

Cabinet



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Friday, 27 January 2023

A meeting of the **Cabinet** of North Norfolk District Council will be held in the Council Chamber - Council Offices on **Monday, 6 February 2023 at 10.00 am.**

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 are requested to arrive at least 15 minutes before the start of the meeting so that the Chairman can re-order the agenda if necessary.

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 is livestreamed: <https://www.youtube.com/channel/UCsShJeAVZMS0kSWcz-WyEzq>

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: Mrs W Fredericks, Mrs A Fitch-Tillett, Ms V Gay, Mr R Kershaw, Mr N Lloyd, Mr E Seward, Miss L Shires, Mr T Adams and Mr A Brown

All other Members of the Council for information.
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
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A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. MINUTES

1 - 8

To approve, as a correct record, the minutes of the meeting of the Cabinet held on 3rd January 2023.

3. PUBLIC QUESTIONS AND STATEMENTS

To receive questions and statements from the public, if any.

4. 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

5. DECLARATIONS OF INTEREST

9 - 14

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)

6. MEMBERS' QUESTIONS

To receive oral questions from Members, if any

7. RECOMMENDATIONS FROM CABINET WORKING PARTIES

Planning Policy & Built Heritage Working Party – 16th January / 30th January 2023

Please note that the Working Party meeting was adjourned due to technical issues. The Cabinet member for Planning (and Chairman of the Working Party) will update members verbally at the Cabinet meeting.

Local Plan Submission: Proposed Modifications (Site Allocations)

Recommendation:

1. To recommend to Cabinet that the appended Schedules of proposed modifications along with the Proposed Submission version of the Local Plan be submitted for independent examination.
2. To delegate minor amendments in the finalisation of the submission version & Schedules and associated documents to the Planning Policy Manager in conjunction with the Planning Policy Team Leader and the Portfolio Holder.

8. RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE 15 - 16

The following recommendations were made to Cabinet by the Overview & Scrutiny Committee at the meeting held on 25th January:

11. MEDIUM TERM FINANCIAL STRATEGY 2024-27

RESOLVED

1. To recommend to Cabinet that financial modelling of inflationary costs of up to 5% for staff and fees be included in the report to identify potential risks.
2. To recommend to Cabinet that, in recognition of the increasing risks of deficits arising, robust savings and income generation contingency plans need to be developed soonest in FY 23/24 to ensure that financial risks can be adequately mitigated for 2024-25 and onwards

9. DELEGATED DECISIONS - SEPTEMBER 2022 ONWARDS 17 - 20

Summary: This report details the decisions taken by Senior Officers under delegated powers from September 2022 to January 2023

Options considered: Not applicable.

Recommendations: To receive and note the report and the register of officer decisions taken under delegated powers.

Reasons for Recommendations: The Constitution: Chapter 6, Part 5, sections 5.1 and 5.2 details the exercise of any power or function of the Council where waiting until a meeting of Council or a committee would disadvantage the Council. The Constitution requires that any exercise of such powers should be reported to the next meeting of Council, Cabinet or working party (as appropriate)
Section 2.1 sets out the requirements regarding the reporting of conditional delegated 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)

Delegated decision forms – as completed by the relevant officer

Cabinet Member(s) All	Ward(s) affected All
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Contact Officer, telephone number and email:
Emma Denny, Democratic Services Manager, 01263 516010

10. CAPITAL STRATEGY 2023 - 2024

21 - 30

Summary:	This report sets out the Council's Capital Strategy for the year 2023-24. 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 2023-24 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 and email:	Tracy Stone tracy.stone@north-norfolk.gov.uk

11. INVESTMENT STRATEGY 2023 - 2024

31 - 38

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: **To recommend 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) Cllr E Seward	Ward(s) affected: All
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Contact Officer, telephone number and email: Tina Stankley, tina.stankley@north-norfolk.gov.uk

12. TREASURY MANAGEMENT STRATEGY STATEMENT 2023 - 2024

39 - 60

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 CIPFA

Recommendations: **To recommend that the Council be asked to RESOLVE that The Treasury Management Strategy is approved.**

Reasons for Recommendation: The Strategy provides the Council with a flexible investment strategy enabling it to respond to changing market conditions, and ensures the Council complies with CIPFA guidance.

Cabinet Member(s) Cllr E Seward	Ward(s) affected: All
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Contact Officer, and email: Tina Stankley, Tina.Stankley@north-norfolk.gov.uk

13. FEES & CHARGES 2023 – 2024

61 – 92

Summary: This is an updated report that recommends the fees and charges for the financial year 2023-24 that will come into effect from 1st April 2023. This has been updated to reflect additional increases following the savings review.

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 2023/24 budget.

Recommendations: **That Cabinet agree and recommend to Full Council:**
a) **The fees and charges from 1 April 2023 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 2023/24 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: James Moore, 01263 516430, James.Moore@north-norfolk.gov.uk	

**14. DRAFT MEDIUM TERM FINANCIAL STRATEGY 2023/2024 - 93 - 152
2026/2027 INCLUDING BASE BUDGET PROJECTIONS 2023/ 2024**

Summary: To provide Members with the opportunity to discuss assumptions around Medium Term Financial Strategy 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 in 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 Strategy (MTFS) is presented here for scrutiny and discussion.

Recommendations: **It is recommended that Cabinet agree and where necessary recommend to Full Council:**

- 1) **The 2023/24 revenue budget as outlined at appendix A;**
- 2) **The demand on the Collection Fund for 2023/24, subject to any amendments as a result of final precepts still to be received be:**
 - a. **£6,879,503 for District purposes**
 - b. **£2,800,000 (exact figure not yet available and subject to confirmation of the final precepts) for Parish/Town Precepts;**
- 3) **The statement of and movement on the reserves as detailed at appendix D;**
- 4) **The updated Capital Programme and financing for 2022/23 to 2026/27 as detailed at Appendix C;**
- 5) **The capital bids contained within**

Appendix C1, with delegated authority given to the Section 151 Officer in conjunction with the Portfolio Holder for Finance to decide on the most appropriate means of funding;

- 6) That Members note the current financial projections for the period to 2026/27 as shown in Appendix A;
- 7) That Members note the results of the consultation as shown in Appendix F.

Reasons for Recommendations: To recommend a balanced budget for 2023/24 for approval by Full Council.

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)

<p>Budget Monitoring Reports 2022/23 Outturn Report 2021/22 Medium Term Financial Strategy 2023-26</p>
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<p>Cabinet Member(s) Cllr Eric Seward</p>	<p>Ward(s) affected All</p>
<p>Contact Officer, telephone number and email:</p>	<p>Tina Stankley, Director of Resources and Section 151 Officer, tina.stankley@north-norfolk.gov.uk 01263 516439</p>

15. EXCLUSION OF PRESS AND PUBLIC

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

16. PRIVATE BUSINESS

CABINET

Minutes of the meeting of the Cabinet held on Tuesday, 3 January 2023 at the Council Chamber - Council Offices at 10.00 am

Committee

Members Present:

Cllr A Fitch-Tillett	Cllr V Gay
Cllr R Kershaw	Cllr N Lloyd
Cllr E Seward	Cllr L Shires
Cllr T Adams (Chair)	Cllr A Brown

Members also attending:

Cllr J Rest
Cllr J Toye

Officers in Attendance:

Chief Executive, Democratic Services Manager, Coastal Manager and Director for Place & Climate Change

Apologies for Absence:

Mrs W Fredericks

92 MINUTES

The minutes of the meeting held on 5th December were approved as a correct record and signed by the Chairman.

93 PUBLIC QUESTIONS AND STATEMENTS

None received.

94 ITEMS OF URGENT BUSINESS

None received.

95 DECLARATIONS OF INTEREST

96 MEMBERS' QUESTIONS

The Chairman advised members that they could ask questions as matters arose.

97 RECOMMENDATIONS FROM CABINET WORKING PARTIES

1. Cabinet Working Party for Projects

RESOLVED

To receive the minutes of the meeting held on 21st September 2022

2. Planning Policy & Built Heritage Working Party:

1. COASTAL ADAPTATION SUPPLEMENTARY PLANNING DOCUMENT (SPD)

Cllr A Brown, Portfolio Holder for Planning & Enforcement, introduced this item. He outlined the recommendations. He explained that the Coastal Adaptation Supplementary Planning Document was the result of a steering group project with Great Yarmouth BC, East Suffolk, Broads Authority and CPE, following a statement of common ground produced in 2018. The planning strategy enabled a cohesive, consistent approach to coastal management. He drew members' attention to the roll-back provision, relocated property in erosion areas, the previous like for like building rule had been relaxed.

RESOLVED

- a. That the draft Coastal Adaptation Supplementary Planning Document be published for formal consultation; and
- b. That delegated authority is given to the Planning Policy Manager in consultation with the Portfolio Holder, to make minor modifications and presentational or typographical amendments to the draft Coastal Adaptation Supplementary Planning Document that arise from other relevant Local Planning Authority sign-off committees prior to it being published for formal consultation: and
- c. That the Planning Policy Manager to further consider as to how the Coastal Adaptation Supplementary Planning Document could be flexibly implemented including use of language

2. LOCAL DEVELOPMENT SCHEME

Cllr Brown explained that the Working Party had spent considerable time discussing the Local Development Scheme and the proposed submission version of the Local Plan. It was hoped that an additional meeting of Full Council could be held in late February / early March to allow for all members to consider and then approve the Local Plan for submission.

Cllr A Fitch-Tillett seconded the recommendations and said that she was particularly proud of the Coastal Adaptation Supplementary Planning document.

RESOLVED

That the revised timetable for the submission, examination and adoption of the North Norfolk Local Plan and that the Local Development Scheme be brought into effect as of the date of the next meeting and published as required by section 15 of the Planning and Compulsory Purchase Act 2004 (as amended).

3. LOCAL PLAN SUBMISSION: PROPOSED MODIFICATIONS (POLICIES)

RESOLVED

That the Schedules of proposed modifications along with the Proposed Submission version of the Local Plan be submitted for independent

examination.

To delegate minor amendments in the finalisation of the submission version & Schedules and associated documents to the Planning Policy Manager in consultation with the Portfolio Holder and Policy Team Leader.

98 RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE

In the absence of the Chairman of the Overview & Scrutiny Committee, the Chairman advised that there were no recommendations to Cabinet.

99 BUSINESS CONTINUITY POLICY AND BUSINESS CONTINUITY MANAGEMENT FRAMEWORK

The Portfolio Holder for Environmental Services, introduced this item. He explained that following an internal audit, a recommendation was made that the Business Continuity Plan and other relevant policies were reviewed in light of the Covid-19 response. To enhance understanding of the Business Continuity Management (BCM) process, a separate BCM Framework had been created, with more detail in relation to suppliers and procurement. The policy and the framework had been considered by the Governance, Risk & Audit Committee.

It was proposed by Cllr N Lloyd, seconded by Cllr R Kershaw and

RESOLVED

To adopt the revised Business Continuity Policy and the new Business Continuity Management Framework

Reason for the decision:

To enhance understanding of the Business Continuity Management Framework. To comply with an audit recommendation.

100 COUNCIL POLICY IN RELATION TO THE REGULATION OF REGULATORY POWERS ACT 2000 (RIPA)

Cllr N Lloyd, Portfolio Holder for Environmental Services, introduced this item. He said that Members were required to be aware of the policy and it came before Cabinet regularly. He asked the Director for Communities to outline the key points. The Director of Communities explained that the Regulation of Regulatory Powers Act 2000 (RIPA) governed public authorities use of 'directed covert surveillance' and 'covert human intelligence sources'. The legislation ensured that an individual's human rights were protected whilst also ensuring that law enforcement and security agencies have the powers they need to do their job effectively. He explained that the Policy had been reviewed and revised to ensure that the Council applied its powers lawfully and in line with best practice. Consequently, a separate policy had been drawn up to ensure that RIPA was not impacting on people's rights when looking at social media and internet research and investigations.

He advised members that in the past 12 months, covert human intelligence sources had been used once.

The Chairman, Cllr T Adams asked whether the revised policy and format was easier for officers to use. The Director of Communities replied that it was and that the Council used an external trainer to train officers in the provision of the regulations. Templates were also provided.

The Chairman asked how often the policy was reviewed. The Director of Communities replied that it was reviewed annually and usually the changes, if any, were minor. This time it was a full review and refresh to reflect best practice and address any errors and inconsistencies that may have occurred during ad hoc changes in previous years.

Cllr E Seward referred to Closed Circuit Television Cameras (CCTV) used by town councils. He said that footage tended to be used by the Police and asked whether RIPA applied in such instances. The Director of Communities replied that it applied to all public bodies including the Police and that there was a section in the policy on joint investigations and another section on CCTV which referred to town centre CCTV and how officers should use any 'legacy' systems previously owned by NNDC.

Cllr V Gay referred to section 23, Joint Agency Surveillance, and asked which other agencies were involved and how often. The Director of Communities replied that it was very rare that the Council worked with other agencies but on occasion there may be a need to work with another Local Authority or a Registered Social Landlord. Cllr Gay then asked for clarification on what working with others meant in this context. The Director of Communities replied that it could be use of Council owned equipment such as CCTV or wildlife cameras in a joint operation. It was usually the Police who acted as the lead authority but would also assist in cases such as fly-tipping, when the local authority may lead.

Cllr R Kershaw referred to section 19.1, Automatic Number Plate Recognition (ANPR) and its relation to RIPA. He asked, if the Council simply used it for traffic flow management, whether it could be installed in the Council's car parks. The Director of Communities replied if it was used simply for monitoring traffic flow then it was not covered by RIPA. However, if it was being used for any form of surveillance, such as monitoring criminal activity, then it would be directed surveillance and the RIPA provisions would apply.

Cllr E Withington referred to remote public meetings and asked whether they were covered by this policy. The Director of Communities replied that active participants in a public meeting, the recording of it was not 'directed'. However, if you were a private individual and you wanted to use the recording as evidence then it may meet the requirements of the Internet and Social media policy. He added that the provisions around RIPA and directed surveillance were quite significant and it was therefore a conscious step for authorities to take to use the provisions. Repeated access to people's social media accounts could be an infringement of human rights and it was possible that the same could apply to public meetings. RIPA provisions only came into effect if it could result in court action and a prison sentence and it was unlikely that public meetings would fall into this category. This was one of the reasons for a separate Internet and Social Media Policy as it provided guidance on specific areas that may not fall within RIPA more widely.

Cllr A Brown asked about training and whether it focussed on officers just involved in surveillance operations or whether it was offered to all staff to ensure that they did not stray inadvertently into areas where RIPA may apply. The Director of Communities replied that it was provided to staff where RIPA was relevant to their role and any activities relating to it, to ensure that they were compliant and aware of

the requirements of the Act. He said that general training was not routinely offered to all staff, except for awareness raising via team meetings. If the Internet and Social Media was adopted then there would be a more wide-spread rollout of information to staff as this is where there may be some issues.

Cllr Brown replied that he was concerned that staff may not be aware of the risks and their obligations and training or advice may be beneficial.

The Chief Executive said that there was an outstanding Audit recommendation, following an audit across the Audit Partnership, relating to the management of benefit fraud. The recommendation suggested the appointment of additional staff for this purpose. The Corporate Leadership Team undertook a risk assessment regarding the level of fraud, particularly regarding Council Tax support and given the high rate of council tax collection, it was not felt it was justified to allocate specific officers for this purpose. Revenues officers were mindful of council tax fraud and benefits staff in terms of requesting supporting documents and if there were concerns about fraud, they could undertake a monitoring of social media accounts, if required. It had been agreed with the Governance, Risk & Audit Committee that a review would be undertaken after 12 months, together with any financial support that was required.

It was proposed by Cllr T Adams, seconded by Cllr N Lloyd and

RESOLVED

That the changes to the revised Regulation of Investigatory Powers Act 2000 Policy and Procedures, set out at Appendix A, be approved.

That Members note the activity undertaken under RIPA and the update in relation to the recent IPCO inspection.

Reason for the decision:

The Policy has been revised following an audit of the Council's activities by the Investigatory Powers Commissioners Office (IPCO) conducted in 2021. Members are required to be aware of the RIPA activity undertaken by the Council.

101 COASTAL TRANSITION ACCELERATOR PROGRAMME - UPDATE AND APPROVALS

A Fitch-Tillett, Portfolio Holder for Coast, introduced this item. She began by saying that she was very excited to bringing the report forward. The NNDC Coastal team was respected nationally and had been for some time. The Council's work under the Pathfinder Scheme was seen both nationally and internationally as an exemplar. She said that DEFRA had awarded the Council the opportunity to take adaptation to coastal change much faster and further than before. Cllr Fitch-Tillett said that this was an opportunity to stabilise coastal communities and businesses and to achieve the best outcome, the project must be able to progress without delay. She went onto say that a lot of the work undertaken by the Local Government Association Coast Special Interest Group (SIG) would be incorporated into the programme, such as the possibility of insurance for property at risk and erosion, roll-back, the part that surface water plays in erosion and possibly even a change to building regulation for replacement properties. Cllr Fitch-Tillett concluded by saying that the funding for this scheme was not from the Council's budget, it came direct from DEFRA.

The Chairman invited the Coastal Transition Accelerator Programme Manager to

speak. He began by saying that it was well known that coastal change was a major issue in North Norfolk and the report set out the main issues and challenges. Government policy statements and Environment Agency strategies for coast and flood now included references to coastal adaptation and transition to help communities adapt to coastal change. NNDC was fortunate to be identified alongside East Riding of Yorkshire to be selected for the CTAP. The Council now needed to complete and submit an outline business case to the Environment Agency to access the full funding. He concluded by saying that the report also set out proposals to develop an initial phase of support for those at more immediate coastal erosion risk, to begin to facilitate coastal transition and to allow time to progress and develop wider opportunities of the programme.

The Chairman invited members to speak:

Cllr N Lloyd congratulated the Coastal Team and the Portfolio Holder on this project. He said that NNDC was at the forefront of coastal management at a national level. He said that climate change was mentioned throughout the report and it highlighted the vast sums of money that were needed to mitigate the cost and impact of climate change.

Cllr V Gay thanked the Coastal Team for all their hard work on this. She said it was an excellent example of where local government led the way in doing something really significant, adding it took years of hard work and dedication to bring large projects such as this to fruition.

Cllr L Shires, Local member for Happisburgh, thanked the CTAP Manager and his team for listening to the plight of Happisburgh residents. No suggestions had been dismissed and this felt like a really positive move for those impacted the most. As indicated by the Portfolio Holder for Coast, although the Pathfinder Scheme had been instigated 12 years ago, work had been continuous and it was not bearing real fruition.

Cllr A Brown thanked the CTAP Manager and his team for their excellent work. It was very beneficial for NNDC to be involved in a flagship scheme such as this. It was proposed by Cllr A Fitch-Tillett, seconded by Cllr N Lloyd and

RESOLVED

- 1. That Cabinet agrees that the Programme will be overseen by a Programme Board, which is to be constituted in accordance with NNDC project guidance**
- 2. That Cabinet authorises the Director for Place and Climate Change, in consultation with the Coastal Portfolio Holder, to approve the submission of the Outline Business Case to the Environment Agency and undertake any subsequent amendments as necessary.**
- 3. That Cabinet agrees that the approved Outline Business Case is to form the NNDC Programme Business Case.**
- 4. That Cabinet agrees the development and delivery of the Stage 1 Coastal Transition Support Package and authorises the Director for Place and Climate Change, in consultation with the Coastal Portfolio Holder, to undertake any necessary amendments to the package provided they are within the CTAP budget.**
- 5. That Cabinet agrees that land and asset purchases in excess of £100,000 for the purposes of the Coastal Transition Accelerator Programme are 'exceptional circumstances' and acquisition is delegated to the Leader the**

**of the Council, Portfolio Holder, Chief Executive and Monitoring Officer.
With report to the next available Cabinet.**

- 6. That Cabinet authorises the Director for Place and Climate Change to enter into legal agreements with land/asset owners in order to secure transition opportunities with advice from the Estates Team and in consultation with Legal Services and Portfolio Holder and Assistant Director Finance Assets**

Reasons for the decision:

To enable timely progression of the Coastal Transition Accelerator Programme
To ensure robust governance and oversight
To enable immediate support to those most impacted by coastal change

102 EXCLUSION OF PRESS AND PUBLIC

103 PRIVATE BUSINESS

104 EXEMPT APPENDIX 1 - COASTAL TRANSITION LAND AND PROPERTY PURCHASE

The meeting ended at 10.42am.

Chairman

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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

	<p>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 —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the council.</p> <p>'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.</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
Corporate tenancies	<p>Any tenancy where (to the councillor's knowledge)—</p> <p>(a) the landlord is the council; and</p> <p>(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.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(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</p>

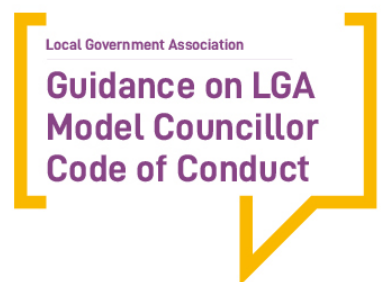
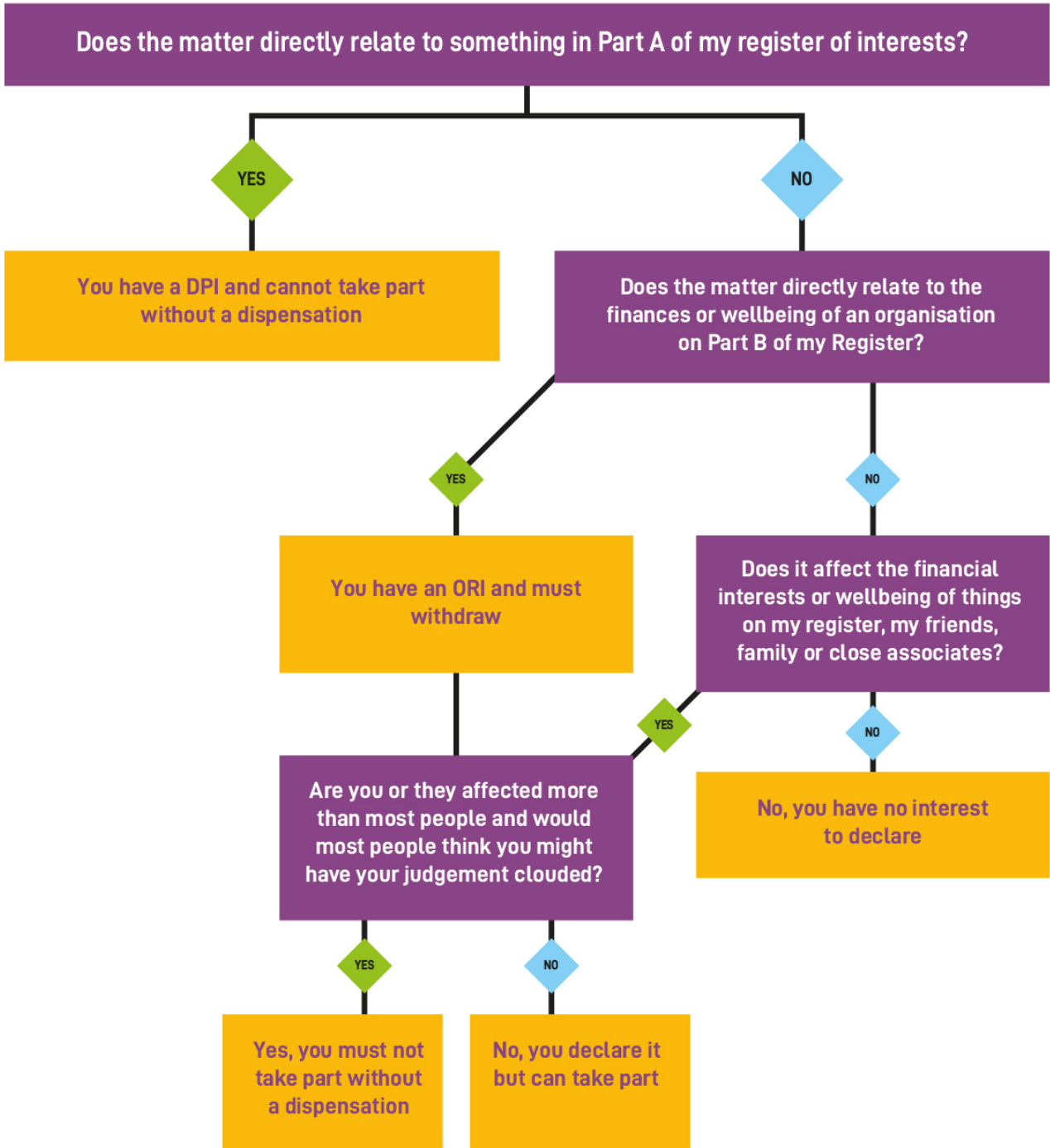
	spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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* 'director' includes a member of the committee of management of an industrial and provident society.

* '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

<p>You have a personal interest in any business of your authority where it relates to or is likely to affect:</p> <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> (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)
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OVERVIEW & SCRUTINY: OUTCOMES & ACTION LIST – JANUARY 2023

REPORT, RECOMMENDATIONS & ACTIONS	ACTION BY	DATE
<p><u>10. FEES AND CHARGES 2023-24 (UPDATED)</u></p> <p>RESOLVED</p> <p>To recommend to Full Council:</p> <p>a) The fees and charges from 1 April 2023 as included in Appendix A.</p> <p>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.</p>	Full Council	February 2023
<p><u>11. MEDIUM TERM FINANCIAL STRATEGY 2024-27</u></p> <p>RESOLVED</p> <p>1 To recommend to Cabinet that financial modelling of inflationary costs of up to 5% for staff and fees be included in the report to identify potential risks.</p> <p>2 To recommend to Cabinet that, in recognition of the increasing risks of deficits arising, robust savings and income generation contingency plans need to be developed soonest in FY 23/24 to ensure that financial risks can be adequately mitigated for 2024-25 and onwards</p>	Cabinet	February 2023
<p><u>12. PRE-SCRUTINY: DRAFT BUDGET 2023-24</u></p> <p>RESOLVED</p> <p>1. To note the proposed draft Budget for 2023/24 and recommend to Council for approval.</p> <p>ACTIONS</p> <p>1. To request that savings and income generation totals be clearly differentiated within Appendix A.</p>	Full Council	February 2023
	Director for Resources	February 2023

<p><u>13. CAPITAL STRATEGY 2023-24</u></p> <p>RESOLVED</p> <p>1. To recommend to Full Council that the Capital Strategy and Prudential Indicators for 2023-24 are approved.</p>	<p>Full Council</p>	<p>February 2023</p>
<p><u>14. INVESTMENT STRATEGY 2023-24</u></p> <p>RESOLVED</p> <p>1. To recommend to Full Council that the Investment Strategy is approved.</p>	<p>Full Council</p>	<p>February 2023</p>
<p><u>15. TREASURY MANAGEMENT STRATEGY 2023-24</u></p> <p>RESOLVED</p> <p>1. To recommend to Full Council that The Treasury Management Strategy is approved.</p>	<p>Full Council</p>	<p>February 2023</p>
<p><u>16. SHERINGHAM REEF LEISURE CENTRE - PROJECT REVIEW</u></p> <p>RESOLVED</p> <p>1. To note the report and lessons learnt log (appendix A) for future projects and ensure consistent management through lifetime of project.</p> <p>2. To recommend that the Governance, Risk & Audit Committee review the recommendations outlined within the lessons learnt log (appendix A) and risks identified within the report.</p> <p>ACTIONS</p> <p>1. To request that a future report be proposed for the Committee's 2023-24 Work Programme to include details of financial settlement, energy use/efficiency, impact on local tourism and user numbers.</p> <p>2. To request that a written response be provided on the plans for the remaining vacant area of the site, to be shared with the wider Committee and GRAC Chairman.</p>	<p>O&S Committee</p> <p>GRAC</p> <p>Scrutiny Officer</p> <p>Chief Executive</p>	<p>January 2023</p> <p>March 2023</p> <p>June 2023</p> <p>February 2023</p>

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Officer Delegated Decisions (September 2022 to January 2023)

Summary: This report details the decisions taken by Senior Officers under delegated powers from September 2022 to January 2023

Options considered: Not applicable.

Recommendations: **To receive and note the report and the register of officer decisions taken under delegated powers.**

Reasons for Recommendations: The Constitution: Chapter 6, Part 5, sections 5.1 and 5.2. details the exercise of any power or function of the Council where waiting until a meeting of Council or a committee would disadvantage the Council. The Constitution requires that any exercise of such powers should be reported to the next meeting of Council, Cabinet or working party (as appropriate)
Section 2.1 sets out the requirements regarding the reporting of conditional delegated 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)

Delegated decision forms – as completed by the relevant officer

Cabinet Member(s) All	Ward(s) affected All
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Contact Officer, telephone number and email: Emma Denny, Democratic Services Manager, 01263 516010

1. Introduction

1.1 Officer delegated decision making process.

Officer delegated decision are available to the public through the website and are reported to Members via Cabinet and Overview & Scrutiny Committee. The process for reporting and consulting on these decisions is contained in the Constitution at Chapter 6, 2.1 (Conditional Delegation) and 5.1 and 5.2 (Full Delegation to Chief Officers) and the publication of these decisions is a legal requirement.

- 1.2 The overall list has been revised to only include decisions taken during late 2022 and 2023. Historic lists are available on the website.

2. Consultation

- 2.1 The Constitution requires that for the exercise of any power or function of the Council in routine matters falling within established policies and existing budgets, where waiting until a meeting of the Council, a committee or working party would disadvantage the Council, an elector or a visitor to the District, then the officer exercising the power must consult with the Leader, the relevant portfolio holder and if it relates to a particular part of the District, the local member.
- 2.2 For the exercise of any power or function of the Council, which in law is capable of delegation, in an emergency threatening life, limb or substantial damage to property within the District, the senior officer shall consult with the Leader or the Deputy Leader.
- 2.3 Overview and Scrutiny Committee will receive the delegated decisions list at their meetings so they can fully understand why they were taken and assess the impact on the Council.

3. Financial and Resource Implications

As many of the decisions taken by officers under delegated powers were key decisions there is a financial impact.

4. Legal Implications

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that all decisions, including those taken by officers, must state:

- The decision taken and the date it was made
- The reasons for the decision
- Details of options considered and rejected and the reasons why they were rejected
- Declarations of interest and any dispensations granted in respect of interests

Officers taking a decision under delegation are required to complete a form.

5. Conclusion and Recommendations

Each decision has been recorded and a summary is provided at Appendix A

Recommendation:

Cabinet is asked to receive and note the register of officer decisions taken under delegation.

Record of Decisions taken under Delegated Authority (Appendix A)

Delegated Power being exercised; <i>*see footnote</i>	Key Decision y/n	Officer exercising Delegation	Details of decision made	Consultations undertaken	Date of decision	Date Reported to Cabinet
Section 2.1	Yes	Assistant Director for Sustainable Growth	To instruct the commencement of the North Walsham Market Place improvement scheme on the basis of the information provided by the Council's agent (NCC) and its contractor (Tarmac) (on 12 th August 2022) as discussed with the Portfolio Holder for Economic Growth. The target Price for the scheme (excluding fees but including materials is £1,336,158).	s 2.1b(iii) Portfolio Holder	September 2022	06 Feb 2023
Section 2.1	No	Chief Executive	To appoint an Interim S151 officer – as delegated by Full Council 22 June 2022	s 2.1b(iii) All Group Leaders	September 2022	06 Feb 2023
Section 5.1 Chapter 3, S7 Key decision – urgent matters)	Yes	Director for Place & Climate Change	On 7 December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) advised that NNDC's UK Shared Prosperity (UKSPF) Investment Plan had been approved. This was later than anticipated as the approval of Investment Plans had originally been scheduled for the autumn, with the first award of payments anticipated to be received in October. Given the relatively short window to commence and deliver projects required to commit the 22/23 funds (£150,275) delegated authority is required to progress this as swiftly as possible. A report will be taken to Cabinet in March 2023, which will outline the intentions of both the UK Shared Prosperity Fund and the Rural England Prosperity and seek their support for the delivery process.	S 5.1 Portfolio Holder (See also Key Decisions – matters of urgency, Chapter 3, S7)	December 2022	06 Feb 2023 (Full report to Cabinet on 6 March 2023)

January 2023

* Chapter 6; Conditional delegation Section 2.1, Full delegation to Chief Officers Section 5.1 - Routine matters, Section 5.2 Emergency powers

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Capital Strategy 2023-24

Summary:	This report sets out the Council's Capital Strategy for the year 2023-24. 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 2023-24 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 and email:	Tracy Stone tracy.stone@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 consideration. 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 are 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 can be found as part of the Council's Outturn Report 2021/22 to Cabinet 6 September 2022 (Appendices D & E).

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 considers 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 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 the 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 £m	2023/24 £m	2024/25 £m	2025/26 £m
Authorised limit for borrowing	28.400	28.400	28.400	28.400
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.

	21/22 Actual £m	22/23 Forecast £m	23/24 Budget £m	24/25 Budget £m	25/26 Budget £m
Capital Expenditure	9.183	18.833	4.795	1.300	1.300

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 recognised 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 used 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.

	21/22 Actual £m	22/23 Forecast £m	23/24 Budget £m	24/25 Budget £m	25/26 Budget £m
Capital Financing Requirement	16.003	15.858	16.243	15.894	15.545
Minimum Revenue Provision	0.219	0.326	0.331	0.349	0.349

Financing of Capital Expenditure	21/22 Actual £m	22/23 Forecast £m	23/24 Budget £m	24/25 Budget £m	25/26 Budget £m
Capital Receipts	1.211	4.429	2.615	0.000	0.000
Grants and Other Contributions	2.343	10.803	1.093	1.300	1.300
Revenue Contributions	1.319	3.420	0.371	0.000	0.000
Borrowing	4.310	0.181	0.716	0.000	0.000
TOTAL	9.183	18.833	4.795	1.300	1.300

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.

	21/22	22/23 £m	23/24 £m	24/25 £m	25/26 £m
Financing cost (net)	(1.046)	(1.008)	(1.530)	(1.380)	(1.226)
Net Revenue Stream	18.904	18.489	16.748	18.319	18.721
Ratio	(5.54%)	(5.45%)	(9.14%)	(7.53%)	(6.55%)

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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INVESTMENT STRATEGY 2023/24

- 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:** **To recommend 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) Cllr E Seward	Ward(s) affected: All
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Contact Officer, telephone number and email: Tina Stankley, tina.stankley@north-norfolk.gov.uk

Introduction

The Council 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. Treasury investments are part of the Treasury Management Strategy.

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

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

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

Treasury Management Investments

The Council 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 £24m and £45m during the 2023/24 financial year.

Previous year investment balances fluctuated between £34m and £55m, but as outlined in the Treasury Management Strategy, the Council is proposing to repay £10m of long-term Pooled Fund investments to pay off the Council's rolling short-term borrowing requirement of £5m-£7m and allow extra balance for 1-day notice investments to allow for greater cash flow flexibility.

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

Further details: Full details of the Council's policies and its plan for 2023/24 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 association and community housing entities to support local public services and stimulate local economic growth. As part of the Council's "Local Homes for Local Need" agenda, these loans are made with the intention of improving 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. To limit this risk, and ensure that

total exposure to service loans remains proportionate to the size of the Council, 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	31.3.2022 actual			2023/24
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Housing Associations	2.423m	0m	2.423m	£5m
Community Housing Entities	0.193m	0m	0.193m	£2m
TOTAL	2.616m	0m	2.616m	£7m

The Treasury does not agree these loans without proposed lending having been agreed by members beforehand. This lending is not actively sought after but decided on an opportunistic basis when the Council is approached by an association asking to borrow.

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council 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 Council 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 Council using an alert system. Other information, such as credit default swaps, are used to assess risk.

Service Investments: Shares

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 types 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. To limit this risk, upper limits on the sum invested in each category of shares have been set shown on the following page:

Table 2: Shares held for service purposes in £ millions

Category of company	31.3.2022 actual			2023/24
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	0	0	0	£2m
Suppliers	0	0	0	£2m
Local businesses	0	0	0	£2m
TOTAL	0	0	0	£2m

Risk assessment: The approach is very similar to that of the service loans, the Council 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 Council 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 Council 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 Council's upper limits on non-specified investments. The Council 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 four investment properties which are rented to private sector businesses.

Table 3: Property held for investment purposes in £ millions

Property	Actual	31.3.2022 actual		31.3.2023 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Grove Lane Depot	-	0.067m	0.520m	-	0.520m
Hornbeam (Unit D, E & F)	0.650m	2.365m	3.015m	-	3.015m

TOTAL	0.650m	2.432m	3.535m	-	3.535m
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- The Grove Lane Depot (80 Grove Lane, Holt, NR25 6ED) investment property is leased to the tenant for an agreed cost of £35,000 per year. This property was not purchased for use as a commercial investment and was previously for the NNDC's DSU (Direct Services Unit as part of Waste Management). Upon contracting the waste management service, the property was then used as a storage facility for the Council. This property was decided to be leased out as a commercial investment property since December 2018. The original purchase cost is unknown as the purchase dates back over 30 years.
- The Hornbeam Industrial Units are leased to Howdens for business use. These properties are leased to the tenant for an agreed cost of £49,000 per year. These three units were purchased in 2021, then have been leased out since June 2022.

Security: In accordance with government guidance, the Council 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 Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2022/23 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 Council 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. The Council has qualified staff that will consider the local market and also have several 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 Council 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 Council maintains a balanced portfolio of investments, with short term investments allowing for faster liquidation should it be required. These more liquid investments are favoured as the Council both spend and earns approximately £10m every month.

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 Council and are included here for completeness.

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

Proportionality

The Council plans to develop the profit generating investment activity to assist in achieving 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 Council 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 Council's contingency plans for continuing to provide these services is that in the short term the Council will use available reserve balances to meet the shortfall, while a full review of service provision is undertaken.

Table 4: Proportionality of Investments

	2021/22 Actual	2022/23 Forecast	2023/24 Budget	2024/25 Budget	2025/26 Budget
Investment income	1.054m	1.157m	1.533m	1.380m	1.226m
Gross service expenditure	104.937m	111.938m	50.147m	49.218m	49.017m
Proportion	1.00%	1.03%	3.06%	2.80%	2.50%

Actual gross expenditure for 2021/22 and 2022/23 is twice the original budgeted figures. This is because the Council has received large amounts of grant funding from central government which was used to pay Test & Trace/Household Support Grants/Business Support Grants. Corresponding income was received to fund this expenditure. Only £8.9m was a cost to the Council following a central government decision to make authorities fund part of the costs.

Capacity, Skills and Culture

Elected members and statutory officers: 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 Council; and enable them to understand how these decisions have changed the overall risk exposure of the local authority.

Members will be given the opportunity to attend a training workshop each which will be provided by the Council's treasury advisors.

Commercial deals: The Council's Asset Management Plan is closely linked to the Corporate Plan and the Capital Strategy which contains the Prudential Indicators. The Council has 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 Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure because of its investment decisions.

Total risk exposure: The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but has not been drawn down and guarantees the Council has issued over third-party loans.

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2022 Actual (£m)	31.03.2023 Forecast (£m)	31.03.2024 Forecast (£m)
Treasury management investments	45.375	41.725	31.725
Service investments: Loans	2.288	2.019	1.750
Commercial investments: Property	3.535	3.535	3.535
TOTAL INVESTMENTS	51.198	47.279	37.010
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	51,198	47,279	37,010

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	2021/22 Actual	2022/23 Forecast	2023/24 Forecast
Treasury management investments	2.29	3.59	4.48
Service investments: Loans	3.80	3.80	3.80
Commercial investments: Property	1.78	1.78	1.78

Table 8: Other investment indicators

Indicator	2021/22 Actual	2022/23 Forecast	2023/24 Forecast
Debt to net service expenditure ratio	0	0	0
Commercial income to net service expenditure ratio	0.47%	0.46%	0.39%

Treasury Management Strategy Statement 2023/24

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 CIPFA
Recommendations:	To recommend that the Council be asked to RESOLVE that The Treasury Management Strategy is approved.
Reasons for Recommendation:	The Strategy provides the Council with a flexible investment strategy enabling it to respond to changing market conditions, and ensures the Council complies with CIPFA guidance.

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

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has 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 Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council'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

External Context

Economic background:

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Council's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.50% to 3.5% in December 2022, the largest single rate hike since 1989 and the eighth successive rise since December 2021. The decision was voted for by a 7-2 majority of the Monetary Policy Committee (MPC), with one of the two dissenters voting for a 0% rise and the other for a higher 0.75% rise.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy grew by 0.2% between April and June 2022, but the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to peak at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets with a peak of 5.25%. However the BoE has stated it considers this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate fell to 3.5%, driven mostly by a shrinking labour force. Earnings were up strongly in nominal terms by 6% for total pay and 5.4% for regular pay but factoring in inflation means real total pay was -2.4% and regular pay -2.9%. Looking forward, the MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.75% in November 2022 to 3.75%-4.0%. This was the fourth successive 0.75% rise in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 8%. GDP grew at an annualised rate of 2.6% between July and September 2022, a better-than-expected rise, but with official interest rates expected to

rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation has been rising consistently in the Euro Zone since the start of the year, hitting an annual rate of 10.7% in October 2022. Economic growth has been weakening with an expansion of just 0.2% in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.75% in October, the third major increase in a row, taking its main refinancing rate to 2% and deposit facility rate to 1.5%.

Credit outlook:

Credit default swap (CDS) prices have followed an upward trend throughout the year, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility has been higher in 2022 compared to 2021 and this year has seen a divergence in prices between ring-fenced (retail) and non-ring-fenced (investment) banking entities once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast:

The Council's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.6%, 3.7%, and 3.9% respectively over the 3-year period to September 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

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

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 3.72%.

For information only, interest rates on average were 3.59% and short-term borrowing rates were 3.83% under 3 months terms as at 10/01/2023.

Local Context

On 10th January 2023 the Council held £7m of short-term borrowing and £40.341m of treasury investments. This is set out in further at Appendix B. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

The expectation is that NNDC will reduce to a minimum the need to take any short-term borrowing for cash-flow purposed to reduce borrowing costs to a minimum by bringing back £10m of Pooled Fund long-term investments from its current pool of £32m when we need it. For the purposes of this TMS it has been assumed it will be before the 31 March 2023, but it will only be brought back when needed. This reduction in investment levels has been factored into the forecast of interest received moving forwards.

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 Council’s current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The table below shows the capital expenditure, financing and the capital financing requirement.

Table 1: Capital Expenditure, Financing and the Capital Financing Requirement Forecast

	31.3.22 Actual £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Capital Expenditure	9.183	18.833	4.795	1.300	1.300
Financed by:					
Capital Receipts	-1.211	-4.429	-2.615	0	0

Capital Grants and Other contributions	-2.343	-10.803	-1.093	-1.000	-1.000
Revenue Contributions	-1.319	-3.420	-0.371	-0.300	-0.300
Borrowing Requirement	4.310	0.181	0.716	0	0
MRP	-0.219	-0.326	-0.330	-0.349	-0.349
Capital Financing Requirement	16.003	15.858	16.244	15.895	15.546

The Council's CFR increased significantly in 21/22 because of the borrowing for the leisure centre and it is forecast to increase again in 23/24, but then the forecast is for it start reducing year on year during the remaining two years of the forecast period.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2023/24 as it does not have any long-term debt.

Borrowing Strategy

The Council currently holds £7 million of short-term borrowing, a decrease of £6 million on the previous year-end position of £13m. as part of its strategy for funding previous years' capital programmes. The borrowing requirement forecast in table 1 shows that NNDC expects to borrow up to £0.716m to fund the capital expenditure in 2023/24.

Objectives: The Council'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 Council'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 Council's borrowing strategy continues to be when borrowing money 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 i.e. affordability. The secondary consideration is that when it becomes necessary to take external borrowing the Council ensures the longer-term stability of the debt portfolio.

As aforementioned, the borrowing rates (3.83%) currently outweigh the interest rates of the Council's current investment portfolio (3.59% average). Previously interest rates far outweighed borrowing rates, and the Council took the decision to carry out short-term borrowing to maintain a positive cashflow, with the minimal borrowing interest costs being funded from a portion of the surplus investment income over budget.

With borrowing rates now being higher than investment interest rates, the Council is now looking into bringing back £10m of the Council's long-term Pooled Funds investments (current total investment value of £32m). Advice will be sought from the Council's treasury advisors Arlingclose to determine which investments should be brought back in-house by looking at those generating the lowest return and comparing them with those that will result in the smallest capital losses upon redemption. This is likely to happen in February or March 2023, when the Council's cash levels always fall to a low level due to there being very little Council Tax and Business Rate income being received with most taxpayers having paid their bills in 10 monthly instalments from April to January every year.

As in previous years, the Council does not intend to take any long-term external borrowing to avoid significant borrowing costs. Long-term borrowing rates for the shortest duration (1 year) with the PWLB (Public Works Loans Board) are currently at a borrowing rate of 4.42% and inter-local authority long-term borrowing rates for 1 year are only slightly lower at 4.24%. These interest rates are as at 10 January 2023 and are expected to increase further with the Monetary Policy Committee (MPC) predicting base rate increases throughout 2023/24.

By not borrowing, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of 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 Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at short-term or long-term fixed rates in 2023/24 with a view to keeping future borrowing costs low, even if this results in some additional cost in the short-term.

In the event of needing to take some short-term borrowing, the Council will consider borrowing from the PWLB and 'other Local Authorities' and other institutions as listed below under the heading 'Sources of Borrowing'. Borrowing shall be taken from the lender offering the lowest rate and on the most agreeable terms. Borrowers are found through either the Arlingclose Idealtrade brokerage portal which has a minimal fee, or through the Council's chosen brokers Tradition (UK) Ltd which has more availability but a higher brokerage fee.

In the event of deciding to take some long-term borrowing, the Council would firstly look towards borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to reduce borrowing 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 Council is not planning to buy any such assets and will therefore retain its access to PWLB loans.

Alternatively, the Council 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.

The Council may borrow short-term to manage the cash flow. This will be kept to a minimum but may occasionally be necessary to meet the cash flow need. The cashflow forecast is used to predict when we may need to take some short-term borrowing. Using the forecast has already identified that there is a need to bring back some of the Investments in-house as there are several cash flow shortages for a prolonged period occurring in 2023/24. Most of the Council's long-terms investments can be withdrawn with a notice period of 3-4 days, except for the CCLA LAMIT Property Fund which has recently increased its notice period to 60 days due to the nature of the fund.

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 (please 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 as this is the Council's 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: The 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 Council 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: This is not applicable to the Council at present as it does not have any long-term borrowing. If the Council had any borrowing it may wish to look at this. 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 or roll borrowing forward to an extended period.

Treasury Investment Strategy

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the 2022/23 financial year, the Council's treasury investment balance has ranged from £34.325m to £54.471m. The Council may need to withdraw £10m of its long-term Pooled Fund investments to meet extended periods of cash flow shortages in 2023/24 and if this is the case it will cost less (in lost investment income) than undertaking short-term borrowing and incurring borrowing costs.

Objectives: The CIPFA Code requires the Council 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 Council'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 low levels of investment income. Where balances are expected to be invested for more than one year, the Council 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. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: As previously mentioned, the Council plans to withdraw £10m of Pooled Funds from its current portfolio of £32m long-term investments when needed.

This means that for the 2023/24 financial year, investment balances will be lower. However this will allow the Council to eliminate the need to carry out short-term borrowing at a time when the interest rates for borrowing are higher than the investment interest rates. So it will minimise the net costs of treasury management.

Any surplus cash during 2023/24 in-between large payments will be invested in one day notice funds (primarily Money Market Funds) and will earn interest at a rate of 3.4%. These funds are available immediately and can be used instead of short-term borrowing.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signed up to the UN Principles for Responsible Banking and funds operated by managers that are signed up to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models: Under the IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council 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 Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	Unlimited
Local authorities & other government entities	25 years	£5m	£5m
Secured investments *	25 years	£1.75m	£3.5m
Banks (unsecured) *	13 months	£1.75m	£3.5m
Building societies (unsecured) *	13 months	£1.75m	£3.5m
Registered providers (unsecured) *	5 years	£1.75m	£3.5m
Money market funds *	n/a	£3.5m	£24.5m
Strategic pooled funds	n/a	£5m	£24.5m
Real estate investment trusts	n/a	£1.75m	£3.5m
Other investments *	5 years	£1.75m	£3.5m

* **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 considered.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

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 official sector limit applies to money market funds, a limit has been applied to prevent over-investment in one fund. If excess investment balance is available, this surplus should be put into locked investments for the period of 1 week – 3 months to allow for a higher return when investment balances are high. The Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times, this is done by spreading investment across all seven money mark funds the Council has investment accounts with.

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 Council 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 Council's investment objectives and maintaining a healthy cash flow balances to cover the Council's finances will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay most 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 Council's investment at risk.

Operational bank accounts: The Council may incur operational exposures, for example through 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 a threshold of 5% of the Council's portfolio 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 Council maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council'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.

For inter-local authority lending and borrowing, a "blacklist" is maintained of authorities, pension funds, police authorities and fire authorities that have been declared to be in major financial difficulty. The Council will refrain from carrying out any transactions with organisation on the blacklist.

Where a credit rating agency announces that a credit rating for a counterparty is on review for possible downgrade (also known as "negative watch" so that it may fall below the approved rating criteria, new investment will not be made with that organisation until the outcome of the review is announced. Any investment that can be withdrawn without incurring financial loss to the Council shall be brought back and invested with another organisation until a new review is carried out and a positive outlook is declared for the original counterparty. 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 Council 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 Council's treasury management adviser. No investments will be made

with an organisation if there are any 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 Council 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 Council'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 Council's available revenue reserves would cover investment losses in the event of fund crash. Current reserve levels are estimated to be around £20m at the end of 2022/23, although this level will decrease over the 2023/24 period following the budget review process. In order that no more than an acceptable level of 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 £5 million as shown in the table of limits above.

A Treasury Management Reserve of £500,000 was created in February 2021. This is to be maintained and to allow for minor financial capital losses (adverse variance of redeemed principal to initial investment) if pooled funds are required to be redeemed to prevent future borrowing/in the event of preventing major losses from an unexpected fund collapse.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £1.75m 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 4: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£3.5m per country

Liquidity management: The Council uses purpose-built cash flow forecasting software 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 Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

The Council 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 with any one provider.

Treasury Management Prudential Indicators

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

Security: The Council 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 [rating / score]	A

Liquidity: The Council 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	£7m

Interest rate exposures: This indicator is set to control the Council'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% <u>rise</u> in interest rates	£350,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£350,000

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 Council’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.

Long-term treasury management investments: The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£20m	£10m	£5m	£50m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Related Matters

The CIPFA Code requires the Council 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 Council 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 Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered 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 Council will seek external advice and will consider that advice before using financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Council 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 Council's treasury management activities, Treasury believes this to be the most appropriate status.

Financial Implications

The proposed budget for investment income in 2023/24 is £1.533m, based on an average investment portfolio of £34.19m at an average interest rate of 4.48%. The proposed budget for debt interest expenditure in 2023/24 has been set at zero as the intention is not to although there will be residual borrowing interest from 2022/23 short-term borrowing.

This investment income and borrowing costs budgets are based on £10m of Pooled Fund investments having been brought back in-house in March 2023 to eliminate the Council's expected cash-flow shortfall of £7m at 31 March 2023. This decision has been made as borrowing costs are currently higher than the interest that could be earned on the same amount invested. Any surplus funds available for investment throughout the year will be invested in short-term deposits or lent to other local authorities, pension funds, police authorities or fire authorities. This will allow the Council to take advantage of the higher interest rates and thus interest earned on investments whilst rates are fluctuating greatly, instead of being locked into low interest return Pooled Funds.

This assumes that interest rates will continue to increase. Arlingclose currently forecast the base rate to continue to increase by 0.25% - 0.5% at each of the MPC's meetings, resulting in a predicted 4.5% - 5% interest rate by the start of Summer 2023. The base rate is then predicted to stay high until March 2024, when it is forecast to decrease by

0.25% increments at future MPC meetings. Please see Appendix A for the Arlingclose Forecast.

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 or debt interest paid is below budget, then a proportion of the revenue savings will be transferred to the Treasury Management Reserve to cover the risk of capital losses or higher interest rates payable in future years. This reserve shall be maintained at a level of £500k which is felt to be an appropriate level for this purpose and also not to the detriment of the General Fund which can be used to fund the Council's revenue budgets.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Accountancy Team, 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 – November 2022

Underlying assumptions:

- UK interest rate expectations have eased following the mini budget, with a growing expectation that UK fiscal policy will now be tightened to restore investor confidence, adding to the pressure on household finances. The peak for UK interest rates will therefore be lower, although the path for interest rates and gilt yields remains highly uncertain.
- Globally, economic growth is slowing as inflation and tighter monetary policy depress activity. Inflation, however, continues to run hot, raising expectations that policymakers, particularly in the US, will err on the side of caution, continue to increase rates and tighten economies into recession.
- The new Chancellor dismantled the mini budget, calming bond markets and broadly removing the premium evident since the first Tory leadership election. Support for retail energy bills will be less generous, causing a lower but more prolonged peak in inflation. This will have ramifications for both growth and inflation expectations.
- The UK economy is already experiencing recessionary conditions, with business activity and household spending falling. Tighter monetary and fiscal policy, alongside high inflation will bear down on household disposable income. The short- to medium-term outlook for the UK economy is bleak, with the BoE projecting a protracted recession.
- Demand for labour remains strong, although there are some signs of easing. The decline in the active workforce has fed through into higher wage growth, which could prolong higher inflation. The development of the UK labour market will be a key influence on MPC decisions. It is difficult to see labour market strength remaining given the current economic outlook.
- Global bond yields have steadied somewhat as attention turns towards a possible turning point in US monetary policy. Stubborn US inflation and strong labour markets mean that the Federal Reserve remains hawkish, creating inflationary risks for other central banks breaking ranks.
- However, in a departure from Fed and ECB policy, in November the BoE attempted to explicitly talk down interest rate expectations, underlining the damage current market expectations will do to the UK economy, and the probable resulting inflation undershoot in the medium term. This did not stop the Governor affirming that there will be further rises in Bank Rate.

Forecast:

- The MPC remains concerned about inflation but sees the path for Bank Rate to be below that priced into markets.
- Following the exceptional 75bp rise in November, Arlingclose believes the MPC will slow the rate of increase at the next few meetings. Arlingclose now expects Bank Rate to peak at 4.25%, with a further 50bp rise in December and smaller rises in 2023.

- The UK economy likely entered into recession in Q3, which will continue for some time. Once inflation has fallen from the peak, the MPC will cut Bank Rate.
- Arlingclose expects gilt yields to remain broadly steady despite the MPC's attempt to push down on interest rate expectations. Without a weakening in the inflation outlook, investors will price in higher inflation expectations given signs of a softer monetary policy stance.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales will maintain yields at a higher level than would otherwise be the case.

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.50	3.50	3.50
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.90	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.75	3.75	3.75
Downside risk	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.36	3.65	3.90	3.90	3.90	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.70	3.75	3.75	3.75	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.88	4.00	4.00	4.00	4.00	4.00	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.24	3.40	3.40	3.40	3.40	3.40	3.30	3.30	3.30	3.30	3.30	3.30	3.30
Downside risk	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B – Existing Investment & Debt Portfolio Position

Amend/add/delete rows where applicable to give a meaningful analysis

	11/01/2023 Actual portfolio £m	11/01/2023 Average rate %
External borrowing:		
Public Works Loan Board	0.000	
Local authorities	7.000	3.01
LOBO loans from banks	0.000	
Other loans	0.000	
Total external borrowing	7.000	3.01
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	7.000	
Treasury investments:		
The UK Government	0.000	
Local authorities	0.000	
Other government entities	0.000	
Secured investments	0.000	
Banks (unsecured)	0.000	
Building societies (unsecured)	0.000	
Registered providers (unsecured)	2.325	3.93
Money market funds	6.150	3.37
Strategic pooled funds	32.000	4.07
Real estate investment trusts	0.000	
Other investments	0.390	4.49
Total treasury investments		
Net debt	(33.475)	

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Agenda Item No _____

FEES AND CHARGES 2023-24

Summary: This is an updated report that recommends the fees and charges for the financial year 2023-24 that will come into effect from 1st April 2023. This has been updated to reflect additional increases following the savings review.

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 2023/24 budget.

Recommendations: **That Cabinet agree and recommend to Full Council:**
a) The fees and charges from 1 April 2023 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 2023/24 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
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Contact Officer, telephone number and email:
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James Moore, 01263 516430, James.Moore@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. The fees and charges are being presented alongside the detailed budget report as a second review by officers of the increases to be applied has taken place. This is to see if the Council could generate additional income to support the expenditure. The income budgets for the new financial year 2023/24 have been increased where the proposed fees and charges have been revisited and increased. The impact of these increases on future years' projections has also been included in the Medium-Term Financial Plan.

2. Fees and Charges 2023/24

- 2.1 Fees and charges proposals for 2023/24 have been circulated by the finance team and reviewed by the relevant budget managers for a second time as part of the exercise to identify the savings needed to balance the budget. The purpose of the second review was to see if there was any scope to increase fees and charges by more than the 5% increase included in the first review (rounded to the nearest 50p or £1) to see if they could be increased by a percentage that would be more in line with the current rate of inflation (CPI 9.2% as at December 2022). Appendix A to this report provides the detail of the proposed charges for 2023/24 from 1 April 2023.

- 2.2 The proposed increases in fees and charges are due to one of the following reasons:

- Inflationary increases which reflect the inflationary increases in costs which the Council is facing.
- Increases in fees and charges which are set by central government, for example planning and premises licence fees.
- Increases set in a competitive market.
- Increases in fees which must be set on a cost recovery basis for example Land Charges, Building Control, and the majority of our locally set licence fees.

Significant increases to note proposed in the first review of fees and charges:

- For Filming costs, these fees are charged on a case-by-case basis, these charges are dependent on the size of the filming request and applicant. In the event of a beneficial PR exposure these fees would be lowered/waived as the Council receives the benefit of this.
- The HMO licence fee has increased significantly to bring it up to a comparable level of other local authorities. This is following a recent review by the Public Protection team where NNDC licence charges were compared with other Local Authorities licence charges which identified that the Council is undercharging for the service.

- 2.3 The second review of fees and charges has led to 2 changes in the proposed increases:

- Garden Bins (annual fee) has been increased from the originally proposed £52.50 to £56. This is predicted to generate £83,000 of additional income for the year.
 - Holt Country Park Firewood. The cost per load has increased from £120 to £125, this will not produce a huge amount of extra income but has been seen as an acceptable price increase by the Countryside team from previous levels of demand.
- 2.4 In addition there are several areas where proposed increases in fees and charges have not been included this report for different reasons.
- 2.5 Council facilities operated by an external contractor are excluded as the Council has no discretion on the setting of these fees.
- 2.6 Some fees are not included in this report where they are based on being set at a level that covers costs. These can be set when our expenditure budgets have been approved and we know the costs that need to be covered. e.g. those relating to trade waste collection. These fees will be set under delegated powers.
- 2.7 Car parking charges are not covered in this report as they will be subject to a separate report which will be presented to Members in due course.
- 2.8 Where there are charges that are set under delegated authority, if they haven't already been reviewed, they will be reviewed in the new 2023-24 financial year to see if they can be increased to generate extra income after taking into account all the factors that may impact on the income levels.

3. Conclusion

- 3.1 The report makes recommendations for the fees and charges that will come into effect from 1st April 2023. These will inform the service income budgets that will be included within the detailed 2023/24 budget when it is presented for recommendation and approval in February 2023.

4. Financial Implications and Risks

- 4.1 The proposed increases in fees and charges will bring in additional income that will contribute to balancing the Council's budget. It is essential that fees and charges are maximised as the Council is facing significant budgetary pressures and these increases in income levels along with savings that have been identified will assist in balancing the budget for 2023/24.
- 4.2 For demand led services there is a risk that demand will fall, and the actual income received will fall short of the budgeted income. To mitigate this risk when producing income budgets, assumptions will be made around the level of income to be achieved which will be based on best estimates calculated by service managers and the finance team working together.

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.

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Fees and Charges - 2023/24

The following pages detail the current fees for 2022/23.

The last column is where managers need to list their proposals for the 2023/24, this year the recommendation is a 5% increase where applicable (As per current recommended inflation rate) and rounded to nearest £1 or 50p,

<u>Corporate Leadership Team / Corporate Service Area</u>		2022/23	2023/24	Statutory Service / Discretionary Services	Set by Government / Set By District	
V	Charge	Proposed Charge				
A T	£ : p	£ : p				
ELECTIONS						
Statutory Charges						
	Sale of Edited Register of Electors - Printed Copy - Basic Charge (per first 1,000 names, or part thereof).	O	£10.00	£10.00	Statutory	Government
	Printed copy as above, extra 1,000 names or part thereof.	O	£1.50	£1.50	Statutory	Government
	Sale of edited Register of Electors - Data Form - Basic Charge (per <u>first</u> 1,000 names or part thereof).	O	£20.00	£20.00	Statutory	Government
	Data form as above, extra 1,000 names or part thereof.	O	£1.50	£1.50	Statutory	Government
	Supply of Full Register and monthly updates (to credit reference agencies and	O	£10.00	£10.00	Statutory	Government
	Printed copy as above, extra 1,000 names or part thereof.	O	£1.50	£1.50	Statutory	Government
	Supply of Full Register and monthly updates (to credit reference agencies and government departments) - Data Form - Basic Charge (per first 1,000 names or part thereof).	O	£20.00	£20.00	Statutory	Government
	Data Form as above, extra 1,000 names or part thereof.	O	£1.50	£1.50	Statutory	Government
	Sale of Marked Registers - Printed Copy - Basic Charge.	O	£10.00	£10.00	Statutory	Government
	Printed copy of Marked Registers - 1,000 names or part thereof.	O	£2.00	£2.00	Statutory	Government
	Data form of Marked Registers - 1,000 names or part thereof.	O	£1.00	£1.00	Statutory	Government
	Sale of Overseas Elector List - Printed Copy - Basic Charge (per <u>first</u> 100 names or part thereof).	O	£10.00	£10.00	Statutory	Government
	Printed copy as above, extra 100 names or part thereof.	O	£1.50	£1.50	Statutory	Government
	Sale of Overseas Elector List - Data Form - Basic Charge (per <u>first</u> 100 names or part thereof).	O	£20.00	£20.00	Statutory	Government
	Data form as above, extra 100 names or part thereof.	O	£1.50	£1.50	Statutory	Government

Customer Services & ICT Service Area		2022/23	2023/24	Statutory Service / Discretionary Services	Set by Government / Set By District
	V	Charge	Proposed Charge		
	A	£ : p	£ : p		
	T				
Communications - Filming					
TV drama/advertisements/feature films					
<i>*These figures are for guidance only and any enquiries could be subject to further negotiation.</i>					
Per Day	T	£1,650.00	£1,650.00	Discretionary	District
Per Hour	T	£280.00	£280.00	Discretionary	District
Exclusive use of NNDC owned location (e.g. Cromer Pier)	T	From £1,500.00 per day	From £1,500.00 per day	Discretionary	District
Documentaries and charities (depending on nature of organisation, subject and crew size)					
Per Day	T	From £500.00	From £500.00	Discretionary	District
Per Half Day	T	From £100.00	From £100.00	Discretionary	District
Administration Charge (only charged where a fee and/or contract is appropriate)					
Standard	T	£40.00	£40.00	Discretionary	District
Less than 7 day's notice	T	£90.00	£90.00	Discretionary	District
Stills (specifically commercial advertising with props, etc.)	T	£100 - £500	£100 - £500	Discretionary	District
Education/news/weather/student/individual photographers	T	Discretionary	Discretionary		

Customer Services & ICT Service Area	V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p	Statutory Service / Discretionary Services	Set by Government / Set By District
TOURIST INFORMATION CENTRES					
Concessionary Fares					
Application processing	T	£10.00	£10.00		
CUSTOMER SERVICES					
Foreign Pension Verification	T	£10.00	£10.00	Statutory	Government
FILMING*					
TV drama/advertisements/feature films					
<i>*These figures are for guidance only and any enquiries could be subject to further negotiation.</i>					
Per Day	T	£1,650.00	£1,650.00	Discretionary	District
Per Hour	T	£280.00	£280.00	Discretionary	District
Exclusive use of NNDC owned location (e.g. Cromer Pier)	T	From £1,500.00 per day	From £1,500.00 per day	Discretionary	District
Documentaries and charities (depending on nature of organisation, subject and crew size)					
Per Day	T	From £500.00	From £500.00	Discretionary	District
Per Hour	T	From £100.00	From £100.00	Discretionary	District
Administration Charge (only charged where a fee and/or contract is appropriate)					
Standard	T	£40.00	£40.00	Discretionary	District
Less than 7 day's notice	T	£90.00	£90.00	Discretionary	District
Stills (specifically commercial advertising with props, etc.)	T	£100 - £500	£100 - £500	Discretionary	District
Education/news/weather/student/individual photographers	T	Discretionary	Discretionary	Discretionary	District
Parking (if required)	T	£17.00	£17.00	Discretionary	District
PHOTOCOPYING					
A4 and below - black and white	T	£0.15	£0.20	Discretionary	District
A4 and below - colour	T	£0.20	£0.25	Discretionary	District
A3 - black and white	T	£0.30	£0.35	Discretionary	District
A3 - colour	T	£0.60	£0.70	Discretionary	District
A2 - black and white	T	£1.20	£1.40	Discretionary	District
A2 - colour	T	£2.40	£2.85	Discretionary	District
A1 - black and white	T	£2.40	£2.85	Discretionary	District
A1 - colour	T	£4.80	£5.70	Discretionary	District
A0 - black and white	T	£3.60	£4.30	Discretionary	District
A0 - colour	T	£7.20	£8.65	Discretionary	District

<u>Economic & Community Development & Leisure Service Area</u>		2022/23	2023/24	Statutory Service / Discretionary Services	Set by Government / Set By District	
V	Charge	Proposed Charge	Charge			
A	£ : p	£ : p	£ : p			
T						
HOLT COUNTRY PARK						
	Car parking (<i>per occasion</i>)	T	£2.30	£2.30	Discretionary	District
	Fire Wood (<i>sold when available from forestry works</i>) - per load	T	£100.00	(£120) £125	Discretionary	District
	School visits where Ranger's assistance required (Per Child) <i>(Please note, the school visits charge reserves the right to be made flexible depending on the activities chosen by the School).</i>	E	£6.00	£7.00	Discretionary	District

<u>Legal & Democratic Service Area</u> V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p	Statutory Service / Discretionary Services	Set by Government / Set By District
LEGAL SERVICES				
Legal Work (exclusive of VAT charged)				
Mortgage Redemption			Discretionary	District
Preparation of a new lease			Discretionary	
Sale of land			Discretionary	
Preparation of License	At Solicitors Hourly Rate.	At Solicitors Hourly Rate.	Discretionary	
Private Mortgage			Discretionary	
Quest re: second Mortgage			Discretionary	
Agreement - section 18 Public Health Act 1936			Discretionary	
Legal Work in connection with release of covenant			Discretionary	

Environmental Health Service Area				V	2022/23	2023/24	Statutory Service / Discretionary Services	Set by Government / Set By District
0				A	Charge	Proposed		
				T	£ : p	Charge		
WASTE COLLECTION SERVICES								
Clinical Waste - Commercial & Prescribed					Charges set	Charges set	Discretionary	
Commercial Waste Bins - Collection & Hire					separately	separately	Discretionary	District
Commercial Recycling Bins - Collection & Hire					under	under	Discretionary	
Sacks - Commercial & Prescribed					Delegated	Delegated	Discretionary	
Bulky Items - Commercial, Prescribed & Household					Power	Power	Statutory	
Garden Bin Collection - Per Annum					£50.00	(£52.50) £56	Discretionary	District
EDUCATION & PROMOTION								
(CIEH) Foundation Certificate in Food Hygiene								
Resident or employed in North Norfolk				E	£62.00	£65.00	Discretionary	District
Other				E	£80.00	£82.00	Discretionary	District
Specially arranged courses for businesses - held at business premises for their staff only				E	£770.00	£800.00		District
for up to 15 candidates								
per additional candidate up to maximum of 18				E	£50.00	£55.00	Discretionary	District
Environmental Health Service Area				V	2022/23	2023/24	Statutory Service / Discretionary Services	Set by Government / Set By District
				A	Charge	Proposed		
				T	£ : p	Charge		
COMMERCIAL SERVICES								
Food Inspections								
Unfit food inspections				O	£44.00	£46.50	Statutory	District
Food export certificates				O	£57.00	£60.00	Statutory	District
Officer time per hour (plus VAT)				T	£42.00	£44.00	Statutory	District
Sunday Trading Application for loading consent				O	£104.00	£109.00	Statutory	District
Food Hygiene Rerating Visits				O	£162.00	£170.00		
Registration of Food Premises								
Charge for copies of Register (or parts of)								
- Single Entry				O	£19.00	£20.00	Discretionary	District
- Part of Register				O	£501.00	£526.00	Discretionary	District
- Complete Register				O	£1,065.00	£1,120.00	Discretionary	District

Environmental Health Service Area		V	2022/23	2023/24		
		A	Charge	Proposed		
		T	£ : p	Charge		
			£ : p	£ : p		
PRIVATE WATER SUPPLY CHARGES						
Private Water Supplies Sampling Regulations						
Laboratory Analysis of a sample		O	The cost of sample transportation and laboratory analysis is recovered in full from the Relevant Person(s).	The cost of sample transportation and laboratory analysis is recovered in full from the Relevant Person(s).	Statutory	District
Sampling - per visit		O	£61.00	£64.00	Statutory	District
Other Investigations (e.g. Investigating failure)		O	£111.00	£116.50	Statutory	District
Granting an authorisation to depart from the standard authorisation		O	£111.00	£116.50	Statutory	District
Risk Assessments						
- Single Private Dwelling		O	£111.00	£116.50	Statutory	District
- Small Domestic Supplies		O	£222.00	£233.00	Statutory	District
- Large Domestic Supplies		O	£222.00	£233.00	Statutory	District
- Commercial or Public Small		O	£222.00	£233.00	Statutory	District
- Commercial or Public Medium		O	£333.00	£350.00	Statutory	District
- Commercial or Public Large		O	£555.00	£583.00	Statutory	District
- Commercial or Public Very Large		O	£555.00	£583.00	Statutory	District
Risk Assessment Misc Visits						
- Non-Attendance by PWS Operator		O	£61.00	£64.00	Statutory	District
- Compliance Visit		O	£61.00	£64.00	Statutory	District
Risk Assessment Reviews						
- Single Private Dwelling		O	£56.00	£59.00	Statutory	District
- Small Domestic Supplies		O	£56.00	£59.00	Statutory	District
- Large Domestic Supplies		O	£111.00	£116.50	Statutory	District
- Commercial or Public Small		O	£111.00	£116.50	Statutory	District
- Commercial or Public Medium		O	£166.00	£175.00	Statutory	District
- Commercial or Public Large		O	£222.00	£233.00	Statutory	District
- Commercial or Public Very Large		O	£308.00	£323.50	Statutory	District

Environmental Health Service Area		V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
HOUSING ACT NOTICES						
Hazard Awareness Notice						
Improvement / Suspended Improvement Notice (Section 11 & 12)	Notice with up to 3 hazards identified	O	£350.00	£350.00	Statutory	District
Prohibition/Suspended Prohibition Order		O	£350.00	£350.00	Statutory	District
Emergency Remedial Action		O	£350.00	£350.00	Statutory	District
Emergency Prohibition Order	For each additional hazard included in Notice	O	£50.00	£50.00	Statutory	District
Demolition Order		O	£50.00	£50.00	Statutory	District
Service of second and subsequent HA2004 Statutory Notices (inc. Schedule 3 Notices for works in default)		O	£70.00	£70.00	Statutory	District
Review of suspended HA 2004 Statutory Notices		O	£70.00	£70.00	Statutory	District
HMO LICENSE FEES						
HMO License application fee (up to 6 units of accommodation)		O	£525.00	£850.00	Statutory	District
Additional Unit Charge		O	£25.00	£25.00	Statutory	District
ENVIRONMENTAL PROTECTION SERVICES						
Statutory Release Fee - Dogs (Charge includes VAT)		T	£25.00	£25.00	Statutory	District
Collection Fee		T	£100.00	£100.00	Statutory	District
Kennel Charges - Base Cost (Daily Kennel Charge is paid ontop of this fee)		T	£83.00	£83.00	Statutory	District
Daily Kennel Charge Per Day (Maximum 7 Days)		T	£9.50	£9.50	Statutory	District
Contaminated Land Enquiry		T	£30.00	£35.00	Statutory	District
Temporary Stopping Place Fee		T	£40.00	£40.00	Discretionary	District
FIXED PENALTY NOTICES						
Breach of CPN or PSPO	- Full Amount		£80.00	£80.00	Statutory	Government
	- New Licence valid for 1 year	O	£60.00	£60.00	Statutory	Government
Depositing Litter	- Full Amount	O	£80.00	£80.00	Statutory	Government
	- New Licence valid for 1 year	O	£60.00	£60.00	Statutory	Government
Fly Tipping (Section 33 EPA 1990)	- Full Amount	O	£300.00	£300.00	Statutory	District
	- New Licence valid for 1 year	O	£200.00	£200.00	Statutory	District
Failure to Produce Waste Documentation (Section 34 EPA 1990)		O	£300.00	£300.00	Statutory	District

Environmental Health Service Area		V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
TAXI LICENCE FEES						
Taxi Licences						
Licence to Drive Hackney Carriages or Private Hire Vehicles	- New Licence valid for 1 year	O	£180.00	£190.00	Statutory	District
	- New Licence valid for 3 years	O	£180.00	£190.00	Statutory	District
	- Renewal valid for 1 year	O	£180.00	£190.00	Statutory	District
	- Renewal valid for 3 years	O	£180.00	£190.00	Statutory	District
Hackney Carriage Vehicle Licence	- New valid for 1 year	O	£155.00	£165.00	Statutory	District
	- Renewal valid for 1 year with plate	O	£155.00	£165.00	Statutory	District
	- Renewal valid for 1 year with no plate	O	£135.00	£145.00	Statutory	District
Private Hire Vehicle Licence	- New valid for 1 year	O	£155.00	£165.00	Statutory	District
	- Renewal valid for 1 year with plate	O	£155.00	£165.00	Statutory	District
	- Renewal valid for 1 year with no plate	O	£135.00	£145.00	Statutory	District
Private Hire Operators Licence	- New or Renewal valid for 5 years	O	£159.00	£170.00	Statutory	District
Taxi Licence Charges						
Replacement Badge & Licence (Name Change)		O	£16.00	£17.00	Statutory	District
Replacement Licence (Address Change)		O	£11.00	£12.00	Statutory	District
Replacement drivers badge holder with lanyard		O	£3.00	£3.50	Statutory	District
Windscreen pouches (additional or replacement)		O	£2.00	£2.50	Statutory	District
Replacement plate for vehicle		O	£42.00	£44.00	Statutory	District

Environmental Health Service Area		V	2022/23	2023/24		
		A	Charge	Proposed		
		T	£ : p	Charge		
			£ : p	£ : p		
OTHER LICENSING						
Premises Licence Fees - Gambling Act 2005						
Betting Premises (excluding tracks)	- New Application	O	£2,800.00	£2,800.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£560.00	£560.00	Statutory	District (Government Ceiling)
	- Application to Vary	O	£1,400.00	£1,400.00	Statutory	District (Government Ceiling)
	- Application to Transfer	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Application to Reinstatement	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Application for Prov. Statement	O	£2,800.00	£2,800.00	Statutory	District (Government Ceiling)
	- Application (Prov. State Holders)	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Copy Licence	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Notification of Change	O	£50.00	£50.00	Statutory	District (Government Ceiling)
Tracks	- New Application	O	£1,400.00	£1,400.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£930.00	£930.00	Statutory	District (Government Ceiling)
	- Application to Vary	O	£1,150.00	£1,150.00	Statutory	District (Government Ceiling)
	- Application to Transfer	O	£880.00	£880.00	Statutory	District (Government Ceiling)
	- Application to Reinstatement	O	£880.00	£880.00	Statutory	District (Government Ceiling)
	- Application for Prov. Statement	O	£2,300.00	£2,300.00	Statutory	District (Government Ceiling)
	- Application (Prov. State Holders)	O	£880.00	£880.00	Statutory	District (Government Ceiling)
	- Copy Licence	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Notification of Change	O	£50.00	£50.00	Statutory	District (Government Ceiling)
Family Entertainment Centres	- New Application	O	£1,900.00	£1,900.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£700.00	£700.00	Statutory	District (Government Ceiling)
	- Application to Vary	O	£935.00	£935.00	Statutory	District (Government Ceiling)
	- Application to Transfer	O	£880.00	£880.00	Statutory	District (Government Ceiling)
	- Application to Reinstatement	O	£880.00	£880.00	Statutory	District (Government Ceiling)
	- Application for Prov. Statement	O	£1,900.00	£1,900.00	Statutory	District (Government Ceiling)
	- Application (Prov. State Holders)	O	£880.00	£880.00	Statutory	District (Government Ceiling)
	- Copy Licence	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Notification of Change	O	£50.00	£50.00	Statutory	District (Government Ceiling)

Environmental Health Service Area		V	2022/23	2023/24		
		A	Charge	Proposed		
		T	£ : p	Charge		
			£ : p	£ : p		
OTHER LICENSING CONTINUED						
Adult Gaming Centre	- New Application	O	£1,900.00	£1,900.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£935.00	£935.00	Statutory	District (Government Ceiling)
	- Application to Vary	O	£935.00	£935.00	Statutory	District (Government Ceiling)
	- Application to Transfer	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Application to Reinstatement	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Application for Prov. Statement	O	£1,900.00	£1,900.00	Statutory	District (Government Ceiling)
	- Application (Prov. State Holders)	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Copy Licence	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Notification of Change	O	£50.00	£50.00	Statutory	District (Government Ceiling)
Bingo	- New Application	O	£3,000.00	£3,000.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£935.00	£935.00	Statutory	District (Government Ceiling)
	- Application to Vary	O	£1,630.00	£1,630.00	Statutory	District (Government Ceiling)
	- Application to Transfer	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Application to Reinstatement	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Application for Prov. Statement	O	£3,000.00	£3,000.00	Statutory	District (Government Ceiling)
	- Application (Prov. State Holders)	O	£1,130.00	£1,130.00	Statutory	District (Government Ceiling)
	- Copy Licence	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Notification of Change	O	£50.00	£50.00	Statutory	District (Government Ceiling)
Permits						
Family Entertainment Centres	- Application Fee	O	£300.00	£300.00	Statutory	District (Government Ceiling)
	- Change of Name	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Copy of Permit	O	£15.00	£15.00	Statutory	District (Government Ceiling)
Prize Gaming	- Application Fee	O	£300.00	£300.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£300.00	£300.00	Statutory	District (Government Ceiling)
	- Change of Name	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Copy of Permit	O	£15.00	£15.00	Statutory	District (Government Ceiling)
Small Lottery Society	- Application Fee	O	£40.00	£40.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£20.00	£20.00	Statutory	District (Government Ceiling)
	- Change of Name	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Copy of Permit	O	£15.00	£15.00	Statutory	District (Government Ceiling)

Environmental Health Service Area		V	2022/23	2023/24		
		A	Charge	Proposed		
		T	£ : p	Charge		
			£ : p	£ : p		
OTHER LICENSING CONTINUED						
Club Gaming	- Application Fee Permit	O	£200.00	£200.00	Statutory	District (Government Ceiling)
	- Application Fee Machine Permit	O	£200.00	£200.00	Statutory	District (Government Ceiling)
	- Annual Fee Permit	O	£50.00	£50.00	Statutory	District (Government Ceiling)
	- Annual Fee Machine Permit	O	£50.00	£50.00	Statutory	District (Government Ceiling)
	- Change of Name	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Change of Name Machine Permit	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Copy of Permit	O	£15.00	£15.00	Statutory	District (Government Ceiling)
	- Copy of Permit Machine	O	£15.00	£15.00	Statutory	District (Government Ceiling)
License Premises Gaming Machine Permit	- Application Fee (2 or less)	O	£50.00	£50.00	Statutory	District (Government Ceiling)
	- Application Fee (3 or more)	O	£150.00	£150.00	Statutory	District (Government Ceiling)
	- Annual Fee	O	£50.00	£50.00	Statutory	District (Government Ceiling)
	- Change of Name	O	£25.00	£25.00	Statutory	District (Government Ceiling)
	- Copy of Permit	O	£15.00	£15.00	Statutory	District (Government Ceiling)
	- Variation	O	£100.00	£100.00	Statutory	District (Government Ceiling)
	- Transfer	O	£25.00	£25.00	Statutory	District (Government Ceiling)
Licences and certificates of suitability						
Skin piercing premises	- Registration (one-off)	O	£263.00	£276.00	Statutory	District (Government Ceiling)
Skin piercing each additional operative at same premises	- Registration (one-off)	O	£35.00	£37.00	Statutory	District (Government Ceiling)
Scrap Metal Dealer	New/Renewal (3 years)	O	£470.00	£495.00	Statutory	District (Government Ceiling)
Scrap Metal Dealer	Variation	O	£354.00	£372.00	Statutory	District (Government Ceiling)
Scrap Metal Collector	New/Renewal (3 years)	O	£118.00	£124.00	Statutory	District (Government Ceiling)
Scrap Metal Collector	Variation	O	£89.00	£93.50	Statutory	District (Government Ceiling)
Sex Shop or sex cinema		O	£2,122.00	£2,228.00	Statutory	District (Government Ceiling)
Sexual Entertainment Venue		O	£3,182.00	£3,342.00	Statutory	District (Government Ceiling)
Streed Trading Consent (FOOD) Annual Fee		O	£252.00	£252.00	Statutory	District (Government Ceiling)
Streed Trading Consent (NON-FOOD) Annual Fee		O	£210.00	£210.00	Statutory	District (Government Ceiling)
Street Trading Consents	- Non profit	O	Free	Free	Statutory	District (Government Ceiling)
	- Commercial - per day	O	£82.00	£82.00	Statutory	District (Government Ceiling)

Environmental Health Service Area		V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
OTHER LICENSING CONTINUED						
Animal Boarding	- New/Renewal	O	£321.00	£337.00	Statutory	District
	- Variation	O	£103.00	£108.00	Statutory	District
	Verification Inspection Fee for Variation if required.	O	£48.00	£50.50	Statutory	District
Dangerous Wild Animals (and vet fees where appropriate)	- New/Renewal	O	£190.00	£200.00	Statutory	District
Dog Breeding (and vet fees where appropriate)	- New/Renewal	O	£400.00	£420.00	Statutory	District
	- Variation	O	£56.00	£60.00	Statutory	District
	(Plus Vet inspection fees if required for the above).					
Pet Shop	- New/Renewal	O	£321.00	£337.00	Statutory	District
	- Variation	O	£103.00	£108.00	Statutory	District
	Verification Inspection Fee for Variation if required.	O	£48.00	£50.50	Statutory	District
Riding Establishment (and vet fees where appropriate)	- New/Renewal	O	£400.00	£420.00	Statutory	District
	Plus DBS fee if required (per employee).	O	£51.80	£55.00	Statutory	District
	- Variation	O	£55.00	£58.00	Statutory	District
	(Plus Vet inspection fees ontop if required for the above).					
Zoo (and vet fees where appropriate)	- New/Renewal	O	£246.00	£260.00	Statutory	District
Keeping Animals for Exhibition	- New/Renewal	O	£305.00	£320.00	Statutory	District
	- Variation	O	£103.00	£108.00	Statutory	District
	Verification Inspection Fee for Variation if required.	O	£48.00	£50.50	Statutory	District
Combination of Activities		O	Equal to the highest activity fee	Equal to the highest activity fee	Statutory	District
Variation to reduce the licensable activities or numbers of animals		O	£56.00	£59.00	Statutory	District
Transfer due to death of licensee		O	£56.00	£59.00	Statutory	District
Reissue of Licence (Copy or Name/Address Change).		O	£11.00	£11.50	Statutory	District

Environmental Health Service Area		V	2022/23	2023/24		
		A	Charge	Proposed		
		T	£ : p	Charge		
				£ : p		
OTHER LICENSING CONTINUED						
Premises Licences (Alcohol)						
Premises Licences, under the Licensing Act 2003, are based on bands determined by the non-domestic rateable value of the property concerned.						
The fees relating to applications for premises licences, club premises certificates and variations or conversions to existing licences are:						
Band	Non-domestic rateable value					
A	£0 - £4,300	O	£100.00	£100.00	Statutory	District
B	£4,301 - £33,000	O	£190.00	£190.00	Statutory	District
C	£33,001 - £87,000	O	£315.00	£315.00	Statutory	District
D	£87,001 - £125,000	O	£450.00	£450.00	Statutory	District
E	£125,001 and over	O	£635.00	£635.00	Statutory	District
Annual charges relating to the above are:						
Band	Non-domestic rateable value					
A	£0 - £4,300	O	£70.00	£70.00	Statutory	District
B	£4,301 - £33,000	O	£180.00	£180.00	Statutory	District
C	£33,001 - £87,000	O	£295.00	£295.00	Statutory	District
D	£87,001 - £125,000	O	£320.00	£320.00	Statutory	District
E	£125,001 and over	O	£350.00	£350.00	Statutory	District
Personal Licence	- Initial Fee	O	£37.00	£37.00	Statutory	District

Environmental Health Service Area		2022/23	2023/24		
	V	Charge	Proposed		
	A	£ : p	Charge		
	T		£ : p		
OTHER LICENSING CONTINUED					
Additional Fees and Charges					
Application for copy of licence or summary on theft, loss etc. of premises licence or summary					
	O	£10.50	£10.50	Statutory	District
	O	£23.00	£23.00	Statutory	District
	O	£23.00	£23.00	Statutory	District
	O	£23.00	£23.00	Statutory	District
	O	£315.00	£315.00	Statutory	District
	O	£10.50	£10.50	Statutory	District
	O	£10.50	£10.50	Statutory	District
	O	£10.50	£10.50	Statutory	District
	O	£21.00	£21.00	Statutory	District
	O	£10.50	£10.50	Statutory	District
	O	£10.50	£10.50	Statutory	District
	O	£10.50	£10.50	Statutory	District
	O	£21.00	£21.00	Statutory	District
	O	£89.00	£89.00	Statutory	District
		£180.00	£190.00	Statutory	District
		£60.00	£63.00	Statutory	District
		£225.00	£237.00	Statutory	District
		£225.00	£237.00	Statutory	District
		£225.00	£237.00	Statutory	District
		£180.00	£190.00	Statutory	District
		£10.00	£10.50	Statutory	District
		£40.00	£42.00	Statutory	District

Environmental Health Service Area			V	2022/23	2023/24		
			A	Charge	Proposed		
			T	£ : p	Charge		
				£ : p	£ : p		
OTHER LICENSING CONTINUED							
Mobile Home Act 2013 (MHA 2013)							
New Park Home Licence	Units - 1-5		O	£210.00	£210.00	Statutory	District
	Units - 6-24		O	£225.00	£225.00	Statutory	District
	Units - 25-29		O	£240.00	£240.00	Statutory	District
	Units - 100 plus		O	£270.00	£270.00	Statutory	District
Annual Licence Fee	1-3		O	£0.00	£0.00	Statutory	District
	4-5		O	£120.00	£120.00	Statutory	District
	6-24		O	£180.00	£180.00	Statutory	District
	25-29		O	£240.00	£240.00	Statutory	District
	100 plus		O	£270.00	£270.00	Statutory	District
Licence Transfer	n/a		O	£97.50	£97.50	Statutory	District
Licence Variation	n/a		O	£97.50	£97.50	Statutory	District
Deposit of Site Rules	n/a		O	£45.00	£45.00	Statutory	District
Environmental Health Service Area			V	2022/23	2023/24		
			A	Charge	Proposed		
			T	£ : p	Charge		
				£ : p	£ : p		
ENFORCEMENT TEAM CHARGES							
High Hedges Complaint			T	£447.00	£447.00	Statutory	District

<u>Planning Service Area</u>		2022/23 Charge £ : p	2023/24 Proposed Charge £ : p	Statutory Service / Discretionary Services	Set by Government / Set By District
V A T					
LAND CHARGES					
LLC1					
Official Search of - One Part	T	£0.00	£0.00	Statutory	Government
Official Search of - Whole	E	£24.00	£24.00	Statutory	Government
- Electronic Search	E	£2.00	£2.00	Statutory	Government
- Additional Parcel	E				
CON 29 Enquiries					
One Parcel	T	£79.00	£79.00	Statutory	Government
- Electronic Search	T	£17.50	£17.50	Statutory	Government
- Additional Parcel	T				
Optional Enquiries					
Printed	T	£18.00	£18.00	Discretionary	District
Additional	T	£20.00	£20.00	Discretionary	District
Other Fees relating to Local Land Charges					
Registration of a charge in Part 11 of the Register (Light Obstruction Notice)	E	£74.00	£74.00	Statutory	Government
Filing a judgement order or application for variation or cancellation or any entry in Part 11 of the Register (Light Obstruction Notice)	E	£7.00	£7.00	Statutory	Government
Filing a definitive certificate of the Lands Tribunal under rule 10 (3) of the Local Land Charges Rules 1977	E	£3.00	£3.00	Statutory	Government
Inspection of documents filed under Rule 10 in respect of each parcel of land	E	£3.00	£3.00	Statutory	Government
Office copy of any entry in the Register (not including a copy or extract of any plan or document filed pursuant to 1977 Rules)	E	£0.00	£0.00	Statutory	Government

<u>Planning Service Area</u>		V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
PLANNING						
Pre-Application Service						
Major Applications						
*These fees will be charged upon the submission of proposals for pre-application advice. For advice on the service provided see separate note.						
<u>Outline Applications</u>						
Site area up to 2.5 ha.	Per 0.1 ha.	T	£120.00	£120.00	Statutory	Government
Site area over 2.5 ha.	(Plus £36 per additional 0.1 ha.) (Maximum £36,000)	T	£3,000.00	£3,000.00	Statutory	Government
<u>Erection of Dwellings (Full or Reserved Matters)</u> (including change of use to dwellings)						
10 to 50 dwellings	Cost for ten. Additional £120	T	£1,200.00	£1,200.00	Statutory	Government
Over 50 dwellings	(Plus £36 per additional dwelling) (Maximum £72,000)	T	£6,000.00	£6,000.00	Statutory	Government
<u>Erection of Buildings (Non-residential)</u>						
Floor space 1,000 - 3,750 sq.m.	Per 75 sq.m.	T	£960.00	£960.00	Statutory	Government
Floor space over 3,750 sq.m.	(Plus £36 per additional 75 sq.m.) (Maximum £36,000)	T	£6,000.00	£6,000.00	Statutory	Government
<u>Erection of Agricultural Buildings</u>						
Floor space 1,000 - 4,215 sq.m.	For 1st 1000 sq.m. (Plus £120 per additional 75 sq.m. after 1000 sq.m.)	T	£120.00	£120.00	Statutory	Government
Floor space over 4,215 sq.m.	(Plus £36 per additional 75 sq.m.) (Maximum £72,000)	T	£6,000.00	£6,000.00	Statutory	Government
<u>Erection of Glasshouses</u>						
Floor space over 1000 sq.m.		T	£600.00	£600.00	Statutory	Government

<u>Planning Service Area</u>		V	2022/23	2023/24		
		A	Charge	Proposed		
		T	£ : p	Charge		
			£ : p	£ : p		
PLANNING CONTINUED						
<u>Erection, Alteration or Replacement of Plant or Machinery</u>						
Site area up to 5 ha.	Per 1 ha. Plus £120 per additional 0.1 ha.	T	£1,200.00	£1,200.00	Statutory	Government
Site area over 5 ha.	Plus £36 per additional 0.1 ha. (Maximum £72,000)	T	£6,000.00	£6,000.00	Statutory	Government
<u>Engineering or Other Operations</u>	Over 1 ha.	T	£600.00	£600.00	Statutory	Government
<u>Car Parks and Service Roads for existing uses (In relation to Major planning application)</u>						
		T	£60.00	£60.00	Statutory	Government
<u>Change of Use of Land or Building to Dwellings</u>						
10 to 50	(Plus £120 per additional dwelling)	T	£1,200.00	£1,200.00	Statutory	Government
Over 50	(Plus £36 per additional dwelling) (Maximum £72,000)	T	£6,000.00	£6,000.00	Statutory	Government
<u>Other Changes of Use</u>						
Variation/Removal of a condition		T	£60.00	£60.00	Statutory	Government
Renewal of a temporary permission		T	£60.00	£60.00	Statutory	Government
<u>Bronze</u>						
Householder or Commercial up to 50 sq. metres		O	£95.00	£95.00	Discretionary	District
1-9 dwellings on sites less than 0.5 ha. or Commercial floorspace up to 999 sq. metres		O	£295.00	£295.00	Discretionary	District
Commercial floorspace 51 - 499 sq.m. and new telecommutation masts		O	£195.00	£195.00	Discretionary	District
Other (Advert, agricultural, telecoms)			Free	Free	Discretionary	District
<u>Silver</u>						
Householder or Commercial up to 50 sq. metres		O	£195.00	£195.00	Discretionary	District
1-9 dwellings on sites less than 0.5 ha. or Commercial floorspace up to 999 sq. metres		O	£595.00	£595.00	Discretionary	District
Commercial floorspace 51 - 499 sq.m. and new telecommutation masts		O	£395.00	£395.00	Discretionary	District
Other (Advert, agricultural, telecoms)		O	Free	Free	Discretionary	District

<u>Planning Service Area</u>	V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p			
PLANNING CONTINUED						
<u>Extras:</u>						
Additional Plans	T	£95.00	£95.00	Discretionary	District	
Additional Meeting	T	£95.00	£95.00	Discretionary	District	
Discharging of conditions	T	Statutory	Statutory	Discretionary	District	
	T	Statutory	Statutory	Discretionary	District	
Building Control Fees	T	Hourly rate included within calculated fee.	£60.00	£70.00	Discretionary	District

Planning Service Area		V	2022/23	2023/24		
		A	Charge	Proposed		
		T	£ : p	Charge		
				£ : p		
PLANNING - MISCELLANEOUS						
Supply of Information on Permitted Use/History						
Administrative Staff - per hour		T	£49.50	£49.50	Discretionary	District
Professional Staff - per hour		T	£97.00	£97.00	Discretionary	District
Check compliance with Conditions (for Solicitors, Agents)						
Administrative Staff - per hour		T	£49.50	£49.50	Discretionary	District
Professional Staff - per hour		T	£97.00	£97.00	Discretionary	District
General Research						
Administrative Staff - per hour		T	£49.50	£49.50	Discretionary	District
Professional Staff - per hour		T	£97.00	£97.00	Discretionary	District
Naming of new street, consultation process and notification	Single Street	T	£125.00	£125.00	Discretionary	District
	2-5 Streets	T	£250.00	£250.00	Discretionary	District
	5+ Streets	T	£500.00	£500.00	Discretionary	District
Street numbering Schemes	1-5 Plots	T	£80.00	£80.00	Discretionary	District
	6-10 Plots	T	£70.00	£70.00	Discretionary	District
	11-50 Plots	T	£60.00	£60.00	Discretionary	District
	50+ Plots	T	£50.00	£50.00	Discretionary	District
Change of property name		T	£25.00	£25.00	Discretionary	District
Monitoring Fee for 2106 / IL Obligations:						
The charge will generally be levied at a rate of £500 per obligation covering each District Council related covenant and a monitoring fee will be sought for each. On more complex sites where greater monitoring costs will likely be incurred, a proportionate charge will be levied at a rate of £500 per obligation covering each District Council related covenant or 1 % of the value of the District Council's total obligations up to a maximum of £10,000 per agreement, whichever is the higher.		T	From £500	From £500	Statutory	District

<u>Planning Service Area</u>	V	2022/23	2023/24		
	A	Charge	Proposed		
	T	£ : p	Charge		
		£ : p	£ : p		
PLANNING POLICY					
Inset Maps					
A1 Maps	O	£5.50	£5.50	Discretionary	District
A2 Maps	O	£3.00	£3.00	Discretionary	District
A3 Maps	O	£1.50	£1.50	Discretionary	District
Admin Fee to join the Customer & Self Build Housing Register	O	£25.00	£25.00	Discretionary	District
ENFORCEMENT TEAM CHARGES					
High Hedges Complaint	T	£447.00	£450.00	Statutory	Government

Finance & Assets Service Area			2022/23	2023/24	Statutory Service / Discretionary Services	Set by Government / Set By District
V	A	T	Charge £ : p	Proposed Charge £ : p		
CAR PARKING - COASTAL CAR PARKS						
Pay & Display Car Parks. Charges Apply Between 08:00 - 18:00						
Cromer	- Ronton Road	T	£1.80 per hour	£1.80 per hour	Discretionary	District
East Ronton	- Beach Road	T				
Happisburgh	- Cart Gap	T	£8.50 for 24 hours	£8.50 for 24 hours		
Mundesley	- Gold Park	T				
Overstrand	- Pauls Lane	T	£34 for 7-Days	£34 for 7-Days		
Sea Palling	- Clink Road	T				
Sheringham	- East Cliff	T				
	- Station Road	T				
Wells	- Stearmans Yard	T				
Weybourne	- Beach Road	T				
CAR PARKING - RESORT CAR PARKS						
Pay & Display Car Parks. Charges Apply Between 08:00 - 18:00						
Cromer	- Cadogan Road	T	£1.50 for first hour	£1.50 for first hour	Discretionary	District
	- Meadow	T				
	- Promenade	T				
Holt	- Albert Street	T	£1.20 per additional hour	£1.20 per additional hour		
	- Station Yard	T				
Sheringham	- Cheques	T	£8.50 for 24 hours	£8.50 for 24 hours		
	- Morris Street	T				
Wells	- Staithe Street	T	£34 for 7-Days	£34 for 7-Days		

Finance & Assets Service Area			2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
CAR PARKING - STANDARD CAR PARKS						
Pay & Display Car Parks. Charges Apply Between 08:00 - 18:00						
Fakenham	- Bridge Street	T	£1.20 for first two hours £0.80 per additional hour	£1.20 for first two hours £0.80 per additional hour		
	- Community Centre	T				
	- Highfield Road	T				
	- Queens Road	T				
	- The Limes	T				
North Walsham	- Bank Loke	T	£6 for 24 hours	£6 for 24 hours	Discretionary	District
	- Mundesley Road	T				
	- New Road	T				
	- Vicarage Street	T				
	- Vicarage Street	T				
Stalham	- High Street	T	£24 for 7-Days	£24 for 7-Days		
CAR PARKING - OTHER						
Fakenham	- Hall Staithe		PERMIT	PERMIT	Discretionary	District
North Walsham	- Midland Road		Free	Free	Discretionary	District

Finance & Assets Service Area			2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
COACH PARKING						
For 4 hours		T	£6.00	£6.00	Discretionary	Distict
For 24 hours		T	£12.00	£12.00	Discretionary	District
SEASON TICKETS / PERMITS						
1 Week	- 24 hour stay max.	T	£24.00	£24.00	Discretionary	District
3 Months	- 3 hour stay max.	T	£16.00	£16.00	Discretionary	District
	- 24 hour stay max.	T	£66.00	£66.00	Discretionary	District
6 Months	- 3 hour stay max.	T	£31.00	£31.00	Discretionary	District
	- 24 hour stay max.	T	£122.00	£122.00	Discretionary	District
12 Months	- 3 hour stay max.	T	£56.00	£56.00	Discretionary	District
	- 24 hour stay max.	T	£204.00	£204.00	Discretionary	District

Finance & Assets Service Area		2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
PROFESSIONAL ESTATE SERVICE					
Application fee for Events (per application).	V A T O	£50.00	£50.00	Discretionary	District
Application fee for Events (per application) - Charitable Events	O	£25.00	£25.00	Discretionary	District
Estate Service (Land and Property Transactions) - Hourly Rate	O	£70.00	£70.00	Discretionary	District
Licence Admin Fee	O	£50.00	£50.00	Discretionary	District
Disposal of Assets/Asset Proposal Admin Fee	O	£50.00	£50.00	Discretionary	District
Licence for table with three chairs	O	£60.00	£60.00	Discretionary	District

Finance & Assets Service Area		V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
CHALETs						
<i>Sheringham</i>						
	Old Chalets	T				
	New Chalets (inc. electricity)	T				
<i>Cromer</i>						
	West Beach	T				
	East Beach	T				
<i>Weekly Lets - Cromer & Sheringham</i>						
	Low Season	T	£85.00	£85.00	Discretionary	District
	High Season	T	£210.00	£210.00	Discretionary	District
<i>Weekly Lets - Cromer East & Sheringham New (Serviced)</i>						
	Low Season	T	£95.00	£95.00	Discretionary	District
	High Season	T	£260.00	£260.00	Discretionary	District
<i>Winter Lets</i>						
	Per Month	T	£65.00	£65.00	Discretionary	District
	Per Week	T	£21.00	£21.00	Discretionary	District
Economic & Community Development & Leisure Service Area		V A T	2022/23 Charge £ : p	2023/24 Proposed Charge £ : p		
BEACH HUTS						
Beach Hut Sites						
<i>Cromer, Overstrand & Sheringham</i>						
	One Year (Excluding Rates)	T				
<i>Mundesley</i>						
	One Year (Excluding Rates)	T				
Beach Huts						
<i>Weekly Lets</i>						
	Low Season	T	£70.00	£70.00	Discretionary	District
	High Season	T	£195.00	£195.00	Discretionary	District
<i>Mundesley - Seasonal Let</i>						
		T				
Extras:						
Charge to go onto beach hut or chalet waiting list		Per List T	£25.00	£25.00	Discretionary	District

Draft Medium Term Financial Strategy 2023/24 to 2026/27 including Base Budget Projections 2023/24

- Summary: To provide Members with the opportunity to discuss assumptions around Medium Term Financial Strategy 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 in 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 Strategy (MTFS) is presented here for scrutiny and discussion.
- Recommendations: **It is recommended that Cabinet agree and where necessary recommend to Full Council:**
- 1) **The 2023/24 revenue budget as outlined at appendix A;**
 - 2) **The demand on the Collection Fund for 2023/24, subject to any amendments as a result of final precepts still to be received be:**
 - a. **£6,879,503 for District purposes**
 - b. **£2,800,000 (exact figure not yet available and subject to confirmation of the final precepts) for Parish/Town Precepts;**
 - 3) **The statement of and movement on the reserves as detailed at appendix D;**
 - 4) **The updated Capital Programme and financing for 2022/23 to 2026/27 as detailed at Appendix C;**
 - 5) **The capital bids contained within Appendix C1, with delegated authority given to the Section 151 Officer in conjunction with the Portfolio Holder for Finance to decide on the most appropriate means of funding;**
 - 6) **That Members note the current financial projections for the period to 2026/27 as shown in Appendix A;**
 - 7) **That Members note the results of the consultation as shown in Appendix F.**
- Reasons for Recommendations: To recommend a balanced budget for 2023/24 for approval by Full Council.

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)

<i>Budget Monitoring Reports 2022/23</i> <i>Outturn Report 2021/22</i> <i>Medium Term Financial Strategy 2023-26</i>
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Cabinet Member(s) Cllr Eric Seward	Ward(s) affected All
Contact Officer, telephone number and email:	Tina Stankley, Director of Resources and Section 151 Officer, tina.stankley@north-norfolk.gov.uk 01263 516439

1. Introduction

- 1.1 This report presents the detail of the 2023/24 revenue budget and the indicative projections for the following three financial years, 2024/25 to 2026/27.
- 1.2 An updated Capital Programme has also been included covering the periods 2022/23 to 2026/27 which takes account of slippage of schemes between financial years. Details of new proposed capital schemes are also included within the report.
- 1.3 A draft 2023/24 budget report was provided to the Overview and Scrutiny Committee for pre-scrutiny at their meeting of 25 January 2023.
- 1.4 The budget now presented reflects the Local Government Finance Settlement (LGFS) announced in December 2022, the final settlement is expected at some point during February 2023. The final budget presented for approval to Full Council will be updated to reflect the final figures as applicable if they are received in time.
- 1.5 The following sections of the report present the detail and context within which the budget has been produced. The summary of the budget and service budget details are included at appendices A and B respectively.
- 1.6 The MTFS is a strategic document that supports the delivery of the Corporate Plan outcomes. The MTFS sets out the resources that are needed and what resources are available over the medium term and identifies the financial challenges facing the Council in terms of future funding gaps. It is the method by which the Council plans and long-term goals can be translated 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 Medium-Term Financial Strategy will be presented for final approval as part of the full Council report and is provided here in draft format to enable discussion and if desired prompt recommendations to full Council.

2. 'Where we want to be' - The Council's Corporate Plan

2.1 The Council's Corporate Plan for the period 2019 – 2023 is coming to an end. The Corporate Plan (which can be found [here](#)) has provided the framework and context for the Council's service provision, project interventions and resource allocation (financial and staffing) for the period through to 2023. A new Corporate Plan will be developed after the new Council is elected and will be for the period 2023-2027 and it will be 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 will reflect 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 residents, businesses and visitors.

2.3 Whilst the District has a number of positive attributes there are also 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 growing ageing population.

2.4 The current Corporate Plan identified six key themes and the delivery of services and the allocation of resources over the last four years has been aligned to respond to the challenges our district has faced during this time and 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 The Plan has also provided a framework against which progress in meeting the needs of our customers and communities could be measured.

2.6 The Delivery Plan was developed alongside the Corporate Plan and it detailed the expected outcomes from each of the six key themes and it contains a set of priority actions and measures against which the Council has undertaken a self-assessment of the level of improvement made during the four years.

2.7 Underpinning the Corporate Plan is the day-to-day business that departments undertake, and which will be reflected in Directorate 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.

Investment in Priority Areas

- 2.8 The overall level of the Council's resources continues to reduce and so it is important that a clear focus is maintained on matching funding to priorities. This has been a key focus over the past four years to ensure the aspirations contained within the Corporate Plan and the projects contained within the Delivery Plan were realised. Resources within the annual budget for 2023/24 and the MTFs have also been aligned to meet the priorities of providing services to support the vulnerable and in meeting our Net Zero target.

Our Vision

- 2.9 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 unite in working towards a shared purpose. The Council's aspiration is as follows:

North Norfolk District Council – putting our customers at the heart of everything we do

Our Values

- 2.10 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

- 2.11 The Council needs to have excellent teams to deliver high quality services and it recognises that the staff are the most important resource at the heart of the services provided. The Council is committed to investing in staff and their development so that they are 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 that everyone works closely together to deliver the Council's priority outcomes.

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 Monday, 19th December 2022. It was another single year settlement and whilst some of the funding streams were a rollover from the previous year, there were some new funding streams. The most notable of these was a '3% Funding Guarantee' grant the purpose of which is to ensure that all councils will see at least a 3% increase in their core spending power before any decisions about

organisational efficiencies, use of reserves or council tax levels are taken. The funding allocations for the Council are shown in the table below along with a comparison of the funding received for 2021/22

Funding Stream	Funding in 2023/24	2022/23 £	2023/24 £
Revenue Support Grant	2022/23 funding increased by CPI	93,540	102,462
Family Annexe Council Tax Discount Grant	These 2 grants are being added into RSG but have been shown separately so can compare RSG between years	0	50,074
Local Council Tax Support Admin Grant		0	136,747
Rural Services Delivery Grant	As for 2022/23	507,661	507,661
New Homes Bonus	Based on increase in new homes, but first year of just in year payments	886,575	31,080
Services Grant	As for 2022/23, but reduced by the amount added for the NI rise	222,339	125,284
3% Funding Guarantee Grant	New one-year grant to guarantee an increase in funding of at least 3% to cover additional inflationary costs	0	1,039,298
Lower Tier Services Grant	This has been removed for 2023/24 and onwards	147,545	0
Total funding		1,857,660	1,992,606

3.2 Overall there has been a 7.3% increase in funding increase for 2023/24. The Council will receive Family Annexe Council Tax Discount Grant (paid by the Government to cover the discount that the Council gives to people living in an annexe of a relative's house) and Local Council Tax Support Admin Grant (paid by the Government to cover the cost of administering the Local Council Tax Support Scheme). The New Homes Bonus for 2023/24 is significantly lower than for 2022/23 for two reasons and these are that 2022/23 was the last year when any legacy payments were paid by the Government and then the number of new homes added to the Council Tax base was much lower than in the previous year. The Lower Tier Services Grant ceased in 2022/23.

3.3 These figures are all provisional until the Final Local Government Finance Settlement is announced in early February, although there is not usually much change between the provisional and final figures. If received in time the final figures will be included in the full Council report.

Council Tax

3.4 NNDC is the billing authority for the North Norfolk district i.e. it sends out the Council Tax bills to residents and collects the Council Tax on behalf of the County Council, Norfolk Police Authority and town and parish councils. The table below shows that for each £1 collected the County Council receive the largest amount and that NNDC's share is 8 pence in the pound.

Authority	Share of £1 of Council Tax
Norfolk County Council	75p
Norfolk Police Authority	14p
North Norfolk District Council	8p
Town and Parish Councils (Average)	3p

- 3.5 The charge on a Band D property which is retained by NNDC is currently £158.67 based on a tax base of 41,031 in 2022/23. Any increase on this amount is restricted to no more than 3% or £5 for next year, whichever is the greater. If the Council wishes to increase the charge on a Band D property by more than this, then a referendum will need to be held.
- 3.6 The draft budget for 2023/24 includes council tax funding that reflects an assumption of a £4.95 increase in the charge on a Band D property in line with the current referendum principles. This would give a charge of £163.62 on a Band D property in 2023/24. The decision regarding an increase to council tax is part of the budget setting process.

Revenue Account Base Budget 2023/24

- 3.7 The first iteration of the draft budget 2023/24 was prepared including budgets updated for unavoidable growth, savings, expenditure inflation and increases in income attributable to both growth and price increases.
- 3.8 The unavoidable growth included in the draft budget totals £786k and a breakdown of this is shown below.

Growth	2023/24 £'000
Loss of Legal Services income with a contract ending	295
Increases across the Council in staffing, training & travel costs	156
Increases in repairs and maintenance costs	51
Increases in commercial waste disposal costs	60
NEWS additional tonnage	40
Loss of grant income	50
Other small growth areas	134
Total unavoidable growth	786

- 3.9 There were also ongoing savings of £396k and one-off savings of £2.197m (totalling £2.593m) identified by service managers during the initial review of budgets and these were included in the first draft of the budget for 2023/24. The main areas are shown in the table below.

Savings	2023/24 £'000
Staff costs where fixed term contracts have come to an end	103
Utility and insurance costs in some areas	102
Management fees & facility charges at sports/ leisure centres	81
Reduction in marketing budgets	29
Other small savings	81
One-off savings for 2023/24 only:	
Staffing	1,250
Grants	285
Local Plan costs	210
Professional fees in Planning	50
Professional fees in Environmental Sustainability	310
Computer costs	55
Other small one-off savings	37

Total savings	2,593
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3.10 The Council's budget has been heavily impacted by rising inflation and much of the increase in expenditure budgets can be attributed to this. This has placed a lot of pressure on balancing the budget. Below is a table showing the areas where inflationary pressures have had the greatest impact. This equates to 13.9% increase as a percentage of net cost of services for 22/23.

Inflationary Pressures	
Area of Expenditure	£m
Staffing (inc. training, travel & subsistence)	1.426
Insurances	0.220
NEWS Contract -increase in price per tonne	0.375
SERCO Contract - Bin collections	0.619
SERCO Contract - Cleansing	0.261
Grounds Maintenance	0.062
Contract Cleaning (Public conveniences)	0.070
Audit Fee	0.113
Computer Costs	0.078
Other	0.238
	3.462
Income	
Fees and Charges	(0.515)
Total of Inflationary Pressures	2.947

3.11 The largest inflationary increase is for staffing which is unavoidable and due to the cumulative full year impact of the flat rate pay increase awarded for 2022/23 of £1,925 for each employee. This equates to an average 6% pay award in 2022/23. The assumed percentage increase for the pay award included for 2023/24 is 5%.

3.12 The draft budget, as it is presented, is a balanced budget but to achieve this a second review of service budgets had to take place to identify additional savings over and above those identified in paragraph 3.2 to meet a budget gap of circa £2.5m. The proposed savings and proposed additional income that has been included in the budget is shown in detail at Appendix E and are for Members to consider. Other significant adjustments included that do not appear on the Appendix are an increase in car park income of £250k which is based on income levels for car parking in 2022/23 to date; the removal of external interest paid achieving a £180k saving by not taking any short-term borrowing in 2023/24; and a recalculation of MRP to reduce the expenditure budget from £744k to £330k.

3.13 The proposed summary of the General Fund Budget for 2023/24, that incorporates all the changes as discussed in paragraphs 3.8 to 3.12 above, is presented for approval and is included as Appendix A. The detailed service budgets are shown in Appendix B which shows the movement of the 2023/24 budget compared to the base budget for 2022/23 as set in February 2022 and then updated during the 2022/23 financial year. The summary below in Table 1 shows that the overall current budget forecast is balanced.

Table 1 – Current forecast 2023/24	
	£000
Total District amount to be met from Government Grant & Local Taxation	15,186
<i>Less:</i>	
Revenue Support Grant	(102)
Business Rates Retained & S31 Grant	(6,315)
New Homes Bonus	(31)
Rural Services Delivery Grant	(508)
Lower Tier Services Grant	0
Services Grant	(125)
District call on Collection Fund – excluding Parish Precepts	(6,880)
3% Funding Guarantee	(1,039)
Family Annexe Council Tax Discount Grant	(50)
LCTS Admin Grant	(136)
Surplus	0

Reserves

- 3.14 The current position and forecast on the General and Earmarked Reserves is shown at Appendix D. The Appendix shows the proposals for use of reserves in the current financial year along with the budgeted movements in 2023/24, and proposed movements in the following three financial years. The current recommended minimum balance on the general reserve is £2.0 million, which is sustainable with the current planned use of reserves.
- 3.15 The Council holds a number of ‘useable’ reserves both for revenue and capital purposes which fall within one of the following categories:
- General Reserve
 - Earmarked Reserves
 - Capital Receipts Reserve
- 3.16 The **General Reserve** is held for two main purposes:
- To provide a working balance to smooth uneven cashflows and avoid temporary borrowing and;
 - A contingency to help cushion the impact of unexpected events or emergencies.
- 3.17 As part of setting the budget each year the adequacy of all reserves is assessed along with the minimum level of general reserve that an authority should hold. The minimum level of the general reserve considers a risk assessment of the budget and the context within which it has been prepared.
- 3.18 **Earmarked Reserves** provide a means of building up funds to meet known or predicted liabilities and are typically used to set aside sums for major schemes, such as capital developments or asset purchases, or to meet election costs. A number of contingency reserves are also held by the Council to reduce the impact on Council Taxpayers of future uncertain events such as business rate appeals or clawback of benefit subsidy.

- 3.19 Use of reserves to balance a budget provides only a short-term solution as the funds can only be used once. They can however be used to address the impact of funding gaps over the short to medium term and be used to allow for planning and implementing projects and work streams that will deliver a longer-term financial benefit through reduced costs and/or additional income.
- 3.20 A comprehensive statement about the adequacy of the reserves and recommended balance will be included within the Chief Financial Officer's report, which forms part of the annual Council Tax and Budget report to full Council on 22 February 2023.

Capital

- 3.21 The capital programme shows what the Council intends to spend on purchasing new assets and improving its existing ones over the next three years. As capital expenditure is incurred, a source of finance must be identified. Capital expenditure can be financed by applying capital receipts, grants and other revenue resources or alternatively through borrowing.
- 3.22 If expenditure is financed through borrowing it increases the Council's 'Capital Financing Requirement' (CFR). This will result in a revenue charge (one that impacts on the bottom line of the budget) called the Minimum Revenue Provision (MRP) that is made to reflect the funding of the CFR by the taxpayer. It is required to be set aside each year starting the year after the works are completed and/or the asset comes into use. It is a charge to revenue that covers the repayment of the borrowing needed to finance the capital expenditure. As the need to borrow increases, the CFR and MRP also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally, and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.
- 3.23 Any new projects included in the programme in the future will need to be financed by borrowing, which will result in an additional MRP charge if no capital resources such as capital grants or capital receipts are available. Alternatively, existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge. Both are charges to the General Fund and will be included in the amount to be met from Government grant and local taxpayers.
- 3.24 An updated capital programme can be found at appendix C which includes any known slippage in schemes to future years.
- 3.25 In addition to the existing capital programme amendments, approval is also being sought for a number of new capital projects as outlined within appendix C1.

Scenario Analysis

- 3.26 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.
- 3.27 Readers should note that these projections and assumptions are made at a point in time and will invariably change in response to Government announcements.
- 3.28 One assumption where there is a significant impact is the percentage increase included for pay rises. The profile currently included is a 5% increase for 2023/24 and then a 2% increase for the years 2024/25 to 2026/27. This profile is based on the most up to date economic outlook which forecasts a slowdown in inflation increases from 2024 onwards. Below is a table that shows the impact on the budget should this not be the case for pay inflation

Year	2% Employee Inflation	5% Employee inflation	Additional budget needed
2024/2025	£292,639	£731,958*	£439,319
2025/2026	£281,260	£725,096*	£443,836
2026/2027	£276,074	£734,324*	£458,250

* The 5% inflation rate results an increase greater than taking the 2% and grossing it up to 5% as it will include additional costs e.g. taking employees into the next bracket up for pension contributions etc.

4. 'How we get there' – Bridging the Budget gap

Financial Sustainability Strategy

- 4.1 The Council needs to develop a Financial Sustainability Strategy so that it has a structured plan to review its services to identify ways in which 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. The strategy needs to be considered in the context of our key corporate objectives, flowing from the Corporate Plan and post-Covid where we have the opportunity to 'building back better'.
- 4.2 In terms of developing a Financial Sustainability Strategy, it should help direct our finite 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 strives 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 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 require NNDC to put initiatives in place which are focussed and realisable. A strategic focus will encourage the organisation to develop structured processes for feeding strategic initiatives across the organisation in a meaningful, realistic, and achievable way and this process can be enhanced by using the Corporate Delivery Unit (CDU) to facilitate this.
- 4.6 There are various programmes of work underway that will put us in a better position to achieve financial sustainability. This is a journey though rather than a destination and so will be a process that involves continuous development and response to changing circumstances and challenges.
- 4.7 One example of work underway is the revolving programme of asset valuations and condition surveys that provide us with the information needed to 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.
- 4.8 This assists in identifying where further direct investment in property should be considered where it can be demonstrated that 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.
- 4.9 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 (also an agenda item at this meeting), 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. This has proved to be a successful investment with income returns in every year since this investment was made.
- 4.10 In addition to these investments, the Council has provided 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. Whilst this has been done on a small scale it is also proving to be successful in terms of securing a return. 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.

Growing the Rates and Tax bases

- 4.11 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 in addition to the additional income generated from council tax. The scheme 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. However the Government has been considering the future of this scheme. The budget year 2023/24 is the first year where there have been no legacy payments received and there is uncertainty around the scheme continuing. Local authorities are expecting a replacement scheme, although there has not been any Government announcement about this so far. Without any such scheme there will be a funding gap which will need to be filled in some way going forwards.
- 4.12 The Revenues Team work hard and are committed to identifying any properties and businesses where there is potential to charge business rates (and Council Tax where applicable). Growing our business rates base and maintaining the existing business rates base is important as it has a direct impact on the level of business rates income retained locally.
- 4.13 Under the current Business Rates Retention Scheme, Shire District Councils keep a generous share of the above baseline growth. Retaining this under any new scheme that may come out of the Business Rates Reform will be an important request to make of Central Government.
- 4.14 Since 2016/17 there have been increased flexibilities around council tax discounts and permitted annual increases in Council Tax. All policies relating to any discretionary discount schemes are kept under review and any changes are sent to full Council for approval. Full Council will be asked, as part of the Council Tax Budget Setting report, to approve the Non-Domestic (Business) Rates Discretionary Policy for 2023/24.

Lobbying and Consultation

- 4.15 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. The Council will also continue to respond to all relevant consultations, in particular to the Business Rates and Fair Funding Reviews consultations when they come out.
- 4.16 The Council now carries out its statutory ratepayer consultation on the draft Budget in its website which it is felt makes it more interactive and easier for members of the public to participate in. The consultation on the draft Budget for 2023/24 has yielded a significant number of responses when compared with previous years' numbers. There were 653 responses compared with last year when we had in the region of 50 responses. The responses are contained in Appendix F and provide valuable information on the views of respondents, which Members can consider in making their recommendations to full Council.

5. Conclusions

- 5.1 At the present time the forecast draft budget position for 2023/24 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 look to address this by taking the measures outlined within this report.

6. Medium Term Financial Strategy and Corporate Plan Objectives

The implications for the MTFS are set out in the report. With funding levels continuing as projected, there are forecast deficits in the years 2024/25 to 2026/27. These projections will be regularly reviewed and updated during 2023/24 in light of any Government announcements and consultations and any significant changes. The resources identified as available within the MTFS will directly affect the Council's ability to deliver the new Corporate Plan. This year the budget setting process has aligned service budgets to the existing Corporate Plan priorities in order to continue to support this.

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 2023/24 are included within the table below.
- 7.2 Medium term financial planning, set against the uncertainty in the future Government funding mechanisms and levels, 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 with the Fair Funding Review and Business Rates Reform on the horizon, and significant revisions to the New Homes Bonus scheme 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 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.

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 2023/24 and beyond are based on information known at the time to calculate the best estimates

			possible. 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 is outside of council control but impact is minimised by maintaining a specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning.
3. Pay Awards, fee increases and price inflation higher than assumed	Possible	Medium	Pay inflation is currently included at 5% for 2023/24 and then 2% thereafter for each year. The impact of pay inflation being at 5% is shown in paragraph 3.28. Potential increases are mitigated by holding contingency budget for pay and general price increases. 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	Non-achievement of savings would require compensating reductions in planned spending elsewhere within services. There is 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	Possible	Medium	Regular monitoring and reporting. Government policy to remove ring fencing provides greater flexibility.

leasing/tapering not met			
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 2023/24 are included 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. Devolution/ Unitary status –	Possible	Medium	A new devolution agreement between the Government and Norfolk County was agreed in December 2022. Whilst there are no plans to seek unitary status by any officers and Members will keep a watching brief in respect of this. 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.

Savings proposals have been factored into the 2023/24 budget, but there are no plans to reduce service delivery levels, so there should not be any equality issues arising as a result of these proposals.

10. Section 17 Crime and Disorder considerations

There are no Section 17 Crime and Disorder considerations as a direct consequence of this report.

General Fund Summary 2023-24

	2022/23 Base Budget £	2022/23 Updated Budget £	2023/24 Base Budget £	2024/25 Forecast £	2025/26 Forecast £	2026/27 Forecast £
Directorate						
Corporate Leadership/Executive Support	350,720	421,717	484,705	339,302	343,558	348,897
Communities	10,512,392	10,496,392	12,102,119	11,503,077	11,383,361	11,445,519
Place and Climate Change	6,368,062	5,854,297	6,634,032	6,649,906	6,426,934	6,518,466
Resources	4,383,405	4,349,295	4,973,854	4,909,413	4,909,659	4,984,087
Net Cost of Services	21,614,579	21,121,701	24,194,710	23,401,698	23,063,512	23,296,969
Parish Precepts	2,724,873	2,724,873	2,724,873	2,724,873	2,724,873	2,724,873
Capital Charges	(2,456,953)	(2,456,953)	(2,456,953)	(2,456,953)	(2,456,953)	(2,456,953)
Refcus	(1,677,167)	(1,677,167)	(1,677,167)	(1,677,167)	(1,677,167)	(1,677,167)
Interest Receivable	(1,136,652)	(1,136,652)	(1,533,436)	(1,533,436)	(1,533,436)	(1,533,436)
External Interest Paid	145,532	145,532	0	0	0	0
Revenue Financing for Capital:	1,173,426	2,494,426	0	0	0	0
Minimum Revenue Provision	562,500	562,500	330,000	349,000	349,000	349,000
IAS 19 Pension Adjustment	265,496	265,496	265,496	265,496	265,496	265,496
Net Operating Expenditure	21,215,634	22,043,756	21,847,523	21,073,511	20,735,325	20,968,782
Contribution to/(from) the Earmarked Reserves						
Capital Projects Reserve	0	(400,000)	0	0	0	0
Asset Management	5,466	(24,534)	0	0	0	0
Benefits	(32,303)	(32,303)	(111,305)	0	0	0
Building Control	0	0	(81,866)	(53,529)	(53,529)	0
Business Rates	(18,000)	(389,000)	(1,305,317)	(18,000)	(18,000)	(18,000)
Coast Protection	(62,422)	(62,422)	0	0	0	0
Communities	(275,000)	(275,000)	(275,000)	0	0	0
Delivery Plan	(2,117,608)	(2,263,498)	(979,412)	(424,860)	(10,000)	(10,000)
	0	34,800	(44,800)	(10,000)	(10,000)	0
Economic Development & Tourism						
Elections	50,000	50,000	(100,000)	50,000	50,000	50,000
Environmental Health	0	16,000	(16,000)	0	0	0
Grants	(51,476)	(141,476)	0	0	0	0
Housing	(544,192)	(544,192)	(555,898)	(189,179)	(52,897)	(54,046)
Legal	(29,612)	(29,612)	(31,745)	(31,745)	0	0
Major Repairs Reserve	280,000	150,000	0	0	0	0
New Homes Bonus Reserve	(160,000)	0	(178,000)	0	(18,000)	(18,000)
Organisational Development	(12,446)	(59,156)	(42,742)	(7,860)	0	0
Planning Revenue	0	198,965	(148,965)	50,000	50,000	50,000
Restructuring/Invest to save	130,453	130,453	0	0	0	0
Contribution to/(from) the General Reserve	(76,043)	(100,330)	(64,491)	(9,298)	0	0
Amount to be met from Government Grant and Local Taxpayers	18,302,451	18,302,451	17,911,982	20,429,040	20,672,899	20,968,736
Collection Fund – Parishes	(2,724,873)	(2,724,873)	(2,724,873)	(2,724,873)	(2,724,873)	(2,724,873)
Collection Fund – District	(6,513,398)	(6,513,398)	(6,879,503)	(7,528,064)	(7,948,887)	(8,395,338)
Retained Business Rates	(7,206,520)	(7,206,520)	(6,315,000)	(7,376,000)	(5,101,000)	(5,101,000)
Revenue Support Grant	(93,540)	(93,540)	(102,462)	(105,536)	(107,647)	(109,800)
3% Funding Guarantee	0	0	(1,039,298)	(1,070,477)	(1,091,886)	(1,113,724)
Family Annexe Council Tax	0	0	(50,074)	(51,576)	(52,608)	(53,660)
Discount Grant						
LCTS Admin Grant	0	0	(136,747)	(140,849)	(143,666)	(146,540)
New Homes bonus	(886,575)	(886,575)	(31,080)	(50,000)	(50,000)	(50,000)
Rural Services Delivery Grant	(507,661)	(507,661)	(507,661)	(522,891)	(533,349)	(544,016)
Lower Tier Services Grant	(147,545)	(147,545)	0	0	0	0
Services Grant	(222,339)	(222,339)	(125,284)	(129,043)	(131,623)	(134,256)
Income from Government Grant and Taxpayers	(18,302,451)	(18,302,451)	(17,911,982)	(19,699,309)	(17,885,539)	(18,373,207)
(Surplus)/Deficit	0	0	0	729,731	2,787,360	2,595,529

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Communities Directorate

Environment and Leisure Services

Service	Base Budget 2022/23 £	Base Budget 2023/43 £	Variance Base to Base £
Commercial Services	318,843	354,088	35,245
Internal Drainage Board Levies	432,200	478,176	45,976
Travellers	47,600	50,890	3,290
Public Protection	(141)	36,004	36,145
Street Signage	12,000	12,000	0
Environmental Protection	637,128	651,692	14,564
Environmental Contracts	310,999	350,589	39,590
Corporate Health and Safety	0	71,626	71,626
Markets	16,250	16,192	(58)
Parks & Open Spaces	302,773	330,984	28,211
Foreshore	130,663	119,460	(11,203)
Leisure Complexes	141,946	95,464	(46,482)
Other Sports	80,749	58,462	(22,287)
Recreation Grounds	11,400	12,950	1,550
Pier Pavilion	9,000	9,300	300
Beach Safety	416,930	362,466	(54,464)
Woodlands Management	180,453	194,446	13,993
Cromer Pier	126,140	213,667	87,527
Waste Collection And Disposal	642,550	1,180,010	537,460
Cleansing	658,000	993,500	335,500
Leisure	200,512	189,416	(11,096)
Community Safety	25,873	13,794	(12,079)
Civil Contingencies	87,641	96,472	8,831
Ad Environmental & Leisure Svcs	77,440	90,251	12,811
Total Net Costs	4,866,949	5,981,899	1,114,950
Capital Charges	1,207,008	1,207,008	0
Support Service Charges In	2,139,930	2,388,740	248,810
Support Service Charges Out	(836,052)	(985,083)	(149,031)
Total Net Cost of Services	7,377,835	8,592,564	1,214,729

General Fund service Area Summaries 2023/24 Base

Communities

Ad Environment & Leisure Servs

Account Name	Base Budget 2022/23 £	Base Budget 2023/24 £	Movement Base to Base £	Explanation for Movement
Commercial Services				
Gross Direct Costs	343,343	358,088	14,745	£30,500 Staffing costs - includes a transfer from Central costs in relation to Corporate Health & Safety. (£20,500) Lower professional fees - this has been offset by reduced fee income.
Gross Direct Income	(24,500)	(4,000)	20,500	Fee income reduced for pre-inspection and food re-rating visits, food export certificates and legal fees.
Support Service Charges	173,440	193,170	19,730	
	492,283	547,258	54,975	
Internal Drainage Board Levies				
Gross Direct Costs	432,200	478,176	45,976	Inflation on Internal Drainage Board (IDB) Levies.
Support Service Charges	250	300	50	
	432,450	478,476	46,026	
Travellers				
Gross Direct Costs	49,600	52,890	3,290	Inflation on running costs.
Capital Charges	23,174	23,174	0	
Gross Direct Income	(2,000)	(2,000)	0	No Variance.
Support Service Charges	6,940	7,870	930	
	77,714	81,934	4,220	
Public Protection				
Gross Direct Costs	201,959	238,104	36,145	Staffing costs - includes a transfer from Central costs in relation to Corporate Health & Safety.
Gross Direct Income	(202,100)	(202,100)	0	No Variance.
Support Service Charges	127,140	144,330	17,190	
	126,999	180,334	53,335	
Street Signage				
Gross Direct Costs	12,000	12,000	0	No Variance.
Support Service Charges	21,040	23,300	2,260	
	33,040	35,300	2,260	
Environmental Protection				
Gross Direct Costs	682,128	696,692	14,564	Staffing costs - includes a transfer from Central costs in relation to Corporate Health & Safety and a one-off saving from court costs collected in 2022/23 and carried forward.
Capital Charges	52,962	52,962	0	
Gross Direct Income	(45,000)	(45,000)	0	No Variance.
Support Service Charges	227,770	251,400	23,630	
	917,860	956,054	38,194	
Environmental Contracts				
Gross Direct Costs	310,999	350,589	39,590	Employee inflation.
Capital Charges	4,521	4,521	0	
Support Service Charges	(315,520)	(355,110)	(39,590)	
	0	0	0	

Corporate Health and Safety

Gross Direct Costs	0	71,626	71,626	Staffing costs - new posts following restructure. Budget transferred from Central Costs.
Support Service Charges	0	(71,626)	(71,626)	
	0	0	0	

Markets

Gross Direct Costs	56,250	56,192	(58)	No Major Variances.
Gross Direct Income	(40,000)	(40,000)	0	No Variance.
Support Service Charges	22,680	42,160	19,480	
	38,930	58,352	19,422	

Parks & Open Spaces

Gross Direct Costs	311,273	339,484	28,211	Inflation on the Serco contract both for Grounds Maintenance and Cleansing, and insurance premiums.
Capital Charges	16,206	16,206	0	
Gross Direct Income	(8,500)	(8,500)	0	No Variance.
Support Service Charges	127,370	138,000	10,630	
	446,349	485,190	38,841	

Foreshore

Gross Direct Costs	130,663	119,460	(11,203)	(£15,000) Reduction in the R&M Amenity Lighting and Promenade Management budgets. £3,797 relates to inflation on salary costs and insurance premiums.
Capital Charges	27,880	27,880	0	
Support Service Charges	111,360	115,250	3,890	
	269,903	262,590	(7,313)	

Leisure Complexes

Gross Direct Costs	141,946	139,569	(2,377)	£34,176 Inflation on grounds maintenance, insurance premiums and NNDR. (£36,553) Management fees removed at Sports Centres and Leisure complexes.
Capital Charges	492,459	492,459	0	
Gross Direct Income	0	(44,105)	(44,105)	New facility charges at Sports Centres and Leisure complexes.
Support Service Charges	90,150	103,090	12,940	
	724,555	691,013	(33,542)	

Other Sports

Gross Direct Costs	80,749	98,462	17,713	£55,000 Mammoth Marathon costs offset by income of £40,000. £1,603 Inflation on grounds maintenance and insurance premiums. (£38,896) Deleted post.
Gross Direct Income	0	(40,000)	(40,000)	Income for Mammoth Marathon.
Support Service Charges	60,520	76,290	15,770	
	141,269	134,752	(6,517)	

Recreation Grounds

Gross Direct Costs	12,400	13,950	1,550	Inflation on Serco contract.
Capital Charges	5,632	5,632	0	
Gross Direct Income	(1,000)	(1,000)	0	No Variance.
Support Service Charges	3,410	3,860	450	
	20,442	22,442	2,000	

Pier Pavilion

Gross Direct Costs	9,000	9,300	300	No Major Variances.
Capital Charges	17,020	17,020	0	
Support Service Charges	25,770	28,230	2,460	
	51,790	54,550	2,760	

Beach Safety			
Gross Direct Costs	416,930	362,466	(54,464) (£65,800) Lower Serco contract costs. £11,336 Inflation relating to the Lifeguard contract.
Support Service Charges	69,990	78,900	8,910
	486,920	441,366	(45,554)
Woodlands Management			
Gross Direct Costs	214,413	228,406	13,993 £14,141 Employee inflation.
Capital Charges	1,346	1,346	0
Gross Direct Income	(33,960)	(33,960)	0 No Variance.
Support Service Charges	152,570	165,920	13,350
	334,369	361,712	27,343
Cromer Pier			
Gross Direct Costs	126,140	213,667	87,527 Inflation on insurance premium.
Capital Charges	20,737	20,737	0
Support Service Charges	97,720	106,990	9,270
	244,597	341,394	96,797
Waste Collection And Disposal			
Gross Direct Costs	4,467,050	5,603,220	1,136,170 £1.034m Contractor inflation and growth. £102,170 Higher commercial waste disposal costs.
Capital Charges	459,571	459,571	0
Gross Direct Income	(3,824,500)	(4,423,210)	(598,710) (£507,250) Additional fee income from commercial waste and garden bin customers. (£91,460) Higher recycling credit income.
Support Service Charges	472,660	514,840	42,180
	1,574,781	2,154,421	579,640
Cleansing			
Gross Direct Costs	718,000	1,059,500	341,500 Serco contract inflation.
Capital Charges	85,500	85,500	0
Gross Direct Income	(60,000)	(66,000)	(6,000) Inflation on costs for dog and litter bin recharges.
Support Service Charges	46,540	51,840	5,300
	790,040	1,130,840	340,800
Leisure			
Gross Direct Costs	200,512	189,416	(11,096) (£6,096) Employee inflation. (£5,000) Savings bids relating to a reduction in budget for travelling and postage costs.
Support Service Charges	(200,512)	(189,416)	11,096
	0	0	0
Community Safety			
Gross Direct Costs	25,873	13,794	(12,079) Post deleted from base budget.
Support Service Charges	22,220	23,320	1,100
	48,093	37,114	(10,979)
Civil Contingencies			
Gross Direct Costs	87,641	96,472	8,831 Employee inflation.
Support Service Charges	37,810	41,000	3,190
	125,451	137,472	12,021
Ad Environmental & Leisure Svs			
Gross Direct Costs	77,440	90,251	12,811 Employee inflation.
Support Service Charges	(77,440)	(90,251)	(12,811)
	0	0	0
Total Environment and Leisure	7,377,835	8,592,564	1,214,729

Communities Directorate

People Services

Service	Base Budget 2022/23 £	Base Budget 2023/24 £	Variance Base to Base £
Benefits Administration	628,961	813,732	184,771
Homelessness	92,852	78,096	(14,756)
Housing Options	493,333	714,749	221,416
Community	870,666	912,485	41,819
Ad People Services	74,104	87,469	13,365
Total Net Costs	2,159,916	2,606,531	446,615
Capital Charges	60,182	60,182	0
Support Service Charges In	1,791,820	2,137,200	345,380
Support Service Charges Out	(877,361)	(1,294,358)	(416,997)
Total Net Cost of Services	3,134,557	3,509,555	374,998

General Fund service Area Summaries 2023/24 Base

Communities

Ad People Services

Account Name	Base Budget 2022/23	Base Budget 2023/24	Movement Base to Base	Explanation for Movement
	£	£	£	
Benefits Administration				
Gross Direct Costs	1,033,785	1,193,732	159,947	See Note A below:
Capital Charges	31,700	31,700	0	
Gross Direct Income	(404,824)	(380,000)	24,824	£54,824 Loss of grant income - offset by savings in employee costs. (£30k) Savings bid - Council Tax Support Fund.
Support Service Charges	403,670	434,060	30,390	
	1,064,331	1,279,492	215,161	

Note A: £99,967 Employee inflation. £132,604 Apprenticeship costs funded from Reserves/Homeless Prevention grant (HPG). (£17,800) Savings bids relating to misc. supplies and services. (£54,824) Adjustments to budget from ZBB calculations in 2022/23.

Homelessness

Gross Direct Costs	1,091,244	1,123,591	32,347	£46,903 Higher B&B charges. (£14,556) Reduction in budgets for utilities.
Capital Charges	28,482	28,482	0	
Gross Direct Income	(998,392)	(1,045,495)	(47,103)	Higher recharges to offset increased B&B costs.
Support Service Charges	873,130	1,142,250	269,120	
	994,464	1,248,828	254,364	

Housing Options

Gross Direct Costs	493,333	714,749	221,416	See Note A below:
Support Service Charges	(493,333)	(714,749)	(221,416)	
	0	0	0	

Note A: £34,963 Employee inflation. £195,953 Staffing costs to be funded from the Housing Prevention Grant (HPG) and Rough Sleeper Initiative (RSI). (£6,500) Savings bids relating to misc. supplies and services. (£3,000) Saving in Postages budget.

Community

Gross Direct Costs	934,767	949,449	14,682	See Note A below:
Gross Direct Income	(64,101)	(36,964)	27,137	Adjusted contributions from Primary Care Network towards staffing costs.
Support Service Charges	205,096	68,750	(136,346)	
	1,075,762	981,235	(94,527)	

Note A: £197,480 Transfer from Disabled Facilities Grant (DFG). (£77,846) Employee inflation. £30,048 Staffing costs funded from the Housing Reserve, Better Care Fund and Homes for Ukraine. (£10,000) Lower grants budget. (£125,000) Savings Bid relating to a reduction in funding allocated from the Communities reserve for Communities grants.

Ad People Services

Gross Direct Costs	74,104	87,469	13,365	Employee inflation.
Support Service Charges	(74,104)	(87,469)	(13,365)	
	0	0	0	

Total People Services	3,134,557	3,509,555	374,998	
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Corporate Directorship

Service	Base Budget 2022/23 £	Base Budget 2023/24 £	Variance Base to Base £
Human Resources & Payroll	360,346	414,190	53,844
Registration Services	184,810	302,675	117,865
Corporate Leadership Team	704,386	782,533	78,147
Communications	253,547	279,334	25,787
Corporate Delivery Unit	187,312	192,429	5,117
Total Net Costs	1,690,401	1,971,161	280,760
Capital Charges	55,954	55,954	0
Support Service Charges In	463,070	520,350	57,280
Support Service Charges Out	(1,858,705)	(2,062,760)	(204,055)
Total Net Cost of Services	350,720	484,705	133,985

General Fund Service Area Summaries 2023/24 Base

Corporate Directorship

	Base Budget 2022/23 £	Base Budget 2023/24 £	Movement Base to Base £	Explanation for Movement
Human Resources & Payroll				
Gross Direct Costs	361,346	415,190	53,844	£56,724 Employee Inflation. £7,860 Software funded from reserves. (£10,740) Savings.
Gross Direct Income	(1,000)	(1,000)	0	No Variance.
Support Service Charges	(360,346)	(414,190)	(53,844)	
	0	0	(0)	
Registration Services				
Gross Direct Costs	186,310	354,670	168,360	£150,000 Reserve funding for 2023 Election. £19,970 Employee Inflation. £3,190 Supplies & services inflation. (£4,800) Savings.
Gross Direct Income	(1,500)	(51,995)	(50,495)	New burdens funding for 23/24.
Support Service Charges	165,910	182,030	16,120	
	350,720	484,705	133,985	
Corporate Leadership Team				
Gross Direct Costs	704,386	782,533	78,147	£63,556 Employee Inflation. £14,491 Staffing post funded from reserves.
Support Service Charges	(704,386)	(782,533)	(78,147)	
	0	0	0	
Communications				
Gross Direct Costs	253,547	279,334	25,787	£25,352 Employee Inflation. £6,385 Staffing funded from capital income. (£5,950) Savings.
Capital Charges	55,954	55,954	0	No Variance.
Support Service Charges	(309,501)	(335,288)	(25,787)	
	0	0	0	
Corporate Delivery Unit				
Gross Direct Costs	187,312	192,429	5,117	£15,117 Employee Inflation. (£10,000) Savings.
Support Service Charges	(187,312)	(192,429)	(5,117)	
	0	0	0	
Total Corporate Directorship	350,720	484,705	133,985	

Place And Climate Change

Planning

Service	Base Budget 2022/23 £	Base Budget 2023/24 £	Variance Base to Base £
Development Management	615,374	665,841	50,467
Planning Policy	713,547	736,819	23,272
Conservation, Design & Landscape	415,826	440,366	24,540
Building Control	67,299	81,029	13,730
Combined Enforcement Team	232,648	238,520	5,872
Property Information	(15,922)	(16,192)	(270)
Ad Planning	91,203	95,619	4,416
Total Net Costs	2,119,975	2,242,002	122,027
Capital Charges	76,501	76,501	0
Support Service Charges In	1,430,160	1,565,750	135,590
Support Service Charges Out	(398,811)	(417,689)	(18,878)
Total Net Cost of Services	3,227,825	3,466,564	238,739

General Fund Service Area Summaries 2023/24 Base

Place And Climate Change

Ad Planning

Account Name	Base Budget 2022/23 £	Base Budget 2023/24 £	Movement Base to Base £	Explanation for Movement
Development Management				
Gross Direct Costs	1,415,374	1,530,841	115,467	£75,964 Employee Inflation. £5,800 Supplies & Services Inflation. £39,494 Growth - S106 monitoring officer post. (£6,541) Mileage saving.
Capital Charges	76,501	76,501	0	
Gross Direct Income	(800,000)	(865,000)	(65,000)	Additional PPA income as per savings document.
Support Service Charges	869,950	946,560	76,610	
	1,561,825	1,688,902	127,077	
Planning Policy				
Gross Direct Costs	713,547	736,819	23,272	£33,601 Employee Inflation. (£10,329) Savings.
Support Service Charges	167,770	196,150	28,380	
	881,317	932,969	51,652	
Conservation, Design & Landscape				
Gross Direct Costs	415,826	440,366	24,540	£26,294 Employee Inflation. (£1,754) Savings.
Support Service Charges	89,550	95,290	5,740	
	505,376	535,656	30,280	
Building Control				
Gross Direct Costs	496,299	578,529	82,230	£80,133 Employee Inflation. £2,907 Growth - Indemnity Insurance.
Gross Direct Income	(429,000)	(497,500)	(68,500)	Increase in hourly rate on fees and charges document creating higher income.
Support Service Charges	174,840	187,890	13,050	
	242,139	268,919	26,780	
Combined Enforcement Team				
Gross Direct Costs	232,648	238,520	5,872	£29,513 Employee Inflation. £1,550 Growth - Legal Fees. (£22,922) Transfer of staffing post to Revenues. (£3,069) Mileage Saving.
Support Service Charges	(232,648)	(238,520)	(5,872)	
	0	0	0	
Property Information				
Gross Direct Costs	166,268	179,768	13,500	£11,634 Employee Inflation. £1,880 Growth - Software. (£88) Mileage Saving.
Gross Direct Income	(182,190)	(195,960)	(13,770)	Planned increase in fee's from March 2023 creating higher income.
Support Service Charges	53,090	56,310	3,220	
	37,168	40,118	2,950	
Ad Planning				
Gross Direct Costs	91,203	95,619	4,416	£4,635 Employee Inflation. (£219) Mileage Saving.
Support Service Charges	(91,203)	(95,619)	(4,416)	
	0	0	0	
Total Planning	3,227,825	3,466,564	238,739	

Place And Climate Change

Sustainable Growth

Service	Base Budget 2022/23 £	Base Budget 2023/24 £	Variance Base to Base £
Economic Growth	75,000	96,992	21,992
Tourism	81,600	77,050	(4,550)
Coast Protection	261,500	267,450	5,950
Business Growth Staffing	353,291	347,922	(5,369)
Housing Strategy	187,786	207,044	19,258
Environmental Strategy	471,416	280,154	(191,262)
Coastal Management	367,229	329,860	(37,369)
Ad Sustainable Growth	84,324	90,961	6,637
Total Net Costs	1,882,146	1,697,433	(184,713)
Capital Charges	1,287,905	1,287,905	0
Support Service Charges In	1,146,870	1,377,220	230,350
Support Service Charges Out	(1,176,684)	(1,195,090)	(18,406)
Total Net Cost of Services	3,140,237	3,167,468	27,231

General Fund Service Area Summaries 2023/24 Base

Ad Sustainable Growth

Account Name	Base Budget 2022/23 £	Base Budget 2023/24 £	Movement Base to Base £	Explanation for Movement
Economic Growth				
Gross Direct Costs	102,000	110,492	8,492	£11,000 budget transfer from Tourism. £9,197 Employee inflation covered by capital funding below. £5,285 Sheringham Little Theatre Insurance not previously budgeted for. (£16,990) Savings.
Capital Charges	2,037	2,037	0	
Gross Direct Income	(27,000)	(13,500)	13,500	Reduction in grant income from Historic England.
Support Service Charges	238,720	259,403	20,683	
	315,757	358,432	42,675	
Tourism				
Gross Direct Costs	81,600	77,050	(4,550)	£10,000 Museum Grant - funded from reserve. (£11,000) budget transfer to Economic Growth. (£3,550) Reduction in Orchastra's Live Grant.
Support Service Charges	138,030	155,700	17,670	
	219,630	232,750	13,120	
Coast Protection				
Gross Direct Costs	261,500	267,450	5,950	£26,500 transfer of staffing cost from Coastal Management. £2,950 Employee Inflation. £1,500 Growth - Rates on storage. (£25,000) Reduction in sea defences budget.
Capital Charges	508,701	508,701	0	
Support Service Charges	309,650	404,860	95,210	
	1,079,851	1,181,011	101,160	
Business Growth Staffing				
Gross Direct Costs	353,291	347,922	(5,369)	£19,427 Employee Inflation. (£24,146) Reduction in staffing. (£650) Savings.
Support Service Charges	(353,291)	(347,922)	5,369	
	0	0	0	
Housing Strategy				
Gross Direct Costs	210,286	207,044	(3,242)	£6,588 Employee Inflation. (£9,830) Savings.
Capital Charges	777,167	777,167	0	
Gross Direct Income	(22,500)	0	22,500	Reduction in grant income expected.
Support Service Charges	61,380	101,490	40,110	
	1,026,333	1,085,701	59,368	
Environmental Strategy				
Gross Direct Costs	486,416	280,154	(206,262)	£66,430 Fixed term posts made permanent and growth split over 23/24-24/25. (£257,692) Various budgets funded from reserves removed in 23/24. (£15,000) Green Build costs reduced in line with income.
Gross Direct Income	(15,000)	0	15,000	Reduction of income for Green Build matched by reduction in costs.
Support Service Charges	27,250	29,420	2,170	
	498,666	309,574	(189,092)	

Account Name	Base Budget 2022/23 £	Base Budget 2023/24 £	Movement Base to Base £	Explanation for Movement
Coastal Management				
Gross Direct Costs	497,229	396,360	(100,869)	£51,931 Employee Inflation. (£115,200) Reduction in staffing costs due to cancelled posts. (£26,500) Transfer of staffing costs to Coast Protection. (£11,100) Savings.
Gross Direct Income	(130,000)	(66,500)	63,500	Reduction in external funding due to cancelled staffing posts covered by reduction in costs.
Support Service Charges	(367,229)	(329,860)	37,369	
	0	0	0	
Ad Sustainable Growth				
Gross Direct Costs	84,324	90,961	6,637	Employee Inflation.
Support Service Charges	(84,324)	(90,961)	(6,637)	
	0	0	0	
Total Sustainable Growth	3,140,237	3,167,468	27,231	

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Resources Directorate

Finance, Assets and Legal

	Base Budget 2022/23 £	Base Budget 2023/24	Variance £ Base to Base £
Service			
Industrial Estates	(146,800)	(193,265)	(46,465)
Surveyors Allotments	2,900	9,900	7,000
Parklands	(29,392)	0	29,392
Revenue Services	416,116	588,136	172,020
Benefits Subsidy	0	0	0
Non Distributed Costs	265,496	265,496	0
Estates	313,916	340,453	26,537
Admin Buildings	262,263	241,747	(20,516)
Corporate Finance	501,010	611,167	110,157
Insurance & Risk Management	211,059	152,546	(58,513)
Internal Audit	80,000	84,000	4,000
Chalets/Beach Huts	(185,701)	(217,576)	(31,875)
Investment Properties	(20,500)	(79,792)	(59,292)
Central Costs	94,080	54,413	(39,667)
Corporate & Democratic Core	229,700	355,578	125,878
Members Services	530,613	579,193	48,580
Legal Services	223,585	577,160	353,575
Ad Finance, Assets & Legal	80,898	93,327	12,429
Total Net Costs	2,829,243	3,462,483	633,240
Capital Charges	1,052,892	1,052,892	0
IAS19 Adjustment	(265,496)	(265,496)	0
Support Service Charges In	3,129,240	3,639,930	510,690
Support Service Charges Out	(2,532,396)	(3,106,607)	(574,211)
Total Net Cost of Services	4,213,483	4,783,202	569,719

General Fund service Area Summaries 2023/24 Base

Resources

Ad Finance, Assets & Legal

	Base Budget 2022/23	Base Budget 2023/24	Movement Base to Base	Explanation for Movement
	£	£	£	
Industrial Estates				
Gross Direct Costs	44,200	45,755	1,555	£22,970 Increased Premises Insurance costs. (£715) Saving on Utilities. (£4,000) Savings on Rent/Hire of Buildings. (£4,600) Saving on Business Rates. (£4,000) Other Profession Fees Saving and (£8,100) Marketing Saving.
Capital Charges	19,246	19,246	0	No Variance.
Gross Direct Income	(191,000)	(239,020)	(48,020)	(£24,500) Increase in rental Income. (£5,710) increase in Service Charge income. (£17,810) increase in Charges - Other Recoverable Income (to offset increased insurance premiums).
Support Service Charges	89,740	99,700	9,960	
	(37,814)	(74,319)	(36,505)	
Surveyors Allotments				
Gross Direct Costs	3,000	10,000	7,000	Budget transferred from Parklands - budget no longer needed to cover future expenditure on Church walls.
Gross Direct Income	(100)	(100)	0	No Variance.
Support Service Charges	18,660	20,750	2,090	
	21,560	30,650	9,090	
Parklands				
Gross Direct Costs	36,768	0	(36,768)	Parklands has been sold, £7,000 of budget transferred to Surveyors Allotments, £4,418 transferred to Admin Buildings - Cromer, the remainder of the budget totalling £25,350 has been given up as savings.
Capital Charges	0	0	0	No Variance.
Gross Direct Income	(66,160)	0	66,160	Parklands has been sold.
Support Service Charges	47,560	0	(47,560)	
	18,168	0	(18,168)	
Revenue Services				
Gross Direct Costs	870,246	1,042,266	172,020	£22,922 transferred from Planning to cover Revenues Officer Post. £141,401 Employee inflation (including Travel). £7,397 Computer Purchasing software/hardware to automate process.
Gross Direct Income	(454,130)	(454,130)	0	No Variance.
Support Service Charges	605,740	669,580	63,840	
	1,021,856	1,257,716	235,860	
Benefits Subsidy				
Gross Direct Costs	19,857,260	16,930,262	(2,926,998)	Based on mid-year estimate.
Gross Direct Income	(19,857,260)	(16,930,262)	2,926,998	Based on mid-year estimate.
	0	0	0	
Non Distributed Costs				
Gross Direct Costs	265,496	265,496	0	No Major Variances
IAS19 Adjustment	(265,496)	(265,496)	0	No Major Variances
	0	0	0	

	Base Budget 2022/23	Base Budget 2023/24	Movement Base to Base	Explanation for Movement
	£	£	£	
Estates				
Gross Direct Costs	313,916	340,453	26,537	See Note A below:
Support Service Charges	(313,916)	(340,453)	(26,537)	
	0	0	0	
Note A: £21,307 Employee inflation. £2,740 Increase to Engineering Insurance. £5,990 Increase in premises insurance. £1,500 Increase in Travelling Allowance. (£5,000) Saving in relation to Other Professional Fees.				
Admin Buildings				
Gross Direct Costs	590,702	613,848	23,146	See Note A below:
Capital Charges	43,174	43,174	0	No Variance.
Gross Direct Income	(328,439)	(372,101)	(43,662)	See Note B below:
Support Service Charges	(238,177)	(219,650)	18,527	
	67,260	65,271	(1,989)	
Note A: £4,937 Transferred from Parklands and Itteringham to increase Repairs & Maintenance Budget, Additional Growth of £1,614 requested. £3,307 Inflation in relation to Utilities. £17,788 Inflation in relation to Premises Insurance. £14,674 Inflation in relation to Internal Service Charges. (£4,152) Transferred to Public Conveniences, (£3,089) Transferred to Other Lettings. (£3,333) Saving in relation to Business rates. (£7,600) Saving in relation to Rent/Hire/Purchase of land (N Walsham Kings Arms Street).				
Note B: (£10,000) Increase in rental income, (£21,916) Increase in Service Charge income, (£16,580) Increase in Charges - Other Recoverable Income (to offset insurance premiums), (£14,674) Increase in Internal Income (Service Charge). £19,508 Growth in relation to Rental Income for N.Walsham Kings Arms Street.				
Corporate Finance				
Gross Direct Costs	501,010	611,167	110,157	£46,096 Transferred from Property Services in relation to Procurement Officer post. £53,565 Employee inflation. £13,065 relates to an error within last years subscription budget, offset by (£2,569) savings.
Capital Charges	13,631	13,631	0	No Variance.
Support Service Charges	(514,641)	(624,798)	(110,157)	
	0	0	0	
Insurance & Risk Management				
Gross Direct Costs	211,059	152,546	(58,513)	£1,855 Inflation on Insurance Premiums, offset by (£60,368) in relation to Public Liability Savings.
Support Service Charges	(211,059)	(152,546)	58,513	
	0	0	0	
Internal Audit				
Gross Direct Costs	80,000	84,000	4,000	Inflation in relation to Audit Fees.
Support Service Charges	(80,000)	(84,000)	(4,000)	
	0	0	0	
Chalets/Beach Huts				
Gross Direct Costs	50,599	46,194	(4,405)	(£5,275) Saving in relation to Equipment purchases, offset by minor variances totalling £870 in relation to utilities, insurance and business rates.
Gross Direct Income	(236,300)	(263,770)	(27,470)	(£2,470) Inflation on Charges - Other Recoverable income to offset higher Insurance Premiums. (£25,000) Rental Increase.
Support Service Charges	102,760	113,390	10,630	
	(82,941)	(104,186)	(21,245)	

	Base Budget 2022/23	Base Budget 2023/24	Movement Base to Base	Explanation for Movement
	£	£	£	
Investment Properties				
Gross Direct Costs	172,176	171,841	(335)	See Note A below:
Capital Charges	76,841	76,841	0	
Gross Direct Income	(192,676)	(251,633)	(58,957)	See Note B below:
Support Service Charges	147,150	148,750	1,600	
	203,491	145,799	(57,692)	
Note A: £2,570 Budget transfer from Admin Buildings - Cromer to cover increased NNDR costs. (£5,190) Budget transfer to Public Conveniences. £16,279 Increased Insurance Premiums. £9,139 Increased Serco Grounds Maintenance. (£3,500) Saving Council Tax - Empty Properties. (£3,498) Saving on Utilities. (£13,000) Savings on Marketing - General. (£2,675) Saving on Business Rates. Balance made up of minor variances.				
Note B: (£27,920) Increased income in relation to Charges - Other Recoverable (to offset increased insurance premiums). £2,599 Decreased income in relation to Internal Income (Service Charge). (£32,994) Increased Rental Income. Balance made up of minor variances.				
Central Costs				
Gross Direct Costs	94,080	54,413	(39,667)	(£39,667) Budget Transfers to Commercial Services in relation to Staffing.
Support Service Charges	(94,080)	(54,413)	39,667	
	0	0	0	
Corporate & Democratic Core				
Gross Direct Costs	229,700	355,578	125,878	£10,028 Inflation for Bank Charges. £112,500 Inflation in relation to 150% Increased Audit Fee. Balance of £3,350 made up of other minor variances.
Capital Charges	900,000	900,000	0	No Variance.
Support Service Charges	1,265,540	1,540,410	274,870	
	2,395,240	2,795,988	400,748	
Members Services				
Gross Direct Costs	530,613	579,193	48,580	£9,530 Employee inflation. £29,050 Increased costs in relation to Members Basic Allowance. £10,000 budget from Reserves for contribution for Youth Council.
Support Service Charges	76,050	87,090	11,040	
	606,663	666,283	59,620	
Legal Services				
Gross Direct Costs	553,481	622,160	68,679	£73,145 Increased employee Costs. (£4,466) Expenditure Budget moved to reduce Direct Income Budget.
Gross Direct Income	(329,896)	(45,000)	284,896	£4,466 Expenditure Budget allocated to reduce Direct Income Budget. £295,430 Growth due to loss of Kings Lynn contract. (£15,000) Additional Income if staffing budget agreed.
Support Service Charges	(223,585)	(577,160)	(353,575)	
	0	0	0	
Ad Finance, Assets & Legal				
Gross Direct Costs	80,898	93,327	12,429	Inflation in relation to employee costs.
Support Service Charges	(80,898)	(93,327)	(12,429)	
	0	0	0	
Total Finance, Assets & Legal	4,213,483	4,783,202	569,719	

Resources Directorate

Organisational Resources

Service	Base Budget 2022/23 £	Base Budget 2023/24 £	Variance Base to Base £
Car Parking	(1,809,799)	(2,021,134)	(211,335)
ICT - Support Services	1,802,688	1,822,151	19,463
Poppyfields Canteen	22,814	22,814	0
Property Services	596,813	665,040	68,227
Playgrounds	77,200	92,635	15,435
Community Centres	5,800	10,520	4,720
Tourist Information Centres	65,410	80,027	14,617
Public Conveniences	603,314	753,197	149,883
Digital Transformation	164,485	138,675	(25,810)
Reprographics	75,389	78,393	3,004
Customer Services - Corporate	912,194	1,011,771	99,577
Ad Organisational Resources	76,955	89,244	12,289
Total Net Costs	2,593,263	2,743,333	150,070
Capital Charges	393,677	393,677	0
Support Service Charges In	1,730,190	1,903,440	173,250
Support Service Charges Out	(4,547,208)	(4,849,798)	(302,590)
Total Net Cost of Services	169,922	190,652	20,730

General Fund service Area Summaries 2023/24 Base

Resources

Ad Organisational Resources

	Base Budget 2022/23	Base Budget 2023/24	Movement Base to Base	Explanation for Movement
	£	£	£	
Car Parking				
Gross Direct Costs	963,000	1,011,665	48,665	See Note A below:
Capital Charges	75,820	75,820	0	
Gross Direct Income	(2,772,799)	(3,032,799)	(260,000)	(£10,000) Increased income in relation to concessions (Rents - Land). (£250,000) Increase in relation to Credit Card Income.
Support Service Charges	149,690	187,090	37,400	
	(1,584,289)	(1,758,224)	(173,935)	

Note A: (£2,900) Saving in relation to Repairs & Maintenance. £6,100 Inflation on Grounds Maintenance. £55,000 Increase in relation to Business Rates. (£10,000) Decrease in management fee. Balance made up of minor variances.

ICT - Support Services

Gross Direct Costs	1,802,688	1,822,151	19,463	See Note A below:
Capital Charges	127,978	127,978	0	No Variance.
Support Service Charges	(1,930,666)	(1,950,129)	(19,463)	
	0	0	0	

Note A: £23,907 Budget transfer from IT Business Support. £21,389 Employee inflation. (£31,076) Savings in relation to Computer Purchases Hardware, Software, Licences, Maintenance, Lines/Modems, Consumables. £5,243 Increased costs in relation to Telephone Calls/Rental.

Poppyfields

Gross Direct Costs	22,814	22,814	0	No Variance.
Support Service Charges	21,820	22,770	950	
	44,634	45,584	950	

Property Services

Gross Direct Costs	606,813	665,040	58,227	See Note A below:
Capital Charges	47,755	47,755	0	
Gross Direct Income	(10,000)	0	10,000	Growth due to error on last years budget.
Support Service Charges	(644,568)	(712,795)	(68,227)	
	0	0	0	

Note A: (£46,096) Transferred to Accountancy in relation to Procurement Officer post. £100,776 Employee costs (predominately employee inflation, however also includes growth for Car Parking Officer). £11,042 Increase in relation to Vehicle fuel costs/licences and Travelling Allowance. £3,750 Increased costs in relation to Material Purchases. (£12,000) Savings bid in relation to Other professional fees and Clothing.

	Base Budget 2022/23 £	Base Budget 2023/24 £	Movement Base to Base £	Explanation for Movement
Playgrounds				
Gross Direct Costs	77,200	92,635	15,435	£4,650 Increased SERCO (Grounds Maintenance) costs. £10,000 Increased budget on Playgrounds - Repair. Balance made up of other minor variances.
Support Service Charges	59,340	54,070	(5,270)	
	136,540	146,705	10,165	
Community Centres				
Gross Direct Costs	5,800	10,520	4,720	Increase to insurance premises.
Support Service Charges	16,010	18,140	2,130	
	21,810	28,660	6,850	
Tourist Information Centres				
Gross Direct Costs	95,580	110,197	14,617	£10,799 Employee inflation. £1,533 Increased Business Rates. £1,440 insurance premium increase. Balance made up of minor variances.
Capital Charges	6,040	6,040	0	
Gross Direct Income	(30,170)	(30,170)	0	No Variance.
Support Service Charges	51,550	54,820	3,270	
	123,000	140,887	17,887	
Public Conveniences				
Gross Direct Costs	603,314	753,197	149,883	See Note A below:
Capital Charges	82,028	82,028	0	
Support Service Charges	190,120	214,450	24,330	
	875,462	1,049,675	174,213	
Note A: £9,342 Transferred from N Walsham Kings Arms Street £4,152 & Itteringham £5,190. £38,000 Increased costs in Repairs and Maintenance. £74,048 Increased costs in relation to Grounds Maintenance and Contract Cleaning. £5,250 Increase costs in relation to Cleansing Contract. £5,339 Cost increase in relation to Utilities. £15,440 Insurance Premium costs. £10,000 Increase in relation to Legionella Surveys. (£2,599) Budget decrease in relation to Internal Service Charges. (£4,937) Saving in relation to Business Rates.				
Digital Transformation				
Gross Direct Costs	164,485	138,675	(25,810)	(£23,907) Budget transfer to ICT Support Services. (£1,903) Staff savings.
Support Service Charges	388,280	398,690	10,410	
	552,765	537,365	(15,400)	
Reprographics				
Gross Direct Costs	82,889	82,393	(496)	£4,504 Employee inflation. (£1,500) Saving in relation to Stationery - Paper. (£3,500) Expenditure budget moved to offset reduction in income target.
Capital Charges	0	0	0	
Gross Direct Income	(7,500)	(4,000)	3,500	Expenditure budget moved to offset decrease in income recovered.
Support Service Charges	(75,389)	(78,393)	(3,004)	
	0	0	0	

	Base Budget 2022/23	Base Budget 2023/24	Movement Base to Base	Explanation for Movement
	£	£	£	
Customer Services - Corporate				
Gross Direct Costs	929,444	1,029,021	99,577	£112,277 Employee inflation. £1,800 Increase on travelling allowance. (£10,000) Saving in relation to Stationery - Other. (£2,500) Saving in relation to Postage Costs Direct. (£2,000) Saving in relation to Generic Training.
Capital Charges	54,056	54,056	0	No Variance.
Gross Direct Income	(17,250)	(17,250)	0	No Variance.
Support Service Charges	(966,250)	(1,065,827)	(99,577)	
	0	0	0	
Ad Organisational Resources				
Gross Direct Costs	76,955	89,244	12,289	Employee inflation.
Support Service Charges	(76,955)	(89,244)	(12,289)	
	0	0	0	
Total Organisational Resources	169,922	190,652	20,730	

<u>Scheme</u>	Scheme Total Current Estimate	Updated Budget 2022/23	Updated Budget 2023/24	Updated Budget 2024/25	Updated Budget 2025/26	Updated Budget 2026/27
	£	£	£	£	£	£
Boosting Business Sustainability and Growth						
Rocket House	1,039,619	39,619	1,000,000	0	0	0
North Walsham Heritage Action Zone	2,404,526	2,097,276	307,250	0	0	0
Public Convenience Improvements	335,362	335,362	0	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	140,572	140,572	0	0	0	0
Fakenham Urban Extension	1,800,000	1,800,000	0	0	0	0
Public Convenience Improvements Sheringham & North Walsingham	500,000	500,000	0	0	0	0
Chalet Refurbishment	125,000		125,000			
Marrams Roof Repair	50,000		50,000			
Red Lion Roof	30,000		30,000			
Car Parks refurbishment	311,000		311,000			
	7,098,406	5,275,156	1,823,250	0	0	0

<u>Scheme</u>	Scheme Total Current Estimate	Updated Budget 2022/23	Updated Budget 2023/24	Updated Budget 2024/25	Updated Budget 2025/26	Updated Budget 2026/27
	£	£	£	£	£	£
Local Homes for Local Need						
Disabled Facilities Grants	Annual programme, subject to NCC funding	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Compulsory Purchase of Long Term Empty Properties	184,823	184,823	0	0	0	0
Community Housing Fund	1,585,160	1,335,160	250,000	0	0	0
Provision of Temporary Accommodation	336,038	336,038	0	0	0	0
S106 Enabling	1,900,000	1,425,000	175,000	300,000	300,000	300,000
	4,006,021	4,281,021	1,425,000	1,300,000	1,300,000	1,300,000
Climate, Coast and the Environment						
Cromer Coast Protection Scheme	3,516,184	0	3,516,184	0	0	0
Coastal Erosion Assistance	45,366	45,366	0	0	0	0
Coastal Adaptations	247,493	247,493	0	0	0	0
Mundesley - Refurbishment of Coastal Defences	2,959,860	0	2,959,860	0	0	0
Cromer Pier - Steelworks and Improvements to Pavilion Theatre	927,994	927,994	0	0		0
Sea Palling Ramp	9,651	9,651	0	0	0	0
Replacement of Flood Gates at Cable Gap Bacton, The Ship Bacton & Walcott Post Office	45,000	45,000	0	0	0	0
Countryside Machinery	27,704		27,704	0	0	0
	7,779,252	1,275,504	6,503,748	0	0	0

<u>Scheme</u>	Scheme Total Current Estimate	Updated Budget 2022/23	Updated Budget 2023/24	Updated Budget 2024/25	Updated Budget 2025/26	Updated Budget 2026/27
	£	£	£	£	£	£
Quality of Life						
Steelwork Protection to Victory Pool and Fakenham Gym	27,467	27,467	0	0	0	0
Fakenham Gym	62,500	62,500	0	0	0	0
Gym Equipment	161,834	161,834	0	0	0	0
North Walsham Artificial Grass Pitch	848,868	848,868	0	0	0	0
The Reef Leisure Centre	147,640	147,640	0	0	0	0
Sheringham Enabling Land	99,034	99,034	0	0	0	0
Green Road Football Facility	50,223	50,223	0	0	0	0
Cromer 3G Football Facility	1,000,000		1,000,000			
	2,397,566	1,397,566	1,000,000	0	0	0
Customer Focus and Financial Sustainability						
Administrative Buildings	10,103	10,103	0	0	0	0
Council Chamber and Committee Room Improvements	7,814	7,814	0	0	0	0
Purchase of Bins	168,780	8,780	80,000	80,000	80,000	80,000
User IT Hardware Refresh	251,065	131,065	60,000	60,000	60,000	60,000
Storage Hardware	17,567	17,567	0	0	0	0
Members IT	48,543	23,543	25,000	0	0	0
Electric Vehicle Charging Points	87,975	87,975	0	0	0	0
Waste vehicles	32,601	32,601	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

<u>Scheme</u>	Scheme Total Current Estimate £	Updated Budget 2022/23 £	Updated Budget 2023/24 £	Updated Budget 2024/25 £	Updated Budget 2025/26 £	Updated Budget 2026/27 £
Fire Wall Replacements	3,512	3,512	0	0	0	0
Refurbishment of IT Training Room	15,000	15,000	0	0	0	0
Financial Management System	75,000	75,000	0	0	0	0
Planning S106 Software	40,000	40,000	0	0	0	0
Citizen App	1,000	1,000	0	0	0	0
Server Replacement	100,000		100,000			
Long Income Family Track (LIFT) Dashboard	23,426		23,426			
	956,386	527,960	288,426	140,000	140,000	140,000
TOTAL EXPENDITURE	22,237,631	12,757,207	11,040,424	1,440,000	1,440,000	1,440,000
<u>Capital Programme Financing</u>						
Grants		2,309,142	7,261,544	1,000,000	1,000,000	1,000,000
Other Contributions		2,325,000	0	300,000	300,000	300,000
Asset Management Reserve				0	0	0
Revenue Contribution to Capital (RCCO)			0	0	0	0
Capital Project Reserve				0	0	0
Reserves		3,820,453	0	0	0	0
Capital Receipts		4,122,371	521,750	0	0	0
Internal / External Borrowing		180,241	3,257,130	140,000	140,000	140,000
TOTAL FINANCING		12,757,207	11,040,424	1,440,000	1,440,000	1,440,000

Bid Title	Total Estimated £	Estimated Costs				Funding £	Comments
		2023/24 £	2024/25 £	2025/26 £	2026/27 £		
1 Chalet Roof Replacement (Sheringham) and Donkey Shelter works (Cromer)	125,000	125,000				Council's own resources / Borrowing	The 2021.22 chalet improvement programme was not sufficient enough to do a replacement of the roof at Sheringham and the roof continues to leak. Donkey shelter remains in a dilapidated state and has scope for the development of accessible chalets. Financial sustainability. The Council has a legal obligation within the leases to do repairs.
2 Rocket House - damp remediation or development of new building	1,000,000	1,000,000				Council's own resources / Borrowing	The property is suffering significant damp issues that is having a negative impact on the historical artifacts. The Council as landlord has the maintenance obligation which is a legal obligation
3 Marrams Roof repairs	50,000	50,000				Council's own resources	Repairing the Marrams roof due to leaks - a legal obligation under the terms of the lease.
4 Red Lion Roof repairs and damp remediation	30,000	30,000				Council's own resources	There are 2 tenanted units at Red Lion Cromer, Prm. One has damp issued partially caused by a leaking roof. The Council has the obligation for its repair.
5 Car park refurbishment	311,000	311,000				Council's own resources	This bid is for money to refurbish some of our well used car parks. Its primarily to replace worn or potholed surfaces on 5 or our car parks to make them a safer place for customers. Some of our unmade car parks in particular are becoming very uneven and are a potential trip hazard for users. It is also to be used for the installation of new height barriers at 5 or our car parks - Runton Road, Cadogan road, Meadows, Station Approach and Stearmans yard (2 barriers needed).
6 Members IT refresh	25,000	25,000				Council's own resources	There is an election in May 2023 for Members and they will need new equipment to support them in their roles.
7 Housing Benefits - Low Income Family Tracker (LIFT) Dashboard	23,500	23,500				Council's own resources	The dashboard will allow us to continue 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. It will help People Services identify people in danger of crisis before it hits and target support where it will be most effective, preventing hardship. 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.
8 Countryside Service Machinery	27,700	27,700				Council's own resources	The purchase two new pieces of machinery to support the Countryside Service Team their daily activities across the 15 sites currently managed by them, including three green flag parks. The new equipment would drive efficiency, increase sustainability and reduce manual handling requirements.

9 Cromer 3G Football Facility

1,000,000 1,000,000

Council's own
resources /
Football
Association
Funding of up to
70%

The current pitch has reached its projected lifespan already and therefore the Council would have to replace the pitch in the next few years regardless. The Football Foundation are currently funding 70% of all project costs for new 3G facilities, and this project would also include a much needed update to the infrastructure of the facility too - including fencing, floodlights (currently broken) and goals. As things stand there are no 3G football facilities in North Norfolk. With the introduction of a 3G pitch to this site there is also the possibility that we could work with the local football clubs and the academy to turn the site into the home of football in Cromer. This is something that has been long sought in the town, and this idea is supported by Norfolk FA.

Reserves Statement 2023/24 Onwards

Appendix D

Reserve	Purpose and Use of Reserve	Balance 01/04/22	Updated 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	Budgeted Movement 2025/26	Balance 01/04/27
		£	£	£	£	£	£	£	£	£	£	£
General Fund - General Reserve	A working balance and contingency, current recommended balance is £2.1 million.	2,945,766	(100,330)	2,845,436	(64,491)	2,780,945	(9,298)	2,771,647	0	2,771,647	0	2,771,647
Earmarked Reserves:												
Capital Projects	To provide funding for capital developments and purchase of major assets.	555,618	(400,000)	155,618	0	155,618	0	155,618	0	155,618	0	155,618
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	882,030	(24,534)	857,496	0	857,496	0	857,496	0	857,496	0	857,496
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.	749,248	(32,303)	716,945	(111,305)	605,640	0	605,640	0	605,640	0	605,640
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	224,115	0	224,115	(81,866)	142,249	(53,529)	88,720	(53,529)	35,191	0	35,191
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.	4,256,294	(389,000)	3,867,294	(1,305,317)	2,561,977	(18,000)	2,543,977	(18,000)	2,525,977	(18,000)	2,507,977
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	299,889	(62,422)	237,467	0	237,467	0	237,467	0	237,467	0	237,467
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area.	569,776	(275,000)	294,776	(275,000)	19,776	0	19,776	0	19,776	0	19,776
Delivery Plan	To help achieve the outputs from the Corporate Plan and Delivery Plan.	4,326,421	(2,263,498)	2,062,923	(979,413)	1,083,510	(424,860)	658,650	(10,000)	648,650	(10,000)	638,650
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets.	197,621	34,800	232,421	(44,800)	187,621	(10,000)	177,621	(10,000)	(10,000)	0	(10,000)
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	103,000	50,000	153,000	(100,000)	53,000	50,000	103,000	50,000	153,000	50,000	203,000
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	90,125	0	90,125	0	90,125	0	90,125	0	90,125	0	90,125
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	311,193	16,000	327,193	(16,000)	311,193	0	311,193	0	311,193	0	311,193

Reserves Statement 2023/24 Onwards

Appendix D

Reserve	Purpose and Use of Reserve	Balance 01/04/22	Updated 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	Budgeted Movement 2025/26	Balance 01/04/27
		£	£	£	£	£	£	£	£	£	£	£
Environment Reserve	To fund expenditure relating to the Council's Green Agenda.	150,000	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.	2,357,656	(141,476)	2,216,180	0	2,216,180	0	2,216,180	0	2,216,180	0	2,216,180
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.	2,107,358	(544,192)	1,563,166	(555,899)	1,007,267	(189,179)	818,088	(52,897)	765,191	(54,046)	711,145
Land Charges	To mitigate the impact of potential income reductions.	339,152	0	339,152	0	339,152	0	339,152	0	339,152	0	339,152
Legal	One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus.	124,323	(29,612)	94,711	(31,745)	62,966	(31,745)	31,221	0	31,221	0	31,221
Major Repairs Reserve	To provide provision for the repair and maintenance of the councils asset portfolio.	329,207	150,000	479,207	0	479,207	0	479,207	0	479,207	0	479,207
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	222,543	0	222,543	(178,000)	44,543	0	44,543	(18,000)	26,543	(18,000)	8,543
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	173,097	(59,156)	113,941	(42,742)	71,199	(7,860)	63,339	0	63,339	0	63,339
Pathfinder	To help Coastal Communities adapt to coastal changes.	89,566	0	89,566	0	89,566	0	89,566	0	89,566	0	89,566
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	217,926	198,965	416,891	(148,965)	267,926	50,000	317,926	50,000	367,926	50,000	417,926
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.	898,995	130,453	1,029,448	0	1,029,448	0	1,029,448	0	1,029,448	0	1,029,448
Treasury	To smooth impacts on the Revenue account of movement in fair value changes of the Councils holdings in Pooled Funds	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000
Total Reserves		23,020,918	(3,741,305)	19,279,613	(3,935,543)	15,344,070	(644,471)	14,699,599	(62,426)	14,459,552	(46)	14,459,506

Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
ADDITIONAL INCOME							
EH & Leisure	PSH - Court Costs	In 2022 the Environmental Protection Team successfully prosecuted a private landlord in Cromer for failing to protect residents against excess cold and electrical hazards under the Housing Act 2004. As a result of this successful enforcement action through the residential property tribunal the Council were awarded £16,000 in fines. This must be spend on the service area. It is therefore proposed that this is used to part fund one of the Environmental Protection Officers in this service area for 2023/24. This is a one off saving and the £16,000 has already been received by NNDC.	I	16,000	0	0	0
Environmental Services	Garden Waste Income	Draft budget had projected an increase in the garden bin fee to £52.50 (from £50.00) for Direct Debit payments. An increase to £56.00 would generate an additional £83,000 income based on current customer numbers. This has been benchmarked against the other Norfolk Council's and would see us charging less than some have charged in the current financial year.	I	83,000	83,000	83,000	83,000
Environmental Services	Commercial Waste Income	Draft budget had not been adjusted for price increases, only customer growth. The service will experience severe inflationary pressures in 23/24 and current charge levels are not sustainable due to increasing costs. Waste disposal costs are expected to increase by around 12% and Serco collection costs by around 13%. As such, an increase in the charges for this service of 12-13% could generate an additional £150,000 per annum but would also ensure that the costs of providing the service are covered for all customers.	I	150,000	150,000	150,000	150,000
Environmental Services	Domestic Waste Charges	Whilst included in the 22/23 fees and charges agreed in Feb 22, the practice of and budgeting for income from charging for the provision of new/replacement bins for domestic properties has not been fully implemented.	I	5,000	5,000	5,000	5,000
Environmental Services	Cleansing - third party income	We currently provide cleansing services to some third parties, predominantly litter and dog bin emptying for town/parish councils. The draft budget had not been adjusted for price increases, only customer growth, but due to rising contractual costs, the cost to the end user should be increased in line with inflationary increases.	I	0	7,500	7,500	7,500

Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
Planning	Pre Application Advice - Planning Performance Agreements	An extension of the pre application advice service allows the LPA to charge for a project management to ensure advice is offered, and support available to ensure a decision is made within and agreed time limit. The fees enable the LPA to recharge for professional fees required from the pre application stage, the processing of any application and discharge of conditions / drafting of S106 agreement	I	65,000	0	0	0
Strategic Housing	Budget Savings	There is potential for further income to offset the cost of the Energy Officer post - 3915 1016 Salary (and 8131 Income other contributions). This is subject to grant funding, the results of bids are not yet known. We have allowed for £18,000 of income.	I	18,000	18,000	18,000	18,000
Strategic Housing	Budget Savings	The Community Housing Enabler is now a permanent post (3914 - 1016 Salaries) and is funded from the Community Housing fund budget and not part of the permanent establishment. We have allowed £50,000 per year towards this post.	I	0	50,000	50,000	50,000
Legal Services	Legal Services Income Generation	Further income generation on the basis that authorisation is given for recruitment into vacant Lawyer posts. If legal services can continue with current ongoing recruitment exercises to fill its vacant Property and Litigation Lawyer posts, additional income opportunities have been identified.	I	15,000	15,000	15,000	15,000
Estates	Estates Income Generation - Rent Increases	Income generation from rent reviews.	I	15,000	15,000	15,000	15,000
Estates	Estates Income Generation - Rocket House Service Charge	Rocket House café service charge	I	2,500	2,500	2,500	2,500
Estates	Estates Income Generation - Concessions	Concessions - increase the number of concession. They are a good return as we lease the land and have no maintenance costs etc.	I	10,000	10,000	10,000	10,000
Estates	Estates Income Generation - Beach Huts	Beach Huts/chalets - rent increase for leases will be implemented in 2024/25 and weekly lets are already accounted for in 2023/24 budget but if my calculations are correct, I believe the income in the budget should be extra £25k for 23/24 and future years.	I	25,000	25,000	25,000	25,000

Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
Estates	Estates - Misc. 1	Minor changes to Service charge budgets to include Grounds Maintenance	I	2,578	2,578	2,578	2,578
Revenue Services	Revenues - savings and income generation	Income increase of approx. £550k for 2024/25 onwards if second homes premium of 100% was added to the second homes properties. This could increase if the Norfolk CC agree to allowing NNDC to have a greater share than 8 pence in the pound. This is sustainable.	I	0	550,000	550,000	550,000
Revenue Services	Revenues - savings and income generation	Review of council and business rates discounts and review of second home council tax charging.	I	68,000	68,000	68,000	68,000
TOTAL ADDITIONAL INCOME				475,078	1,001,578	1,001,578	1,001,578
BUDGET SAVINGS							
Customer Services Housing	Mileage & Misc. supplies	The Housing budget is made up predominantly of Staffing budgets. The savings identified savings relate to mileage, postage and subsistence.	S	6,500	6,500	6,500	6,500
EH & Leisure	Leisure Postage & Leisure	The savings identified relate to mileage and postage utilised by the Lesiure Services team. We have seen an underspend in this budget over recent years and therefore with new ways of working propose to reduce it on a permanent basis.	S	5,000	5,000	5,000	5,000
EH & Leisure	Air Quality Management	The amendment is primarily a saving. Currently diffusion tubes are deployed monthly to monitor for nitrogen dioxide. The has an associated cost derived from officer time and cost of the tubes. Currently with the development of modelling software, indicative monitoring can be carried out at lower cost without the need to deploy tubes. This alternative means of monitoring is already available to the council so there is no additional cost.	S	2,258	2,258	2,258	2,258
Benefits	Base Budget Savings	This proposal includes a number of savings opportunities against base budget expenditure items for the Benefits Service. The service initially reviewed its base budget for the initial Zero Based budgeting exercise, creating a reduced base budget for 2022/23. We have further reviewed our base budget for 2023/24 and have identified further reductions on a permanent basis to our operating costs. These are detailed in the attached spreadsheet.	S	17,800	16,800	16,800	16,800
Benefits	Burdens Funding Savings	Funding has been sourced from new burdens funding.	S	30,000	0	0	0

Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
EH & Leisure	R&M - Prom Management	Sustained underspend within the R&M budget - projected reduction in budget moving forward.	S	4,000	4,000	4,000	4,000
Communities	Saving - North Norfolk Sustainable Communities Fund (NNSCF)	Proposal to reduce funding allocated from Communities reserve for communities grants.	S	125,000	0	0	0
Human Resources	Budget Savings	Through development in methods of training delivery, we are able to see some cost reductions in training costs post Covid through the increased use of Teams and Zoom, and virtual collaborations such as google/jamboard. £30,000 one off saving due to unspent rollover. And a £10,000 reduction across the three training budgets. Also reviewed other budget lines in the HR budget, and identified ongoing revenue reductions of £740 each year.	S	40,740	10,740	10,740	10,740
PA's/CDU	Budget Savings	CRM Subscription 4805/4806 no longer needed	S	10,000	10,000	10,000	10,000
Electoral Services	Savings 2023/2024	Please save 10% on 4302, external printing on Electoral Registrartion 4000 and 10% on 4500 Postage costs direct on electoral registration 4000. This will equate to £4800 .	S	4,800	0	0	0
Planning	Mileage Budget Reduction	Sustained underspend over service areas (exception Building Control), projected reduction in budget moving forward.	S	12,000	12,000	12,000	12,000
Planning	Planning Policy Professional Reduction	Sustained underspend over service (external technical consultancy support), projected reduction in budget moving forward.	S	10,000	10,000	10,000	10,000
Planning	Senior Building Surveyor - funding by Building Control Reserve	The building control reserve stands at a sustainable figure based upon yearly surplus fee income. The reserve is ring fenced to fund the building control service. The proposal seeks to fund an existing Senior Surveyor post via the year on year reserve.	S	53,528	53,528	53,528	0
Planning	Staffing underspend 2022-2023	Recruitment to planning roles at NNDC remains challenging, some roles within the allocated budgets have required new job descriptions to be developed JE to be completed others have been subject of repeated recruitment campaigns. As a result the service has a significant salary underspend for the current year's budget.	S	148,965	0	0	0

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Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
Strategic Housing	Budget Savings	Savings in Budgets as follows: 3913 - 4407 Consultancy Fees £6,000, 1122 Training £150, 1124 Subs to professional bodies £180, 3914 - 4406 Other Professional Fees £2,000, 3915 - 1122 Training £500, 4406 Other Professional Fees £1,000. Total savings of £9,830.	S	9,830	9,830	9,830	9,830
Economic Growth	Economic Growth Savings	Permanent savings: 3300 - 4533 Computer Software Licences £2,000, 3313-4803 Contributions £11,990, 3329-2003 Rep & Maint (Programmed) £7,000 Underspend in current year to fund 23/24 budget: 3300-1224 Subs To Professional Bodies £1,800, 3300-4460 Marketing - General £5,000, 3300-4533 Computer Software Licences £11,500, 3300-4621 Conference Expenses - Officers £2,000, 3329-4460 Marketing - General £13,000, 3910-1122 Generic Training £1,500.	S	55,790	20,990	20,990	20,990
Coastal	Savings 23/24	General traveling is £8,000, reduce to £4,000 with a saving of £4,000. The training budget year 2022/23 was generous and not utilised and therefore savings proposed to reduce this provision 4720 was £11,000, reduce to £5000 so £6,000 saving.	S	10,000	10,000	10,000	10,000
Finance	Finance - misc. Direct Cost - Non staffing savings	Subscriptions - we would not have access to statistical information used in benchmarking exercises.	S	2,500	2,500	2,500	2,500
Finance	Finance - misc. Direct Cost - Non staffing savings	Training - The section has new team members and reducing this budget may effect their professional development.	S	1,000	1,000	1,000	1,000
Finance	Finance - misc. Direct Cost - Non staffing savings	Mileage	S	50	50	50	50
Estates	Estates Income Generation - Advertising	A big project currently on hold due to limited capacity (identifying sites, advertising opportunities, tender works for advertising/sign framework, but could be something Neil takes on depending on his HAZ commitments - could raise £5,000 - £50,000. Most sites would be car parks, prom/seafront locations. The AD Organisational Resources had some issues regarding website advertising, but subject to costs modelling, other opportunities such as car park advertising may be supported.	I	0	0	0	0

Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
Estates	Estates - employee Savings	Staff Savings .	S	8,000	0	0	0
Estates	Estates - Misc. 2	Minor changes across service on rents, utilities, equipment and marketing	S	7,253	7,253	7,253	7,253
ICT Applications	ICT Applications Analyst - reduction in hours (37 to 25.5).	Budget currently reflects full-time commitment costing £43,394 inc on-costs. Officer has reduced their hours to 25.5hrs and this is not reflected in the current budget. This account to £30,306 inc on-costs. Saving of 13088	S	13,088	13,088	13,088	13,088
ICT Applications	Reduced licensing costs resulting from conversion of Finance system	The new Civica Financial system attracts the following net overhead: Civica Financials annual license £15615.59. However we will no longer have to pay for all of the following: E-Fin software renewal cost (£29827.62) Oracle Forms/IAS Support & Maintenance (7022.95) Oracle Database Enterprise Edition S&M (2402.50) TOTAL = 39253.07. Resulting Net Saving = £23637.48	S	23,637	23,637	23,637	236,373
ICT Applications	No recruitment to existing Applications position	The ICT Application team secured budget to recruit an additional team member. The team currently comprises of: ICT Applications Manager – 24 hrs Senior Applications Support Analyst – 27 hrs Applications Support Analyst - 25.5 hrs Senior Applications Support Analyst – 37 hrs Junior Applications Support Analyst – 37 hrs Approval had been granted for an additional full time Junior Applications Support Analyst. By now not recruiting to this post the authority could realise savings of £19,304 + on-costs = total £27291	S	27,291	27,291	27,291	27,291
ICT Applications	Reduction in allocated budget for license and support/maint charges	Following a review of current licensing costs and allowing for inflation and also maintaining a cushion in case an overhead is not represented on budget list, it is proposed that the overall software licensing budget could be reduced by £25000.	S	25,000	25,000	25,000	25,000

Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
Customer Services	DM Savings	We propose reducing the stationary budget by £10,000. As a result of Covid and the new ways of working we have seen a significant reduction in requests for stationary. With many staff working from home, a channel shift in digital usage and amended working practises, have resulted in a reduction in stationary requests. A 41% reduction in 2021/22 on the previous year, and at present a further 27% reduction for this financial year on 2021/22.	S	10,000	10,000	10,000	10,000
Customer Services	CS Savings	Saving have been achieved by reducing the Customer Services training budget An increase in standardising CS working practises has simplified the way CSA's work and therefore the requirement for other external training courses has reduced.	S	2,000	2,000	2,000	2,000
Customer Services	CS Savings	Saving have been achieved by reducing the Postage Costs Direct budget. An increase in standardising CS working practises has simplified the way CSA's work and therefore the requirement for other external training courses has reduced. As a result of Covid, we have seen an increase in digital processes and usage, therefore this has resulted in a reduction in the use of paper and the issuing of correspondence via post. We can therefore reduce our Postage Costs Direct budget.	S	2,500	2,500	2,500	2,500
Customer Services	Reprographics Savings	As a result of Covid and the new ways of working we have seen a reduction in the requirement to issue paper correspondence . With a channel shift resulting in increased digital usage and amended working practises to support this, we have seen a reduction in printing requests therefore are savings would be achieved via a reduction in the paper budget.	S	1,500	1,500	1,500	1,500
IT Infrastructure	Call costs	I asked for additional budget to move some of our voice infrastructure (Session Border Controllers) into the cloud . The quotes I received for ongoing costs were less than the money that was asked for.	S	10,000	10,000	10,000	10,000
IT Infrastructure	Consumables	Saving from consumables budget (budget for toners/parts etc. for printers)	S	10,000	10,000	10,000	10,000

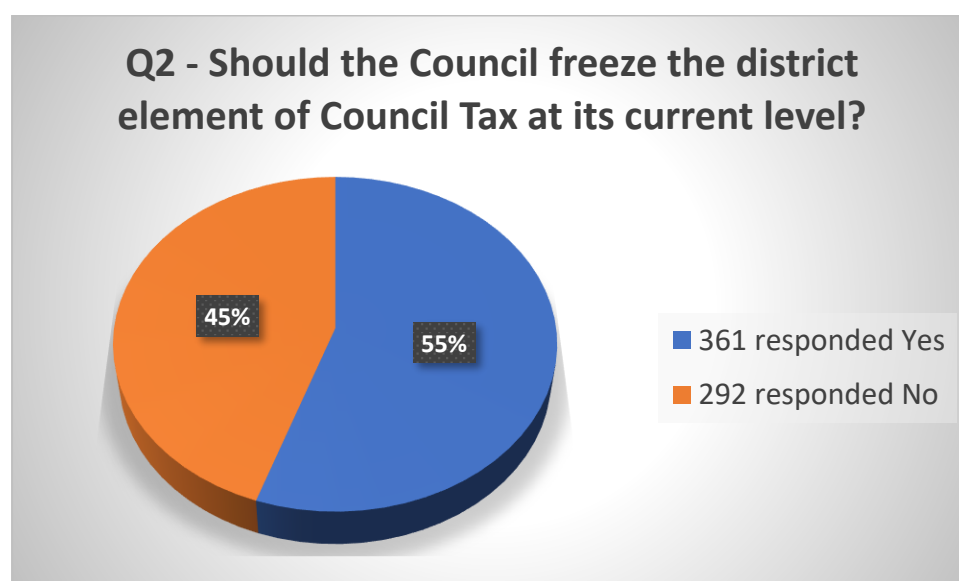
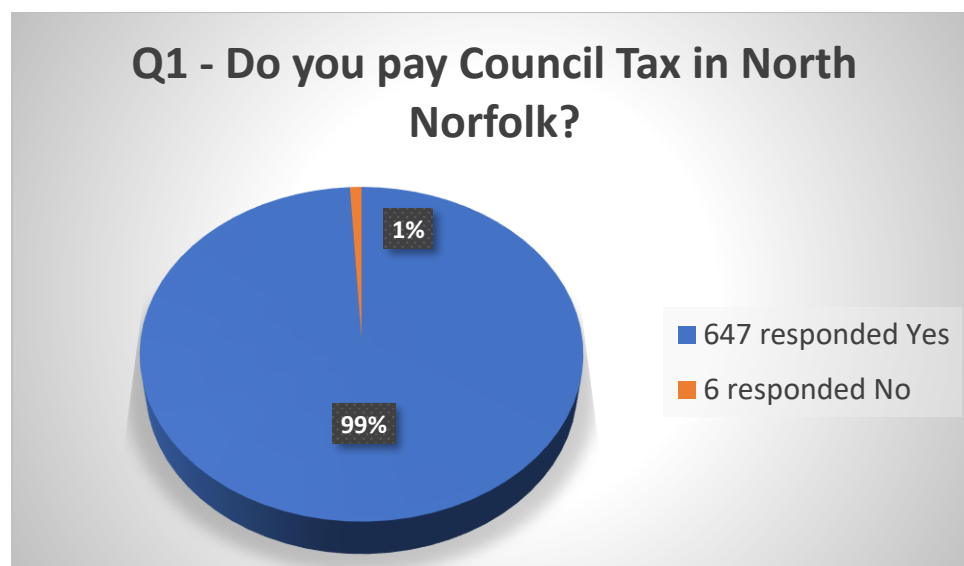
Proposed Savings/Income 2023/24 to 2026/27

Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	2023/24 Savings /Income	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income
IT Infrastructure	Staffing Costs IT infrastructure team	Reducing one of the fulltime posts to part time will release some income and by lower the grade of the entry level post	S	20,000	20,000	20,000	20,000
IT Web Team	Training in the Web Team	The web team has a training budget of £10,000 per annum. It is proposed to reduce this to £5,000 per annum	S	5,000	5,000	5,000	5,000
Property Services	Car Parks	Car Park savings	S	2,900	2,900	2,900	2,900
Property Services	Generic Training	Reduction in generic training budget	S	10,000	10,000	10,000	10,000
Property Services	PPE	Reduction in PPE supplied to staff, not comprising health and safety.	S	2,000	2,000	2,000	2,000
Property Services	Amenity Lighting	Reduction in R&M budget for Amenity Lighting	S	11,000	11,000	11,000	11,000
Organisational Resources	Decommission Inphase	Decommission InPhase reporting system and replace with reporting based on other already existing reporting tools.	S	0	11,500	11,500	11,500
TOTAL BUDGET SAVINGS				740,930	369,865	369,865	529,073
TOTAL SAVINGS AND ADDITIONAL INCOME				1,216,008	1,371,443	1,371,443	1,530,651

Results of the Budget Consultation carried out on the North Norfolk District Council website form 24 November to 12 December 2022

North Norfolk District Council held a resident consultation for the 2023/24 budget, seeking Council Taxpayers views on whether the authority should increase its proportion of the 2023/24 Council Tax bills and whether it should allocate any proposed increase towards projects and support for the most vulnerable in our communities respond to cost of living pressures. There were 653 responses, which was a significant increase on previous years' responses.

The responses to the questions are shown below. Not all the comments are listed below as there were too many to list, but they can be made available upon request. A small sample is given below.



Sample of responses for Q2 – please note this is just a sample and there were many more: -

Our wages don't go up so where are we supposed to find the extra money from?

Working people cannot afford to keep paying higher bills. It's always the working people who gets no support that suffer.

People are really struggling and if all costs are going up then it is not just £2-3 a week extra, it is tens of pounds a week extra for people to find, whose wages are not keeping up and have not kept up over a number of years.

NNDC should be looking at ways to mitigate their additional costs rather than passing this onto their customers.

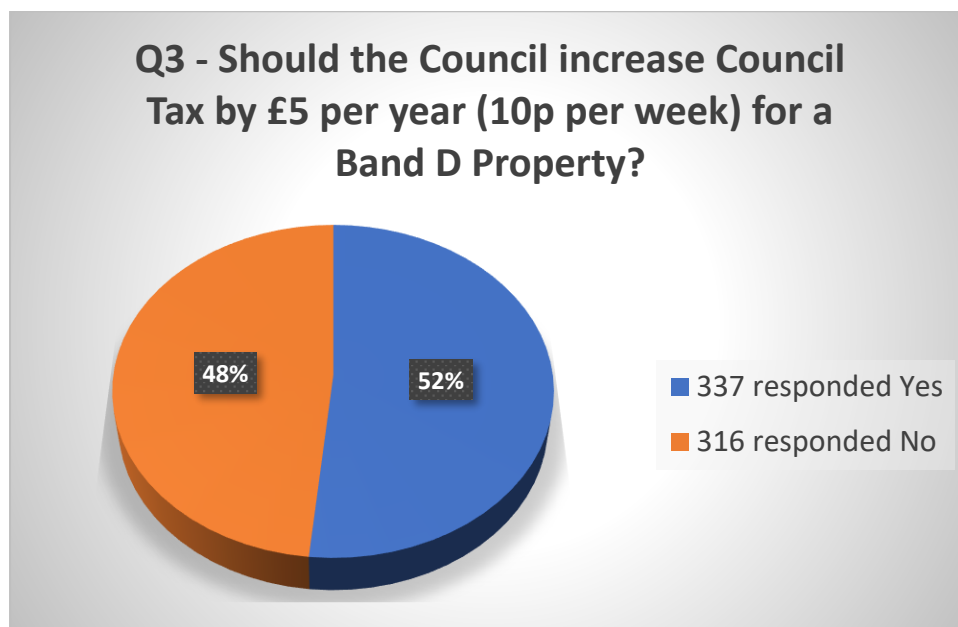
How about increasing the council tax on second homes in the area and then the local people wouldn't get stung.

It is unrealistic to freeze Council Tax at the moment. Public services are already under enough strain.

The most vulnerable need support more than ever now.

A small increase is acceptable especially in these difficult economic times. However, the more affluent households should pay a little more.

Services shouldn't be cut so we have to pay.



Sample of responses for Q3 – please note this is just a sample and there were many more: -

Services should not be reduced.

Seems a very reasonable increase.

Please increase by more than that £10 per month and actually fund services

A much greater increase is needed at C and higher budgets of services are too thinly spread.

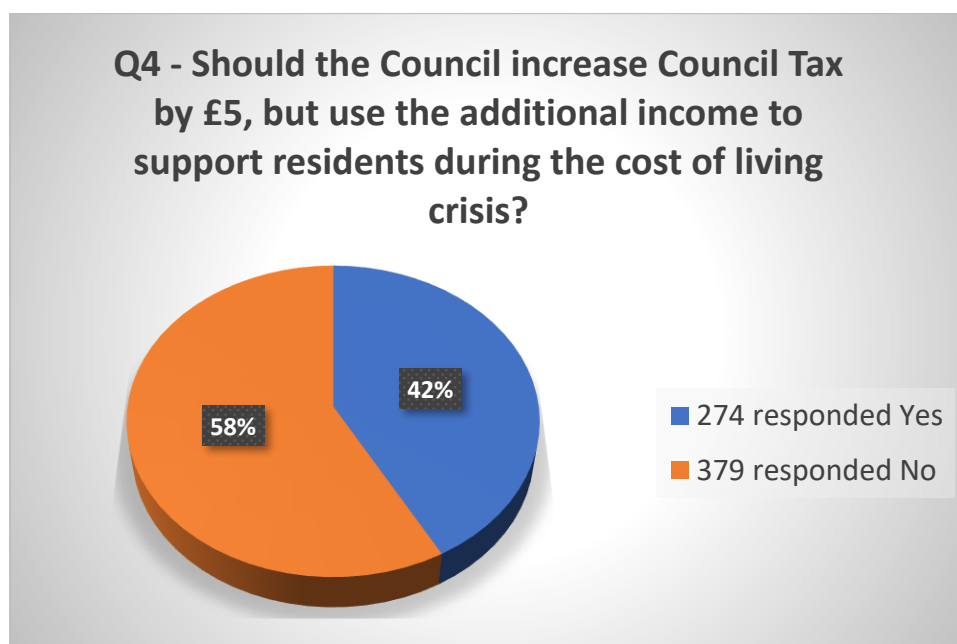
Everyone including the Council need to 'share the pain' in these trying times.

Financial crisis - nobody can afford this

We already pay too much h for very little service in the rural areas.

We already pay too much h for very little service in the rural areas

The worrying thing is how much will the other parts of the council tax increase?



Sample of responses for Q4 – please note this is just a sample and there were many more: -

We all have increased cost, no wage increases, this yet another burden

I agree but again the advantages are extremely vague and it would have been good to see what targeted support is planned.

But only if it is definitely used for these purposes.

Leave the money in people's pockets, so that it supports everyone, not just some of the residents.

Finding the cost of council tax very high and increasingly worried over how to pay. Do not qualify for rebate but that does not mean affluence.

Focus on core services

Yes, if it could be guaranteed to be used for these services

Raise the tax even further to help those most in need.

Increasing council tax and ring fencing for vulnerable potentially impacts other services in the same way as NOT increasing council tax. Can lead to negative impact on low-income households who struggle but do not 'benefit' from services for vulnerable. All NNDC services are important, and increases should not be ring fenced otherwise potentially worsens other services for all.