. There is potentially scope to consider increasing this to £5; £6 or £7.50 per day if the general daily charges are otherwise increased. These ticket types will predominantly be used by tourist visitors staying in self-catering and B&B accommodation or even camping and wanting to access the beach every day. At £5 per day this ticket type would cost £35 but that would still represent a £35 saving if daily charges at coastal car parks were increased to £10 for example.

Implementation costs

9.11 The cost of implementing the changes to the current charges would be in the region of £25k and this would cover signage overlays, car park leaflets and reprogramming of the car park machines. If agreed, the new charging structure could be in place from July 2022 following alterations to the Car Park order (CPO) and the relevant consultation process.

High level income forecast

9.12 While there are clearly a number of different options and permutations for consideration the following provides a snap shot of the potential income levels from selecting a range of the options outlined within the report just **for illustrative purposes**;

Increase Standard car parks by 10p	£18k
Increase Resort car parks by 30p	£173k
Increase Coastal car parks by 30p	£175k
Base season tickets on 25p/£1 day short/long	£136k
Car park management roles	(£90k)
Net increase in income forecast	**£412k**

10. Legal implications

10.1 The legal team have been engaged as part of the development of this report and will be supporting during the Car Park Order (CPO) process to ensure that the Council complies with the consultation requirements. Advice has also been sought in respect of the residents permit proposals.

11. Communications issues

11.1 A communications plan will need to be established to support the adoption and promotion of any new charging policy.

12. Risks

12.1 The risk matrix below considers the risks and considerations as to how these might best be managed and mitigated.

Risk	Likelihood	Impact	Potential outcome	Risk Management
Doing nothing	2	5	Further move away from market pricing, impact on financial sustainability.	Highlight consequences/reasoning in Cabinet Car Park Charges - Review report.
Customer resistance to proposal	4	3	The statutory process allows 21 days of public consultation.	Ensure the proposed changes are well argued in the 'Reasons for Change' document which forms part of the statutory CPO process.
Negative publicity	5	3	Raise awareness of procedure encouraging more negative representations.	Ensure the public are aware through media releases that car park revenue supports lots of free non-statutory services such as public toilets and parks/woodlands and will help the Council to maintain a sustainable budget.
Continued COVID impact	3	5	Lower use of car parks than projected due to lock downs.	Monitor use and report progress to Members as part of budget monitoring process.
Loss of key personnel	2	3	Potential delays to programme should key personnel become unavailable for any length of time.	Ensure others are up to date with project proposal and timeframes, although transfer of workload may still result in some delays.
Delays to statutory process	3	3	There are various points in the process where delays can creep in, for example. through statutory bodies raising concerns or missed media deadlines or supply issues.	Most timeframes allow some slippage time providing not all delays come into being at the same time. Use the project management Board to manage day to day risks and keep timeframe current to provide early identification of any issues likely to cause slippage.
Delays to implementation	2	3	The Order needs to come into being at the same time as changes are made on the ground to signage and ticket machines. Lack or resources or outside influences may delay the CPO being made in the timeframes identified.	Organise resources as far as possible (even if at risk) to ensure continuity.
Number of, or concerning representations	3	3	There may be a number of representations made during the consultations highlighting a particular issue or concern that Members feel is valid.	Members are bound to consider representations made and can chose to make amendments to the proposed Order if deemed appropriate. This will require any changes to be re-issued to statutory consultees which will result in a small delay to the timeframe.
Customer resistance to changes/ boycotting car parks	2	2	Income being reduced compared to financial forecasts.	Monitor use of car parks for initial three months to evaluate any changes in anticipated habit.
Customer resistance to changes/ boycotting permits	2	2	A significant increase in the price of permits may see some not renewing permits.	Carry out an advertising campaign highlighting their use and comparative costs to encourage new buyers. Increased income will offset some reduction in take-up.

13 Sustainability

13.1 There are no sustainability issues in relation to this report.

14 Equality and Diversity

14.1 There are no equality and diversity issues in relation to this report.

15 Section 17 Crime and Disorder considerations

15.1 There are no Section 17 implications as a result of this report.

16. Conclusions and Recommendations

16.1 As one of the Council's largest external income sources car parking charges have a significant contribution to make in terms of the Council's financial sustainability in the medium to long term. Financial Sustainability and Growth is one of six key themes within the Corporate Plan and links directly with objective 2.2 of the Delivery Plan.

16.2 The Council incurs significant levels of expenditure on discretionary service areas which help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate.

16.3 There are significant costs associated with a range of Council services which support the tourism economy, from provision of public conveniences, maintenance and operation of Cromer pier, foreshore activities, parks, open spaces and woodlands which represent a combined annual revenue spend in excess of £2.2m. It is appropriate therefore for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

16.4 Car parking income needs to be considered against the context of our discretionary service provision which people value but which is often difficult to charge for, such as we public conveniences, the seafront environment and Blue Flag beaches, beach lifeguards, additional street cleansing, litter bins etc. It is becoming increasingly more difficult for the Council to continue to provide these services at the level expected by local residents, businesses and tourist visitors from Council Tax payers alone. Further to this it is not fair or equitable across the District as a whole and doesn't operate under the 'user pays' principle.

16.5 There are clearly multiple variations on the possible range of pricing options and initiatives for car parks. Due to the nature of car parking charges and for simplicity it is best to make any increases to the nearest 10p. Even a relatively modest annual increase of 3.5% from 2016 would have increased the hourly charge at our 'Coastal' car parks from £1.50 per to £1.84 (unrounded) by April 2022. The officer recommendation is to look to introduce a range of complimentary changes from July 2022.

16.6 To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position and to strengthen day to day car park management to minimise losses by more timely resolution of machine breakdowns etc, Cabinet are invited to consider and comment on the issue of resource for improved management of the service.

16.7 The current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible.

16.8 Car parking policy has not been reviewed for a number of years so it is therefore recommended that the Cabinet consider the opportunities as outlined within this report and also consider the recommendations made by the Overview and Scrutiny Committee. Any changes can then be recommended to Full Council and be consulted upon through a new Car Park order (CPO) to help generate additional income to support the Council's financial sustainability.

16.9 The Overview and Scrutiny Committee have pre-scrutinised the officer report and their recommendations are included as part of this updated report for further consideration by Cabinet.

16.10 **Cabinet consider the options and proposals contained within this report and make recommendations to Full Council on;**

- **the preferred way forward in terms of pricing changes so that these changes can be considered as part of the budget setting process for 2022/23 and inform the future financial strategy;**
- **changes to car park designations as outlined within the report;**
- **implementing any new pricing changes from July 2022 and instigating the Car Park order (CPO) consultation process;**
- **budgetary provision of £25k to cover implementation costs resulting from any changes.**

Appendix A – potential tariff combinations across all car park types

	Resort		30 mins	1	2	3	4	5	6	7+	Coach
Current	£1.30 for 1st hr then £1.00 per hr	**£0.00**	**£0.60**	**£1.30**	**£2.30**	**£3.30**	**£4.30**	**£5.30**	**£6.30**	**£7.00**	**£10.00**
10p	£1.40 for 1st hr then £1.10 per hr	£0.00	£0.70	£1.40	£2.50	£3.60	£4.70	£5.80	£6.90	£8.00	£10.00
20p	£1.50 for 1st hr then £1.20 per hr	£0.00	£0.70	£1.50	£2.70	£3.90	£5.10	£6.30	£7.50	£8.00	£10.00
30p	£1.60 for 1st hr then £1.30 per hr	£0.00	£0.80	£1.60	£2.90	£4.20	£5.50	£6.80	£8.10	£9.00	£10.00
40p	£1.70 for 1st hr then £1.40 per hr	£0.00	£0.80	£1.70	£3.10	£4.50	£5.90	£7.30	£8.70	£10.00	£10.00

	Standard		30 mins	1 - 2	3	4	5	6	7	8+	Coach
Current	£1.00 for 2 hrs then 70p per hr	**£0.00**	**£0.50**	**£1.00**	**£1.70**	**£2.40**	**£3.10**	**£3.80**	**£4.50**	**£5.00**	**£10.00**
10p	£1.10 for 2 hrs then 80p per hr	£0.00	£0.60	£1.10	£1.90	£2.70	£3.50	£4.30	£5.10	£6.00	£10.00
20p	£1.20 for 2 hrs then 90p per hr	£0.00	£0.60	£1.20	£2.10	£3.00	£3.90	£4.80	£5.70	£6.00	£10.00
30p	£1.30 for 2 hrs then £1.00 per hr	£0.00	£0.70	£1.30	£2.30	£3.30	£4.30	£5.30	£6.30	£7.00	£10.00
40p	£1.40 for 2 hrs then £1.10 per hr	£0.00	£0.70	£1.40	£2.50	£3.60	£4.70	£5.80	£6.90	£8.00	£10.00

	Coastal	30 mins	1	2	3	4	5+	Coach
Current	£1.50 per hr	**£0.60**	**£1.50**	**£3.00**	**£4.50**	**£6.00**	**£7.00**	**£10.00**
10p	£1.60 per hr	£0.70	£1.60	£3.20	£4.80	£6.40	£8.00	£10.00
20p	£1.70 per hr	£0.70	£1.70	£3.40	£5.10	£6.80	£8.00	£10.00
30p	£1.80 per hr	£0.80	£1.80	£3.60	£5.40	£7.20	£9.00	£10.00
40p	£1.90 per hr	£0.80	£1.90	£3.80	£5.70	£7.60	£10.00	£10.00

Appendix B – potential tariff considerations for season ticket prices

	Short			Total	Long			Total	Total	
	3m	**6m**	**12m**		**3m**	**6m**	**12m**			
		194%	181%			185%	167%			
Current price	*£16*	*£31*	*£56*		*£66*	*£122*	*£204*			
Income (excl VAT)	9	11	120	**140**	27	16	92	**135**	**275**	
Straight Percentage Increases										
10% (rounded)		194%	181%			185%	167%			
	£18	*£34*	*£62*		*£73*	*£134*	*£224*			
	10	12	132	**154**	30	18	101	**149**	**303**	110%
							Extra income @ 70%		19	
20% (rounded)		194%	181%			185%	167%			
	£19	*£37*	*£67*		*£79*	*£146*	*£245*			
	10	13	144	**168**	33	19	111	**162**	**331**	120%
							Extra income @ 70%		39	
30% (rounded)		194%	181%			185%	167%			
	£21	*£40*	*£73*		*£86*	*£159*	*£265*			
	11	15	156	**182**	35	21	120	**176**	**358**	130%
							Extra income @ 70%		58	
40% (rounded)		194%	181%			185%	167%			
	£22	*£43*	*£78*		*£92*	*£171*	*£286*			
	12	16	168	**196**	38	22	129	**189**	**386**	140%
							Extra income @ 70%		77	
50% (rounded)		194%	181%			185%	167%			
	£24	*£47*	*£84*		*£99*	*£183*	*£306*			
	13	17	180	**210**	41	24	138	**203**	**413**	150%
							Extra income @ 70%		96	

Daily Charge Increases

		182%	182%			182%	182%			
£5 - £15/month	*£18*	*£33*	*£60*		*£54*	*£99*	*£180*			
Income (excl VAT)	10	12	129	**151**	22	13	81	**117**	**267**	97%
							Extra income @ 70%		-6	
		164%	182%			186%	181%			
£7.5 - £22.5/month	*£30*	*£50*	*£90*		*£80*	*£150*	*£270*			
Income (excl VAT)	16	18	193	**227**	33	20	122	**175**	**402**	146%
							Extra income @ 70%		89	
		177%	171%			182%	180%			
£10 - £30/month	*£40*	*£70*	*£120*		*£110*	*£200*	*£360*			
Income (excl VAT)	21	25	258	**304**	45	26	163	**234**	**538**	196%
							Extra income @ 70%		184	
		176%	168%			182%	180%			
£0.25 - £1/day	*£31*	*£54*	*£91*		*£112*	*£203*	*£365*			
Income (excl VAT)	17	20	196	**232**	46	27	165	**237**	**470**	170%
							Extra income @ 70%		136	
	193%	175%	163%		169%	166%	179%			
		179%	175%			182%	180%			
£0.5 - £1/day	*£58*	*£104*	*£183*		*£112*	*£203*	*£365*			
Income (excl VAT)	32	38	392	**461**	46	27	165	**237**	**699**	254%
	365%	337%	326%		169%	166%	179%			
							Extra income @ 70%		296	

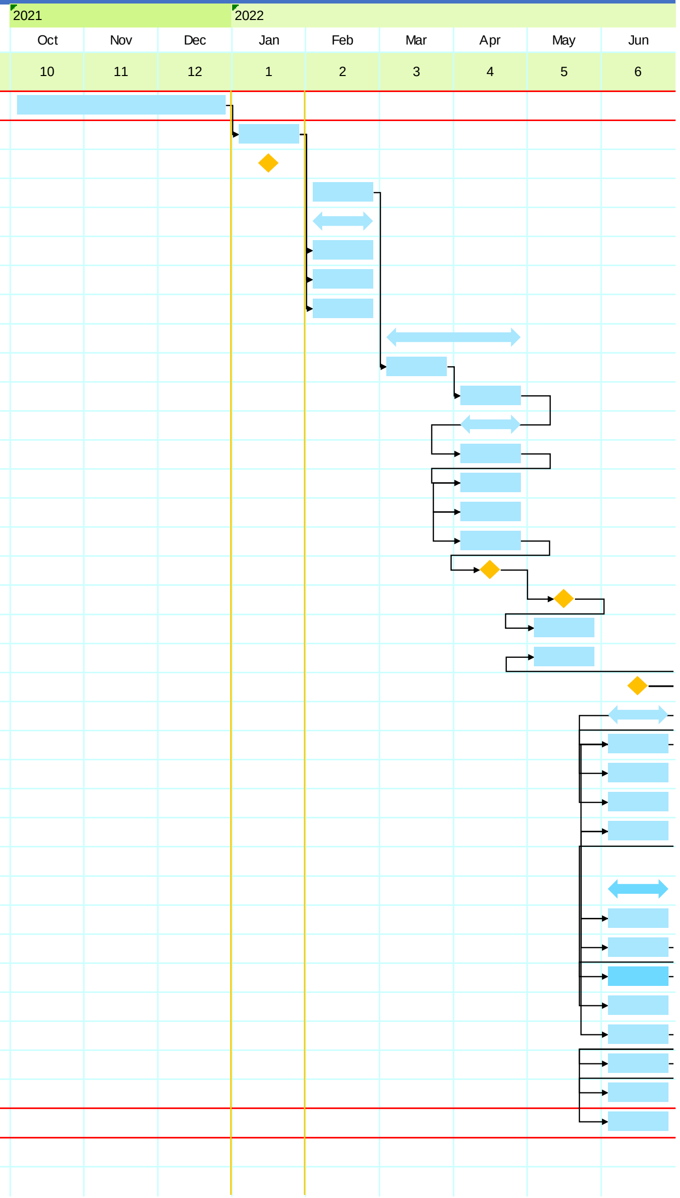
Appendix C – project timetable

Car Park Consolidation Order 2022

Project Lead: Duncan Ellis

Project Budget: Estimated: £0.00 | Baseline: £0.00 | **Task Costs**: Estimated: £0.00 | Baseline: £0.00 | Actual: £0.00

WBS	Task Name	Priority	Resource	Start	Finish	Duration	Done	Percent Complete
1	Draw up draft proposals	NORMAL	DE	29-09-21	21-12-21	60	☐	0%
2	Draft proposals to O&S	NORMAL	DE	12-01-22	12-01-22	1	☐	0%
3	Cabinet agrees preferred options	HIGH		31-01-22	31-01-22	0	☐	0%
4	**Full Council approves proposal**	NORMAL		23-02-22	23-02-22	1	☐	0%
5	**Create Schedule of proposed changes**	NORMAL		**10-02-22**	**16-02-22**	**15**	☐	**0%**
5.1	Draft Order	NORMAL	DE	10-02-22	16-02-22	5	☐	0%
5.2	Create schedule	NORMAL	MC	10-02-22	16-02-22	5	☐	0%
5.3	Create Reasons for change doc	NORMAL	DE & MC	10-02-22	16-02-22	5	☐	0%
6	**Pass all documents to Legal**	NORMAL	**MC**	**03-03-22**	**08-04-22**	**17**	☐	**0%**
6.1	Legal consults statutory bodies	NORMAL	TT	03-03-22	23-03-22	15	☐	0%
6.2	Legal confirms ability to proceed	NORMAL	TT	07-04-22	08-04-22	2	☐	0%
7	**Complete order and...**	NORMAL		**13-04-22**	**19-04-22**	**5**	☐	**0%**
7.1	Submit CPO advert to EDP (coinside with consultation timeframe)	NORMAL	MC	13-04-22	13-04-22	1	☐	0%
7.2	Check advert is live	NORMAL	MC	19-04-22	19-04-22	1	☐	0%
7.3	Put CPO on website (need to create new page with comment sub	NORMAL	MC	19-04-22	19-04-22	1	☐	0%
7.4	Ensure order is advertised in ALL car parks	NORMAL	CAR PARKS	18-04-22	19-04-22	2	☐	0%
8	CPO Consultation Period starts	NORMAL		22-04-22	22-04-22	0	☐	0%
9	CPO consultation ends	NORMAL		24-05-22	24-05-22	0	☐	0%
10	Summarise responses and prepare cabinet report	NORMAL	DE	25-05-22	26-05-22	2	☐	0%
11	pre-cabinet deadline	NORMAL	DE	25-05-22	25-05-22	1	☐	0%
12	Cabinet considers objections	HIGH		06-06-22	06-06-22	0	☐	0%
13	**If approval achieved...**	NORMAL		**14-06-22**	**27-06-22**	**16**	☐	**0%**
13.1	advertise the making of the order (EDP & Web)	NORMAL	MC	14-06-22	14-06-22	1	☐	0%
13.2	Write standard response to all objectors/supporters	NORMAL	MC	14-06-22	16-06-22	3	☐	0%
13.3	Prepare press release	NORMAL		14-06-22	15-06-22	2	☐	0%
13.4	Two weeks standing period	HIGH		14-06-22	27-06-22	10	☐	0%
14	Order comes into place	NORMAL		01-07-22	01-07-22	0	☐	0%
15	**Bringing in the CPO**	NORMAL		**07-06-22**	**05-07-22**	**40**	☐	**1%**
15.1	Make changes to website info (release 01.7.22)	NORMAL	MC	14-06-22	20-06-22	5	☐	0%
15.2	Create changes to signage	NORMAL	MC	14-06-22	20-06-22	5	☐	0%
15.3	Get signs changed/printed	NORMAL	MC	21-06-22	27-06-22	5	☐	5%
15.4	Organise changes to tariff software	NORMAL	MC	07-06-22	20-06-22	10	☐	0%
15.5	Make changes to leaflets	NORMAL	MC	14-06-22	20-06-22	5	☐	0%
15.6	Get leaflets printed	NORMAL	MC	21-06-22	21-06-22	1	☐	0%
15.7	Distribute leaflets	NORMAL	MC	29-06-22	05-07-22	5	☐	0%
15.8	**Erect signage in car parks stating changescoming/in place**	HIGH	ENFORCEMENT (	28-06-22	**29-06-22**	2	☐	0%
15.9	**Update machines with new software (syycronise with signag**	HIGH	FLOWBIRD	01-07-22	**01-07-22**	1	☐	0%
15.10	**Erect new tariff charges**	HIGH	ENFORCEMENT (	01-07-22	**01-07-22**	1	☐	0%



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BUDGET AND COUNCIL TAX 2022/23

Summary:	This report presents for approval the budget for 2022/23 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2022/23. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.
Options considered:	It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 31 January 2022.
Conclusions:	It is the opinion of the Council's Chief Financial Officer that the budget for 2022/23 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.
Recommendations:	That having considered the Chief Financial Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves, the following be approved:

1) The 2022/23 revenue budget as outlined at Appendix A within this report;
2) A balance of £500,000 from the Business Rates Reserve be reallocated to the Delivery Plan Reserve to support the delivery of the Council's Corporate Objectives
3) The statement of and movement on the reserves as detailed at Appendix D within this report;
4) The updated Capital Programme and financing for 2022/23 to 2024/25 (as detailed at Appendix C1 of this report
5) The new capital bids recommended for approval (as detailed within appendix C2 within this report
6) That Members note the current financial projections for the period 2023/24 to 2025/26;
7) The Policy Framework for the Earmarked Reserves and the Optimum Level of the General Reserve 2022/23 to 2025/26 (Appendix B within this report);
8) That the setting of the Local Council Tax Support Scheme (LCTS) for 2022/23 be delegated to officers, in consultation with the Portfolio holder for Finance
9) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2022/23;

10) The demand on the Collection Fund for 2022/23 is as follows:
a. £6,513,398 for District purposes
b. £2,724,973 for Parish/Town Precepts;
This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property and;

Reasons for Recommendations:	To approve the 2022/23 budget for revenue and capital and to make the statutory calculations in respect of the 2022/23 Council Tax.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on the write the report and which do not contain exempt information)

Budget reports and briefings, precepts (NCC, Police and Parishes)

Cabinet Member(s) All	Ward(s) affected: All
Contact Officer, telephone number and email: Duncan Ellis, 01263 516330, duncan.ellis@north-norfolk.gov.uk	

1. Introduction

1.1 This report presents for approval the General Fund revenue and capital budgets along with the Council Tax for 2022/23. It also presents for information only the current budget projections for the following three years 2023/24 to 2025/26.

1.2 A draft 2022/23 budget review report was provided to the Overview and Scrutiny Committee for pre-scrutiny at their meeting of 12 January. Following this the budget for 2022/23, along with detailed projections for the following three financial years, were recommended by Cabinet on 31 January 2022. For clarification, the recommendations within this report make reference to those included with the Cabinet agenda and amended as applicable. This report includes the updated position for the 2021/22 budget and future projections.

2. 2022/23 Budget

2.1 The provisional local government finance settlement was announced on 16 December 2021. The final settlement announcement was made on 7 February 2022 and confirmed the details contained within the provisional settlement as included within the Cabinet report.

2.2 The budget has been updated to reflect the final parish precepts received. The amount of all precepts has now been confirmed with the exception of Stiffkey Parish Council who have submitted a provisional precept pending the outcome of an internal process.

2.3 It should be noted that as the billing authority, the setting of the parish precepts will have an impact on the total billed amount although not on the element which represents the District Council. This means the total District amount billed for an average Band D for 2022/23 will be £225.08 (see para 4.6), comprising District element £158.67 and parish element of £66.41.

2.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the following matters:

- the robustness of the estimates made for the purpose of the budget calculations; and
- the adequacy of the proposed financial reserves.

2.5 This is provided in section 3 of the report.

2.6 The COVID-19 pandemic has had a global impact and has affected the way that the Council has had to operate over the past two financial year in terms of focus, funding and work force deployment. Whilst the impact has lessened during this current financial year we will continue to closely monitor the position along with any further proposed central government support.

2.7 NNDC had for a number of years been a member of the Norfolk Business Rates Pool. However, given the uncertainty surrounding rate reliefs and the potential negative impact of COVID 19 on income collection, it was decided to revoke the pool for the last financial year (2021/22). As the position continues to improve following the ongoing recovery from COVID the decision has been taken to re-join the pool for the 2022/23 financial year, along with the other Norfolk authorities.

2.8 Since the budget was presented to Cabinet on 31 January 2022 the final figures for Business Rates have been processed, following the completion of the NNDR1 return. There is projected to be a large deficit on the Collection Fund with respect to business rates, caused by the timing difference between the receipt of Section 31 grant to cover Retail Relief and the accounting of it through the Collection Fund. This will have no effect on the General Fund, as a transfer will be made from the Business Rates Reserve to match this. Following the finalisation of previous years NNDR3 returns, there will also be a transfer from the reserve to mitigate the impact of a change in income accounted for.

3. Chief Financial Officer's Report

The Robustness of the Estimates

3.1 This section of the report provides a commentary on the robustness of the estimates now presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2022/23.

3.2 The framework within which the budget for 2022/23 has been constructed is similar to that of previous years and takes into account the following:

a) Previous financial year out-turn position (2020/21) (3.3)
b) Medium Term Financial Strategy (MTFS) 2022/23 to 2025/26 (3.4)
c) In-year budget monitoring and associated reports (3.10)
d) Cash flow monitoring (3.13)

3.3 The outturn position for 2020/21 was reported to Members in September 2021. The outturn position is used to update the financial planning process and helps to establish the baseline for the current estimates by reflecting significant movements against the current position and those which will have an on-going impact on the future financial position of the Council. The position for the 2022/23 financial year has however been through a Zero Based Budget (ZBB) exercise which has fundamentally challenged current budgets and assumptions and also helped to better align budgets with corporate priorities.

3.4 The financial planning process is well established with the production of the updated Medium Term Financial Strategy (MTFS), which includes high level financial projections for the medium term. The MTFS was presented to and recommended by Members in January 2022.

3.5 As part of the ZBB exercise, this planning process has included the critical examination and challenge of the expenditure and income on existing services and sought to identify changed priorities in service delivery and planned future developments, in line with the Corporate Plan and in response to both local and national pressures. It also identified changes to spending plans and income projections as a result of local and national factors for example legislative changes, local economic factors and changes in demand. These are also informed by the previous year's outturn position and the current year's budget monitoring projections.

3.6 The Government's White Paper on the Levelling Up agenda was released on 2 February and included proposals regarding a 'County Deal' for Norfolk as one of nine key areas. Officers and Members will now need to consider how we can best meet this challenge and position ourselves well for the future, particularly given some of the challenges we face as a rural district. The Levelling Up agenda will be supported by the Shared Prosperity fund which is £2.6b nationally split over 3 years (£0.4b 2022/23, £0.7b 2023/24 and £1.5b 2024/25). Access to this funding will not be based on a competitive process but rather allocations will be made direct to authorities. The Council will be required to produce an Investment Strategy over the summer of 2022 detailing how the allocation (yes to be confirmed) will be spent, and this will need to be approved by central government. At present however no budgetary impact from any Local Government Reorganisation/County Deal is being assumed.

3.7 As mentioned above the COVID-19 pandemic has had a significant impact on the operation of the Council, although this has lessened during the current financial year despite the Omicron variant. Any ongoing impacts will however continue to be closely monitored along with any further proposed central government support.

3.8 The financial forecast highlights the more significant budget movements in preparation for producing the full detailed budget for the forthcoming year. At the same time the anticipated level of future external Government funding is reviewed along with the latest forecast of Council Tax income and New Homes Bonus funding based on current tax base and planning data.

3.9 By consolidating the financial forecasts, the MTFS seeks to identify future estimated budget requirements and funding shortfalls at an early stage of the annual budget process to enable preparation and planning beyond the short term. It also highlights work streams that will commence prior to the start of the following financial year that will support delivery of a sustainable budget for the Council in the medium term where appropriate.

3.10 In Year Budget Monitoring – The budget monitoring process is carried out throughout the year with all expenditure and income being monitored on a monthly basis. Not only does this provide an essential tool for ensuring that the current year's budget is achievable, but it is also fundamental in ensuring that the most up to date information is incorporated into the future budget and projections taking into account where budget pressures and additional income/ savings are highlighted during the year.

3.11 The regular budget monitoring is used to inform the annual financial planning and budget process of changes that will have an on-going financial impact in future years, as opposed to having only a one-off implication in the current financial year.

3.12 As part of the budget monitoring process, monthly variance reports are provided to budget managers and regular reports presented to Cabinet and Overview and Scrutiny Committee detailing the latest projected outturn position for the current year. Regular reviews of expenditure and commitments to date, along with income streams, are carried out to ensure that overspends or shortfalls in income are identified at the earliest opportunity and reported to the Corporate Leadership Team (CLT) and Members along with recommended action plans to ensure that the Council's overall budget can be met.

3.13 In terms of cash flow monitoring, there have been no cashflow issues during the year; cash balances have been above those forecasted due to additional payments received from central government in response to COVID. Borrowing requirements will continue to be reviewed and assessed and when funding is required, treasury decisions made will be based on maximising best value for council tax payers. Sufficient liquidity is generally maintained to cover day to day cash requirements. The cash flow position of the Council is monitored on a daily basis and managed within the Treasury Management Strategy which is approved alongside the budget each year. Monitoring of the treasury position is included within the in-year budget monitoring reports in addition to the half-yearly Treasury Management report.

3.14 Budgets are prepared using the best information that is available to the Council from its own sources ie budget holders and service managers and from external advisors for example the Council's treasury advisors, Arlingclose. However, many budgets are related to factors that fall outside the control of the Council, for example pay awards, demand led income levels, inflation and interest rates, and all can have a significant impact on the Council's overall budget and financial position both in the current and future years. Forecasting for these areas requires an examination of recent trends as well as assimilating future projections from known factors.

3.15 There are a number of financial risks facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, a number of key areas within the budget need to be closely monitored in the coming financial year, these include:

a) **Covid-19 –** the pandemic continues to threaten the Council's financial position, but this has lessened since the previous financial year as we continue to focus on recovery and this has been taken into account as far as possible when putting together the budget estimates for the next financial year. We also have the availability of reserves to support the financial position in the future should they be required.

b) **Car park income –**This area generates income for the Council which in turn supports the delivery of other services across the Council. As this is a demand led service which is influenced by external factors this area is regularly monitored. The 2022/23 budget currently assumes gross income of £2.8m from all car parking related fees and charges.

c) **Planning and building control fees –** The 2022/23 base budget includes income totalling approximately £1.2m from planning and building control fees, this too is subject to external demands and is monitored regularly to highlight any significant fluctuations against the budget.

d) **Waste fee income and recycling credits –** This is a significant source of income to the Council and reflects the activity across the District in recycling domestic refuse and commercial waste. A total of £3.8m is included in the 2022/23 base budget.

e) **Council Tax Support** – Council Tax Support (CTS) is a reduction awarded to people on low incomes to help with the cost of their council tax bill. Since 2013 each district council is responsible for its own CTS scheme for working age people, and must review and agree the scheme each year. The CTS Scheme for 2022/2023 must be agreed as part of the taxbase and budget setting process.

Our working age CTS scheme principles have remained largely unchanged since the scheme started in 2013. They are based on the rules for the old Council Tax Benefit scheme prior to 2013 and use many of the same principles as the ongoing Housing Benefit scheme. This makes the scheme easier for our customers to understand, and simpler to administer. Since 2013 the working age CTS scheme rules have been amended to reflect wider welfare reform changes, including amendments to the Housing Benefit rules and the introduction of Universal Credit. There have been fewer changes in recent years as the pace of welfare reform has slowed. There have been no significant welfare reform changes in the current year that need to be reflected in our CTS scheme for 2022/2023. CTS for pension age people is paid under national regulations whereby central government is responsible for the rules of the scheme. Our local scheme means that the council will meet up to 91.5% of the cost of a resident’s Council Tax bill for those who are working age.

The coronavirus pandemic has made a significant impact on the economy and the jobs market. Although the economy is improving we are now seeing the cost of living rising and in December 2021 inflation reached its highest recorded level in decades, affecting the ability of households to afford goods and services. A particularly important driver of inflation is energy prices, with household energy tariffs increasing and petrol costs going up.

In the present climate a fundamental review of the scheme is not recommended. It is proposed to leave the scheme unchanged for 2022/23 and agree this under delegated authority.

f) **Future Funding** – The latest information we have regarding the funding Settlement for 2022/23 has now been included within the budget forecasts. The Business Rates and Fair Funding Reviews have been further delayed due to prioritising the COVID-19 response and a further one-year settlement has been agreed. This has had an extremely positive impact on the financial position for 2022/23 as it has effectively delayed all of the anticipated funding reductions by a year. The downside of this, is that we had previously expected 2022/23 to be the first year of a multi-year settlement, which would have greatly increased the certainty in our medium term forecasts.

g) **New Homes Bonus (NHB)** – The one-year settlement confirmed the continuing allocation of the 2022/23 New Homes Bonus grant at £887k although we are still expecting this system to be replaced with something else in the future and consultation is ongoing.

h) **Investment Returns** – In recent years' investment income has been reduced as a consequence of the prolonged period of low interest rates which look likely to continue well into 2022 and beyond although we saw a slight increase in the base rate from 0.25% to 0.5% on 2 February. The Treasury Management Strategy for 2022/23, as reported to Cabinet in January 2022, anticipates a return of 2.9% will be achieved in 2022/23. The investment income budget includes interest on loans made to housing associations, investments in various pooled funds (including the Local Authorities Mutual Investment Trust (LAMIT) pooled property fund), covered bonds and term deposits.

i) **Employee budgets –** The budget has been updated to take account of the national pay review and annual increments and assumes a 2% pay award. As a guide a 0.5% sensitivity to the pay award equates to approximately £56k per annum. An allowance has been made to reflect vacancy savings of 2% as in previous years.

j) **Procurement** – Construction procurement continues to bring challenges due to the combined impact of the ongoing COVID pandemic, Brexit and a number of recent global forest fires, all of which are impacting on material prices, with the industry currently experiencing significant price increases (in the region of 20%). The Council will need to continue to monitor this position and take this into account when putting together any budget estimates for repair and construction works over the coming months.

k) **Brexit/world politics** – It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might continue to have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves.

3.16 Looking beyond 2022/23, the financial projections included in the budget report indicate that further savings and efficiencies will have to be made; this is based on the assumptions about the future level of funding as included in the finance settlement. The financial projections show a budget deficit of around £2m in future years.

3.17 The capital programme continues to be funded from a number of external and internal resources, for example, capital receipts from the sale of assets, preserved right to buy receipts and where applicable future capital schemes from borrowing. In all cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme.

3.18 Budget monitoring throughout the financial year is critical to the robustness of the estimates and maintaining a sound financial position. It is through the ability to manage and control the spending within the approved budgets and, where appropriate, identify and recommend appropriate actions, which serves to mitigate the Council's level of financial risk.

3.19 Throughout the process of preparing the Council's budget there is involvement of the Elected Members through Officer/Member meetings, workshops and reports to Cabinet and Overview and Scrutiny Committee. This includes both budget monitoring reports during the year and the Budget and Medium Term Financial Strategy (MTFS) report.

3.20 The Council also takes advice from third party organisations concerning a number of more technical factors that impact on the budget process, for example external advice in relation to treasury management, VAT and insurance. By doing so the Council is able to monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

Adequacy of the Reserves

3.21 An assessment of the adequacy of the reserves estimated to be available to the Council throughout 2022/23 is based on the possible commitments falling to be discharged against the following categories of reserves:

- General Reserve
- Earmarked Reserves.

3.22 Where there is budgeted expenditure to be funded from a reserve (earmarked or general) these will be allowed for within the reserves statement.

3.23 There are three main reasons for holding reserves:

a) as a contingency to cushion the impact of unexpected events or emergencies;
b) to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
c) as a means of building up funds to meet known or predicted liabilities (earmarked reserves).

3.24 Reviewing the reserves is well established within the financial planning and budget setting process and is informed by the framework as set out in Appendix B to this report. An updated reserve statement is included at Appendix D to this report.

3.25 When assessing the level of reserves the Council should take account of strategic, operational and financial risks facing them.

3.26 In particular, the risks associated with the ongoing COVID-19 pandemic and the Local Government funding mechanisms, for example the Fair Funding Review and the retention of business rates, continue to be a risk for Local Authorities. The system now means there will be fluctuations of income in year and between years, an element of this risk is mitigated by the earmarked reserve which was established for this purpose.

3.27 Other income streams from demand led services remain vulnerable both from economic factors and seasonal factors including weather that can influence for example car parking income. Steps have been taken to set prudent estimates of income from these services as appropriate but the activity that drives the income remains difficult to predict, particularly in light of the ongoing pandemic.

3.28 The revised assessment of the General Reserve for 2022/23 and forward years is very similar to the current minimum balance so the recommendation is therefore to maintain the provision at £2.1m for 2022/23. This represents 11.2% of the net budgeted operating expenditure (excluding parish precepts). The actual level of the General Reserve at the end of the 2022/23 financial year is estimated to be just under £2.2m.

3.29 Earmarked reserves are estimated to total around £14.8m by the end of the 2022/23 financial year. The main components of this total are the Capital Projects reserve, Asset Management reserve, Benefits reserve, Business Rates reserve, Delivery Plan reserve, Major Repairs reserve and the Restructuring/Invest to Save reserve. These reserves, along with all the other earmarked reserves have been reviewed against the framework in Appendix B, as decisions are made on the utilisation of these reserve, the overall reserves position and projections will be updated accordingly.

3.30 All of the earmarked reserves follow the protocol at paragraph 2.2 of the Policy Framework at Appendix B to this report.

Summary

3.31 In the opinion of the Chief Financial Officer the overall budgeted level of both the General Reserve and the Earmarked Reserves shown in Appendix D are considered adequate in the short term. The General Reserve balance (£2.2m) is forecast to be over that of the recommended balance (£2.1m), all reserves will be subject to further annual review in 2023/24.

3.32 When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and also the identified risks in relation to the revenue and capital budgets presented for approval.

4. COUNCIL TAX SETTING FOR 2022/23

4.1 The following pages represent the information required for Members to set the Council Tax for the year commencing 1 April 2022.

4.2 Norfolk County Council will be meeting on the 21st February 2022 and the recommendation is to increase the Council Tax by 2.99%. The Norfolk Police and Crime Panel met on the 1st February 2022 and agreed the Norfolk Police and Crime Commissioner's proposals for a 3.59% increase in Council Tax. The figures used in this report are based on the assumption that there will be a £4.95 increase for North Norfolk District Council (excluding town and parish council precepts), £44.01 for Norfolk County Council, and a £9.99 increase for the Norfolk Police & Crime Commissioner.

4.3 The Localism Act 2011 makes provision for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State. These excessiveness principles are set each year and the Secretary of State has decided that for 2022/23 an increase above the amount for 2021/22 will be excessive, and a referendum must be held, in the following circumstances; for Norfolk County Council if the increase is 2% or more with a further 3% precept for adult social care); for the Norfolk Police and Crime Commissioner if the increase is more than £10; and for North Norfolk District Council if the increase is both 2% or more, and more than £5.

4.4 The excessiveness principles apply in 2022/23 to billing authorities and major precepting authorities, but not to local precepting authorities (town and parish councils).

4.5 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 contain rules for the calculation of the Council Tax Base, which is an amount required by the Local Government Finance Act 1992 to be used in the calculation of the tax by the Council as the billing authority, and Norfolk County Council and the Norfolk Police and Crime Commissioner as major precepting authorities, and in the calculation of the precept payable by the Council to the County Council and Norfolk Police and Crime Commissioner. The Council Tax Base was calculated as follows for the year 2022/23.

The number of dwellings in each Council Tax band taking into account the multipliers, discounts, exemptions, rate of collection and Council Tax Support:-

a) for the whole Council area as 41,031 (Item T in the formula in Section 31B of the Local Government Finance Act 1992) being calculated by the Council, in accordance with Regulation 3 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax base for the year;

b)

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Alby With Thwaite	98.20	Little Barningham	49.55
Aldborough and Thurgarton	238.24	Little Snoring	246.63
Antingham	118.99	Ludham	510.47
Ashmanhaugh	68.06	Matlaske	62.55
Aylmerton	214.35	Melton Constable	210.01
Baconsthorpe	83.23	Morston	58.12
Bacton	506.52	Mundesley	1,162.76
Barsham	98.99	Neatishead	236.61
Barton Turf	236.45	North Walsham	4,121.97
Beckham East/West	114.56	Northrepps	406.76
Beeston Regis	394.39	Overstrand	464.85
Binham	196.31	Paston	92.39
Blakeney	537.25	Plumstead	49.15
Bodham	167.47	Potter Heigham	410.55
Briningham	64.65	Pudding Norton	77.42
Brinton	121.35	Raynham	174.23
Briston	875.28	Roughton	337.07
Brumstead	24.53	Runton (East & West)	727.50
Catfield	328.89	Ryburgh	233.51
Cley	329.09	Salthouse	116.72
Colby	188.46	Scottow	288.44
Corpusty and Saxthorpe	282.30	Sculthorpe	277.87
Cromer	3,027.24	Sea Palling	206.78
Dilham	145.79	Sheringham	3,164.93
Dunton	53.29	Sidestrand	47.67
East Ruston	189.81	Skeyton	89.21
Edgefield	208.42	Sloley	98.50
Erpingham	257.78	Smallburgh	189.42
Fakenham	2,662.39	Southrepps	341.96
Felbrigg	79.19	Stalham	1,170.92
Felmingham	193.55	Stibbard	137.70
Field Dalling	143.91	Stiffkey	131.40
Fulmodeston	181.40	Stody	89.73
Gimingham	147.52	Suffield	58.31
Great Snoring	87.86	Sustead	90.09
Gresham	168.73	Sutton	388.58

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Gunthorpe	151.87	Swafield	114.65
Hanworth	95.94	Swanton Abbott	146.37
Happisburgh	309.59	Swanton Novers	84.22
Helhoughton	150.61	Tattersett	281.41
Hempstead	77.89	Thornage	96.04
Hempton	183.11	Thorpe Market	121.69
Hickling	417.02	Thurning	33.10
High Kelling	305.94	Thursford	106.08
Hindolveston	209.02	Trimingham	132.91
Hindringham	236.96	Trunch	364.58
Holkham	81.85	Tunstead	262.63
Holt	1,850.78	Upper Sheringham	112.68
Honing	122.14	Walcott	215.97
Horning	598.50	Walsingham	364.65
Horsey	34.28	Warham	90.19
Hoveton	846.02	Wells-Next-The-Sea	1,132.90
Ingham	156.61	Westwick	28.96
Ingworth	40.29	Weybourne	335.39
Itteringham	62.06	Wickmere	56.34
Kelling	95.05	Wighton	107.31
Kettlestone	92.95	Witton	135.42
Knapton	158.39	Wiveton	83.46
Langham	214.34	Wood Norton	105.40
Lessingham	224.81	Worstead	320.06
Letheringsett With Glandford	127.80		

being the amounts calculated by the Council, in accordance with Regulation 6 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which special items (parish precepts) may relate.

4.6 That the following amounts be now **CALCULATED** by the Council for the year 2022/23 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 and the relevant regulations and directions as follows:-

a)	£58,722,684	being the aggregate of the amounts which the Council estimates for the expenditure items set out in Section 31A(2) of the Act.
b)	£40,423,142	being the aggregate of the amounts which the Council estimates for the income items set out in Section 31A(3) of the Act.
c)	£9,064,180	being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
d)	£225.08	being the amount at (c) above divided by the amount at 4.5(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

e) £2,724,973 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.

f) £158.67 being the amount at (d) above less the result given by dividing the amount at (e) above by the amount at 4.5 (a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.

g)

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Alby with Thwaite	189.21	Letheringsett with Glandford	174.31
Aldborough and Thurgarton	200.64	Little Barningham	170.93
Antingham	188.92	Little Snoring	209.35
Ashmanhaugh	220.40	Ludham	179.98
Aylmerton	193.83	Matlaske	169.06
Baconsthorpe	227.15	Melton Constable	227.76
Bacton	192.62	Mundesley	214.57
Barsham	187.46	Neatishead	195.29
Barton Turf	189.75	North Walsham	262.35
Beckham East/West	191.84	Northrepps	202.98
Beeston Regis	190.36	Overstrand	221.05
Binham	196.87	Paston	230.79
Blakeney	238.70	Plumstead	219.70
Bodham	209.42	Potter Heigham	195.20
Briningham	181.87	Pudding Norton	223.25
Brinton	191.63	Raynham	213.40
Briston	218.09	Roughton	189.07
Catfield	195.15	Runton (East & West)	179.28
Cley	202.55	Ryburgh	217.55
Colby	243.74	Salthouse	204.93
Corpusty and Saxthorpe	221.44	Scottow	203.74
Cromer	255.61	Sculthorpe	192.56
Dilham	192.96	Sea Palling	225.92
East Ruston	191.59	Sheringham	265.67
Edgefield	190.45	Sidestrand	190.13
Erpingham	204.29	Skeyton	171.49
Fakenham	243.51	Sloley	199.50
Felbrigg	200.34	Smallburgh	188.86
Felmingham	168.22	Southrepps	208.38
Field Dalling	201.52	Stalham	308.12
Fulmodeston	202.18	Stibbard	201.97
Gimingham	212.89	Stiffkey	212.73
Great Snoring	226.96	Stody	211.60

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Gresham	204.30	Suffield	184.39
Gunthorpe	178.42	Sustead	188.97
Hanworth	184.72	Sutton	199.84
Happisburgh	173.10	Swafield	206.64
Helhoughton	194.98	Swanton Abbott	203.07
Hempstead	202.06	Swanton Novers	262.45
Hempton	246.04	Tattersett	170.01
Hickling	180.87	Thornage	189.90
High Kelling	181.12	Thorpe Market	207.97
Hindolveston	219.66	Thursford	200.14
Hindringham	192.85	Trimingham	237.53
Holkham	201.43	Trunch	219.45
Holt	238.29	Tunstead	188.37
Honing	176.68	Upper Sheringham	203.76
Horning	191.82	Walcott	198.18
Horsey	182.88	Walsingham	227.22
Hoveton	229.25	Warham	225.19
Ingham	175.27	Wells-next-the-Sea	229.28
Ingworth	228.91	Weybourne	214.48
Itteringham	200.56	Wickmere	220.79
Kelling	201.04	Wighton	198.27
Kettlestone	200.62	Witton	185.55
Knapton	199.39	Wiveton	206.59
Langham	207.26	Wood Norton	187.47
Lessingham	176.77	Worstead	185.83

being the amounts given by adding to the amount at 4.6(f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 4.5(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

h)

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Alby with Thwaite	126.14	147.17	168.19	189.21	231.26	273.31	315.36	378.43
Aldborough and Thurgarton	133.76	156.05	178.35	200.64	245.23	289.81	334.40	401.28
Antingham	125.94	146.94	167.93	188.92	230.90	272.89	314.87	377.84
Ashmanhaugh	146.93	171.42	195.91	220.40	269.38	318.36	367.34	440.81
Aylmerton	129.22	150.76	172.29	193.83	236.90	279.98	323.05	387.66
Baconsthorpe	151.43	176.67	201.91	227.15	277.63	328.11	378.59	454.30
Bacton	128.41	149.82	171.22	192.62	235.43	278.23	321.04	385.25
Barsham	124.97	145.80	166.63	187.46	229.11	270.77	312.43	374.92

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Barton Turf	126.50	147.58	168.67	189.75	231.92	274.09	316.25	379.50
Beckham East/West	127.89	149.20	170.52	191.84	234.47	277.10	319.73	383.68
Beeston Regis	126.90	148.06	169.21	190.36	232.66	274.97	317.27	380.72
Binham	131.24	153.12	174.99	196.87	240.62	284.37	328.12	393.74
Blakeney	159.13	185.66	212.18	238.70	291.75	344.79	397.84	477.41
Bodham	139.61	162.88	186.15	209.42	255.96	302.50	349.04	418.85
Briningham	121.24	141.45	161.66	181.87	222.28	262.70	303.11	363.74
Brinton	127.75	149.04	170.34	191.63	234.21	276.80	319.38	383.26
Briston	145.39	169.62	193.85	218.09	266.55	315.02	363.48	436.18
Catfield	130.10	151.78	173.47	195.15	238.52	281.89	325.26	390.31
Cley	135.03	157.54	180.04	202.55	247.56	292.57	337.58	405.10
Colby	162.49	189.58	216.66	243.74	297.91	352.08	406.24	487.49
Corpusty and Saxthorpe	147.62	172.23	196.83	221.44	270.64	319.85	369.06	442.88
Cromer	170.40	198.81	227.21	255.61	312.41	369.21	426.02	511.22
Dilham	128.64	150.08	171.52	192.96	235.84	278.72	321.60	385.93
East Ruston	127.73	149.02	170.30	191.59	234.17	276.75	319.32	383.19
Edgefield	126.97	148.13	169.29	190.45	232.78	275.10	317.42	380.91
Erpingham	136.19	158.89	181.59	204.29	249.68	295.08	340.48	408.58
Fakenham	162.34	189.40	216.45	243.51	297.63	351.74	405.86	487.03
Felbrigg	133.56	155.82	178.08	200.34	244.86	289.38	333.90	400.68
Felmingham	112.15	130.84	149.53	168.22	205.61	242.99	280.38	336.45
Field Dalling	134.34	156.74	179.13	201.52	246.30	291.08	335.87	403.04
Fulmodeston	134.78	157.25	179.71	202.18	247.11	292.03	336.96	404.36
Gimingham	141.93	165.58	189.24	212.89	260.21	307.52	354.83	425.79
Great Snoring	151.30	176.52	201.74	226.96	277.39	327.83	378.26	453.92
Gresham	136.20	158.90	181.60	204.30	249.70	295.10	340.50	408.61
Gunthorpe	118.94	138.77	158.59	178.42	218.07	257.72	297.37	356.84
Hanworth	123.15	143.67	164.20	184.72	225.77	266.82	307.87	369.45
Happisburgh	115.40	134.63	153.87	173.10	211.57	250.04	288.50	346.21
Helhoughton	129.99	151.65	173.32	194.98	238.31	281.65	324.98	389.97
Hempstead	134.70	157.16	179.61	202.06	246.96	291.87	336.77	404.12
Hempton	164.03	191.37	218.71	246.04	300.72	355.40	410.08	492.09
Hickling	120.58	140.68	160.78	180.87	221.07	261.26	301.46	361.75
High Kelling	120.75	140.87	161.00	181.12	221.37	261.63	301.88	362.25
Hindolveston	146.44	170.85	195.26	219.66	268.48	317.29	366.11	439.33
Hindringham	128.56	149.99	171.42	192.85	235.70	278.56	321.42	385.70
Holkham	134.28	156.66	179.04	201.43	246.19	290.95	335.71	402.86
Holt	158.86	185.33	211.81	238.29	291.24	344.20	397.15	476.58
Honing	117.78	137.41	157.05	176.68	215.94	255.20	294.47	353.36
Horning	127.88	149.19	170.51	191.82	234.45	277.07	319.70	383.64
Horsey	121.92	142.24	162.56	182.88	223.52	264.16	304.80	365.76
Hoveton	152.83	178.30	203.77	229.25	280.19	331.14	382.08	458.50
Ingham	116.84	136.32	155.79	175.27	214.22	253.17	292.11	350.54
Ingworth	152.60	178.04	203.47	228.91	279.77	330.64	381.51	457.82

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Itteringham	133.70	155.99	178.27	200.56	245.13	289.70	334.27	401.12
Kelling	134.03	156.37	178.70	201.04	245.72	290.40	335.07	402.09
Kettlestone	133.75	156.04	178.33	200.62	245.21	289.79	334.38	401.25
Knapton	132.92	155.08	177.23	199.39	243.70	288.01	332.32	398.78
Langham	138.17	161.20	184.23	207.26	253.31	299.37	345.43	414.52
Lessingham	117.84	137.49	157.13	176.77	216.05	255.34	294.62	353.54
Letheringsett with Glandford	116.21	135.58	154.95	174.31	213.05	251.79	290.53	348.63
Little Barningham	113.95	132.94	151.93	170.93	208.91	246.90	284.88	341.86
Little Snoring	139.56	162.83	186.09	209.35	255.87	302.39	348.92	418.70
Ludham	119.99	139.99	159.99	179.98	219.98	259.98	299.98	359.97
Matlaske	112.70	131.49	150.27	169.06	206.63	244.20	281.76	338.12
Melton Constable	151.84	177.14	202.45	227.76	278.37	328.98	379.60	455.52
Mundesley	143.04	166.88	190.73	214.57	262.25	309.93	357.61	429.14
Neatishead	130.19	151.89	173.59	195.29	238.69	282.09	325.49	390.59
North Walsham	174.90	204.05	233.20	262.35	320.65	378.95	437.25	524.70
Northrepps	135.32	157.87	180.43	202.98	248.09	293.20	338.31	405.97
Overstrand	147.37	171.93	196.49	221.05	270.17	319.30	368.42	442.11
Paston	153.86	179.51	205.15	230.79	282.08	333.37	384.66	461.59
Plumstead	146.47	170.88	195.29	219.70	268.53	317.35	366.17	439.41
Potter Heigham	130.13	151.82	173.51	195.20	238.58	281.96	325.34	390.41
Pudding Norton	148.83	173.64	198.44	223.25	272.86	322.47	372.08	446.50
Raynham	142.26	165.97	189.69	213.40	260.82	308.24	355.67	426.80
Roughton	126.05	147.06	168.07	189.07	231.09	273.11	315.13	378.15
Runton	119.52	139.44	159.36	179.28	219.13	258.97	298.81	358.57
Ryburgh	145.03	169.20	193.38	217.55	265.89	314.24	362.58	435.10
Salthouse	136.62	159.39	182.16	204.93	250.47	296.01	341.55	409.86
Scottow	135.82	158.46	181.10	203.74	249.01	294.29	339.56	407.48
Sculthorpe	128.37	149.77	171.17	192.56	235.35	278.15	320.94	385.13
Sea Palling	150.61	175.72	200.82	225.92	276.13	326.34	376.54	451.85
Sheringham	177.11	206.63	236.15	265.67	324.70	383.74	442.78	531.34
Sidestrand	126.75	147.88	169.01	190.13	232.38	274.64	316.89	380.27
Skeyton	114.32	133.38	152.43	171.49	209.60	247.71	285.82	342.98
Sloley	133.00	155.16	177.33	199.50	243.83	288.17	332.50	399.00
Smallburgh	125.91	146.89	167.88	188.86	230.83	272.80	314.77	377.73
Southrepps	138.92	162.07	185.22	208.38	254.69	300.99	347.30	416.76
Stalham	205.41	239.65	273.88	308.12	376.59	445.06	513.54	616.25
Stibbard	134.64	157.09	179.53	201.97	246.85	291.74	336.62	403.94
Stiffkey	141.82	165.45	189.09	212.73	260.00	307.28	354.55	425.46
Stody	141.07	164.58	188.09	211.60	258.63	305.65	352.67	423.21
Suffield	122.92	143.41	163.90	184.39	225.37	266.34	307.32	368.78
Sustead	125.98	146.97	167.97	188.97	230.96	272.96	314.95	377.94
Sutton	133.23	155.43	177.64	199.84	244.25	288.66	333.07	399.69
Swafield	137.76	160.72	183.68	206.64	252.56	298.48	344.40	413.28
Swanton Abbott	135.38	157.94	180.51	203.07	248.20	293.33	338.46	406.15

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Swanton Novers	174.97	204.13	233.29	262.45	320.78	379.10	437.42	524.91
Tattersett	113.34	132.23	151.12	170.01	207.80	245.58	283.36	340.03
Thornage	126.60	147.70	168.80	189.90	232.10	274.30	316.51	379.81
Thorpe Market	138.65	161.75	184.86	207.97	254.19	300.40	346.62	415.95
Thursford	133.43	155.67	177.90	200.14	244.62	289.10	333.58	400.29
Trimingham	158.35	184.74	211.14	237.53	290.32	343.10	395.89	475.07
Trunch	146.30	170.68	195.07	219.45	268.22	316.99	365.76	438.91
Tunstead	125.58	146.51	167.44	188.37	230.23	272.09	313.95	376.74
Upper Sheringham	135.84	158.48	181.12	203.76	249.04	294.32	339.60	407.52
Walcott	132.12	154.14	176.16	198.18	242.22	286.26	330.30	396.36
Walsingham	151.48	176.73	201.98	227.22	277.72	328.21	378.71	454.45
Warham	150.13	175.15	200.17	225.19	275.23	325.28	375.32	450.39
Wells-next-the-Sea	152.85	178.33	203.80	229.28	280.23	331.18	382.14	458.57
Weybourne	142.99	166.82	190.65	214.48	262.14	309.81	357.47	428.97
Wickmere	147.19	171.72	196.26	220.79	269.85	318.92	367.98	441.58
Wighton	132.18	154.21	176.24	198.27	242.33	286.39	330.45	396.54
Witton	123.70	144.32	164.93	185.55	226.79	268.02	309.26	371.11
Wiveton	137.73	160.68	183.64	206.59	252.50	298.41	344.32	413.19
Wood Norton	124.98	145.81	166.64	187.47	229.13	270.79	312.45	374.94
Worstead	123.88	144.53	165.18	185.83	227.12	268.42	309.71	371.66
All Other Parts of the Council's Area	105.78	123.41	141.04	158.67	193.93	229.19	264.45	317.34

being the amounts given by multiplying (as appropriate) the amounts at 4.6(f) or 4.6(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4.7 That it be **NOTED** that for the year 2022/23 the Norfolk County Council and the Office of the Police & Crime Commissioner for Norfolk have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Norfolk County Council	1011.30	1179.85	1348.40	1516.95	1854.05	2191.15	2528.25	3033.90
Norfolk Police and Crime Commissioner	192.00	224.00	256.00	288.00	352.00	416.00	480.00	576.00

4.8 That, having calculated the aggregate in each case of the amounts at 4.6(h) and 4.7 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, **HEREBY SETS** the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown below:-

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Alby with Thwaite	1,329.44	1,551.02	1,772.59	1,994.16	2,437.31	2,880.46	3,323.61	3,988.33
Aldborough and Thurgarton	1,337.06	1,559.90	1,782.75	2,005.59	2,451.28	2,896.96	3,342.65	4,011.18
Antingham	1,329.24	1,550.79	1,772.33	1,993.87	2,436.95	2,880.04	3,323.12	3,987.74
Ashmanhaugh	1,350.23	1,575.27	1,800.31	2,025.35	2,475.43	2,925.51	3,375.59	4,050.71
Aylmerton	1,332.52	1,554.61	1,776.69	1,998.78	2,442.95	2,887.13	3,331.30	3,997.56
Baconsthorpe	1,354.73	1,580.52	1,806.31	2,032.10	2,483.68	2,935.26	3,386.84	4,064.20
Bacton	1,331.71	1,553.67	1,775.62	1,997.57	2,441.48	2,885.38	3,329.29	3,995.15
Barsham	1,328.27	1,549.65	1,771.03	1,992.41	2,435.16	2,877.92	3,320.68	3,984.82
Barton Turf	1,329.80	1,551.43	1,773.07	1,994.70	2,437.97	2,881.24	3,324.50	3,989.40
Beckham East/West	1,331.19	1,553.05	1,774.92	1,996.79	2,440.52	2,884.25	3,327.98	3,993.58
Beeston Regis	1,330.20	1,551.91	1,773.61	1,995.31	2,438.71	2,882.12	3,325.52	3,990.62
Binham	1,334.54	1,556.97	1,779.39	2,001.82	2,446.67	2,891.52	3,336.37	4,003.64
Blakeney	1,362.43	1,589.51	1,816.58	2,043.65	2,497.80	2,951.94	3,406.09	4,087.31
Bodham	1,342.91	1,566.73	1,790.55	2,014.37	2,462.01	2,909.65	3,357.29	4,028.75
Briningham	1,324.54	1,545.30	1,766.06	1,986.82	2,428.33	2,869.85	3,311.36	3,973.64
Brinton	1,331.05	1,552.89	1,774.74	1,996.58	2,440.26	2,883.95	3,327.63	3,993.16
Briston	1,348.69	1,573.47	1,798.25	2,023.04	2,472.60	2,922.17	3,371.73	4,046.08
Catfield	1,333.40	1,555.63	1,777.87	2,000.10	2,444.57	2,889.04	3,333.51	4,000.21
Cley	1,338.33	1,561.39	1,784.44	2,007.50	2,453.61	2,899.72	3,345.83	4,015.00
Colby	1,365.79	1,593.43	1,821.06	2,048.69	2,503.96	2,959.23	3,414.49	4,097.39
Corpusty and Saxthorpe	1,350.92	1,576.08	1,801.23	2,026.39	2,476.69	2,927.00	3,377.31	4,052.78
Cromer	1,373.70	1,602.66	1,831.61	2,060.56	2,518.46	2,976.36	3,434.27	4,121.12
Dilham	1,331.94	1,553.93	1,775.92	1,997.91	2,441.89	2,885.87	3,329.85	3,995.83
East Ruston	1,331.03	1,552.87	1,774.70	1,996.54	2,440.22	2,883.90	3,327.57	3,993.09
Edgefield	1,330.27	1,551.98	1,773.69	1,995.40	2,438.83	2,882.25	3,325.67	3,990.81
Erpingham	1,339.49	1,562.74	1,785.99	2,009.24	2,455.73	2,902.23	3,348.73	4,018.48
Fakenham	1,365.64	1,593.25	1,820.85	2,048.46	2,503.68	2,958.89	3,414.11	4,096.93
Felbrigg	1,336.86	1,559.67	1,782.48	2,005.29	2,450.91	2,896.53	3,342.15	4,010.58
Felmingham	1,315.45	1,534.69	1,753.93	1,973.17	2,411.66	2,850.14	3,288.63	3,946.35
Field Dalling	1,337.64	1,560.59	1,783.53	2,006.47	2,452.35	2,898.23	3,344.12	4,012.94
Fulmodeston	1,338.08	1,561.10	1,784.11	2,007.13	2,453.16	2,899.18	3,345.21	4,014.26
Gimingham	1,345.23	1,569.43	1,793.64	2,017.84	2,466.26	2,914.67	3,363.08	4,035.69
Great Snoring	1,354.60	1,580.37	1,806.14	2,031.91	2,483.44	2,934.98	3,386.51	4,063.82
Gresham	1,339.50	1,562.75	1,786.00	2,009.25	2,455.75	2,902.25	3,348.75	4,018.51
Gunthorpe	1,322.24	1,542.62	1,762.99	1,983.37	2,424.12	2,864.87	3,305.62	3,966.74
Hanworth	1,326.45	1,547.52	1,768.60	1,989.67	2,431.82	2,873.97	3,316.12	3,979.35
Happisburgh	1,318.70	1,538.48	1,758.27	1,978.05	2,417.62	2,857.19	3,296.75	3,956.11
Helhoughton	1,333.29	1,555.50	1,777.72	1,999.93	2,444.36	2,888.80	3,333.23	3,999.87
Hempstead	1,338.00	1,561.01	1,784.01	2,007.01	2,453.01	2,899.02	3,345.02	4,014.02

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Hempton	1,367.33	1,595.22	1,823.11	2,050.99	2,506.77	2,962.55	3,418.33	4,101.99
Hickling	1,323.88	1,544.53	1,765.18	1,985.82	2,427.12	2,868.41	3,309.71	3,971.65
High Kelling	1,324.05	1,544.72	1,765.40	1,986.07	2,427.42	2,868.78	3,310.13	3,972.15
Hindolveston	1,349.74	1,574.70	1,799.66	2,024.61	2,474.53	2,924.44	3,374.36	4,049.23
Hindringham	1,331.86	1,553.84	1,775.82	1,997.80	2,441.75	2,885.71	3,329.67	3,995.60
Holkham	1,337.58	1,560.51	1,783.44	2,006.38	2,452.24	2,898.10	3,343.96	4,012.76
Holt	1,362.16	1,589.18	1,816.21	2,043.24	2,497.29	2,951.35	3,405.40	4,086.48
Honing	1,321.08	1,541.26	1,761.45	1,981.63	2,421.99	2,862.35	3,302.72	3,963.26
Horning	1,331.18	1,553.04	1,774.91	1,996.77	2,440.50	2,884.22	3,327.95	3,993.54
Horsey	1,325.22	1,546.09	1,766.96	1,987.83	2,429.57	2,871.31	3,313.05	3,975.66
Hoveton	1,356.13	1,582.15	1,808.17	2,034.20	2,486.24	2,938.29	3,390.33	4,068.40
Ingham	1,320.14	1,540.17	1,760.19	1,980.22	2,420.27	2,860.32	3,300.36	3,960.44
Ingworth	1,355.90	1,581.89	1,807.87	2,033.86	2,485.82	2,937.79	3,389.76	4,067.72
Itteringham	1,337.00	1,559.84	1,782.67	2,005.51	2,451.18	2,896.85	3,342.52	4,011.02
Kelling	1,337.33	1,560.22	1,783.10	2,005.99	2,451.77	2,897.55	3,343.32	4,011.99
Kettlestone	1,337.05	1,559.89	1,782.73	2,005.57	2,451.26	2,896.94	3,342.63	4,011.15
Knapton	1,336.22	1,558.93	1,781.63	2,004.34	2,449.75	2,895.16	3,340.57	4,008.68
Langham	1,341.47	1,565.05	1,788.63	2,012.21	2,459.36	2,906.52	3,353.68	4,024.42
Lessingham	1,321.14	1,541.34	1,761.53	1,981.72	2,422.10	2,862.49	3,302.87	3,963.44
Letheringsett with Glandford	1,319.51	1,539.43	1,759.35	1,979.26	2,419.10	2,858.94	3,298.78	3,958.53
Little Barningham	1,317.25	1,536.79	1,756.33	1,975.88	2,414.96	2,854.05	3,293.13	3,951.76
Little Snoring	1,342.86	1,566.68	1,790.49	2,014.30	2,461.92	2,909.54	3,357.17	4,028.60
Ludham	1,323.29	1,543.84	1,764.39	1,984.93	2,426.03	2,867.13	3,308.23	3,969.87
Matlaske	1,316.00	1,535.34	1,754.67	1,974.01	2,412.68	2,851.35	3,290.01	3,948.02
Melton Constable	1,355.14	1,580.99	1,806.85	2,032.71	2,484.42	2,936.13	3,387.85	4,065.42
Mundesley	1,346.34	1,570.73	1,795.13	2,019.52	2,468.30	2,917.08	3,365.86	4,039.04
Neatishead	1,333.49	1,555.74	1,777.99	2,000.24	2,444.74	2,889.24	3,333.74	4,000.49
North Walsham	1,378.20	1,607.90	1,837.60	2,067.30	2,526.70	2,986.10	3,445.50	4,134.60
Northrepps	1,338.62	1,561.72	1,784.83	2,007.93	2,454.14	2,900.35	3,346.56	4,015.87
Overstrand	1,350.67	1,575.78	1,800.89	2,026.00	2,476.22	2,926.45	3,376.67	4,052.01
Paston	1,357.16	1,583.36	1,809.55	2,035.74	2,488.13	2,940.52	3,392.91	4,071.49
Plumstead	1,349.77	1,574.73	1,799.69	2,024.65	2,474.58	2,924.50	3,374.42	4,049.31
Potter Heigham	1,333.43	1,555.67	1,777.91	2,000.15	2,444.63	2,889.11	3,333.59	4,000.31
Pudding Norton	1,352.13	1,577.49	1,802.84	2,028.20	2,478.91	2,929.62	3,380.33	4,056.40
Raynham	1,345.56	1,569.82	1,794.09	2,018.35	2,466.87	2,915.39	3,363.92	4,036.70
Roughton	1,329.35	1,550.91	1,772.47	1,994.02	2,437.14	2,880.26	3,323.38	3,988.05
Runton	1,322.82	1,543.29	1,763.76	1,984.23	2,425.18	2,866.12	3,307.06	3,968.47
Ryburgh	1,348.33	1,573.05	1,797.78	2,022.50	2,471.94	2,921.39	3,370.83	4,045.00
Salthouse	1,339.92	1,563.24	1,786.56	2,009.88	2,456.52	2,903.16	3,349.80	4,019.76

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Scottow	1,339.12	1,562.31	1,785.50	2,008.69	2,455.06	2,901.44	3,347.81	4,017.38
Sculthorpe	1,331.67	1,553.62	1,775.57	1,997.51	2,441.40	2,885.30	3,329.19	3,995.03
Sea Palling	1,353.91	1,579.57	1,805.22	2,030.87	2,482.18	2,933.49	3,384.79	4,061.75
Sheringham	1,380.41	1,610.48	1,840.55	2,070.62	2,530.75	2,990.89	3,451.03	4,141.24
Sidestrand	1,330.05	1,551.73	1,773.41	1,995.08	2,438.43	2,881.79	3,325.14	3,990.17
Skeyton	1,317.62	1,537.23	1,756.83	1,976.44	2,415.65	2,854.86	3,294.07	3,952.88
Sloley	1,336.30	1,559.01	1,781.73	2,004.45	2,449.88	2,895.32	3,340.75	4,008.90
Smallburgh	1,329.21	1,550.74	1,772.28	1,993.81	2,436.88	2,879.95	3,323.02	3,987.63
Southrepps	1,342.22	1,565.92	1,789.62	2,013.33	2,460.74	2,908.14	3,355.55	4,026.66
Stalham	1,408.71	1,643.50	1,878.28	2,113.07	2,582.64	3,052.21	3,521.79	4,226.15
Stibbard	1,337.94	1,560.94	1,783.93	2,006.92	2,452.90	2,898.89	3,344.87	4,013.84
Stiffkey	1,345.12	1,569.30	1,793.49	2,017.68	2,466.05	2,914.43	3,362.80	4,035.36
Stody	1,344.37	1,568.43	1,792.49	2,016.55	2,464.68	2,912.80	3,360.92	4,033.11
Suffield	1,326.22	1,547.26	1,768.30	1,989.34	2,431.42	2,873.49	3,315.57	3,978.68
Sustead	1,329.28	1,550.82	1,772.37	1,993.92	2,437.01	2,880.11	3,323.20	3,987.84
Sutton	1,336.53	1,559.28	1,782.04	2,004.79	2,450.30	2,895.81	3,341.32	4,009.59
Swafield	1,341.06	1,564.57	1,788.08	2,011.59	2,458.61	2,905.63	3,352.65	4,023.18
Swanton Abbott	1,338.68	1,561.79	1,784.91	2,008.02	2,454.25	2,900.48	3,346.71	4,016.05
Swanton Novers	1,378.27	1,607.98	1,837.69	2,067.40	2,526.83	2,986.25	3,445.67	4,134.81
Tattersett	1,316.64	1,536.08	1,755.52	1,974.96	2,413.85	2,852.73	3,291.61	3,949.93
Thornage	1,329.90	1,551.55	1,773.20	1,994.85	2,438.15	2,881.45	3,324.76	3,989.71
Thorpe Market	1,341.95	1,565.60	1,789.26	2,012.92	2,460.24	2,907.55	3,354.87	4,025.85
Thursford	1,336.73	1,559.52	1,782.30	2,005.09	2,450.67	2,896.25	3,341.83	4,010.19
Trimingham	1,361.65	1,588.59	1,815.54	2,042.48	2,496.37	2,950.25	3,404.14	4,084.97
Trunch	1,349.60	1,574.53	1,799.47	2,024.40	2,474.27	2,924.14	3,374.01	4,048.81
Tunstead	1,328.88	1,550.36	1,771.84	1,993.32	2,436.28	2,879.24	3,322.20	3,986.64
Upper Sheringham	1,339.14	1,562.33	1,785.52	2,008.71	2,455.09	2,901.47	3,347.85	4,017.42
Walcott	1,335.42	1,557.99	1,780.56	2,003.13	2,448.27	2,893.41	3,338.55	4,006.26
Walsingham	1,354.78	1,580.58	1,806.38	2,032.17	2,483.77	2,935.36	3,386.96	4,064.35
Warham	1,353.43	1,579.00	1,804.57	2,030.14	2,481.28	2,932.43	3,383.57	4,060.29
Wells-next-the-Sea	1,356.15	1,582.18	1,808.20	2,034.23	2,486.28	2,938.33	3,390.39	4,068.47
Weybourne	1,346.29	1,570.67	1,795.05	2,019.43	2,468.19	2,916.96	3,365.72	4,038.87
Wickmere	1,350.49	1,575.57	1,800.66	2,025.74	2,475.90	2,926.07	3,376.23	4,051.48
Wighton	1,335.48	1,558.06	1,780.64	2,003.22	2,448.38	2,893.54	3,338.70	4,006.44
Witton	1,327.00	1,548.17	1,769.33	1,990.50	2,432.84	2,875.17	3,317.51	3,981.01
Wiveton	1,341.03	1,564.53	1,788.04	2,011.54	2,458.55	2,905.56	3,352.57	4,023.09
Wood Norton	1,328.28	1,549.66	1,771.04	1,992.42	2,435.18	2,877.94	3,320.70	3,984.84
Worstead	1,327.18	1,548.38	1,769.58	1,990.78	2,433.17	2,875.57	3,317.96	3,981.56

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
All Other Parts of the Council's Area	1,309.08	1,527.26	1,745.44	1,963.62	2,399.98	2,836.34	3,272.70	3,927.24

4.9 **Excessiveness Determination**

4.9.1 The Council's basic amount of council tax as calculated in paragraph 4.6 (f) above is 3.2% above the relevant basic amount of council tax for 2022/23, which equates to £4.95 and less than the £5.00 increase which would require a referendum to be held.

4.9.2 The Council has determined that its relevant basic amount of Council Tax for 2022/23 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2022/23 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

5 Financial Implications and Risks

5.1 The Council is required to set the Council Tax each year in accordance with the legislation set out above in this report. If this is not done, there is a risk that the council will be unable to bill in a timely manner with a consequential loss of revenue, and this may prevent the prudent management of the Council's financial affairs. The Council will be required to hold a referendum if it decides to increase its council tax by both 2.0%, and more than £5.00 (for shire districts) above the 2021/22 amount.

5.2 The overall budget for 2022/23 is balanced, Section 3 of the report presents the Chief Financial Officers statement on the robustness of the estimates and the adequacy of reserves. This statement is informed by a number of risks that are facing the authority, in particular those detailed at 3.15. It is recommended that the level of the General Reserve is maintained at £2.1m.

5.3 The Director for Resources (S151 Officer) is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure. In addition, duties under section 25 of the Local Government Act 2003 establish a requirement to report on the robustness of the estimates made for the purposes of agreeing the Council's budget.

5.4 These duties therefore require a professional judgement to be made by the Director for Resources as the officer ultimately responsible for the authority's finances. As a result, the officer takes a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy and this is reported to Members as part of the budget setting process. In view of this duty, and the considerable uncertainty about funding levels after the end of the current settlement, the Council will need to make plans for substantial, sustainable savings in 2023/24 in order to establish a solid platform for the development of a robust budget in future years.

6 Sustainability – None as a direct consequence of this report.

7 Equality and Diversity

7.1 The Council is legally required to consider the equality duty in its decision-making and this includes the budget process. As part of any savings or investments the Council must consider how it can:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between different groups; and
- Foster good relations between different groups by tackling prejudice and promoting understanding.

7.2 Following the savings exercise undertaken as part of the 2016/17 budget process there have been no further submissions for 2021/22 and therefore no equality issues potentially affecting the proposals.

8 Section 17 Crime and Disorder considerations – None as a direct consequence of the report.

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General Fund Summary 2022-23

	2021-22 Base Budget £	2021-22 Updated Bugdet £	2022-23 Base Budget £	2023-24 Forecast £	2024-25 Forecast £	2025-26 Forecast £
Directorate						
Corporate Leadership/Executive Support	486,720	482,220	350,720	552,636	348,404	349,407
Communities	8,025,691	8,090,807	9,765,875	9,686,196	8,369,542	8,348,108
Place and Climate Change	4,925,244	4,925,244	5,530,289	5,307,423	4,883,431	4,880,804
Resources	4,326,059	4,531,733	5,967,695	4,980,908	4,221,112	4,927,658
Net Cost of Services	**17,763,714**	**18,030,004**	**21,614,579**	**20,527,163**	**17,822,489**	**18,505,977**
Parish Precepts	2,573,788	2,573,788	2,724,973	2,631,183	2,683,807	2,683,807
Capital Charges	(1,964,269)	(1,964,269)	(2,456,953)	(3,058,675)	(1,572,942)	(2,360,503)
Refcus	(977,167)	(977,167)	(1,677,167)	(300,000)	(300,000)	0
Interest Receivable	(1,014,929)	(1,014,929)	(1,136,652)	(1,120,923)	(1,207,725)	(1,207,725)
External Interest Paid	154,630	154,630	145,532	136,435	127,338	127,338
Revenue Financing for Capital:	614,741	1,027,574	1,173,426	250,000	0	0
MRP Waste Contract	744,000	744,000	562,500	744,000	744,000	744,000
IAS 19 Pension Adjustment	262,174	262,174	265,496	270,806	276,222	281,746
Net Operating Expenditure	**18,156,682**	**18,835,805**	**21,215,734**	**20,079,989**	**18,573,189**	**18,774,640**
Contribution to/(from) the Earmarked Reserves						
Asset Management	(142,574)	(167,574)	5,466	5,466	10,466	10,466
Benefits	0	0	(32,303)	(8,877)	0	0
Building Control	(28,876)	(28,876)	0	0	0	0
Business Rates	324,058	324,058	(18,000)	(18,000)	(18,000)	(18,000)
Coast Protection	(42,039)	(42,039)	(62,422)	0	0	0
Communities	(242,000)	(275,000)	(275,000)	(275,000)	0	0
Delivery Plan	1,521,913	1,415,686	(2,117,608)	(577,865)	0	0
Elections	50,000	50,000	50,000	(150,000)	50,000	50,000
Grants	(25,104)	(60,977)	(51,476)	0	0	0
Housing	(328,010)	(740,843)	(544,192)	(517,411)	(61,708)	**0**
Legal	(15,520)	(15,520)	(29,612)	(29,612)	0	0
Major Repairs Reserve	89,859	355,694	280,000	280,000	280,000	280,000
New Homes Bonus Reserve	(97,471)	(97,471)	(160,000)	0	0	0
Organisational Development	(92,751)	(88,258)	(12,446)	0	0	0
Pathfinder	(21,627)	(21,627)	0	0	0	0
Planning Revenue	36,728	36,728	0	50,000	50,000	50,000
Property Investment Fund	0	(265,835)	0	0	0	0
Property Company	(2,000,000)	(2,000,000)	0	0	0	0
Restructuring/Invest to save	109,439	40,654	130,453	0	0	0
Sports Facilities	0	(1,898)	0	0	0	0
Treasury Reserve	500,000	500,000	0	0	0	0
Contribution to/(from) the General Reserve	(86,341)	(86,341)	(76,043)	(63,206)	0	0
Amount to be met from Government Grant and Local Taxpayers	**17,666,366**	**17,666,366**	**18,302,551**	**18,775,484**	**18,883,947**	**19,147,106**
Collection Fund – Parishes	(2,573,788)	(2,573,788)	(2,724,973)	(2,631,183)	(2,683,807)	(2,683,807)
Collection Fund – District	(6,253,465)	(6,253,465)	(6,513,398)	(6,728,659)	(6,983,819)	(7,275,867)
Retained Business Rates	(7,381,242)	(7,381,242)	(7,206,520)	(7,390,250)	(6,314,026)	(6,314,026)
Revenue Support Grant	(90,295)	(90,295)	(93,540)	0	0	0
New Homes bonus	(722,562)	(722,562)	(886,575)	0	0	0
Rural Services Delivery Grant	(507,661)	(507,661)	(507,661)	0	0	0
Lower Tier Services Grant	(137,353)	(137,353)	(147,545)	0	0	0
Services Grant	0	0	(222,339)	0	0	0
Income from Government Grant and Taxpayers	**(17,666,366)**	**(17,666,366)**	**(18,302,551)**	**(16,750,092)**	**(15,981,652)**	**(16,273,700)**
(Surplus)/Deficit	**0**	**0**	**0**	**2,025,392**	**2,902,295**	**2,873,406**

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Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2022/23 to 2025/26

1 Background

1.1 In accordance with statute (principally the Local Government Finance Act 2002) and following the Guidance Note on Local Authority Reserves and Balances (LAAP Bulletin No. 77 – November 2008), North Norfolk District Council maintains a range of reserves.

1.2 Two types of reserves are discussed in this policy framework:

- Earmarked Reserves
- The General Reserve

1.3 There are also a number of other reserves which local authorities hold in relation to legislation and proper accounting practices, these are not resource-backed reserves and therefore are not considered as part of this policy framework.

1.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the adequacy of the proposed financial reserves.

1.5 This Policy framework has been informed by both the LAAP Bulletin No. 77 and the Audit Commissions report published in December 2012 'Striking a Balance' Improving Councils' Decision Making on Reserves'.

2 Earmarked Reserves

2.1 Purpose

2.1.1 Earmarked reserves are a means of building up funds to meet known or predicted liabilities.

2.1.2 Typically earmarked reserves are used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund reorganisations and restructurings. Reserves can also be held for trading and business units built up from surpluses to cover potential losses in future years, or to finance capital expenditure. In certain circumstances, if expenditure is delayed on specific budgets, it may be agreed that the underspending at a year end is carried forward for future use in an earmarked reserve.

2.2 Earmarked Reserves Protocol

2.2.1 For each reserve the following arrangements have been established:

- the reasons for / purpose of the reserve
- how and when the reserve can be used
- procedures for the reserve's management and control
- a process and timetable for review of the reserve to ensure continuing relevance and adequacy.

2.2.2 In North Norfolk, the establishment and use of earmarked reserves is reviewed at the time of budget setting and then controlled through the year as part of the regular budget monitoring processes.

2.3 Review of Earmarked Reserves

2.3.1 The Reserves Statement in Appendix D gives full details of the earmarked reserves. Each earmarked reserve has been assessed by the Chief Financial Officer whose judgement is that they are properly established in accordance with the protocol and that their level and proposed use is appropriate.

2.3.2 It is considered that sufficient provision for the Council's capital programme (as recommended) has been included in the capital estimates and capital reserves, and that nothing further is required at the current time.

2.3.3 Where in-year expenditure is being funded by earmarked reserves, the relevant transfers from the reserves have been allowed for within the reserves statements at Appendix D.

3 <u>The General Reserve</u>

3.1 Purpose

3.1.1 The general reserve is held for two main purposes:

- a working balance to help cushion the impact of uneven cashflows and avoid temporary borrowing;
- a contingency to help cushion the impact of unexpected events or emergencies.

3.2 The Optimum Level of the General Reserve

3.2.1 There are two recommended approaches for deciding the optimum level of the general reserve:

- A risk assessment of the budget which takes full account of the context within which the budget has been prepared. The budget report itself provides this contextual information;
- To set the reserve at a percentage of expenditure. Too low a level puts the council at unacceptable risk of failing to meet its obligations, too high a level unnecessarily ties up resources.

3.2.2 This appendix sets out the framework for considering a risk assessment approach and validating the result against a percentage calculation. At the end of the day, the level of reserves is a matter of opinion informed by the judgement of the Council's Chief Financial Officer.

3.3 Assessment Framework

3.3.1 The issues to be considered include the following:

- The Council continues to operate on an ongoing basis;
- The robustness of the budget process including recognition of the linkages with the Corporate Plan, the Corporate Risk Register and the Financial Strategy update;
- The adequacy of the earmarked reserves and the movements on the general reserves both in the past and planned;
- The extent to which savings and planned service reductions are required and can be relied upon to support corporate plan targets;
- The risk of major litigation and legal claims, both currently and in the future;
- The impact of future Government funding reductions (Fair Funding Review, Spending Assessment etc);
- Implications of changes to Local Council Tax Support Schemes and increase in the demand for support;

- Fluctuations in retained business rate income and funding from the government for the extensions to reliefs for example retail relief and small business rates along with the impact of appeals;
- Fluctuations around certain income streams and grants, for example demand led services such as planning, building control income, land charges and car parking and fluctuations in investment income;
- Future changes to the funding for Local Authorities, for example the New Homes Bonus and business rates;
- Unplanned volume increases in major demand led budgets, particularly in the context of the current economic climate for example housing benefits, council tax support and homelessness;
- The need to retain a general contingency to provide for any unforeseen circumstances that may arise including inadequately funded Government initiatives;
- The move in local authorities to do less by direct service provision (either through the Localism Agenda or through third parties, including outsourcing) is increasing the risks borne by authorities. There is a risk that these arrangements fail and there are many circumstances when a statutory liability remains with the local authority. Such risks may not be insurable at an economic level and demand rigorous risk minimisation strategies and this is an area that will be considered in more detail if the Council pursues these arrangements in future years;
- Potential ongoing impacts of Brexit and wider implications of current world politics;
- The need to retain reserves for general day to day cash flow requirements;
- Potential ongoing impacts of COVID-19.

3.3.2 All these issues interlink and any one incident is likely to span across many of the issues. Risks change over time and the general reserve needs to be considered across the Medium Term Financial Strategy (MTFS). What might be an adequate level of reserves now could be inadequate in year’s two to four.

3.4 The Assessment of the General Fund Reserve

3.4.1 When undertaking the assessment, it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.

3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2022/23.

Item	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)
1 Pay and Price Inflation (0.5% pay, 10% prices, above budget assumption)	81	83	85	87
2 Interest Rates (0.25% below budget prediction on non-fixed investments)	80	80	80	80
3 Major Litigation and Legal Claims (to provide additional comfort above earmarked reserves)	100	100	100	100
4 Emergencies and Other Unknowns (to recognise the risks associated with unpredictable events, including COVID-19)	650	550	550	550

Item	2022/23 (£000)	2023/24 (£000)	2024/25 (£000)	2025/26 (£000)
5 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	274	281	288	295
6 Cash Flow (to mitigate the impact of timing of cash flow including the profiling of expenditure)	16	16	16	16
7 Future Funding Fluctuations (an allowance to reflect the increased risk around local funding, i.e. business rates and new homes bonus to mitigate the impact within and between financial years)	870	924	552	475
Total Indicated General Fund Reserve Recommended	**2,070**	**2,034**	**1,671**	**1,603**
% of Net Budgeted Operating Expenditure (excluding parish precepts)	**11.2%**	**11.7%**	**10.5%**	**10.0%**
Budgeted General Fund Reserve (at year-end, after taking account of planned use)	**2,164**	**2,101**	**2,101**	**2,101**
% of Net Budgeted Operating Expenditure (excluding parish precepts)	**11.7%**	**12.0%**	**13.2%**	**13.1%**

4 Chief Financial Officer's Opinion

4.1 The Earmarked Reserves detailed in Appendix D are proper and appropriate with regard to purpose, level and proposed use.

4.2 Based on the assessment detailed above the recommended level of the general reserve for 2022/23 should remain at the current level of £2.1m. The budgeted General Fund Reserve shown in Appendix D is considered adequate for the period 2022/23 to 2025/26; however, the level of the General Reserve should be reviewed during the year as part of the financial planning process taking into account where applicable items identified within the assessment framework at 3.3.

Scheme	Scheme Total Current Estimate £	Updated Budget 2021/22 £	Updated Budget 2022/23 £	Updated Budget 2023/24 £	Updated Budget 2024/25 £	Updated Budget 2025/26 £	Appendix C1
Boosting Business Sustainability and Growth							
Rocket House	**77,084**	39,619	0	0	0	0	
Deep History Coast	**886,998**	5,000	0	0	0	0	
Collectors Cabin	**25,000**	24,686	0	0	0	0	
Cornish Way	**170,000**	162,667	0	0	0	0	
Fakenham Connect	**100,000**	99,668	0	0	0	0	
North Walsham Heritage Action Zone	**3,120,000**	1,765,886	863,500	307,250	0	0	
Public Convenience Improvements	**737,000**	300,000	224,873	0	0	0	
Unit 1 & 2, Surf Lifesaving School, Cromer Promenade	**55,000**	55,000	0	0	0	0	
Purchase of Property Services Vehicles	**25,000**	25,000	0	0	0	0	
Car Park Ticket Machine Replacement Programme	**275,000**	275,000	0	0	0	0	
Weybourne Car Park Public Convenience	**16,000**	16,000	0	0	0	0	
Fakenham Urban Extension	**1,800,000**	1,800,000	0	0	0	0	
	7,287,082	**4,568,526**	**1,088,373**	**307,250**	**0**	**0**	
Local Homes for Local Need							
Disabled Facilities Grants	**Annual programme**	1,000,000	1,000,000	1,300,000	1,300,000	1,300,000	
Compulsory Purchase of Long Term Empty Properties	**675,500**	184,823	0	0	0	0	
Community Housing Fund	**2,121,094**	885,160	250,000	250,000	0	0	
Provision of Temporary Accommodation	**1,740,560**	751,543	0	0	0	0	
S106 Enabling	**1,400,000**	500,000	300,000	300,000	300,000	300,000	
	5,937,154	**3,321,526**	**1,550,000**	**1,850,000**	**1,600,000**	**1,600,000**	
Climate, Coast and the Environment							
Cromer Coast Protection Scheme	**8,822,001**	1,773,092	1,743,092	0	0	0	
Coastal Erosion Assistance	**90,000**	48,797	0	0	0	0	
Coastal Adaptations	**247,493**	247,493	0	0	0	0	
Mundesley - Refurbishment of Coastal Defences	**3,221,000**	1,622,607	1,545,843	0	0	0	
Cromer Pier - Steelworks and Improvements to Pavilion Theatre	**1,740,783**	51,480	0	0	0	0	
Sea Palling Ramp	**10,000**	9,651	0	0	0	0	
Replacement of Flood Gates at Cable Gap Bacton, The Ship Bacton & Walcott Post Office	**45,500**	45,500	0	0	0	0	
Climate Change – Coastal Tools and Knowledge	**11,275**	11,275	0	0	0	0	
	14,188,052	**3,809,895**	**3,288,935**	**0**	**0**	**0**	
Quality of Life							
Steelwork Protection to Victory Pool and Fakenham Gym	**27,500**	27,467	0	0	0	0	
Fakenham Gym	**62,500**	62,500	0	0	0	0	
Gym Equipment	**1,013,000**	502,534	0	0	0	0	
North Walsham Artificial Grass Pitch	**860,000**	848,868	0	0	0	0	
The Reef Leisure Centre	**12,697,000**	3,522,038	0	0	0	0	
Sheringham Enabling Land	**110,000**	110,000	0	0	0	0	
Refurbishment of Chalets in Cromer and Sheringham	**101,000**	60,000	41,000	0	0	0	
Green Road Football Facility	**60,000**	60,000	0	0	0	0	
	14,931,001	**5,193,408**	**41,000**	**0**	**0**	**0**	
Customer Focus and Financial Sustainability							

Administrative Buildings	**1,713,878**	12,559	0	0	0	0
Council Chamber and Committee Room Improvements	**89,000**	7,814	0	0	0	0
Purchase of Bins	**691,834**	80,000	80,000	0	0	0
User IT Hardware Refresh	**275,000**	111,763	55,000	0	0	0
Storage Hardware	**60,000**	17,567	0	0	0	0
Members IT	**65,000**	23,543	0	0	0	0
Electric Vehicle Charging Points	**248,600**	90,055	0	0	0	0
Waste vehicles	**4,500,000**	968,204	0	0	0	0
Backup Network Upgrade	**14,000**	14,000	0	0	0	0
Cromer Office LED Lighting	**60,000**	60,000	0	0	0	0
Fire Wall Replacements	**36,000**	3,512	0	0	0	0
Refurbishment of IT Training Room	**15,000**	15,000	0	0	0	0
Financial Management System	**150,000**	75,000	75,000	0	0	0
Planning S106 Software	**40,000**	40,000	0	0	0	0
Citizen App	**45,000**	1,850	0	0	0	0
	8,003,312	**1,520,867**	**210,000**	**0**	**0**	**0**
TOTAL EXPENDITURE	**50,346,601**	**18,414,222**	**6,178,308**	**2,157,250**	**1,600,000**	**1,600,000**

Capital Programme Financing

Grants	**5,815,771**	**4,678,935**	**1,392,500**	**1,300,000**	**1,300,000**
Other Contributions	**1,400,000**	**300,000**	**300,000**	**300,000**	**300,000**
Asset Management Reserve	**351,373**	**0**	**0**	**0**	**0**
Revenue Contribution to Capital (RCCO)	**0**	**0**	**0**	**0**	**0**
Capital Project Reserve	**707,348**	**0**	**0**	**0**	**0**
Other Reserves	**2,390,010**	**250,000**	**250,000**	**0**	**0**
Capital Receipts	**3,259,477**	**949,373**	**214,750**	**0**	**0**
Internal / External Borrowing	**4,490,243**	**0**	**0**	**0**	**0**
TOTAL FINANCING	**18,414,222**	**6,178,308**	**2,157,250**	**1,600,000**	**1,600,000**

CAPITAL BIDS - 2022/23 to 2025/26 SUMMARY

APPENDIX C2

Bid Title	Perm or One off	Prepared by	Sponsor	Total Estimated Project Costs	Estimated Costs				Funding Already Identified	Total Additional Funding Requested as part of Capital Budget	Annual Revenue Costs / (Income)	Comments
					2022/23	2023/24	2024/25	2025/26				
Sustainable Growth												
Loans to Housing Providers	O	Nicky Debbage/ Graham Connolly	Rob Young	**450,000**	150,000	150,000	150,000	0	0	450,000	0	To provide loans to housing organisations to ensure delivery of affordable homes.
Temporary Accomodation Purchases	O	Nicky Debbage/ Graham Connolly	Rob Young	**1,000,000**	250,000	250,000	250,000	250,000	0	1,000,000	(9,400) per property, per annum	To provide and ongoing budget to support the acquisition of Council owned Temporary Accomodation. This acts to reduce costs in the Revenue budget, as indicated in the table. The exact amount saved is dependent on the property purchased and its use.
Coastal Management Fund	O	Rob Goodliffe	Rob Young	**700,000**	100,000	150,000	200,000	250,000	0	700,000	0	Coastal Management fund, initially consolidating existing Sea Defence revenue and capital allocations to set up an ongoing fund to support programmed coastal management works.
Environment & Leisure												
Additional Bin Purchases	P	Scott Martin	Emily Capps	**80,000**	20,000	20,000	20,000	20,000	0	80,000	0	New and replacement wheeled bins, this is an extension of an existing budget.
Holt Country Park	O	Karl Read	Emily Capps	**150,000**	150,000	0	0	0	0	150,000	0	Installation of mains electricity at Holt Country Park to replace current diesel generator with cleaner alternative. This supports the Council's climate goals and improves the location of the Country Park as a leisure and wellbeing destination. This will also give opportunity to provide additional services such as onsite glamping.
People Services												
Poverty Dashboard	O	Trudi Grant/Lindsay Circuit	Karen Hill	**23,426**	23,426	0	0	0	23,426	0	0	The project will allow us to learn more about low-income families and the challenges facing them. We will be able to use charts and maps to accurately visualise the details, allowing us to track changes over time and create evidence to show what works, and what doesn't. We can also use the data and knowledge to set strategic objectives and define policy. The project will also allow us to analyse our data to identify vulnerable families, then deploy proactive initiatives to target support to them with pinpoint accuracy. Create engaging outreach campaigns and track how well our interventions have worked.
Finance, Assets & Legal												
CIVICA OpenRevenues Module	O	Sean Knight	Cara Jordan	**11,090**	11,090	0	0	0	0	11,090	0	The "AutoSpars" module offers us the opportunity and additional functionality to issue our usual Magistrates Court summons to a defaulter, accompanied by an additional personalised document offering a "Spar" based on set parameters dictated by the authority. Provided the customer pays in line with the terms of the arrangement offered, the Court summons is prevented from progress beyond the obtaining of the Liability Order and this is then held in abeyance whilst continued payment compliance is monitored by other existing automated routines within the system.
Corporate Support												
Recruitment Software	O	James Claxton	Steve Blatch	**35,034**	35,034	0	0	0	0	35,034	0	The authority recieves some 600 - 800 applicants each year. It takes a member of the HR team 30 minutes to process each application; this is even if the applicant is not shortlisted for interview. Assuming 700 applicants, this is 350 hours/or nearly 9.5 weeks. Also, in this highly competitive recruitment market, its critical that our recruitment journey is strong. We need to be seen as modern and forwards thinking. When recruiting graduates, their expectation is to be able to apply direct from their smart phone or tablet.
Organisational Resources												
Printer Replacement	O	Kate Wilson	Sean Kelly	**48,000**	48,000	0	0	0	0	48,000	0	Acquisition of seven multi functional printers as existing printers are out of support
Network Hardware Replacement	O	Kate Wilson	Sean Kelly	**100,000**	100,000	0	0	0	0	100,000	0	Upgrade of core network and supporting cabinets as existing equipment is at end of warranty
Server Replacement	O	Hadley Connor	Sean Kelly	**60,000**	60,000	0	0	0	0	60,000	0	Upgrade of servers as existing are at the end of their useful life
Folding Machine/Laminator	O	Stuart Harber	Sean Kelly	**24,500**	24,500	0	0	0	0	24,500	0	Replacement of end of life equipment
LED Lighting Programme	O	Russell Tanner	Sean Kelly	**150,000**	90,000	0	0	0	0	90,000	0	This is an extension of the existing LED lighting project. It is estimated that the Councils electricity bill will reduce very significantly on completion of this project, but when taken in conjunction with the current rising energy costs, it is difficult to provide a figure for the expected savings generated as a result at the current time.
Public Conveniences	O	Russell Tanner	Sean Kelly	**836,000**	99,000	0	0	0	0	99,000	0	This is an extension of the existing Public Conveniences capital budget which is requested to cover contract and construction price inflation for utility works and improvements.
Public Convenience Improvements	O	Russell Tanner	Sean Kelly	**200,000**	200,000	0	0	0	0	200,000	0	Removing any dated equipment with energy efficiency systems. Removing dated fittings and fittings and reducing reactive works
Fire Sensors Replacement	O	Russell Tanner	Sean Kelly	**150,000**	150,000	0	0	0	0	150,000	0	Installation of improved fire sensor system
Digital Mailroom Scanners	O	Stuart Harber	Sean Kelly	**20,000**	20,000	0	0	0	0	20,000	0	Replacement of out of date scanners which are out of support
Pier Theatre Drainage	O	Russell Tanner	Sean Kelly	**200,000**	200,000	0	0	0	0	200,000	0	Replace existing foul drainage system, reconfigure existing public convenience provision.
Total Capital Project Bids					**1,731,050**	**570,000**	**620,000**	**520,000**	**23,426**	**3,417,624**	**0**	
				3,417,624	To be funded from NNDC Resources							
Potential Revenue Implications:												
Revenue Income					(9,400)	(9,400)	(9,400)	(9,400)				
Investment Income Reduction and Minimum Revenue Provision					43,276	14,250	15,500	13,000				
Total Estimated Revenue Impact					**33,876**	**4,850**	**6,100**	**3,600**				

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Reserves Statement 2022-23 Onwards

Appendix D

Reserve	Purpose and Use of Reserve	Balance 01/04/21 £	Budgeted Movement 2021/22 £	Committed but not allocated to Budgets £	Balance 01/04/22 £	Budgeted Movement 2022/23 £	Balance 01/04/23 £	Budgeted Movement 2023/24 £	Balance 01/04/24 £	Budgeted Movement 2024/25 £	Balance 01/04/25 £	Budgeted Movement 2025/26 £	Balance 01/04/26 £
General Fund - General Reserve	A working balance and contingency, current recommended balance is £2.1 million.	**2,326,735**	(86,341)	0	**2,240,394**	(76,043)	**2,164,351**	(63,206)	**2,101,145**	0	**2,101,145**	0	**2,101,145**
Earmarked Reserves:													
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	**906,095**	0	0	**906,095**	0	**906,095**	0	**906,095**	0	**906,095**	0	**906,095**
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	**956,418**	(167,574)	0	**788,844**	5,466	**794,310**	5,466	**799,776**	10,466	**810,242**	10,466	**820,708**
Benefits	To be used to mitigate any claw back by the Department of Works and Pensions following final subsidy determination. Timing of the use will depend on audited subsidy claims. Also included in this allocation are service specific grants for service improvements that have not yet been offset by expenditure.	**730,748**	0	0	**730,748**	(32,303)	**698,445**	(8,877)	**689,568**	0	**689,568**	0	**689,568**
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	**176,529**	(28,876)	0	**147,653**	0	**147,653**	0	**147,653**	0	**147,653**		**147,653**
Business Rates	To be used for the support of local businesses and to mitigate impact of final claims and appeals in relation to business rates retention scheme.	**10,090,861**	324,058	(6,144,458)	**4,270,461**	(18,000)	**4,252,461**	(18,000)	**4,234,461**	(18,000)	**4,216,461**	(18,000)	**4,198,461**
Coast Protection	To support the ongoing coast protection maintenance programme ands carry forward funding between financial years.	**261,335**	(42,039)	0	**219,296**	(62,422)	**156,874**	0	**156,874**	0	**156,874**	0	**156,874**
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. Funded by a proportion of NCC element of second homes council tax.	**796,350**	(275,000)	0	**521,350**	(275,000)	**246,350**	(275,000)	**(28,650)**	0	**(28,650)**	0	**(28,650)**
Delivery Plan	To help achieve the outputs from the Corporate Plan and Delivery Plan.	**2,914,166**	1,415,686	(24,032)	**4,305,820**	(2,117,608)	**2,188,212**	(577,865)	**1,610,347**	(61,708)	**1,548,639**		**1,548,639**
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	**155,621**	(10,000)	0	**145,621**	0	**145,621**	0	**145,621**	0	**145,621**	0	**145,621**
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	**53,000**	50,000	0	**103,000**	50,000	**153,000**	(150,000)	**3,000**	50,000	**53,000**	50,000	**103,000**
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	**101,984**	0	0	**101,984**	0	**101,984**	0	**101,984**	0	**101,984**	0	**101,984**
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	**227,565**	0	0	**227,565**	0	**227,565**	0	**227,565**	0	**227,565**	0	**227,565**
Environment Reserve	To fund expenditure relating to the Council's Green Agenda.	**150,000**	0	0	**150,000**	0	**150,000**	0	**150,000**	0	**150,000**	0	**150,000**
Grants	Revenue Grants received and due to timing issues not used in the year.	**1,981,100**	(60,977)	(1,408,066)	**512,057**	(51,476)	**460,581**	0	**460,581**		**460,581**		**460,581**

Reserves Statement 2022-23 Onwards

Appendix D

Reserve	**Purpose and Use of Reserve**	**Balance 01/04/21** £	Budgeted Movement 2021/22 £	Committed but not allocated to Budgets £	**Balance 01/04/22** £	Budgeted Movement 2022/23 £	**Balance 01/04/23** £	Budgeted Movement 2023/24 £	**Balance 01/04/24** £	Budgeted Movement 2024/25 £	**Balance 01/04/25** £	Budgeted Movement 2025/26 £	**Balance 01/04/26** £
Housing	Previously earmarked for stock condition survey and housing needs assessment. Also now contains the balance of the Housing Community Grant funding received in 2016/17.	**2,516,351**	(740,843)	(250,000)	**1,525,508**	(544,192)	**981,316**	(517,411)	**463,905**	0	**463,905**	0	**463,905**
Land Charges	To mitigate the impact of potential income reductions.	**343,597**	0	0	**343,597**	0	**343,597**	0	**343,597**	0	**343,597**	0	**343,597**
Legal	One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus.	**159,133**	(15,520)	0	**143,613**	(29,612)	**114,001**	(29,612)	**84,389**	0	**84,389**	0	**84,389**
Major Repairs Reserve	To provide provison for the repair and maintenance of the councils asset portfolio.	**0**	355,694	0	**355,694**	280,000	**635,694**	280,000	**915,694**	280,000	**1,195,694**	280,000	**1,475,694**
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	**279,864**	(97,471)	0	**182,393**	(160,000)	**22,393**	0	**22,393**	0	**22,393**	0	**22,393**
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	**200,355**	(88,258)	(36,826)	**75,271**	(12,446)	**62,825**	0	**62,825**	0	**62,825**	0	**62,825**
Pathfinder	To help Coastal Communities adapt to coastal changes.	**107,553**	(21,627)	0	**85,926**	0	**85,926**	0	**85,926**	0	**85,926**	0	**85,926**
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	**167,926**	36,728	0	**204,654**	0	**204,654**	50,000	**254,654**	50,000	**304,654**	50,000	**354,654**
Property Investment Fund	To provide funding for the acquisition and development of new land and property assets	**265,836**	(265,836)	0	**0**	0	**0**	0	**0**	0	**0**	0	**0**
Property Company	To fund potetial housing development and property related schemes	**2,000,000**	(2,000,000)	0	**0**	0	**0**	0	**0**	0	**0**	0	**0**
Restructuring & Invest to Save Proposals	To fund one-off redundancy and pension strain costs and invest to save initiatives. Transfers from this reserve will be allocated against business cases as they are approved. Timing of the use of this reserve will depend on when business cases are approved.	**1,000,029**	40,654	0	**1,040,683**	130,453	**1,171,136**	0	**1,171,136**	0	**1,171,136**	0	**1,171,136**
Sports Hall Equipment & Sports Facilities	To support renewals for sports hall equipment. Amount transferred in the year represents over or under achievement of income target.	**1,898**	(1,898)	0	**0**	0	**0**	0	**0**	0	**0**	0	**0**
Treasury	To smooth impacts on the Revenue account of movement in fair value changes of the Councils holdings in Pooled Funds	**0**	500,000	0	**500,000**	0	**500,000**		**500,000**	0	**500,000**	0	**500,000**
Total Reserves		**28,871,047**	**(1,179,440)**	**(7,863,382)**	**19,828,225**	**(2,913,183)**	**16,915,042**	**(1,304,505)**	**15,610,537**	**310,758**	**15,921,295**	**372,466**	**16,293,761**

North Norfolk District Council

Council Tax Summary 2022-23

	2021-22 Actual £	**Actual 2022-23 3.2% Council Tax Increase**	**Variance £**	**Variance %**
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 6,456,213	£ 6,513,398	£57,185	0.9%
District Council Tax Level at Band D	£ 152.68	£ 158.74	£6.06	4.0%
Less Estimated Collection Fund Surplus at 31st March	£1.04	(£0.07)	-£1.11	-106.7%
Net District Council Tax at Band D	**£ 153.72**	**£ 158.67**	£4.95	3.2%
Value of Precepts	£2,573,788	£2,724,973	£151,185	5.9%
Effect of Parish/Town Precepts	62.84	66.41	£3.57	5.7%
Billed District Council Tax at Band D	£ 216.56	£ 225.08	£8.52	3.9%

Tax Base	40,959	41,031
Tax Base Movement		72

Note: The Tax Base for 2022/23 is 41,031 (2021/22 40,959) so each £41,031 change in net expenditure has £1.00 effect on Council Tax at Band D.

Ref	Year	Action	Cost/detail	Resource
		Governance		
G1	22/23	Implement new carbon reporting process		Staffing resource accounted for in 2022-2023 budget
G2	22/23	Complete 2021/22 footprint		Staffing resource accounted for in 2022-2023 budget
G3	22/23	Appoint Carbon Data analyst		Staffing resource accounted for in 2022-2023 budget
G4	22/23	Establish new governance rules on compliance of the Council's actions Net Zero 2030 Target		Climate Change and Environment Team
G5	22/23	Revise and publish Climate Action Plan for Year 2		Staffing resource accounted for in 2022-2023 budget
G6	23/24	Complete 2022/23 footprint		Climate Change and Environment Team
G7	23/24	Adopt emissions reduction targets for Year 24/25 and 25/26		Climate Change and Environment Team
G8	23/24	Develop a biodiversity policy		Climate Change and Environment Team
G9	22/23	Review sustainable procurement policy		Climate Change and Environment Team
G10	23/24	Revise and publish plan for Year 3		
		Buildings and energy		
BE1	22/23	Move urgently to the purchase of 100% renewable energy from April 2022		In March 2022 NNDC move to 100% renewable contract with EDF
BE2	22/23	Undertake energy audits of all our buildings and prepare a priority carbon		Staffing resource accounted for in 2022-2023 budget

		reduction and energy efficiency plan		
BE3	22/23	Prioritise efforts to switch away from oil and carbon-intensive fuels by 2030		Staffing resource accounted for in 2022-2023 budget
BE4	22/23	Carry out review of change-over to LED systems and smart controls in council-owned buildings		Staffing resource accounted for in 2022-2023 budget
BE5	22/23	Implement new LED and control system in the Cromer office		Budget for LED lighting accounted for in 2022-23 budget
BE6	23/24	Implement new LED and control system in the Fakenham office		
BE7	22/23	Make sure any new council-controlled buildings or refurbishments are designed to achieve Net Zero emissions by 2030		Staffing resource accounted for in 2022-2023 budget
BE8	22/23	Granular assessment of heating requirements and heat loss by property to create priority conversion list for heating system replacement		Staffing resource accounted for in 2022-2023 budget
BE9	23/24	Develop “invest to save” plan energy efficiency projects across our estate		Cost for developing plan accounted for in 2022-2023 budget
		Renewable generation		
RE1	22/23	Assess renewable energy generation opportunities across the Council Estate		Staffing resource accounted for in 2022-2023 budget
RE2	23/24	Develop plan for supporting renewable energy for the district		

RE3	23/24	Develop plan for supporting community energy for the district		Feasibility and business modelling funded through CRF 'Net-Zero Norfolk' Project
RE4	23/24	Develop plan for collaboration with offshore developers for maximising benefits to North Norfolk from regional funds		
		Gas		
G1	22/23	Develop heating decarbonisation plan for Council estate using gas		Cost for developing plan accounted for in 2022-2023 budget
G2	23/24	Identify energy reduction plan for legacy sites using gas supply		Feasibility and business modelling funded through CRF 'Net-Zero Norfolk' Project
G3	23/24	Assess options for green gas		Feasibility and business modelling funded through CRF 'Net-Zero Norfolk' Project
		Transport		
T1	22/23	Develop a plan for increasing EV charge points at council-owned buildings and carparks		Climate Change and Environment Team
T2	22/23	Adopt a target for EV charge-points at Council owned carparks and buildings		
T3	22/23	Implement shift over to HVO for all Council RCVs		
T4	23/24	Assess options for decarbonisation of all		Feasibility and business modelling

		other Council-owned vehicles		funded through CRF 'Net-Zero Norfolk' Project
T5	23/24	Agree a replacement programme for all Council-owned vehicles to ensure they are all low-carbon by 2030		
T6	23/24	Establish Active Transport plans		Climate Change and Environment Team
T7	23/24	Develop strategy to work alongside local rail operators to decarbonise diesel and coal-fired railway lines		
		Business travel		
Bt1	22/23	Review home working policy		HR Team
Bt2	23/24	Adopt a staff active travel policy		Climate Change and Environment Team
		Leased buildings		
Lb1	22/23	Carry out lease review and establish handover schedule		Staffing resource accounted for in 2022-2023 budget
Lb2	22/23	Carry out energy efficiency review of leased buildings		Staffing resource accounted for in 2022-2023 budget
		Council contracts		
Cc1	23/24	Develop contracts carbon remediation plan		Climate Change and Environment Team
		Water		
$O_2$1	22/23	Appoint a cabinet member to be responsible for coordinated cross-party		Climate Change and Environment Team

		work for water management		
$O_2 2$	22/23	Identify priority actions for saving water at Council-owned and occupied properties		Climate Change and Environment Team and Property Services
$O_2 3$	22/23	Identify priority actions for improving water management across the district		Climate Change and Environment Team and Property Services
		Waste		
W1	22/23	Identify opportunities to reduce waste across the Council's own operations		Environmental Services Team and Property Services
W2	22/23	Reduce plastic pollution from Council operations		Environmental Services
W3	23/24	Identify circular economy options		Environmental Services
		Procurement		
P1	22/23	Review procurement policies and develop green procurement strategy		
P2	23/24	Commence pensions review		
		Supporting staff and councillors		
Ssc1	22/23	Briefing to staff and councillors on the newly adopted NZSAP in April		Climate Change and Environment Team
		Offsetting		
Of1	22/23	Adopt Council offsetting policy		Requested budget to support feasibility into offsetting

				options in GOLD budget
Of2	22/23	Explore carbon offsetting opportunities, especially those that can create co-benefits for the region		Requested budget to support feasibility into offsetting options in GOLD budget
Of3	23/24	Carry out geo-spatial mapping assessment of natural capital and biodiversity across North Norfolk, identifying the existing state of play and opportunities for further action		

PAY POLICY STATEMENT 2022/23

Summary:	Section 38 of the Localism Act 2011 ("the Act") requires the Council to produce an annual pay policy statement ("the statement") for the start of each financial year. The attached statement is drawn up in compliance with the Act to cover the period 2022/23. It is a legal requirement that Full Council formally signs off this statement and the responsibility cannot be devolved to any other person or committee.
Options considered:	There are no options to consider as part of this paper.
Conclusions:	The attached statement sets out current remuneration arrangements for officers.
Recommendations:	**To adopt the attached Pay Policy Statement and to publish the statement for 2022/23 on the Council's website.**
Reasons for Recommendations:	To comply with the requirements of the Localism Act.

Cabinet Member(s) Cllr Tim Adams	Ward(s) affected
Contact Officer, telephone number and email: James Claxton, Human Resources Manager james.claxton@north-norfolk.gov.uk (01263) 516352	

1. Introduction

1.1 Section 38 (1) of the Localism Act 2011 ("the Act") requires English and Welsh local authorities to produce a pay policy statement ("the statement") for each financial year. The statement is signed off by Full Council immediately before the commencement of the year to which it relates.

2. The Statement (Appendix A)

2.1 The statement must set out:

- A local authority's policy on the level and elements of remuneration for each Chief Officer
- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition)
- A local authority's policy on the relationship between the remuneration of its chief officers and other officers

- A local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments, and transparency.

2.2 With regard to the process for approving the statement, it must:

- Be approved formally by Full Council and cannot be delegated to any sub-committee. This includes any amendments in each financial year
- Be approved by the end of March each year
- Be published on the authority's website and in any other manner that the Council thinks appropriate as soon as it is reasonably practicable after it is approved or amended
- Be complied with when the authority sets the terms and conditions for a Chief Officer.

2.3 For the purpose of the statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989 as:

- The Head of Paid Service (Chief Executive Officer)
- The Monitoring Officer
- A statutory Chief Officer and non-statutory Chief Officer (section 2 of
- that Act)
- A deputy Chief Officer (section 2 of that Act)

2.4 This definition of Chief Officer is wider than that contained within the Constitution where the term 'chief officer' indicates the senior posts which sit on Corporate Leadership Team i.e. the Joint Heads of Paid Service and Heads of Service.

3. Living Wage Supplement

3.1 The Council has paid a Living Wage as a supplement to affected posts since 1st January 2015 and the Joint Staff Consultative Committee recommended reviewing this payment on an annual basis. The supplement currently paid reflects the latest published rate for the 'real' living wage.

4. Travel Policy

4.1. The Travel Policy is attached at Appendix B. No changes have been made since the last update, which was effective from 1 April 2017.

5. Conclusion

The statement meets the statutory requirements of the Localism Act and it is therefore recommended that the statement be approved.

6. Financial Implications and Risks

6.1. There are no increased risks as a result of setting and publishing the Pay Policy Statement. The report and the statement outline arrangements for 2022/23, subject to any national pay award.

7. Sustainability

There are no environmental sustainability implications arising from the report.

8. Equality and Diversity

The Equality act 2010 places requirements upon all public sector bodies to ensure that its policies and procedures promote equality, this document supports that requirement.

9. Section 17 Crime and Disorder considerations

There are no Section 17 implications arising from the report.

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Pay Policy Statement 2022/23

1. Context

1.1 This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 ("the Act"), which, from 2012 onwards, requires all local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The remuneration of their most senior employees, which the Act defines as:
  - The Head of Paid Service (Chief Executive),
  - The Monitoring Officer,
  - The Chief Officers (or Directors), and
  - The Deputy Chief Officers (i.e. managers who report directly to a Chief Officer);
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of their most senior employees and that of other employees.

1.2 The Secretary of State has produced guidance on the provisions in the Act relating to transparency and accountability in local pay, which local authorities must have regard to in preparing and approving their annual pay policy statements. This Pay Policy Statement takes full account of this guidance as well as the provisions of the Act.

1.3 The policy statement also refers to information which the Council already publishes under other legislation:

- Information on the level of remuneration paid to senior managers, as required by the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817).
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government Pension Scheme, as required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as required by Regulation 7 of those regulations.

1.4 This Pay Policy Statement must be reviewed on an annual basis and a new version of the policy will be submitted to Full Council for approval by 31 March immediately preceding the financial year to which it relates.

1.5 The Pay Policy statement can also be amended during the course of the financial year, but only by a resolution of the Full Council. If it is amended during the year to which it relates, the revised version of the statement must be published as soon as possible after the amendment is approved by Full Council.

1.6 This policy statement was considered by Full Council on 23rd February 2022. It is available on the Council's website. The Council's website also includes separately published data on salary information relating to Senior Officers and this can be viewed on our website.

1.7 For the purpose of the pay policy statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989:

a) The Head of Paid Service (i.e. the Chief Executive) as designated under section 4 of that Act;
b) The Monitoring Officer designated under section 5(1) of that Act;

c) A statutory Chief Officer and non-statutory Chief Officer under section 2 of that Act;
d) A deputy Chief Officer mentioned in section 2 of that Act.

2. Remunerating Chief Officers/Deputy Chief Officers

2.1 The remuneration for Chief Officers/Deputy Chief Officers within the Council can be found at Appendices A and B.

3. Remunerating the Lowest Paid in the Workforce

3.1 The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Council decisions, these are then incorporated into contracts of employment. The lowest pay point in use by the Council for employees on the council's pay scale is spinal column point (SCP) 1. This relates to an annual salary of £17,842 (full time equivalent (FTE) and can be expressed as an hourly rate of pay of £9.248. This rate was effective from 1 April 2020 and remains in place at the date of this statement, as the national negotiations on Local Government pay scales are ongoing. Employees on this pay point are defined as our lowest paid employees. This pay point and salary has been determined by the National Joint Council (NJC). Full Council agreed to pay a Living Wage supplement where rates of pay were below the 'real living wage'. The 'real living wage' is currently £9.90 per hour and should any employee be paid below this rate the supplement would be received. See Appendix C for pay scales for staff on grades 5-12. Continuation of the Living Wage supplement will be reviewed and determined annually.

3.2 The Council employs a number of apprentices and the salary for these staff complies with the National Minimum Wage.

4. The Relationship between Chief Officer Remuneration and that of other employees

4.1 The highest paid salary point in the Council is that of the Chief Executive and Head of Paid Service at £112,641 as at 1 April 2021. The median for Chief Officers is £60,124 and for non-Chief Officers is £28,672. This gives a ratio of 1:2.10. The Council does not have a policy on maintaining, reaching or applying a specific pay multiple. However, the Council is conscious that remuneration at all levels needs to be adequate to secure and retain high quality employees but not be seen as excessive.

5. Other Aspects of Chief Officer Remuneration

5.1 Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement. These other aspects are defined as remuneration on recruitment, pay increases, additions to pay, performance related pay, earn back, enhancements of pension entitlements and termination payments. These elements are shown in Appendix A.

6. Pay Awards

6.1 Pay awards are determined nationally in accordance with the Joint Negotiating Committee (JNC) for Chief Executives, the Joint Negotiating Committee (JNC) for Chief/Deputy Chief Officers and the National Joint Committee (NJC) for staff paid under the national spinal column points covered by internal grades 5-12.

7. Tax Avoidance

7.1 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council will utilise the procurement policy and the Employment Status for Tax guidelines to ensure that the correct employment status is identified before being engaged. When a need arises for an 'interim' appointment, the Council may consider the use of an agency.

8. Re-engagement of ex North Norfolk District Council staff within the scope of this policy

8.1 All permanent / fixed term posts are advertised in accordance with the Council's recruitment practices and procedures and appointment is made on merit. Interim management appointments are made in accordance with the Council's procurement policy.

9. Review

9.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. The next statement will be submitted to Full Council for approval by 31 March 2023.

9.2 As necessary, the Council may by resolution amend the pay policy statement at times other than that of the prescribed annual statement.

Appendix A – Other aspects of Chief Officer Remuneration as at 1 April 2022							
Post	**Salary grade**	**Expenses / car allowances**	**Bonuses / PRP / Earn Back**	**Honoraria / Acting Up**	**Market/Salary Supplements**	**Election Fees**	**Severance Arrangements**
Chief Executive Officer	1	Travel and other expenses are reimbursed through normal Council procedures. Car allowances are paid in accordance with the rates set out in Council's Travel Policy (see Appendix D)	The current terms and conditions of employment do not provide for any of the above elements	Honoraria and acting up payments do not apply	None	Returning Officer fees for national elections are set by Central Government. Local election fees are paid in accordance with a scale of fees which is based on national election rates and agreed locally. Election fees are paid separately.	The Council's normal policies regarding redundancy and early/flexible retirement apply to the postholder
Director for Resources – S151 Officer	2	As above	As above	As above	None	As above (where applicable)	As above
Director for Place and Climate Change	2	As above	As above	As above	None	As above (where applicable)	As above
Director for Communities	2	As above	As above	As above	None	As above (where applicable)	As above
Monitoring Officer (Assistant Director for Finance. Assets, Legal)	4	As above	As above	As above	£5,040 per annum, pro rata (Monitoring Officer responsibilities)	As above (where applicable)	As above
Assistant Director for Planning	4	As above	As above	As above	£5,040 per annum, pro rata (specialist delegated responsibilities)	As above (where applicable)	As above

Aspect of Chief Officer Remuneration	Council Policy
Recruitment and Retention	All posts in the Council are evaluated using the Council's job evaluation scheme. Each grade comprises a range of pay points (spinal column points). Employees will receive an annual increment (and in some cases, 6 months after starting work with the Council), subject to the top of their grade not being exceeded. The post will be advertised and appointed to at the appropriate approved salary for the post in question and individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Where the Council is unable to recruit to a post at its designated grade, it will consider the use of temporary market supplements or 'Golden Hello's'. Golden Hello's are re-payable in whole or in part in certain circumstances should the officer leave before an agreed period has been served. In areas of skills shortages (locally or nationally) the Council will consider the use of retention payments. Access to appropriate elements of the Council's relocation scheme may also be granted in line with the policy when new starters move to the area. All staff are covered by the Council's appraisal scheme. The above applies to all employees. The rules regarding appointment to a Chief Officer role are set out in the Constitution.
Pay Increases	The Council will apply any pay increases that are agreed by the relevant national negotiating bodies. The Council will also apply any pay increases that are as a result of Council decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts. This applies to all employees.
Additions to Pay	The Council would not make additional payments beyond those specified in the terms and conditions of employment and this policy statement. This applies to all employees.
Professional Subscriptions	These are payable where they are required for the post and should be limited to one subscription per Officer. This applies to all employees.
Employee Assistance Programme (EAP)	Access to the EAP scheme is available to all employees and elected Members.
Contract for Services	Where the Council remains unable to appoint Chief Officers on recruitment, or there is a need to provide interim support to cover for a vacant substantive Chief Officer post, the Council may, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate value for money from competition in securing the relevant service.
Redundancy and payments on termination	The Council has a single policy statement on discretionary payments which applies to all employees. Where termination of employment is subject to a settlement agreement, that agreement may include a negotiated payment in exchange for which the employee undertakes not to pursue claims against the Council. This is always subject to the completion of a business case and appropriate authorisation as laid out in the above policy.
Pension contribution rates	Staff who opt to join the Local Government Pension Scheme (LGPS) pay current contribution rates between 5.5% to 12.5%. The employer contribution rate is currently 14.5% and this is the same rate for all staff.

Appendix B
Salary grades for Chief Officers and Deputy Chief Officers (1 April 2021)

Grade	SCP	Annual Salary	Monthly Amount	Hrly Rate	Wkly Rate
4	331	£52,390.00	£4,365.83	£27.1551	£1,004.74
	332	£53,756.00	£4,479.67	£27.8632	£1,030.94
	333	£55,131.00	£4,594.25	£28.5759	£1,057.31
	334	£59,619.00	£4,968.25	£30.9021	£1,143.38
	335	£61,026.00	£5,085.50	£31.6314	£1,170.36
3	321	£62,907.00	£5,242.25	£32.6064	£1,206.44
	322	£64,658.00	£5,388.17	£33.5140	£1,240.02
	323	£70,977.00	£5,914.75	£36.7893	£1,361.20
	324	£72,578.00	£6,048.17	£37.6191	£1,391.91
	325	£75,095.00	£6,257.92	£38.9237	£1,440.18
2	311	£76,987.00	£6,415.58	£39.9044	£1,476.46
	312	£82,768.00	£6,897.33	£42.9009	£1,587.33
	313	£84,892.00	£7,074.33	£44.0018	£1,628.07
	314	£87,279.00	£7,273.25	£45.2390	£1,673.84
	315	£89,759.00	£7,479.92	£46.5245	£1,721.41
1	300	£110,280.00	£9,190.00	£57.1611	£2,114.96
	301	£112,641.00	£9,386.75	£58.3848	£2,160.24

Appendix C
Salary grades 5-12 (1 November 2021)*

Grade	SCP	Salary	Hrly Rate	Wkly Rate
Grade 12	1	**17,842**	9.2480	342.18
	2	**18,198**	9.4325	349.00
	3	**18,562**	9.6212	355.98
	4	**18,933**	9.8135	363.10
Grade 11	5	**19,312**	10.0099	370.37
	6	**19,698**	10.2100	377.77
	7	**20,092**	10.4142	385.33
	8	**20,493**	10.6221	393.02
Grade 10	9	**20,903**	10.8346	400.88
	10	**21,322**	11.0518	408.92
	11	**21,748**	11.2726	417.09
	12	**22,183**	11.4980	425.43
	13	**22,627**	11.7282	433.94
Grade 9	14	**23,080**	11.9630	442.63
	15	**23,541**	12.2019	451.47
	16	**Not used**		
	17	**24,491**	12.6943	469.69
	18	**Not used**		
	19	**25,481**	13.2075	488.68
	20	**25,991**	13.4718	498.46
Grade 8	21	**Not used**		
	22	**Not used**		
	23	**27,741**	14.3789	532.02
	24	**28,672**	14.8615	549.88
	25	**29,577**	15.3305	567.23
	26	**30,451**	15.7836	583.99
	27	**31,346**	16.2475	601.16
Grade 7	28	**Not used**		
	29	**32,910**	17.0581	631.15
	30	**33,782**	17.5101	647.87
	31	**34,728**	18.0004	666.01
	32	**35,745**	18.5276	685.52
	33	**36,922**	19.1377	708.09
Grade 6	34	**37,890**	19.6394	726.66
	35	**38,890**	20.1577	745.83
	36	**39,880**	20.6709	764.82
	37	**40,876**	21.1871	783.92
	38	**41,881**	21.7080	803.20
Grade 5	39	**Not used**		
	40	**43,857**	22.7322	841.09
	41	**44,863**	23.2537	860.39
	42	**45,859**	23.7699	879.49
	43	**Not used**		
	44	**47,833**	24.7931	917.34
	45	**48,905**	25.3488	937.91

REAL LIVING WAGE
£9.90 per hour
to be paid as a salary supplement to any employee on SCP4 or below

APPRENTICE RATES	
Under 18's	**£8,914.00**
18 - 20	**£12,657.00**
21 - 24	**£16,129.00**
25 +	**£17,190.00**

*Subject to change following completion of national pay negotiations. Until negotiations are complete these rates will continue to be effective. At the time of writing this updated statement, the Chief Executive Officer pay negotiations have completed for 2021.

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CABINET MEMBERS REPORT TO COUNCIL

23 February 2022

COUNCILLOR A FITCH-TILLETT - CABINET MEMBER FOR COAST
For the period January 2022

1 Progress on Portfolio Matters.

Storm Response
The team have completed inspections of the coast following the storms and surge during January. Overall the defences performed well. Issues encountered include the loss of the handrails at Overstrand, damage to timber revetments at Overstrand, lowering of beaches (which would be expected during such events) and the deposition of materials on promenades. It would be expected that further damage and cliff falls will occur following storms and these will be considered as they arise. An example post storm impacts is the subsidence of the car parking area at Vale Road beach access (Trimingham/Gimingham/Mundesley). This area is susceptible to such subsistence and has been rebuilt through the import of materials on a number of occasions.

Innovative Resilience Fund - Progress Update
Coastal Partnership East is continuing to progress the development of the Outline Business Case, which is required to be approved by the Environment Agency for the Norfolk and Suffolk Coastal Transition programme

Cromer Phase 2 and Mundesley Coast Protection Scheme – Progress Update
Finally the scoping opinion form the Marine Management Organisation has been received. This is suggesting further additional chapters to the Environmental Statement, however the CPE team and Consultants consider that some of these items are outside of the MMO consenting area. Due to delays in the MMO process the coastal concordat has not been able to be used (although the team engaged early with the MMO to try to ensure this occurred), as such there is disconnect between the terrestrial and marine scoping opinions. Additional chapters will lead to additional costs in scheme preparation.

Initial cost estimates have been received and as is the case across the construction industry, both schemes construction costs across the industry have increased. This is due to a number of factors such as inflation, BREXIT, COVID and wider market forces. This is coupled with additional needs in the scope of work at Cromer. The team are working to minimize costs and maximize funding.

Norfolk House, Seaview Road, Mundesley – cliff slip
Further information has been provided to the owner, landlord and tenants of Norfolk House which was adjacent to the cliff slip at Mundesley which occurred in December 2021. NNDC will continue to monitor the cliff in association with the property.

2 Forthcoming Activities and Developments.

Continuation on development and delivery of projects and initiatives.

The team are working with a family who own a holiday property on our coastline in order to arrange for timely demolition.

3 Meetings attended

Portfolio Holder meetings attended:

- LGA Coastal SIG Adaptation Working Group
- Norfolk Coast Partnership Update
- Cabinet
- Lunch & Learn - Coastal Purchasing Briefing
- Development Committee
- Marine Conservation Society Agents of Change Study Group.

CABINET MEMBERS REPORT TO COUNCIL

January 2022

COUNCILLOR WENDY FREDERICKS - CABINET MEMBER FOR HOUSING AND BENEFITS
For the period to January 2021

1 Progress on Portfolio Matters.

Housing

Temporary Housing

As at 31 January 2022 there were **47** households in Temporary Accommodation, this includes the 10 new & former rough sleepers currently accommodated as follows:

- 3 x Protect & Vaccinate (P&V)
- 3 x Reeves Court
- 4 X Former Rough Sleepers: NSAP (Next Steps Accommodation Programme)

When current purchases/works are complete the Council will have a portfolio of 16 homes for use as temporary accommodation – five units of move-on accommodation for rough sleepers and 11 homes as alternatives to bed and breakfast for homeless households. Fourteen of the 16 homes are in use and the remaining two will be in use by the end of March. One of the purchased units requires works to bring it into use as a fully wheelchair accessible home – a badly needed gap in TA. The final 16th unit is the one funded by the Rough Sleepers Accommodation Programme (see below).

Five of the 16 homes have been part funded by the government:

- Next Steps Accommodation Programme - £140,000 grant towards four homes for use by ex-rough-sleepers. All four homes are now in use.
- Rough Sleepers Accommodation Programme - £35,000 as a contribution to the refurbishment of a one-bed self-contained flat for rough sleeper move-on housing. This project has now achieved planning permission and the works have been tendered and the successful contractor aims to complete works by February 2022.

Purchase of homes to be used for temporary accommodation has also been possible as Cabinet agreed to the repurposing of £500k Disabled Facilities Grant budget (in March 2021) to purchase accessible temporary accommodation units and £640k of Housing Reserves (in October 2021) to purchase family temporary accommodation homes.

New Affordable Homes

We project that housing associations will provide 165 new affordable homes in 2021/22. We project 69 affordable rent and 96 shared ownership. These figures allow for the conversion of two shared ownership homes to affordable rent on a site in Little Snoring. As at the end of January 154 of these homes have been delivered (four subject to confirmation).

Grant for Energy Efficiency Improvement Works

North Norfolk District Council (NNDC) as part of the Norfolk Warm Homes Consortium of five Norfolk districts has been successful in a bid for £3.85 million of government grant to provide energy efficiency improvement works to homes occupied by low income households. The funding is part of the government's sustainable warmth programme.

We have appointed an Energy Officer who will start with us in March. The Energy Officer will identify suitable properties and support owner-occupiers and landlords with applications for improvement works. Our aim is to ensure we maximize take-up for North Norfolk residents.

Land Owners Event

On 16th March the Housing Strategy team will run a 'Webinar' for land owners, land agents and Parish/Town Councillors. The webinar will explain the process for land owners wishing to sell land for affordable housing. Our aim is to encourage land owners with suitable sites to offer these for affordable housing development.

This is a pilot and if successful is an event we will run again. We have sent out invites to 40+ land owners, agents and Parish/Town Councils.

Housing Options Team

The team continue to focus on supporting all clients that approach the service.

Your Choice Your Home

As at 31 Jan 2022 there were **2658** households on the housing list of whom:

- **448** were on the Housing Register (highest priority) broken down as follows:
- Priority Card x **2**
- Band 1 x **256**
- Band 2 x **190**

Lets
QTR 1 01 Apr 2021 to 30 June 2021: **88** Households have secured social housing
QTR 2 01 Jul 2021 to 30 Sep 2021: **97** Households have secured social housing
QTR 3 01 Oct 2021 to 31 Dec 2021: **70** Households have secured social housing

Homelessness & Rough Sleeping
20 December 2022 – DLUHC instructed all authorities under the Protect & Vaccinate to bring in Rough Sleepers. NNDC at the 20 Dec 2021 had 8 Rough Sleepers through this programme we have brought in 5 –with 3 still rough sleeping and continue to refuse to come in.

3 x Entrenched rough sleepers
3 x Protect & Vaccinate (P&V)
3 x Rough Sleeper in Reeves Court
4 x Former Rough Sleepers accommodated in the NSAP properties

Following a recent discussion with DLUHC we are still focusing on finding solutions for our single clients to whom the authority is accommodating.

As 10 February 2022, there were 167 active live cases:

- Final Duties accepted: 39

- Prevention duty accepted: 34
- Relief Duty accepted: 45
- Decisions 1
- Reviews: 3
- Triage (mixture of new cases, rough sleepers, clients being supported): 45

Domestic Abuse

We are developing a Housing Options - Domestic Abuse Strategy/protocol. This strategy/protocol will outline our approach to assist and support any person experiencing, or threatened with, domestic abuse. The document will underpin the changes within the new Domestic Abuse Act and the introduction of the County Wide 'Support in Safe Accommodation Strategy' adopted for Norfolk and recently obtained approval in cabinet.

As a service we are also looking at achieving DAHA accreditation, which is a scheme open to housing associations, Local Authority housing teams, and homelessness providers across the UK to help them improve their response to domestic abuse.

We have completed a review and in the process of updating relevant pages on our website including informing and signposting people to the new Norfolk Integrated Domestic Abuse Service (NIDAS) which went live on the 3rd January 2022 and provides support and help for those experiencing domestic abuse.

Benefits

Household Support Fund

Since November, we have distributed £85k supporting 181 households to meet immediate needs and to help those struggling to afford food, energy and water bills, and other related essentials this winter. Applications to the fund are being invited through the council's web form and pro-active work is being carried out across People Services to identify eligible cases. Home | Household Support Fund (north-norfolk.gov.uk)

We have £30k left in the fund to distribute up to 31st March 2022. We have provided a breakdown of the expenditure below.

	Food (£)	Fuel (£)	Water/Sewage (£)	Wider essentials linked to energy & water (£)	Wider essentials (£)
Households with children	400	19,650	4,361	249	9,145
Households without children	1,100	37,041	3,095	0	10,179
Total	**1,500**	**56,691**	**7,456**	**249**	**19,324**

We have paused the online application whilst we finalise outstanding applications and complete our pro-active enquiries. Once we know our latest position on expenditure committed and if we have funding available, we will be able to re-open the process.

New Advice & Support web page

We have created a new Advice & Support page for residents to easily access information around finance, housing, health and wellbeing. Home | Advice and support (north-norfolk.gov.uk) We will be publicising this page on the NNDC home page and across People Services pages.

Housing Benefit (HB) Award Accuracy

The Benefits Service have started a new initiative through the Department for Work and Pensions (DWP) called Housing Benefit (HB) Award Accuracy. The Housing Delivery Division at the DWP will be working with authorities to further improve the accuracy of HB awards. Paying the right amount of benefit, at the right time, to the right person, is already a high priority for us but the indicator has been designed to support authorities in benchmarking and best practice.

Under the initiative we will be expected to identify a set volume of unreported changes in circumstances through targeted activities such as Full Case Reviews (FCRs).

The HB Award Accuracy Indicator is calculated by comparing the actual value of weekly reductions processed by us to the expected value of weekly reductions the DWP believe we should be making, based on a range of claim characteristics which estimate the risk of the claim having a change of circumstances. Performance will differ across LAs based on their HB caseload composition and it takes account of variations in regional rent levels and claimants who move to Universal Credit (UC).

We have now started to invite claimants to complete a review through our online form. Home | Reviewing your benefit claim (north-norfolk.gov.uk)

Test & Trace Support Payment (TTSP)

We have seen a high number of Test & Trace Support Payment (TTSP) applications over January. The table here shows the number of applications received over the last quarter.

Month	Received	Approved	Rejected	Pending	Outstanding
October 2021	59	39	20	0	0
November 2021	82	51	31	0	0
December 2021	128	66	57	5	0
January 2022	305	102	93	25	85

The current average response time to process TTSP applications and to make the payment into the applicant's bank account is 21 days. Please note some applications are processed within a quicker response time. We are prioritising applications for applicants who are in financial hardship or in need of immediate support.

Some applications are not received until after the applicant is out of their isolation period. An application can be made up to 42 days after the start of their isolation period. This is delaying processing times as it is more difficult to contact the customer and or employers for evidence that is required (as set out in the guidance by DHSC) to make a decision on their applications. Further information on TTSP can be found here Home | Test and trace support payment (north-norfolk.gov.uk)

Integrated Housing Adaptations Team (IHAT)

The team has received 350 new contacts year to date resulting in 200 recommendations for adaptations. There is a lot of demand in the system, assessments are being completed relatively quickly but a backlog of cases needing schedules of work has built up but this is now reducing. A further 3 grants were approved in January with a value of approximately £32,000 taking the total approved for the financial year to 66 with a total commitment of approximately £729,000. 61 grants have been completed to the end of January with a total spend of approximately £736,000 (this includes interim payments for some jobs which have started on site but not yet completed).

2 Forthcoming Activities and Developments.

3 Meetings attended

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CABINET MEMBERS REPORT TO COUNCIL

January 2022

COUNCILLOR VIRGINIA GAY - PORTFOLIO HOLDER FOR LEISURE, WELLBEING & CULTURE

1 Progress on Portfolio Matters.

Business as usual activity

Grants

Arts & Culture Fund – Financial year 2021 / 2022. As of 31st January, eight grant applications have been awarded funding totalling £14,313.64.

Closing date for applications to next grant round 25th February

Community Transport Fund –Financial year 2021 / 2022. As of 31st January, four grant applications have been awarded funding totalling 42,750.

Closing date for applications to next grant round 25th February

North Norfolk Sustainable Communities Fund (NNSCF) – Financial year 2021 / 2022. As of 31st January Grant funding of £135,576.72 awarded to twenty five organisations. Closing date for applications to final grant round of this financial year 28th February.

Social Prescribing

In January 2022 there were 116 referrals to the service which is the highest monthly referral figure since the service started. To increase capacity an additional Social Prescriber has been recruited on a temporary basis using some of NNDC's Control Outbreak Management Fund allocation.

Information, Advice & Guidance

Total core budget for IAA is £66,710. A grant of £55,000 has been awarded to Norfolk CA towards for the provision of generic IAA services in North Norfolk for the period 1.4.2021 – 31.03.2022. Fakenham has recently opened at face to face service at Fakenham Community Centre initially for one day a week. The Holt service is open one day a week for two hours and the North Walsham service five hours, five days a week. For the three month period between July & September 369 clients were supported, of those 129 were seen in person.

A proposal has been received from the Mancroft Advice Project (MAP) to provide a dedicated IAA support for young people in North Norfolk. The proposal was discussed and supported by young people who attend the North Norfolk Youth Advisory Board it has been agreed to proceed with the service which will start in April 2022.

North Norfolk Armed Forces Covenant Pledge

The National Armed Forces Covenant represents a promise by the nation that those who serve or have served, and their families, are treated fairly.

North Norfolk District Council (NNDC) signed the Norfolk Armed Forces Covenant at an official ceremony on 7 March 2012.

To further demonstrate North Norfolk District Council's commitment to the Armed Forces

Covenant and to ensure compliance with forthcoming legislation, a report to Cabinet proposing that NNDC publishes and signs its own Armed Forces Covenant Pledge was agreed on 4th October.

Following signature and adoption of the North Norfolk District Council Pledge at Full Council a Bronze Award application will be submitted to the Defense Employer Recognition Scheme.

Health and Social Care Training

I emailed NCC again and have been advised that the data should be available next week. Will send it through as soon as I get it.

Below is the link to the training scheme NNDC are funding. A report on this may be given by Cllr Kershaw. I have asked for the number of people who attended the two January courses It is relatively low but there is a further course taking place next week
Home | New year, new career! Get into social care (north-norfolk.gov.uk)

Carer Friendly Tick Award for Employers

An initial discussion has been held with a representative from this organisation. This will be progressed early 2022 with the aim of NNDC achieving the Carer Friendly Tick Award for Employers. This further demonstrates NNDCs commitment and support to employees that are carers. – **One of the tasks for the new Service Development Officer who starts on 1.3.2022 to progress**

Household Support Fund

Currently NNDC has awarded funding to 216 vulnerable households from the £115,920 budget (Allowed to take 10% of £128,800 in administration fee). In total £30,346 has been awarded to 94 households with children and £45,412 has been awarded to 122 households without children. The funding has predominantly been awarded to help people in arrears with utilities, water, and other bills including Council Tax. The HSF must all be spent by March 2022. The outstanding applications awaiting processing and applications where additional evidence is required but where funding has been allocated will utilise all of the remaining budget.

Home | Household Support Fund (north-norfolk.gov.uk)

Loneliness & Transport

Government funding has been allocated for projects that utilize transport as a way of reducing loneliness particularly amongst people such as those that are older, carers, people with disabilities and young people who have been identified as more likely to experience loneliness. NNDC has submitted an Expression of Interest for funding of £300,000 for a range of projects. including a walking and cycling project, expansion of Community Car Schemes, Wheelchair Accessible Car for NNCT and a Wheelchair Accessible Minibus to support NNDC health / environmental group volunteering opportunities. If successful project delivery will be from 1.4.2022 until 31.3.2023.

2 Forthcoming Activities and Developments.

The Health & Wellbeing Alliances and Partnerships

3 Meetings attended

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CABINET MEMBERS REPORT TO COUNCIL

January 2022

*****Please note this report was omitted in error from the agenda for 9th February meeting of Full Council*****

COUNCILLOR VIRGINIA GAY - CABINET MEMBER FOR Leisure, Wellbeing & Culture
For the period up to end of 2021

1 Progress on Portfolio Matters.

Leisure Centres

We are very pleased to report that with the new Reef Leisure Centre opening on Tuesday 30 November, membership sales have rocketed with over double the amount of participants signing up compared to a typical month.

The Council has received some fantastic feedback regarding the new facility praising the Council for its design compared to the ageing Splash facility which was demolished earlier this year. The early demolition benefitted the project, as it enabled the Council to open The Reef and the car park as one whole facility rather than having a construction compound at the back of the site.

Pier Pavilion Theatre

The Christmas Pier Show had its opening night on Saturday 27 November. Early reviews are excellent, with some reporting that it is the best Christmas Show ever. The current visitor numbers (tickets booked) are indicating in excess of the 64% pre-Covid capacity figure that was achieved during this year's Summer Show.

Beaches

The Council would normally receive confirmation of the water quality classifications in early November, in order to apply for our six Blue Flags. However, due to a change in the way that the Environment Agency process these results, these classifications will not be released until the week commencing 17 January 2022. Officers are quietly confident that the Council will retain these Blue Flags for yet another year.

Countryside

The Countryside team are already working hard to ensure that we continue to improve the three facilities (Holt Country Park, Sadler's Wood and Pretty

Corner Woods), and our offer, in order to retain the Green Flag awards next year.

Work is progressing well on our sensory garden which we aim to complete early in the new year.

The team continue to work with the residents of Thwaite Common to manage the site, to organise and agree grazing. A community drop in session will take place at the end of January to increase the awareness (to residents) as to how we manage the common.

Mammoth Marathon

Following the two postponements of the Mammoth Marathon due to Covid, the team is now actively engaging with all stakeholders, to put in place arrangements for next year’s event. The Marathon, which is the only one in Norfolk, will take place on Sunday 15 May 2022.

2 Forthcoming Activities and Developments.

There will be four volunteer tree planting days taking place in December, two at Holt Country Park and two at Pretty Corner Woods

There are two Father Christmas Trails taking place at Holt Country Park on 20 and 21 December respectively. We are pleased to report that both events have sold out, enabling 239 children and 206 adults to visit Santa with their lists.

3 Meetings attended

In addition to meetings of the Sheringham Leisure Project Board and other regularly scheduled meetings, I have attended The Reef on November 23rd and November 30th.

CABINET MEMBERS REPORT TO COUNCIL

23 February 2022

COUNCILLOR N LLOYD - CABINET MEMBER FOR ENVIRONMENTAL SERVICES, CIMATE CHANGE AND ENVIRONMENT.
For the period January 2022

1 Progress on Portfolio Matters.

Commercial and Public Protection

An e-consultation exercise has been undertaken with the taxi trade after a request by a few drivers to review the fares which they can charge going forward for 2022/23. A low response rate was received and the Taxi Association do not support an increase at this current time therefore there will be no review undertaken for 2022/23 however drivers can request a review annually. There were concerns from some drivers that an increase would have a negative impact on their business and that most Private Hire drivers should be using their meters to recoup income.

A review of street trading is being undertaken in the District and a new policy will go out to consultation in the Spring of 2022 for consideration by relevant stakeholders and the public

Food hygiene interventions are being undertaken at new businesses in the District. It is crucial that businesses operate safely and should discuss any plans with the Commercial Team. Premises need to avoid cross-contamination particularly those that handle both raw and cooked foods.

NNDC is participating in a national micro-biological sampling survey of homemade pork scratchings and is being undertaken by EHOs. The novel food is becoming a bit of a delicacy and being produced by butchers, farm shops and caterers. More surveillance is required on food products so we have a better understanding on how safe they are to eat at the point of retail

The Licensing Team will be bringing in knowledge tests and safeguarding training for new taxi drivers this year and a view to expect existing drivers to complete safeguarding training on their renewal

The Health and Safety Executive will soon be issuing their annual local authority priority areas for intervention and the team will set some priorities for the year ahead and build into existing   e.g. gas safety focus at hospitality venues when the circular is issued

The Covid Support Officers and Co-ordinator are continuing to undertake contact tracing and helping people with self-isolation needs. The external funding for these post is due to end in March 2022.

Civil Contingencies

The Resilience Manager has returned to work and is phasing back to work after long-term absence. Support from the County Council's Resilience Team, has now ceased.

Coordination of response to flood alerts on 3-5 January and Storms Malik and Corrie at the end of the month. Flood gates were closed and Flood Wardens engaged.

On the 3-10 January and 30 Jan-7 Feb due to tidal locking Potter Heigham flood barrier closed as needed. Some overtopping on the Repps bank (GYBC side).

Virtual Safety Advisory Group meeting held 12 January. Walsingham Shrine events recommencing.

Ongoing participation in the Norfolk Resilience Forum's weekly Risk and Information Group meetings.

The team are preparing for an increase in the number of events coming to the Safety Advisory Group in advance of the summer months. The team anticipate more events coming to SAG re the Queen's Platinum Jubilee celebrations 2-5 June.

Environmental Protection

The consultation on dog restrictions (dogs on leads, dog fouling, dog exclusions) across the towns and parishes in North Norfolk has been undertaken.

The team are currently reviewing the laboratory provisions for Private Water supply sampling.

Anti-social behaviour powers have been utilised to address a problem address within the district.

The team have served two abatement notices for amplified music in the month of January.

Planning consultations continue to place a demand on the team, with several complex and major application being considered this month.

Private Sector Housing Officers have investigated numerous complaints associated with damp and poor heating in the winter months.

Environmental Services

The team have produced a promotional leaflet to go out to every household with council tax bills

They have analysed the first phase of the residual waste composition analysis which shows that c. 40% of residual waste in NN is food waste.

Environmental Services Officers supported the re-opening of the North Walsham Community Fridge

The recent storms have resulted in the requirement to clear a significant amount of rocks and debris from the promenades particularly in Cromer, the team coordinated and arranged for this work to be undertaken by our contractors Serco.

The team are planning a" round optimisation" process in June for waste and recycling services.

Progress is being made on a number of trial sites for wildflower meadows instead of cutting grass to help improve biodiversity across the district,

Climate Change

Further work fine tuning the Net Zero Action Plan (NZAP) after comments received from O&S Committee and Members. A further recommendation to provide training and information on the NZAP have been completed or scheduled (at the time of writing).The NZAP comes before Full Council on the 25th February.

The Climate Change and Environmental Policy Manager continues to work with the Norfolk Climate Change Partnership on two feasibility studies each addressing major emission sources within Norfolk (on road emissions and domestic/static energy usage). The two studies will focus on:

- Sustainable Hydrogen Infrastructure for Transport (SHIFT) Study
- Community Energy Kickstarter project

The Community Renewal Fund conditions require the project to be completed by 30 June 2022. .

110000 Tree Project

By the end of March the team expect to have planted 60900 trees across 64 projects around the district.

Potential planting projects continue to be presented to us from the public, schools, town and parish councils. The team are already making plans for next winters planting season.

The Miyawaki projects have progressed with small areas of NNDC land in Fakenham, Sheringham and North Walsham prepared and fenced off. Planting to begin soon. We are grateful for the large number of volunteers coming forward to help us with these projects.

Tree planting days at pretty Corner and Holt Country park were successful with excellent participation from the public.

A tree give away day was held on 29th January. This event was rescheduled from earlier in the month after high winds forced us to cancel it. Hundreds of people visited us at Holt Country park to receive a tree to plant on their own garden land. Advice and maintenance was provided to each resident. Each tree, like all others NNDC planted will be shown on a map of North Norfolk on our web site.
This event was so successful with residents that we plan another, final tree give away for this planting season on 12th March at Holt Country Park.

2 Forthcoming Activities and Developments.

Miyawaki planting days – to be publicised
Tree give away day on 12th March

3 Meetings attended

Internal Council meetings as required.