

# Cabinet



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**Please Direct Dial on:** 01263 516010

Wednesday, 21 June 2023

A meeting of the **Cabinet** of North Norfolk District Council will be held in the Council Chamber - Council Offices on **Thursday, 29 June 2023 at 11.30 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](mailto: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:** Cllr W Fredericks, Cllr L Shires, Cllr T Adams, Cllr A Brown, Cllr H Blathwayt, Cllr P Heinrich, Cllr C Ringer, Cllr A Varley and Cllr L Withington

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 - 10

To approve, as a correct record, the minutes of the meeting of the Cabinet held on 05 June 2023.

**3. PUBLIC QUESTIONS AND STATEMENTS**

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

**4. DECLARATIONS OF INTEREST**

11 - 16

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)

**5. 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

**6. MEMBERS' QUESTIONS**

To receive oral questions from Members, if any

**7. RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE**

To consider any recommendations referred to the Cabinet by the Overview & Scrutiny Committee for consideration by the Cabinet in accordance within the Overview and Scrutiny Procedure Rules

**8. RECOMMENDATIONS FROM PLANNING POLICY & BUILT HERITAGE WORKING PARTY**

The following recommendations were made by the Planning Policy & Built heritage Working Party at the meeting on 12<sup>th</sup> June 2023:

Health Protocol Update:

To recommend to Cabinet that the Council endorses the update to the Health Protocol (in so far as it relates to contact details, factual changes, and reference systems) but does not endorse the content of the protocol in its entirety.

Further, Planning Policy & Built Heritage Working Party recommends to Cabinet that the Council requests that the Norfolk Strategic Planning Framework reconsiders the scope of the Protocol including mental health, dentistry and public health in the broader sense, and addresses the issues around practical implementation.

Executive Summary	<p>Following the District Council elections on 4<sup>th</sup> May the Cabinet and Corporate Leadership Team have worked to develop a new Corporate Plan which sets out the intent and ambition of the authority for the period 2023 – 2027.</p> <p>The draft Corporate Plan document is now presented for formal approval by Cabinet and thereafter presentation to Full Council for adoption.</p>
Options considered	<p>The Council is required to publish a Corporate Plan.</p> <p>The development of this Plan reflects the priorities of the administration based upon their manifesto statements and looks to take forward new actions under the principal themes from the 2019 – 2023 Corporate Plan – particularly with respect to the environment and Net Zero, housing, the local economy, quality of life and engagement with our residents and communities.</p>
Consultation(s)	<p>The development of the new Corporate Plan has not in itself involved a specific process of consultation. The Plan has been developed recognising those critical issues facing North Norfolk and its communities and reflects the priorities of the incoming council administration for the period 2023 – 2027. These issues are not new and will involve the Council working with established partners to develop responses to these challenges. The Corporate Plan is a high level document setting out the priorities of the Council over the next four years, with specific project proposals and interventions developed to address those challenges being the subject of engagement and consultation in the months ahead.</p>
Recommendations	<p>That Cabinet resolves to:</p> <ol style="list-style-type: none"> <li>1. Agree the content of the draft Corporate Plan 2023 – 2027 as a statement of the Council's intent and ambition for the term of this Council administration.</li> <li>2. Authorises the Chief Executive, in consultation with the Leader of the Council, to agree any minor revisions and changes to the final draft of the</li> </ol>

	<p>Corporate Plan document and thereafter the format / design of the document for publication, following adoption by Full Council.</p> <p>3. That Cabinet publishes an Action Plan detailing how the objectives detailed in the Corporate Plan will be delivered / achieved to its November 2023 meeting.</p> <p>That Cabinet recommends to Full Council:-</p> <p>4. That Full Council adopts the Corporate Plan 2023 – 2027.</p>
Reasons for recommendations	<p>The Corporate Plan details the Council's ambitions and intent for the next four years. It will provide the framework and context for the Council's service provision, project interventions and resource allocation (financial and staffing) for the period through to 2027.</p> <p>The Plan 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.</p>
Background papers	No background papers were used in the preparation of this report.

Wards affected	All
Cabinet member(s)	Cllr Tim Adams, Leader of the Council
Contact Officer	Steve Blatch, Chief Executive <a href="tel:01263516232">Tel:- 01263 516232</a> Email: <a href="mailto:steve.blatch@north-norfolk.gov.uk">steve.blatch@north-norfolk.gov.uk</a>

**10. 2022/2023 OUTTURN REPORT**

<b>Executive Summary</b>	<p>This report presents the provisional outturn position for the 2022/23 financial year which shows a General Fund overspend of ££0.782m, which is made up of a £0.261m revenue services' overspend and a £0.561k income shortfall in retained business rates.</p> <p>This report also presents the Council's capital programme outturn position.</p> <p>Details are included within the report of the more significant year-end variances compared to the current budget for 2022/23. The report also makes recommendations for contributions to reserves.</p>
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	<p>The report provides a final budget monitoring position for the 2022/23 financial year. The report makes recommendations that provide funding for ongoing commitments and future projects.</p>
<b>Options considered</b>	<p>The revenue outturn position as of 31 March 2023 shows an overall overspend of £0.782m. The final position allows for £1.137m from budget and grant underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments in 2023/24. This draft outturn position will form the basis for the production of the statutory accounts, which will then be subject to audit by the Council's external auditors.</p>
<b>Consultation(s)</b>	<p>None – This is a factual report of the financial year end position for 2022/23.</p>
<b>Recommendations</b>	<p><b>Members are asked to consider the report and recommend the following to Full Council:</b></p> <p><b>a) The provisional outturn position for the General Fund revenue account for 2022/23;</b></p> <p><b>b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2023/24 budget;</b></p> <p><b>c) The deficit of £0.261m relating to service overspends be funded from the General Reserve;</b></p> <p><b>d) The deficit of £0.561m relating to retained business rates be funded from the Business Rates Reserve;</b></p> <p><b>d) The financing of the 2022/23 capital programme as detailed within the report and at Appendix D;</b></p> <p><b>e) The balance on the General Reserve of £2.649m;</b></p> <p><b>f) The updated capital programme for 2023/24 to 2025/26 and scheme financing as outlined within the</b></p>

	<p>report and detailed at Appendix E;</p> <p>g) The roll-forward requests as outline in Appendix F are approved.</p> <p>h) The transfer of £0.500m from the Delivery Plan Reserve to a new reserve 'Net Zero Initiatives' set up specifically to fund projects, initiatives and works to achieve net zero.</p> <p>i) The Provision of Temporary Accommodation capital budget for 2024/25 and 2025/26 of £0.250m per year be moved into 2023/24 giving a total budget of £0.750m in 2023/24 and that this be funded by temporary borrowing until it can be replaced by preserved right to buy capital receipts</p>
<b>Reasons for recommendations</b>	To approve the draft outturn position on the revenue and capital accounts used to produce the statutory accounts for 2022/23.
<b>Background papers</b>	Budget report, Budget Monitoring reports, NNDR3 return

<b>Wards affected</b>	All
<b>Cabinet member(s)</b>	Cllr Lucy Shires
<b>Contact Officer</b>	Tina Stankley Director of Resources <a href="mailto:Tina.Stankley@north-norfolk.gov.uk">Tina.Stankley@north-norfolk.gov.uk</a> 01263 516439

<b>Links to key documents:</b>	
Corporate Plan:	Financial Sustainability and Growth
Medium Term Financial Strategy (MTFS)	The outturn position will have an impact on the Reserve Balances, which will become the revised starting balances for the MTFS
Council Policies & Strategies	N/A

Executive Summary	This report sets out the Treasury Management activities undertaken during 2022/23 compared with the Treasury Management Strategy for the year.
Options Considered	This report must be prepared to be ensured members are aware of Treasury activities. It is also a requirement for the Council to comply with the CIPFA Treasury Management and Prudential Codes.
Consultation(s)	Link Treasury Services have provided the economic information in Appendix T associated with this report.
Recommendations	That Cabinet reviews and approves this report, with the recommendation that it is submitted to Full Council for final approval.
Reasons for recommendations	This report requires approval by Full Council for the Authority to be compliant with the CIPFA Treasury Management and Prudential Codes.
Background papers	This report refers to the Council's Capital Strategy Report 2022/23 which was approved by Members on 31/01/2022.  This report refers to the Council's Treasury Management Strategy 2022/23 which was approved by Members on 23/02/2022.

Wards affected	All
Cabinet member(s)	Cllr Lucy Shires
Contact Officer	James Moore - Accountancy Assistant - James.Moore@north-norfolk.gov.uk

<b>Links to key documents:</b>	
Corporate Plan:	This report shows the Council's current Treasury position against the cost of delivering its Capital Programme (CFR – Capital Financing Requirement). This shows the Council's current ability to finance its current Capital Programme.
Medium Term Financial Strategy (MTFS)	This report supports the Medium Term Financial Strategy through protecting Council funds and cash flows, whilst minimizing borrowing costs.  This report shows the Council's Investment and Borrowing position against the Council's Capital Financing Requirement, showing the net debt position of the Authority as at the end of the financial year.
Council Policies & Strategies	This report refers to the Council's Capital Strategy Report 2022/23 which was approved by Members on 31/01/2022.  This report refers to the Council's Treasury Management Strategy 2022/23 which was approved by Members on 23/02/2022.

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	This report is available to the public.
Details of any previous decision(s) on this matter	This is an annual report on the Council's current Treasury position.

**12. PURCHASE OF AFFORDABLE HOME - LAHF GRANT**  
-122

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<b>Executive Summary</b>	This report recommends purchase of a 4-bed home partly funded from government Local Authority Housing Fund grant. Initially the home will be used to help meet the resettlement needs of Afghan households but in the longer-term the Council will be able to use the home as temporary accommodation for homeless households.
<b>Options considered</b>	Do not use government grant and allocated budget to purchase property and therefore do not add to the stock of affordable homes in the district. Transfer the grant funding to a Registered Provider for them to acquire a 4-bedroom home for affordable housing

<b>Consultation(s)</b>	Portfolio Holder for Housing, Housing Options Manager, Estates and Assets Strategy Manager, Finance Team.
<b>Recommendations</b>	That Cabinet approves the purchase of a 4-bed home, partly supported by funding from the government's Local Authority Housing Fund grant
<b>Reasons for recommendations</b>	To give authority for spend over £100k
<b>Background papers</b>	Local Authority Housing Fund grant opportunity- 6 March 2023 Purchase of Temporary Accommodation Unit - 7 November 2022

<b>Wards affected</b>	District-wide
<b>Cabinet member(s)</b>	Cllr Wendy Fredericks
<b>Contact Officer</b>	Nicky Debbage, Housing Strategy & Delivery Manager <a href="mailto:nicky.debbage@north-norfolk.gov.uk">nicky.debbage@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Local Homes for Local Need
Medium Term Financial Strategy (MTFS)	Provision of good quality council owned temporary accommodation can deliver savings compared to more expensive and inferior alternatives such as bed and breakfast
Council Policies & Strategies	North Norfolk District Council Housing Strategy 2021 - 2025

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	-

Details of any previous decision(s) on this matter	<p>Cabinet 6 March 23, Agenda item 12 - Local Authority Housing Fund Grant Opportunity</p> <p>Decision</p> <p>RESOLVED that</p> <p>The Council accepts the Local Authority Housing Fund grant funding in full and commits to the delivery of 11 homes.</p> <p>The source of the homes is from market sales including new-build when available (and if affordable).</p> <p>The Council delivers the new homes in partnership with Flagship. The Council will pass the grant on to Flagship, who will provide the match funding and own the homes, in return the Council will have nomination rights to the homes in perpetuity.</p>
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**13. COUNCIL LOAN TO HOMES FOR WELLS TO ENABLE PURCHASE OF TWO PROPERTIES** 123 - 128

Executive Summary	<p>The delivery of new affordable housing is a key priority for the Council. This is an opportunity to support the delivery of two affordable homes and support the work of a partner community-led housing organisation.</p> <p>The support takes the form of a loan of £110,000 at commercial rates and at minimal risk to the Council.</p>
Options considered	<p>The alternatives are:</p> <p>a) To provide a loan for one property only.</p> <p>b) Not to provide any loan funding at all.</p>
Consultation(s)	<p>Cllr. Wendy Fredericks – Portfolio Holder.</p> <p>Finance team – support for and terms of the loan.</p> <p>Homes for Wells – amount of loan and number of properties.</p>
Recommendations	<p>This is a <u>resolution</u> for Cabinet to approve a loan of £110,000 to Homes for Wells to help with the purchase of two properties.</p>
Reasons for recommendations	<p>The two homes will provide affordable housing for low-income households from the Homes for Wells waiting list.</p>

Background papers	No other background papers.
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Wards affected	Wells with Holkham
Cabinet member(s)	Cllr. Wendy Fredericks
Contact Officer	Graham Connolly, Housing Strategy and Delivery Manager, <a href="mailto:graham.connolly@north-norfolk.gov.uk">graham.connolly@north-norfolk.gov.uk</a>

Links to key documents:	
Corporate Plan:	This proposal supports the Council's Local Homes for Local Need by facilitating new homes and by using loan funding to achieve that aim.
Medium Term Financial Strategy (MTFS)	No links to the MTFS.
Council Policies & Strategies	This proposal supports the Council's aim to provide more affordable housing in the district.

#### 14. DISCRETIONARY DISABLED FACILITIES GRANT POLICY

129 - 136

<b>Executive Summary</b>	<p>The current mandatory Discretionary Facilities Grant (DFG) service delivered by the Integrated Housing Adaptations Team (IHAT) is valued, effective and efficient.</p> <p>Demand for mandatory DFGs is increasing due to an increasing older population and the desire by many people with disabilities and long term health conditions to remain in their own home rather than in residential or nursing care.</p> <p>A Discretionary DFG Policy is needed to widen the scope and services available through the DFG process. It will offer an early intervention service and contribute to the resolution of cases that require works outside the scope of the current DFG fund. A Discretionary DFG Policy will reduce the formal process and enable adaptations to be progressed more quickly for those with life limiting conditions.</p> <p>Overall the Discretionary DFG Policy will widen the DFG offer, improve customer service, reduce DFG process wait times and support the promotion of independent living.</p>
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<p><b>Options considered</b></p>	<p><b>Not to adopt a Discretionary DFG Policy - not recommended</b></p> <p>Whilst there is no legal requirement for North Norfolk District Council (NNDC) to have a Discretionary DFG Policy, without one the DFG funding can only be used to fund eligible, mandatory DFG works. There is evidence of unmet need amongst clients who require adaptations that are outside the financial or eligible scope of current mandatory DFG works.</p> <p>Without a Discretionary DFG Policy, NNDC would not be able to access designated additional Better Care Fund funding for the period 2023 – 2025 as this is specifically for discretionary DFG works and is conditional on the Council having a Discretionary DFG Policy. The exact amount is to be confirmed but it is believed to be around £240,000 for the period 2023 – 2025.</p> <p><b>To adopt the Discretionary DFG Policy and utilise the additional Better Care Fund for the period 2023 – 2025 to allocation to expand the current DFG service to meet identified and unmet need. - Recommended</b></p> <p>NNDC will not be able to access the additional Better Care Fund discretionary allocation without a Discretionary DFG Policy. The Discretionary elements identified within the Policy are believed to be those that will have the most positive benefit for residents, will meet current unmet need and which can be delivered at this time within existing staff capacity and resources.</p> <p>The Discretionary DFG Policy will be reviewed annually and recommendations for change made if appropriate.</p>
<p><b>Consultation(s)</b></p>	<p>Cllr Wendy Fredericks, Portfolio Holder for Housing and Peoples' Services</p>
<p><b>Recommendations</b></p>	<p>Recommendation - Cabinet to adopt the Discretionary DFG Policy.</p>
<p><b>Reasons for recommendations</b></p>	<p>To enhance and improve DFG provision with the aim of promoting independent living and wellbeing.</p> <p>To increase the range of DFG Services that are available and to enhance the existing services offered to meet unmet need.</p>
<p><b>Background papers</b></p>	<p><a href="#">Adult social care system reform: next steps to put People at the Heart of Care</a></p> <p>NNDC Discretionary DFG Policy</p>  <p>DFG Discretionary Policy document SJ.dc</p>



<b>Wards affected</b>	All wards in North Norfolk
<b>Cabinet member(s)</b>	Cllr Wendy Fredericks
<b>Contact Officer</b>	Sonia Shuter, Early Help & Prevention Manager <a href="mailto:sonia.shuter@north-norfolk.gov.uk">sonia.shuter@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Quality of Life
Medium Term Financial Strategy (MTFS)	No
Council Policies & Strategies	Discretionary


<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	Yes
Details of any previous decision(s) on this matter	None

**15. INFORMATION, ADVICE & ADVOCACY**

137 - 144

<b>Executive Summary</b>	<p>North Norfolk District Council (NNDC) is committed to reducing inequality and supporting residents of North Norfolk to have access to Information, Advice &amp; Advocacy (IAA) services that meet a range of generic and specialised needs.</p> <p>There is an ongoing and increasing need for the provision of generic IAA and specialist debt services. This has been exacerbated as a result of Covid and the Cost of Living increases.</p> <p>Norfolk Citizens Advice (Norfolk CA) have worked in partnership with NNDC for at least ten years providing a range of generic and specialist IAA services across North Norfolk. They are also a Government approved debt advisor organisation.</p> <p>Awarding a grant of £66,323 to Norfolk CA will enable the continuation of established advice and information services in North Norfolk and the provision of a dedicated specialist debt</p>
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	<p>advisor for direct referrals by NNDC for the period 1st April 2023 – 31st March 2024.</p>
<p><b>Options considered</b></p>	<p><b>Not to provide funding towards IAA services. - Not recommended</b></p> <p>There has been an increase in demand for a range of IAA services in North Norfolk particularly in relation to finance, benefit and debt. The impact of Covid and the continued Cost of Living increases and considered to be the main contributing factors.</p> <p>The provision of accredited IAA services in a range of community locations across North Norfolk contributes towards the achievement of Quality of Life objective in the Corporate Plan.</p> <p><b>Utilising the identified IAA budget to increase internal support for people requiring IAA services. – Not recommended</b></p> <p>The focus of the People Services Directorate is to provide a range of services including IAA to residents particularly those who are vulnerable and experience hardship.</p> <p>Whilst the majority of the People’s Services do provide an element of community provision mainly through visiting people in their own homes if necessary there is no consistent community presence. People are encouraged to utilise a range remote service provision to contact NNDC and a range of effective methods are available. However, for some people often those who are most vulnerable an in person appointment is more appropriate. NNDC currently does not have the capacity or resources to provide the range of IAA services needed in the community. This means that unless people are able to travel to NNDC offices in Cromer or Fakenham there are limited opportunities for them to receive face to face IAA services.</p> <p>NNDC are not a Government Approved Debt Advisor and therefore are limited to the range of debt support they can offer.</p> <p><b>Utilise the IAA budget to fund an external, debt accredited IAA provider. - Recommended</b></p>

	<p>IAA services has been in North Norfolk provided by Citizens Advice for many years. Norfolk CA has been the main provider of IAA in North Norfolk for at least ten years. Norfolk CA has a positive reputation and a visible presence in dedicated offices, community venues and more recently food banks.</p> <p>Norfolk CA are the only provider offering face to face IAA services in North Norfolk who are also a Government approved debt advisor.</p> <p>Offering the IAA grant to Norfolk CA would offer value for money as it would contribute to existing funding and provide a more comprehensive generic and specialised IAA service across North Norfolk.</p>
<b>Consultation(s)</b>	Consultation with Portfolio Holder and Assistant Director for People's Services.
<b>Recommendations</b>	<p>It is considered that the proposed use of the grant to enhance and secure IAA services in North Norfolk offers better value than funding a stand alone or in house service.</p> <p>Cabinet are asked to recommend that a grant of £66,323 is awarded to Norfolk CA towards for the provision of generic IAA services in North Norfolk and a Specialist Debt Relief Order Advisor to take direct referrals from NNDC and to be based at NNDC at least one day a week.</p>
<b>Reasons for recommendations</b>	To recognise and respond to the ongoing and increasing demand for generic and specialist IAA services in North Norfolk.
<b>Background papers</b>	 <p>North Norfolk Report April 2023 v2.pptx</p>

<b>Wards affected</b>	All Wards
<b>Cabinet member(s)</b>	Cllr. Wendy Fredericks
<b>Contact Officer</b>	Sonia Shuter, Early Help & Prevention Manager. <a href="mailto:sonia.shuter@north-norfolk.gov.uk">sonia.shuter@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Quality of Life

Medium Term Financial Strategy (MTFS)	No
Council Policies & Strategies	None

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	No
Details of any previous decision(s) on this matter	

## 16. CROMER - MARRAM'S BOWLS CLUB, PROPOSED REDEVELOPMENT

145 – 204

<b>Executive Summary</b>	<p>The Council own the premises leased to and occupied by Marrams Bowls Club on Runton Road, Cromer.</p> <p>The Club is managed by Trustees.</p> <p>The external elements of the premises are in dis-repair and will require major capital expenditure by NNDC to consolidate the building structure and ongoing revenue cost to then maintain.</p> <p>In this paper the potential to demolish part of the property and to refurbish and reconfigure the Clubhouse into a reduced area has been considered and both plans and costs have been provided by external architects and quantity surveyors.</p> <p>The recommended option would provide the opportunity to create a newly refurbished clubhouse and a new bespoke area for up to 3x separate income producing concessions.</p>
<b>Options considered</b>	<p>The following options have been considered as being possible and implementable;</p> <ol style="list-style-type: none"> <li>1. Termination of the current lease and closure of the Club to provide for redevelopment - discounted</li> <li>2. Demolition of the whole and development of a new Clubhouse and restaurant at first floor level – not viable.</li> <li>3. Demolish the whole and re-use for concessions and re-provide putting concession – discounted as</li> </ol>

	<p>loss of bowls amenity</p> <ol style="list-style-type: none"> <li>4. Reduced scale of repairs (roof and windows) – discounted as doesn't meet net zero priorities</li> <li>5. Demolition of part and refurbishment of the Clubhouse to provide new community club facilities and space for concessions viable scheme (the recommended scheme).</li> <li>6. Disposal to tenants or 3<sup>rd</sup> party - discounted</li> </ol>
<b>Consultation(s)</b>	<ol style="list-style-type: none"> <li>1. Planning – the proposal to redevelop or refurbish has been discussed at a high level with the planning team and conservation officer</li> <li>2. Several meetings have been held with senior Club members to discuss the options and they have seen the plans for refurbishment being Option 4 above.</li> <li>3. Local Members are aware of the proposals albeit at a high level.</li> <li>4. The pitch &amp; putt tenant has been advised of the proposed plans.</li> </ol>
<b>Recommendations</b>	<p>It is recommended to Cabinet to approve:</p> <ol style="list-style-type: none"> <li>1)The proposal (Option 4) to redevelop the club house to respond to significant building repair needs</li> <li>2) Additional capital budget of £350,000 to fund the project alongside the £50,000 of Capital for roof repairs previous allocated.</li> <li>3)That should there be any further negotiations to the lease terms, to delegate to the Assistant Director Finance Assets Legal, s151 officer, in consultation with the portfolio holder, the ability to amend the lease terms.</li> <li>4) The surplus area to be marketed and let to concession operators</li> </ol>
<b>Reasons for recommendations</b>	<p>This recommendation is being made as it provides the best return on the capital to be employed in responding to repairs and maintenance issues at the property and supports the Councils Corporate Plan objectives.</p>
<b>Background papers</b>	<p>None</p>

<b>Wards affected</b>	<p>Cromer Town; Cllr Adams, Cllr Boyle</p>
<b>Cabinet member(s)</b>	<ol style="list-style-type: none"> <li>1) Finance, Estates &amp; Property Services; Cllr Shires</li> <li>2) Community, Leisure &amp; Outreach; Cllr Withington</li> <li>3) Climate &amp; Net Zero; Cllr Varley</li> <li>4) Sustainable Growth; Cllr Heinrich</li> </ol>
<b>Contact Officer</b>	<p>Renata Garfoot, Estates &amp; Asset Manager  <a href="mailto:Renata.garfoot@north-norfolk.gov.uk">Renata.garfoot@north-norfolk.gov.uk</a></p>

<b>Links to key documents:</b>	
Corporate Plan:	The proposals are linked to the following Corporate Plan priorities; <ul style="list-style-type: none"> <li>• Boosting Business Sustainability and Growth</li> <li>• Financial Sustainability and Growth</li> <li>• Quality of life</li> <li>• Climate, Coast &amp; the Environment</li> </ul>
Medium Term Financial Strategy (MTFS)	These proposals are linked to the MTFS in that any income generated from this building would be an entirely new income source for the Council and any new lease could pass other ongoing costs to the tenant(s)/concession holders
Council Policies & Strategies	The proposals in this report are linked to the Asset Management Plan 2018 and fully support the policies in that plan. Net Zero Strategy and Action Plan.

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	The Exempt Appendix provides information that is commercially and financially sensitive.
Details of any previous decision(s) on this matter	None

## 17. EXCLUSION OF PRESS AND PUBLIC

To pass the following resolution:

- a. 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 3 of Part I of Schedule 12A (as amended) to the Act.”
- b. That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:

Agenda Item Number	Paragraph of Part 1 Schedule 12A
16	3

Information relating to the financial or business affairs of any particular

person (including the authority holding that information). The appended report contains commercially confidential information.

**18. PRIVATE BUSINESS**

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## CABINET

Minutes of the meeting of the Cabinet held on Monday, 5 June 2023 at the Council Chamber - Council Offices at 10.00 am

### Committee

#### Members Present:

Cllr W Fredericks (Deputy Chair)	Cllr L Shires
Cllr T Adams (Chair)	Cllr A Brown
Cllr H Blathwayt	Cllr P Heinrich
Cllr C Ringer	Cllr A Varley
Cllr L Withington	

#### Members also attending:

Cllr C Cushing

#### Officers in Attendance:

Chief Executive, Democratic Services Manager, Assistant Director for Finance, Assets, Legal & Monitoring Officer, Director for Resources / S151 Officer, Assistant Director for Sustainable Growth and Environmental Services Manager, the Planning Policy Manager

## 1 MINUTES

The minutes of the Cabinet meeting held 6<sup>th</sup> March 2023 were agreed as a correct record and signed by the Chairman.

## 2 PUBLIC QUESTIONS AND STATEMENTS

None received.

## 3 DECLARATIONS OF INTEREST

Cllr L Shires declared an interest regarding Agenda item 8. She said that she was part of a group that had received a grant from Nourishing Norfolk for a community supermarket.

## 4 ITEMS OF URGENT BUSINESS

None received.

## 5 MEMBERS' QUESTIONS

The Chairman advised Members that they could ask questions throughout the meeting as matters arose.

## 6 RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE

There were no recommendations from the Overview & Scrutiny Committee to Cabinet.

## 7 NOURISHING NORFOLK PROGRAMME

The Chairman said that following previous announcements and the Cost of Living Summit, he was pleased to confirm that funding of £60,000 would be released to support the development of food hubs across the District. He said that regular progress updates would be provided to monitor the use of the funding. He added that facilities had already opened in Wells and Sheringham and there were plans to open more in North Walsham, Cromer and Stalham.

Cllr W Fredericks thanked the Leader for bringing this forward. She asked if it was a one-off payment. The Chairman replied that it was a one-off payment to start the provision, after which it would become self-sustaining in those locations.

## **8 TEMPORARY LETTING ACCOMMODATION - GOVERNMENT CONSULTATION**

The Chairman invited Cllr A Brown, Portfolio Holder for Planning & Enforcement, to introduce this item.

Cllr Brown explained that the report sought Cabinet's support to agree a response on behalf of the Council to two consultations proposing to introduce new regulations in relation to the use of dwellings as temporary letting accommodation. He said that it had 'crept upon' the Council over the election period. He said that it was long overdue. It was in reference to short term holiday lets and second homes registration and explained that the current system for logging second homes in the District was quite ad hoc and used a number of methods. Therefore, a mandatory national registration scheme was welcomed and it would assist with planning in the District and help identify where the majority of second homes were located. He said that it was curious that it didn't extend to second homes and change of use in terms of planning. It was also odd that it was a cheap option to roll out the permitted development system across the country. He said that economies of scale had clearly come into play. Cllr Brown concluded by saying that the proposals were broadly welcomed and it was likely that the outcome would not come into effect for a while, probably not until the next Government was in place.

The Chairman invited the Planning Policy Manager to speak. He said that there were two proposals, related to each other.

1. Registering holiday accommodation
2. New change of use requirement for some types of holiday accommodation

He said that it was disappointing that the consultation largely side-stepped the issue of second homes. The fact it specifically referred to temporary letting accommodation, meant that second home-owners who did not let out their homes, would sit entirely outside the registration scheme and the change of use requirement. He said it was possible that there would be a further, separate consultation on second home issues. He concluded that broadly, the Council was supportive of the proposals.

The Chairman sought clarification that the Government was seeking to introduce a new change of use category for some temporary letting accommodation but that this would be dealt with via permitted development, without permission. The Planning Policy Manager replied that the Government was intending to alter the change of use class order to say that temporary letting accommodation would require planning permission but then introducing a nationwide permitted development right to grant permission. The mechanism for Local Authorities to go through to secure control would be to serve an Article 4 Direction which removes the permitted development allowance granted by Government. He said that the Council's response had

requested a straightforward route for introducing the need for planning permission for the change of use of a property.

The Chairman said it was recognised that holiday lets brought value to the District and acknowledged that they contributed to the local economy. He asked if there was value in the proposals without additional policies in the National Planning Policy Framework (NPPF) allowing local authorities to set a ceiling on the number of holiday lets. He said a locally controlled number was the key.

The Planning Policy Manager agreed saying that there were two stages. The first was to allow control to be exercised locally through the need for planning permission. The second was to determine how to exercise these controls via planning policy. He said that at some point members would have to consider what policies to apply and whether to set thresholds in some parts of the District, such as the Area of Outstanding Natural Beauty (AONB). Such decisions should be made locally not nationally.

Cllr H Blathwayt said that he was supportive of the 30 day option rather than 60 or 90 days. He said he couldn't see the sense in limiting camping on a field to 28 days but allowing homes to be let for 60 or 90 days.

Cllr W Fredericks thanked officers for their work on this. She said that it was a half-hearted attempt to out something out into the public domain on holiday lets.

It was proposed by Cllr A Brown, seconded by Cllr T Adams and

## **RESOLVED**

To respond to the consultations as outlined in Appendix A to the report

Reason for the decision:

To support government proposals to introduce a more effective regulatory framework for the use of dwellings for purposes other than as principal residences and hence give local authorities better tools to manage the potential impacts of such uses.

## **9 MANAGING PERFORMANCE QUARTER 4 AND CUMULATIVELY FOR 2022/2023**

The Chairman introduced this item. He explained that the report provided an overview of progress towards achieving the objectives in the Corporate Plan and wider corporate performance around core service delivery during the year. He said that good progress was being made and he was pleased to confirm that the dispute between Serco and Unison had now been resolved and the focus was now on service improvement, carbon reduction and revenue growth.

He said that there were currently 65 households in temporary accommodation, reflecting ongoing challenges regarding housing issues. The works in North Walsham town centre were now reaching a conclusion ahead of schedule and the Cedars and the public toilets were nearing completion too, with works commencing on the lokes soon.

There were no adverse Ombudsman decisions in 2022/2023 which was to be welcomed. Work was underway on the next carbon-busting project as well as the

sea defence schemes.

He welcomed continued funding for the Community Connector team and said that their work was very well received.

The Chairman concluded by saying that planning performance continued to be exemplary.

It was proposed by Cllr T Adams, seconded by Cllr W Fredericks and

## **RESOLVED**

To note the report and endorse the actions being taken by the Corporate Leadership Team as detailed in Appendix A.

Reason for the decision:

To ensure that the objectives of the Council are met and service performance is monitored.

## **10 PURCHASE OF TWO ADDITIONAL REFUSE COLLECTION VEHICLES**

Cllr C Ringer, the Portfolio Holder for IT, Environmental Services & Waste, introduced this item. He began by explaining that the report outlined the requirement for allocation of capital funding for the purchase of two new refuse collection vehicles for the commercial and garden waste collection services delivered by Serco on behalf of the Council. The additional vehicles would bolster the ability to provide extra capacity, following an increase in demand for both trade and garden waste collection. It would be funded via a combination of borrowing, residual capital budget, plus a revenue contribution of £50k. There was also a buffer for inflationary pressure. It was hoped to use Serco's pre-allocated build slots to ensure that the vehicles were built soon and would be in use by the end of the year. He added that the Council was continuing to explore how to access sources of HVO fuel from ethical providers and it was hoped that these avenues would also be in place soon.

The Environmental & Safety Manager confirmed that the Council was currently in dialogue with Serco regarding HVO fuel and the vehicles could run on it with no additional conversion costs.

The Chairman invited members to speak:

Cllr C Cushing said that the process for the setting of the Annual Budget required all departments to submit bids for large scale projects and he queried why the purchase of these waste vehicles had not been included in the Budget for this year. The Director for Resources replied that she did not know why a capital bid was not submitted, it was possible that at the time of the budget setting, officers did not realise that additional vehicles were required. The Chairman added that garden waste collection was currently increasing by 1500 requests a year and with the limited availability of build slots for vehicles, the Council needed to act quickly to ensure that capacity could be maximised as soon as possible.

Cllr L Shires, Portfolio Holder for Finance & Assets, said that she welcomed Cllr Cushing's question and she shared his concerns about requesting such a large sum of money so soon after the budget had been agreed. She said that she had a number of questions.

- Section 2.3 – prices being valid for a limited time – could a specific timescale be provided
- Section 2.6 £200k per year was listed for garden waste, could clarity be provided on the £500k for trade waste – was this annually or over a 5 year period.
- Section 3.1 – doing nothing resulting in a deteriorating service, no timeline was provided. An indication of when this would start would be helpful.
- Section 11.1 – how are we estimating demand if we are already at capacity
- Section 11.2 – which financial year is it anticipated that borrowing would ‘land’ in

The Environmental & Safety Manager said that quotes were valid for 1 – 2 months. To provide context, he explained that, when similar vehicles were ordered in 2020, they were £50k less than the current price. Regarding the £500k for trade waste, he said that it was a total budget increase from 5 years ago.

Serco were currently providing additional vehicles and this was tied into their current waste collection round reorganisation process, for which they had borne the costs. It was intended that a similar process would be followed for garden waste collection rounds later in the year and this was one of the reasons that this was going forwards now. Serco had not undertaken a review of the garden waste rounds at the point when a capital bid could have been submitted in time for the budget setting process. Cllr Shires commented that the reorganisation was intended to streamline the service and make it more environmentally friendly but if this had led to requiring additional vehicles, she was not convinced that the reorganisation of garden waste services would not also result in requiring additional vehicles. The Environmental & Safety Manager replied that the requirement for additional vehicles was purely down to customer growth. It was not possible to serve all of the additional customers with the current number of vehicles. Regarding the collection of trade waste, Serco had miscalculated the impact of trying to include some of this on the domestic rounds and this had caused some of the capacity issues, which had led to the loss of customers.

The Director for Resources replied to the question regarding borrowing and confirmed that it would be a year after the vehicles were purchased. It would be internal borrowing as this was how other vehicles had previously been purchased. It was anticipated that revenue income would cover the borrowing costs. In response to a further question from Cllr Shires, she confirmed that borrowing would commence in 2025/26.

Cllr Shires asked about projections for growth and sought clarification on whether this was due to increases in price or an increase in customers, she added that there were no projections for future increases in income included in the report. In conclusion, she said that a large part of the business case seemed to be missing.

The Environmental & Safety Manager said that customers for garden waste had increase by 1500 every year. Regarding trade waste, it was a competitive market and prices had been raised recently. This had led to the loss of some customers but the Council’s reputation for reliability had meant that the customer base had remained relatively stable, however, with reduced capacity this was no longer the case, and it was increasingly likely that more customers would opt to leave the service if capacity did not improve soon.

The Chief Executive said that the decision needed to be seen in the context of the

Council's service provision and the anticipated statement by Government about waste strategy moving forward. He said that the purchase of the vehicles was a sound investment and it would strengthen and protect the Council's service delivery. He added that for the reasons outlined in the report and subsequently by the Environmental & Safety Manager, it was considered to be a good investment at this time and the advice was to proceed.

Cllr P Heinrich asked when Serco had identified the need for these vehicles. He then asked whether the service could be delivered without these vehicles. The Environmental & Safety Manager replied that he believed that the service could not be delivered reliably and to the expected standard without these additional vehicles. He added that Serco had had instability in their local management in the last 12 – 18 months and this had impacted on how they had approached the matter and consequently it only came to light as a serious request after the budget had been agreed for this year. Cllr Heinrich replied that the constant churn in managers at Serco gave him cause for concern. He said how could the Council be confident that what was being proposed would actually work. The Environmental & Safety Manager replied that officers had assessed it closely and fully supported the proposals.

Cllr A Brown commented that there was a good case for the proposal going to Governance, Risk & Audit Committee (GRAC) and he queried why this had not been considered. He said that interest rates were quite volatile and he wondered what mitigation was in place if the Council proceeded and borrowing rates increased. The Director for Resources replied that the current rate for external borrowing would be 5.09% from the Public Works Loan Board (PWLb). However, it was hoped that it could be covered via internal borrowing so that interest rates would not be a concern, other than lost income from investments.

Cllr Brown asked whether the anticipated increase in income would cover the loss of investment income. The Director for Resources confirmed that this was the case.

Cllr Brown said that he felt there was a risk to the Council financially and that it should go to GRAC for consideration. The Chief Executive confirmed that there was an upcoming meeting of GRAC if members wished it to be included on the agenda for that meeting. Cllr Brown proposed that the risk elements of the proposal were considered at the next meeting of the Governance, Risk & Audit Committee. This was seconded by Cllr Shires and supported by Cabinet.

Cllr Shires asked whether the new vehicles would be shared across the partnership. The Environmental & Safety Manager replied that the only vehicle that was shared was for clinical waste collection as this was such a small, specialist service.

It was proposed by Cllr T Adams, seconded by Cllr C Ringer and

## **RESOLVED**

To recommend to Full Council an addition to the Capital programme of £385,000 to purchase two new refuse collection vehicles and that the £385,000 be added to the residual £65,000 that is left over from the original budget to purchase refuse vehicles from 2019 to date.

That Cabinet recommend to Full Council that the purchase be funded by borrowing of £335,000 and a revenue contribution of £50,000.

That Governance, Risk & Audit Committee assesses the risk element of the proposals at the meeting on 13<sup>th</sup> June 2023

Reasons for the decision:

To ensure the Council can meet customers' expectations and provide a service that can keep up with the continuing increase in demand for garden and commercial waste collection services. To ensure statutory duties around waste collection can be fulfilled. To support the future growth in revenue generating services.

## **11 STALHAM HIGH STREET TASK FORCE**

The Chairman opened this item by explaining the background to the report. He explained that Stalham had been selected as a suitable town for an investigation into the opportunities for improving the health, vitality and viability of its town centre. A successful application was made in 2022 for a government-funded scheme and the Council subsequently progressed the initiative. A meeting took place in March with the appointed consultants and relevant stakeholders and subsequently a report was prepared, entitled 'Unlocking Your Place Potential'. In the lead up to the preparation of the HSTF initiative, representatives of Stalham Town Council (STC) and Stalham Business Forum (SBF) were engaged to agree the scope of the activities. Through the 'Unlocking Your Place Potential' study, representatives of Stalham Neighbourhood Development Committee, the Museum of the Broads, New Anglia Local Enterprise Partnership and Norfolk County Council were involved, alongside officers and members from NNDC and representatives of STC and SBF. The Chairman said that it was important that this partnership approach was fostered, so that local priorities could be identified. There was still a lot of work to do but the report set out a path towards a defined project.

The Portfolio Holder for Sustainable Growth, Cllr P Heinrich, said that the High Streets Task Force report clearly set out the key issues that needed to be addressed which were capacity, leadership and partnership working. The focus now was on bringing all the key organisations and stakeholders together to hopefully agree on a shared view about what needed to be done in the town. He added that the Council had learned from the North Walsham Heritage Action Zone project and he believed that this project could benefit from that.

It was proposed by Cllr P Heinrich, seconded by Cllr T Adams and

**RESOLVED**

To endorse the findings of the UYPP report and agree to the following actions:

- Continue to work with interested organisations in Stalham to progress options for supporting its town centre and local businesses operating there
- arrange a meeting in the summer to discuss the findings of the HSTF investigation and to develop a scope for future actions by the relevant stakeholders
- host a workshop in Stalham on improving local capacity, leadership and partnerships led by a High Streets Task Force expert that will consider governance and place management partnership structures, with an awareness of identified needs and potential future responsibilities
- following the workshop, act on the recommendations to establish a partnership with a timetable and cycle of meetings suitable to prepare a joined-up plan and coordinate future delivery

- evaluate the scope for a 'Place Making Programme' workshop to follow on from the above actions.

Reasons for the decision:

To support the further exploration of ways for Stalham's town centre to be improved.

## 12 NORTH NORFOLK HYDROGEN STUDY

The Portfolio Holder for Sustainable Growth, Cllr P Heinrich, introduced this item. He began by explaining that increasing consideration was being given to the potential of the Bacton Energy Hub playing a major role in the UK's future energy security strategy as our national economy looks to transition to Net Zero, moving away from reliance on natural gas to sources of low carbon and renewable energy including hydrogen and carbon capture and storage. He said that the District Council therefore needed to understand the implications and opportunities presented for the future of the Bacton Energy Hub site through commissioning some research into how hydrogen production and carbon capture and storage might be accommodated on the site and understand the potential benefits which might be realised for the North Norfolk economy through such investments in terms of jobs, training, supply chains etc. The report therefore recommended that the District Council established a budget to commission some research reports into the future opportunities for the Bacton Energy Hub site. It would be a very hi-tech site with good potential for additional employment opportunities.

The Chief Executive said that by commissioning research into the future opportunities for the Bacton Energy Hub site, the Council could take an informed and proactive position in engaging with investors proposing investment at the site to produce hydrogen and in the storage of carbon in depleted offshore gas fields in the southern North Sea. He added that there were some public concerns regarding the production of hydrogen at the site and it was intended that the research would look at all project proposals for the site and that the Council could then take an informed position of the opportunities and implications of such proposals for Bacton. He added that there was no suggestion that hydrogen produced at the site would be used for local transport distribution.

Cllr A Varley, Portfolio Holder for Climate Change and Net Zero, said that it was an ambitious project that would enable the Council to lead the way on sustainable, renewable energy provision. It would also provide 'green' jobs in the future, which was to be welcomed.

It was proposed by Cllr A Varley, seconded by Cllr P Heinrich and

### **RESOLVED:**

To establish an initial budget as detailed in the exempt appendix funded from the Corporate Plan Delivery Plan Reserve to commission a piece of independent research of the opportunities being proposed for the future of the Bacton Energy Hub site, particularly as a location for the production of hydrogen and the capture and storage of carbon, in order that the Council can take an informed position with respect to these significant proposals in support of the UK's Net Zero ambitions.

Reason for the decision:

To position North Norfolk strongly in respect of developing proposals for the Bacton



Energy Hub to make a significant contribution to the UK's Net Zero strategy and ambitions.

**13 EXCLUSION OF PRESS AND PUBLIC**

**14 PRIVATE BUSINESS**

The meeting ended at 11.03am

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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](#).

<b>Subject</b>	<b>Description</b>
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
<b>Sponsorship</b>	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.
<b>Contracts</b>	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>
<b>Land and Property</b>	<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>
<b>Licenses</b>	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
<b>Corporate tenancies</b>	<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>
<b>Securities</b>	<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>

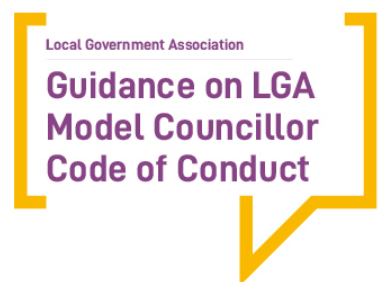
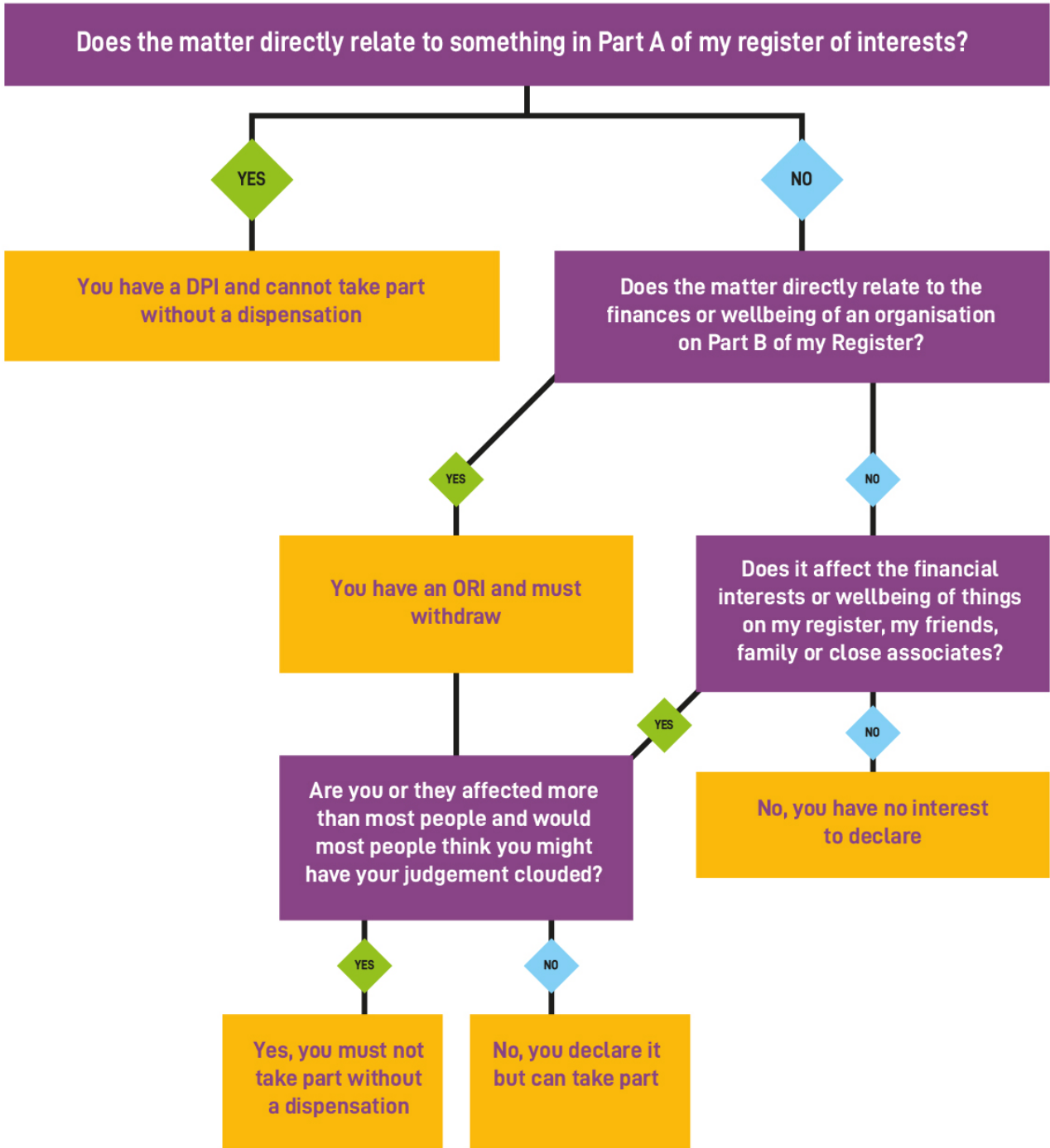
	spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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\* 'director' includes a member of the committee of management of an industrial and provident society.

\* '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"><li>a) any body of which you are in general control or management and to which you are nominated or appointed by your authority</li><li>b) any body<ul style="list-style-type: none"><li>(i) exercising functions of a public nature</li><li>(ii) any body directed to charitable purposes or</li><li>(iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)</li></ul></li></ul>
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<b>Corporate Plan 2023 – 2027</b>	
Executive Summary	<p>Following the District Council elections on 4<sup>th</sup> May the Cabinet and Corporate Leadership Team have worked to develop a new Corporate Plan which sets out the intent and ambition of the authority for the period 2023 – 2027.</p> <p>The draft Corporate Plan document is now presented for formal approval by Cabinet and thereafter presentation to Full Council for adoption.</p>
Options considered	<p>The Council is required to publish a Corporate Plan.</p> <p>The development of this Plan reflects the priorities of the administration based upon their manifesto statements and looks to take forward new actions under the principal themes from the 2019 – 2023 Corporate Plan – particularly with respect to the environment and Net Zero, housing, the local economy, quality of life and engagement with our residents and communities.</p>
Consultation(s)	<p>The development of the new Corporate Plan has not in itself involved a specific process of consultation. The Plan has been developed recognising those critical issues facing North Norfolk and its communities and reflects the priorities of the incoming council administration for the period 2023 – 2027. These issues are not new and will involve the Council working with established partners to develop responses to these challenges. The Corporate Plan is a high level document setting out the priorities of the Council over the next four years, with specific project proposals and interventions developed to address those challenges being the subject of engagement and consultation in the months ahead.</p>
Recommendations	<p>That Cabinet resolves to:</p> <ol style="list-style-type: none"> <li>1. Agree the content of the draft Corporate Plan 2023 – 2027 as a statement of the Council’s intent and ambition for the term of this Council administration.</li> <li>2. Authorises the Chief Executive, in consultation with the Leader of the Council, to agree any minor revisions and changes to the final draft of the Corporate Plan document and thereafter the format / design of the document for publication, following adoption by Full Council.</li> <li>3. That Cabinet publishes an Action Plan detailing how the objectives detailed in the Corporate Plan will be delivered / achieved to its November 2023 meeting.</li> </ol> <p>That Cabinet recommends to Full Council:-</p> <ol style="list-style-type: none"> <li>4. That Full Council adopts the Corporate Plan 2023 – 2027.</li> </ol>
Reasons for recommendations	<p>The Corporate Plan details the Council’s ambitions and intent for the next four years. It will provide the framework and context for the Council’s service provision, project</p>

	<p>interventions and resource allocation (financial and staffing) for the period through to 2027.</p> <p>The Plan 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.</p>
Background papers	No background papers were used in the preparation of this report.

Wards affected	All
Cabinet member(s)	Cllr Tim Adams, Leader of the Council
Contact Officer	<p>Steve Blatch, Chief Executive</p> <p>Tel:- 01263 516232</p> <p>Email: steve.blatch@north-norfolk.gov.uk</p>

<b>Links to key documents:</b>	
Corporate Plan:	Not applicable – this report proposes a new Corporate Plan
Medium Term Financial Strategy (MTFS)	The adoption of a new Corporate Plan will inform future revision of the Medium Term Financial Strategy
Council Policies & Strategies	The adoption of a new Corporate Plan will inform future revision / adoption of council policies and strategies

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	Public business item.
Details of any previous decision(s) on this matter	New Corporate Plan to reflect the priorities of the Council during the period 2023 - 2027

## **1. Purpose of the report**

- 1.1 To propose a new Corporate Plan for the Council for the period 2023 – 2027.

## **2. Introduction & Background**

- 2.1 The Corporate Plan is a key document which details the Council's ambitions and intent for the four-year term of this Council administration. It is a high-level document which details the Council's priorities and will then inform service provision, project interventions and the allocation of staff and financial resources to deliver against those priority issues and themes over the lifetime of this Council.

- 2.2 The Corporate Plan details the Council's ambitions and priority areas of focus and attention. However, alongside delivery of actions in support of the Corporate Plan objectives, many of the Council's staff and resources will be focused on the delivery of "core" or statutory services around which there is some choice as to service standards but little real discretion over the need to provide.
- 2.3 The Council's performance in these "core" service areas will be the subject of performance monitoring and "benchmark" reporting in addition to reporting on the progress the Council makes in delivering against its Corporate Plan objectives in quarterly performance reports.

### **3. Proposals and Options**

- 3.1 Following the District Council elections held on 4<sup>th</sup> May, the Council's new Cabinet has shared its priority areas of focus for the next four years with the Corporate Leadership Team and work has been undertaken to refine key ideas and proposals in to a high level Corporate Plan, which is now attached at Appendix A of this report.
- 3.2 The Plan has a headline strapline and overarching statement of intent, as follows:-

#### **Putting North Norfolk and its Communities First**

We will be a Council green to its core, focussed on supporting the communities of North Norfolk; particularly our rural villages, businesses, those affected by the housing crisis and the challenges facing our unique environment.

- 3.3 This statement of intent is then supported by five principal themes, being:-

- **Our greener future**
- **Developing our communities**
- **Meeting our local housing need**
- **Investing in our Local Economy and Infrastructure**
- **A strong, responsible and accountable council**

- 3.4 Following approval and adoption of the Corporate Plan, work will commence on the development of a more detailed Action Plan for this year and next (2024/25) which will outline those projects and interventions the authority might seek to take forward to address the challenges faced by the District under each of the priority themes over the next 21 months – particularly in the 204/25 year. It is proposed that this will be an inclusive process with some initial work being progressed by officers over the July / August period and then some member / officer workshops for each theme held in September before a draft Action Plan is presented as a pre-Scrutiny item to the Overview and Scrutiny Committee meeting on 11<sup>th</sup> October and then the final draft Action Plan documented presented to Cabinet for approval at its meeting to be held on 6<sup>th</sup> November.
- 3.5 Agreement of the Action Plan will then inform a revision of the Council's Medium-Term Financial Strategy and the 2024/5 budget process, so that the

focus of the Council's activity and resources in the future are clearly aligned to the Corporate Plan priorities.

#### **4. Corporate Priorities**

4.1 Early agreement of a new Corporate Plan for the four-year term of this Council administration will provide a clear public context for the Council's priority actions and allocation of resources – both staff and finances for the next few years.

4.2 Agreement of the new Corporate Plan will therefore provide the context for the development of new policies and strategies and inform future financial and investment decisions to be made by the authority on projects and initiatives moving forward. The Corporate Plan is therefore a key document for the authority as it looks to plan for the next four years.

#### **5. Financial and Resource Implications**

5.1 Agreement of a new Corporate Plan will assist with the Council's financial planning through informing a revision to the Medium Term Financial Strategy and preparation of the 2024/25 and future years budgets.

5.2 Preparation of the new Corporate Plan itself will not involve significant direct costs beyond senior management time, which has been scheduled to support this process following the May elections. There will then be some wider requirement for officer time in the development of the Action Plan over the period July – October this year but this will provide the context for where staff and financial resources will be directed in the future.

5.3 There are no direct costs associated with the preparation of the new Corporate Plan itself; any project proposals identified through the Action Plan process will require the development of business cases and allocation of resources in their own right in due course.

#### **6. Legal Implications**

6.1 The Council is required to produce a Corporate Plan detailing its priorities and focus in seeking to address the challenges and opportunities in its area. The Corporate Plan is a high level document and does not in itself raise any legal issues which require consideration at this time. As individual project proposals are developed due consideration will need to be given to any legal issues arising through procurement, land and premises, employment issues etc.

#### **7. Risks**

- 7.1 The development of a new Corporate Plan does not in itself raise any risks for the authority. As individual project proposals are developed each will be required to consider any risks involved and where these are significant a project risk register developed and regularly reviewed. Any significant “corporate” risks would be escalated and included in the Corporate Risk Register.

## **8. Net Zero Target**

- 8.1 The challenges of climate change and the Net Zero agenda and the Council’s proposed response feature prominently in the new Corporate Plan; with specific objectives outlined. Detailed project proposals which seek to address the Net Zero challenge will be included in the Action Plan as well as there being an over-arching narrative and requirement for the Council to consider Net Zero objectives in all of its activities and actions moving forward.

## **9. Equality, Diversity & Inclusion**

- 9.1 The development of a new Corporate Plan does not in itself raise any issues in respect of equality, diversity and inclusion although a number of the key themes of community engagement, housing, the economy, and quality of life seek to address equality and diversity issues across the District.
- 9.2 As the Corporate Plan Action Plan is developed over the period July – October proposals will be assessed against an Equality Impact Assessment to ensure that the implications of any proposals on equality, diversity and inclusion are properly understood.

## **10. Community Safety issues**

- 10.1 This report does not raise any issues relating to Crime and Disorder.

## **11. Conclusion and Recommendations:-**

Following the District Council elections on 4<sup>th</sup> May the Cabinet and Corporate Leadership Team have worked to develop a new Corporate Plan which sets out the intent and ambition of the authority for the period 2023 – 2027.

The draft Corporate Plan document is now presented for formal approval by Cabinet and thereafter presentation to Full Council for adoption.

**It is recommended that Cabinet resolves to:**

- 1. Agree the content of the draft Corporate Plan 2023 – 2027 as a statement of the Council’s intent and ambition for the term of this Council administration.**
- 2. Authorises the Chief Executive, in consultation with the Leader of the Council, to agree any minor revisions and changes to the final draft of the Corporate Plan document and thereafter the format /**

**design of the document for publication, following adoption by Full Council.**

- 3. That Cabinet publishes an Action Plan detailing how the objectives detailed in the Corporate Plan will be delivered / achieved to its November 2023 meeting.**

**It is further recommended that Cabinet recommends to Full Council:-**

- That Full Council adopts the Corporate Plan 2023 – 2027.**

**LOGO**

# **Corporate Plan 2023 -2027**

**Putting North Norfolk and its Communities First**

A Council placing the environment and our communities at the heart of everything we do, particularly our rural villages, businesses, those affected by the housing crisis and the challenges facing our unique environment.

## Leader's introductory statement

To be developed for meeting of Full Council to be held on 19<sup>th</sup> July 2023 reflecting on discussions of Cabinet on 29<sup>th</sup> June and Overview and Scrutiny Committee on 12<sup>th</sup> July 2023.

final draft



## Contextual Information/Infographics

The infographic datasets to be included here are being developed alongside the process of approving the draft Corporate Plan at the Cabinet meeting of 29<sup>th</sup> June and Overview and Scrutiny Committee meeting to be held on 12<sup>th</sup> July 2023.

final draft

# **Our Priorities.....**

**Our Greener Future**

**Developing our communities**

**Meeting our local Housing Need**

**Investing in our Local Economy and Infrastructure**

**A Strong, Responsible and Accountable Council**

Final draft

# Our Greener Future

We will continue our work to create a cleaner, greener and zero-carbon future for North Norfolk.

## Continue our journey to Net Zero

- Continuing our own annual emissions reductions to reach Net Zero by 2030
- Introducing significant new projects which deliver on our Net Zero ambitions
- Supporting homeowners upgrade the environmental performance of their homes.
- Continuing to invest in the Council's property portfolio to reduce carbon impact.
- Promoting measures to reduce emissions from transport and increase active travel
- Protecting and enhancing the special landscape and ecological value of North Norfolk whilst improving the biodiversity of the district
- Strengthening the ability for local communities to deliver on local environmental ambitions and priorities.

- Continuing to pursue government and external funding for new green initiatives.
- Providing carbon literacy training for all staff and members to better inform council decisions and promote community understanding.

## Tackle environmental waste and pollution

- Using the National Waste and Resources Strategy implementation and any additional funding available to maximise recycling and reduce waste through the introduction of new streams, such as food waste collections for every household.
- Taking the strongest action to combat and prevent environmental crimes, such as fly-tipping
- Engaging with businesses, residents and partners to develop campaigns, actions and investment in infrastructure to reduce waste and litter

- Identifying solutions to nutrient neutrality that will enable key watercourses to remain healthy ecosystems, whilst ensuring necessary development can take place

## Protect and Transition our Coastal Environments

- Realising the opportunities of external funding to secure a sustainable future for our coastal communities through transition and adaptation responses.
- Implementing the Cromer and Mundesley Coast Protection Schemes.
- Continuing our programme of investment in coastal and resort infrastructure and amenities, building on the progress made in recent years.
- Working with local communities and organisations to reduce plastic in the environment and achieve 'Plastic Free' status for our coastline

# Developing our Communities

We will develop our work to support confident, engaged, resilient and inclusive communities.

## Engaged and supported individuals and communities

- Ensuring that people feel well informed about local issues, have opportunities to get involved, influence local decision making, shape their area and allow us to continue to improve services they receive.
- Ensuring that the needs of harder to reach groups are not overlooked; through identifying, understanding and removing the barriers that might hinder engagement with the council.
- Supporting our communities to become more resilient, self-reliant, inclusive and embrace their diversity

## Increase accessibility and inclusion for all

- Building upon our declared statement of wanting to make North Norfolk more accessible and inclusive for all.

- Continuing our record of investment in the provision of inclusive public toilet facilities.
- Creating active environments for all ages and abilities.
- Continuing to deliver the Sustainable Communities Fund, focussing on community activities for all.

## Promote Culture, Leisure and Sports activities

- Championing North Norfolk as a place where residents and visitors can enjoy inclusive cultural opportunities and healthy leisure and sports activities.
- Continuing to support cultural assets across the District to provide cultural opportunities for all.
- Working with partners to support and develop participatory and community sports and cultural events.

- Developing further the leisure facilities provided across the District

## Promote health, wellbeing and independence for all

- Tackling the COVID legacy of loneliness and isolation felt by those most impacted across our communities.
- Growing the work done in reaching out to our communities and provide additional focus to the work being undertaken to support the most vulnerable.
- Working with partners to promote healthy lifestyles and address the health inequalities faced by our communities.

# Meeting our Housing Need

We will seek to meet the challenges of local housing need.

## Address housing need

- Supporting the delivery of more affordable housing, utilising partnership and external funding wherever possible.
- Developing our prevention and support services to those who are at risk of losing a secure home
- Increasing our portfolio of Temporary Accommodation to support residents in crisis.
- Innovating to bring new types and tenures of homes to the District

- Working with partners to deliver more rural exception sites.
- Meeting the specific housing needs of our elderly and vulnerable residents.
- Working with national, regional and local partners to support the needs of refugees.

## Tackle the impact of second homes and holiday lets

- Continuing the work we have done to represent the District over second homes, advocating for a fair proportion of the taxation which will be spent on

affordable homes and related infrastructure provision.

- Ensuring the efficient collection of taxes on second homes and holiday lets.

## Promote best use of housing stock and good housing standards

- Working harder to bring empty homes back into use.
- Continuing the high-profile work done to tackle unscrupulous landlords/ poor quality housing during the cost of living crisis.

# Investing in our Local Economy and Infrastructure

We will create an environment where businesses thrive and prosper, supporting jobs and economic opportunity for all

## An environment for business to thrive in

- Working with our Market and Resort Towns to reinforce their roles as local service centres, centres of employment, financial services and business activity, served by public transport
- Providing support to allow rural businesses to thrive, recognising that many of our larger employers operate outside of our main towns.
- Looking to maximise the benefits to our business community of the UK Shared Prosperity and Rural England Prosperity Funds.
- Continuing to promote North Norfolk's diverse tourism and visitor offer
- Working with partners locally and nationally to deliver increased

sustainability in marine industries and develop a sustainable and equitable blue economy that delivers ocean recovery and local prosperity

## Skills for jobs

- Promoting innovation and workforce development throughout the district.
- Promoting improved access to post 16 vocational education
- Continuing to provide apprenticeships opportunities, directly as a large local employer and promoting uptake in the wider business economy.

## Infrastructure to support growth

- Exploring opportunities for securing development of our few brownfield sites.

- Seeking to maximise the potential from the local implications of the transition towards hydrogen and carbon capture, use and storage (CCUS) at the Bacton Gas site
- Acting as a digital champion to promote investment to address our competitive disadvantage through broadband and mobile connectivity challenges.
- Influencing issues of water scarcity and constraints in the local electricity distribution network
- Ensuring an adequate supply of serviced employment land and premises to support local business growth and inward investment

# A Strong, Responsible and Accountable Council

We will ensure the Council maintains a financially sound position, seeking to make best use of its assets and staff resources, effective partnership working and maximising the opportunities of external funding and income.

## Quality customer service

- Developing our self-service options so that customers can do business with us 24/7 to enable the most efficient transactions
- Providing support for all residents, focussing on equality, understanding and respect
- Improving communication with residents via all communication channels
- Reviewing contract and partnership arrangements to ensure the most appropriate and efficient means of delivering services to our diverse communities and customers.
- Reviewing service delivery arrangements so as to realise efficiencies without compromising service standards and outcomes

## Effective and efficient delivery

- Managing our finances and contracts robustly to ensure best value for money
- Continuing a service improvement programme to ensure our services are delivered efficiently
- Delivering services that are value for money and meet the needs of our residents
- Ensuring that strong governance is at the heart of all we do.
- Creating a culture that empowers and fosters an ambitious, motivated workforce
- Exploring opportunities to work further with stakeholders and partner organisations

## Maximising opportunity

- Investing in projects which deliver financial returns and/or contribute to our wider objectives around Net Zero, business and jobs, community facilities and infrastructure
- Reviewing our parking management contract to ensure we are realising all opportunities to generate revenue from these assets.
- Increasing the rates of occupation on all council's commercial properties
- Maximising external grant funding to deliver the Council's corporate objectives
- Investigating the implementation of a Tourist Tax to finance the provision and maintenance of visitor infrastructure so that the costs do not fall directly on local Council Tax payers/ making sure tourism pays for itself.

# Our Key Actions 2023 -2024

## Green to our core

- Deliver the solar car port at the Reef
- Develop a response to the Waste and Resources Strategy
- Local Plan examination
- Launch CoastWise
- Commence delivery of Cromer and Mundesley Coast Protection Schemes

## Developing our Communities

- Encouraging those in our communities eligible for financial support through the benefits system to claim all they are entitled to
- Delivery of new/ refurbished toilets at North Walsham Sheringham and Holt
- Promote the development of Neighbourhood Plans
- Develop an Active Environments Strategy
- Further develop and embed our Youth Council work
- Develop a Rural Strategy
- Submit quality bids to available Government funding opportunities

## Meeting Housing Need

- Develop XX (to be agreed) affordable housing units
- Deliver the Councils contracted commitment under the Local Authority Housing Fund
- Working with partners, agree a programme of investment in local housing initiatives, funded through the local Second Homes Council Tax premium. Deliver additional units of Temporary Accommodation

## Investing in our Local Economy and Infrastructure

- Deliver the Stalham High street Task Force Action Plan
- Facilitating the provision of at least one Banking Hub in the district as a model to retain access to cash and financial services in our key settlements
- Commission a study into the potential Hydrogen production at the Bacton Energy hub
- Prepare an Economic Growth Strategy
- Launch the Virtual Business Support Hub



**A Strong, Responsible and Accountable Council**

- Ensure the Council's annual accounts are audited in a timely manner
- Facilitate Corporate Peer Challenge and prepare response to any recommendations made
- Review and prepare and options appraisal for the management of the car park service

- Advertise and let the Cedars building in North Walsham
- Ensure our customer service delivery model reflects current and future customer needs
- Complete implementation of the Planning Service Improvement Plan
- Develop a new People and Workforce Strategy in support of the Council's objectives and priorities

final draft

## **Our proposed future actions.....(for 2024 and beyond)**

To be agreed through member / officer workshops for each of the themes to be staged in September 2023, followed by pre-Scrutiny in October 2023 and then agreement / sign off by Cabinet at its meeting of 6<sup>th</sup> November 2023.

final draft

<b>2022/23 Outturn Report</b>	
<b>Executive Summary</b>	<p>This report presents the provisional outturn position for the 2022/23 financial year which shows a General Fund overspend of ££0.782m, which is made up of a £0.261m revenue services' overspend and a £0.561k income shortfall in retained business rates.</p> <p>This report also presents the Council's capital programme outturn position.</p> <p>Details are included within the report of the more significant year-end variances compared to the current budget for 2022/23. The report also makes recommendations for contributions to reserves.</p> <p>The report provides a final budget monitoring position for the 2022/23 financial year. The report makes recommendations that provide funding for ongoing commitments and future projects.</p>
<b>Options considered</b>	<p>The revenue outturn position as of 31 March 2023 shows an overall overspend of £0.782m. The final position allows for £1.137m from budget and grant underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments in 2023/24. This draft outturn position will form the basis for the production of the statutory accounts, which will then be subject to audit by the Council's external auditors.</p>
<b>Consultation(s)</b>	<p>None – This is a factual report of the financial year end position for 2022/23.</p>
<b>Recommendations</b>	<p><b>Members are asked to consider the report and recommend the following to Full Council:</b></p> <ul style="list-style-type: none"> <li><b>a) The provisional outturn position for the General Fund revenue account for 2022/23;</b></li> <li><b>b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2023/24 budget;</b></li> <li><b>c) The deficit of £0.261m relating to service overspends be funded from the General Reserve;</b></li> <li><b>d) The deficit of £0.561m relating to retained business rates be funded from the Business Rates Reserve;</b></li> <li><b>d) The financing of the 2022/23 capital programme as detailed within the report and at Appendix D;</b></li> <li><b>e) The balance on the General Reserve of £2.649m;</b></li> <li><b>f) The updated capital programme for 2023/24 to 2025/26 and scheme financing as outlined within the</b></li> </ul>

	<p>report and detailed at Appendix E;</p> <p>g) The roll-forward requests as outline in Appendix F are approved.</p> <p>h) The transfer of £0.500m from the Delivery Plan Reserve to a new reserve 'Net Zero Initiatives' set up specifically to fund projects, initiatives and works to achieve net zero.</p> <p>i) The Provision of Temporary Accommodation capital budget for 2024/25 and 2025/26 of £0.250m per year be moved into 2023/24 giving a total budget of £0.750m in 2023/24 and that this be funded by temporary borrowing until it can be replaced by preserved right to buy capital receipts</p>
<b>Reasons for recommendations</b>	To approve the draft outturn position on the revenue and capital accounts used to produce the statutory accounts for 2022/23.
<b>Background papers</b>	Budget report, Budget Monitoring reports, NNDR3 return

<b>Wards affected</b>	All
<b>Cabinet member(s)</b>	Cllr Lucy Shires
<b>Contact Officer</b>	Tina Stankley Director of Resources <a href="mailto:Tina.Stankley@north-norfolk.gov.uk">Tina.Stankley@north-norfolk.gov.uk</a> 01263 516439

<b>Links to key documents:</b>	
Corporate Plan:	Financial Sustainability and Growth
Medium Term Financial Strategy (MTFS)	The outturn position will have an impact on the Reserve Balances, which will become the revised starting balances for the MTFS
Council Policies & Strategies	

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	
Details of any previous decision(s) on this matter	

## 1. Purpose of the report

- 1.1 This report presents the provisional outturn position for the 2022/23 financial year which will be used to inform the production of the Council's statutory accounts, which will be subject to audit ahead of presentation to the Governance, Risk and Audit Committee (GRAC).

## 2. Introduction & Background

- 2.1 The draft statements should have been published by the 31 May, with the 30-day public inspection commencing after that. Whilst the Finance Team, with support from services throughout the authority, have worked hard and made every effort to meet this deadline it has not been possible. The team has been under-resourced for some considerable time and the effects of this are now being seen e.g. missing this deadline. This is an issue at a national level and only a third of all Councils have met this deadline for 2022/23.
- 2.2 A notice has been published on the Council's website to inform readers about the delay. Work continues so that the accounts can be published as soon as possible. The external audit of the 2022/23 accounts is scheduled to commence in late summer with a view to taking them to the Governance, Audit and Risk Committee in December to be signed off.
- 2.3 The outturn position for the year ending 31 March 2023 is a net £0.782m deficit. This report recommends funding the 2022/23 deficit from the General Reserve (£0.261m) and the Business Rates Reserve (£0.521m). The contents of this report will be considered by the Overview and Scrutiny Committee on 12 July 2023.
- 2.4 The Council's General Fund Reserve balance at the year-end after funding the deficit of £0.261m is shown below

<b>General Fund:</b>	<b>£'m</b>
<b>Opening balance as at 1 April 2022</b>	<b>2.946</b>
Approved use of the reserve	(0.036)
Closing balance before use to fund the deficit	2.910
Use of reserve to fund the	(0.261)
<b>Closing balance as at 31 March 2023</b>	<b>2.649</b>

- 2.5 The report also includes a current forecast position statement on the level of reserves along with the outturn and financing position for the 2022/23 capital programme. The capital programme for the period 2023/24 to 2025/26 has been updated to take account of the outturn position and is included within this report and appendices.
- 2.6 All budgets have been monitored during the year by both Service and Finance Officers with regular reports being presented to both Cabinet and Overview and Scrutiny. The period 10 budget monitoring report was presented to Cabinet in February which covered the first 10 months of the year up to the end of January 2023. The Period 10 report was forecasting a General Fund overspend of £0.603m.

- 2.7 Officers have managed their budgets in what has been an extremely difficult year. During the year the Council were faced with
- The long-term impact of COVID-19 e.g. addressing backlogs of Environmental Health inspections which could not be carried out but still needed to be done.
  - The impact of the volatile and unstable global economy with shortages in components for all sorts of products as countries began to come out lockdown.
  - The start of the Russian invasion of Ukraine resulting in shortages of various commodities e.g. wheat, cooking oil, oil
  - The shortages in supply triggering spiralling inflation in many areas
    - Salary inflation budgeted at 2% with the actual being an average of around 6% creating a budget pressure of nearly £0.500m
    - Construction costs and construction materials
    - Contract costs
    - Utility costs
  - The cost-of-living crisis which has placed pressure on budgets that are demand led.
- 2.8 This situation and the impacts on costs were recognised when reporting the outturn position for 2021/22. At its meeting on 5 October 2022 full Council approved that the net £0.616m surplus should be added to the General Fund Reserve and set aside to help offset the impacts of the issues that were being faced during 2022/23 (as outlined in paragraph 2.7).
- 2.9 The 2022/23 Period 4 budget monitoring report initially forecast a General Fund deficit of £0.9m. However this has been managed down during the year, which has been helped with some additional grants being received to fund demand led budgets, alongside proactive management of budgets e.g. holding vacancies and recovery of benefits overpayments.

### **3. Revenue Account – Outturn 2022/23**

- 3.1 The revenue account position for the year shows a deficit arising from revenue services' activity of £0.261m and a deficit arising from a reduction in retained business rates income of £0.561m, giving an overall deficit of £0.782m as detailed at Appendix A. This is after allowing for transfers to Earmarked Reserves for current and known commitments (£1.137m).
- 3.2 The transfers to and from reserves that have been made during the year are made in line with the Council's policy framework for Earmarked Reserves as approved as part of the annual budget setting process. Earmarked Reserves are typically used to set aside funds for known or specific liabilities. Transfers to Earmarked Reserves have been made for the following:
- A) Where an underspend has occurred within a service, mainly due to the timing of work not being completed as planned (by 31 March 2023), and where no future budget exists or where there is a one-off commitment that continues into the 2023/24 financial year.
  - B) Where external funding has been received in 2022/23 for which the expenditure has not yet been incurred.

- C) Where the 2022/23 budget allowed for expenditure to be funded from an Earmarked Reserve, but the spend has not yet been incurred as planned and therefore the funds remain in the Earmarked Reserve until 2023/24.

### 3.3 Estimates included in the Accounts.

The provisional outturn position includes some significant figures which are subject to external audit, these are in relation to Benefit Subsidy and Business Rates Retention. These are subject to change as the production of the Statement Accounts progresses and during the audit.

- 3.4 **Benefits Subsidy** - The Benefit Subsidy return was completed and submitted on 17 May 2023 and will be subject to external audit review later in the year. Depending on the outcome from the external audit review, there could be an impact on the overall financial position; for example, there may be a subsidy repayment due to the Department for Work and Pensions. The Council holds a Benefits Earmarked Reserve to mitigate any such impact.
- 3.5 **Business Rates** - Under the current system 50% of the business rates is retained locally - the County's share is 10% and the district's share is 40% with the balance (50%) being returned to Central Government. The budget for the year was informed by the baseline funding and the NNDR1 position. The outturn position is based on the NNDR3 Return. The draft NNDR3 Return was submitted to Government on 17 May 2023 and is subject to external audit as part of the final accounts audit, before being finalised.
- 3.6 The Council, as a billing authority, has a statutory obligation to maintain a separate Collection Fund. This Fund captures all the transactions of the Billing Authority in relation to the collection from taxpayers of Council tax and National Non-Domestic Rates (NNDR) and its distribution to Local Government bodies and Central Government. The precepts/shares of council tax and the respective shares of business rates collected are distributed to the respective authorities through the Collection Fund. Should the actual business rates income collected exceed or fall short of the anticipated amounts there would be a surplus or deficit on the fund respectively. As with the benefits subsidy, the Council keeps a Business Rates Earmarked Reserve to mitigate against any negative impacts of these arrangements.
- 3.7 Table 1 shows the main variances across the standard expenditure headings which comprise the Net Cost of Services. Details of the variances at the service level are provided at section 4.

2022 /23 Subjective Analysis	2022/23 Updated Budget	2022/23 Outturn	Variance	
	£000	£000	£000	%
Employee Costs	14,652	16,973	2,321	15.8
Premises	3,397	4,349	952	28.0
Transport Related Expenditure	312	300	(13)	(4.2)
Supplies & Services	12,078	12,348	270	2.2
Transfer Payments	19,848	19,424	(423)	(2.1)
Capital Financing Costs	4,134	2,457	(1,677)	(40.57)
Income	(32,328)	(35,586)	(3,257)	10.1
<b>Total cost of services</b>	<b>21,697</b>	<b>19,956</b>	<b>(1,741)</b>	<b>(8.0)</b>

3.8 The reasons for some of the movements included in the summary above are as follows, further details are included at section 4:

**A) Employee Costs** – Most of the variance on employee costs of £2.321m, relates to adjustments of £2.151m in current service costs on the Local Government Pension Scheme. This is a technical adjustment that has to be made in the accounts to comply with Accounting Standards. It reflects the difference between the cash contributions the Council has made into the Pension Fund during the year and the value of pensions accumulated in the year calculated by the actuary. As these additional costs are reversed out under net operating expenditure they have no bottom-line impact on the revenue outturn position although the increase is reflected in long term liabilities on the Balance Sheet.

In addition to this, other variances include savings of (£0.608m) on posts funded from reserves, (£0.624m) of additional employee costs being funded by grants and contributions and (£0.097m) of underspends on training budgets offset by employee inflation of £0.334m.

**B) Premises** – Some of the more significant areas of overspending were

- a. £0.315m on repairs and maintenance on the council's assets (including car parks, public conveniences, and temporary accommodation).
- b. £0.118m on Additional Sea Defences expenditure, however this is to be funded from the coastal protection reserve.
- c. £0.188m on higher than anticipated insurance premium increases due to revaluations.
- d. £0.273m on utility charges, of which £0.239m was for electricity.

**C) Transport** – Savings in mileage claims and vehicle insurance have been offset by higher fuel costs giving an overall net underspend of £13k.

**D) Supplies and Services** – The overall overspend relates to

- a. a net overspend of £0.567m on increased Bed and Breakfast costs (partly offset by Housing benefit and client contributions) – an impact of the cost-of-living crisis.
- b. £0.387m overspend on grants and contributions paid out, such as hardship grants, however these are funded from grants – an impact of the cost-of-living crisis.
- c. £0.152m overspend on the leisure contract, which is due to the contract being renegotiated during the year and whilst this increased the cost for 2022/23 it will reduce the cost in future years.
- d. (£47k) saving on insurances.
- e. (£54k) reduction in the provision for bad and doubtful debts.
- f. Planned use of reserves of (£0.588m) including Environmental Sustainability, Local Plan expenditure, and Community grants.

**F) Transfer Payments** – The underspend relates to the total of amount of housing benefits paid out in 2022/23 being lower than anticipated. However this is offset by a reduction in Subsidy received from the Department for works and Pensions (DWP).



**H) Capital Financing Costs** – The current General Fund position excludes the final capital adjustments; these do not have an impact of the Councils final outturn revenue position as they are reversed out.

**I) Income** – The favourable variance of (£3.157m) relates to various underspends offset by some areas of overspend.

- a. (£2.574m) Grant funding received in the year, which has been used to fund additional costs including staffing, and grants and contributions paid out.
- b. (£1.104m) Other recoverable charges relating to benefit overpayment debt and temporary accommodation costs.
- c. Service income including Car parks (£0.342m).
- d. Waste and recycling (£0.417m).
- e. £1.376m Housing Benefit Subsidy – of which £0.495m is due to a reduction in subsidy payment volume (see point F above). However there was a substantial shortfall of £0.714m in income. This relates to there being a cap or maximum amount that can be claimed in recoverable subsidy for costs of temporary accommodation costs.

#### **4. Revenue Account – Detailed Commentary 2022/23**

- 4.1 This section of the report highlights the more significant variances for direct cost and income when compared to the current budget. Further details can be found in Appendix B. Accounting standards require several notional charges to be made to service accounts e.g., capital charges, revenue expenditure funded from capital under statute (REFCUS) and pension costs, and whilst they do not have an impact on the surplus or deficit for the year, they are included for reporting purposes. Appendix A shows the overall revenue position including notional charges; however, to assist reporting and explaining 'real cash' variances, Table 2 provides a summary of the position excluding notional charges.

**Table 2 - 2022/23 Revenue Account  
(Excluding Notional Charges)**

	<b>Updated Budget £</b>	<b>Outturn £</b>	<b>Variance £</b>
<b>Service Area:</b>			
Corporate Leadership /Executive Support	365,763	41,539	(324,224)
Communities	9,245,202	7,828,651	(1,416,551)
Place and Climate Change	5,003,656	4,150,224	(853,432)
Resources	3,212,331	3,585,488	373,157
<b>Net Cost of Services</b>	<b>17,826,952</b>	<b>15,605,904</b>	<b>(2,221,048)</b>
Parish Precepts	2,724,873	2,724,972	99
Net Interest Receivable/ Payable	(991,120)	(1,282,349)	(291,229)
MRP - Waste Contract	562,500	661,723	99,223
Capital Financing	1,413,426	810,274	(603,152)
Contribution to /(from) Earmarked Reserves	(3,133,850)	78,372	3,212,222
Contribution to /(from) General Reserve	(100,330)	(35,826)	64,504
<b>Net Service Expenditure/Income to be met from government Grant &amp; Taxpayers</b>	<b>18,302,451</b>	<b>18,563,070</b>	<b>260,619</b>
<b>Government Grants and Council Tax</b>	<b>(18,302,451)</b>	<b>(17,781,505)</b>	<b>520,946</b>
<b>Net (Surplus)/Deficit for the year</b>	<b>0</b>	<b>781,564</b>	<b>781,564</b>

4.2 **Service Variances** – The following provides commentary of the more significant variances (over/under £50,000) across the different service areas, excluding those relating to capital charges and pension costs. Further detailed variance explanations are provided in the appendices. These figures represent service variances before any additional contributions to/(from) reserves and revenue contributions to capital.

<b>Service and Details</b>
<b>Corporate</b>
<b>Human Resources and Payroll –</b> £40k Employee costs due to pay increase, £12k Recruitment costs, (£53k) Training budget offered as a one-off saving as part of the 2023/24 budget process.
<b>Corporate Leadership Team –</b> £53k Employee costs due to pay increase, £19k Temporary Section 151 cover, and £16k recruitment costs.
<b>Corporate Delivery Unit –</b> (£43k) Employee savings due to vacant posts. (£13k) Savings on subscription budgets no longer required.
<b>Communities – Leisure and Environmental Health</b>
<b>Public Protection –</b> (£57k) Additional fee income including £49k in relation to Taxi Licencing which has to be ringfenced in an earmarked reserve.

<p><b>Leisure Complexes –</b>  £152k Additional contract management fees resulting from an in-year contract change.  £28k Higher Insurance premiums.</p>
<p><b>Other Sports –</b>  Net Mammoth Marathon costs £50k</p>
<p><b>Cromer Pier –</b>  £77k Higher insurance premiums.</p>
<p><b>Waste Management and Disposal –</b>  £170k Serco variable billing contract payments were higher than forecast.  £14k Additional consultancy fees.  (£277k) Additional service fee income.  (£118k) Returned gate fee and profit share from Norfolk Environmental Waste Services (NEWS) relating to 2021/22 and a request has been made to transfer this to an earmarked reserve 'Innovation Fund'. It is proposed that some of this be used to part fund the purchase of 2 refuse freighters required to meet growing demand. There is a separate report on this agenda for this.</p>
<p><b>Cleansing –</b>  (£103k) Savings in Serco cleansing contract relating to one-off events.</p>
<p><b>Communities - People Services</b></p>
<p><b>Benefits Administration –</b>  £92k Additional staffing costs offset by grants.  (£138k) Grants received from the DWP to offset additional costs of legislative changes and service improvements.  (£28k) Additional administration subsidy.</p>
<p><b>Homelessness –</b>  £257k Temporary accommodation costs offset by additional subsidy (£579k) and client contributions. Additional grant income has been allocated to fund staffing costs in the wider People Services department.</p>
<p><b>Housing Options –</b>  £151k Additional staffing costs offset by grant funding.</p>
<p><b>Community –</b>  £345k Additional staffing funded by grant Income. This includes the Community Connectors and Homes for Ukraine support.  £1.364m Additional community grants with underspends being transferred to reserves so that it can be spent in future years.</p>
<p><b>Place and Climate Change – Planning</b></p>
<p><b>Development Management –</b>  (£27k) Employee costs.  £60k Legal fees.  £11k Subscriptions.  £21k Lower fee income.</p>
<p><b>Planning Policy –</b>  (£35k) Staff turnover savings.  (£210k) Slippage in Local Plan expenditure which is offset by a reduced contribution from the New Homes Bonus reserve.  (£36k) Consultancy costs.</p>
<p><b>Conservation Design and landscape –</b>  (£31k) Temporary posts not recruited.  (£49k) Conservation area appraisals funded from the General reserve. (  £10k) Contributions no longer payable.</p>

<b>Place and Climate Change – Economic Growth</b>
<p><b>Coast Protection –</b>  £117k Additional Sea Defence expenditure funded from reserves. Coastal Transition Accelerator Programme (CTAP) employee costs covered by grant income. Surplus income to be earmarked for CTAP activities.</p>
<p><b>Environmental Strategy –</b>  (£20k) Employee savings due to vacant posts – reserve funded.  (£187k) Tree Planting underspend of which £120k has been previously approved is carried forward to fund legacy projects in 2023/24 and future years.  (£20k) Professional fees relating to the Green Build event, partially offset by reduced fee income of £14k.</p>
<p><b>Coastal Management –</b>  (£152k) Funded employee costs not recruited.</p>
<b>Resources – Finance, Assets and Legal</b>
<p><b>Revenue Services –</b>  £60k Movement in the Provision for bad and doubtful debts.  (£461k) Grant income including some residual Covid-19 funding.</p>
<p><b>Benefits Subsidy –</b>  (£174k) Movement in the provision for Bad and doubtful debts.  £495k Reduced Housing Benefit payments made in 2022/23 offset by reduced subsidy claimed from the DWP.  £714k The subsidy shortfall relates to irrecoverable subsidy on temporary accommodation.  (£308k) net movement in relation to benefit overpayments.</p>
<p><b>Admin Buildings –</b>  £105k Electricity,  £10k Gas,  £17k Insurance Premiums,  £37k Contract Cleaning,  £43k Repairs and maintenance</p>
<p><b>Corporate Finance –</b>  (£44k) Budgeted apprentice posts not recruited.  £35k Agency staff cover.  £11k Subscriptions.</p>
<p><b>Investment Properties –</b>  £31k Electricity (Rocket House and Other Lettings),  £14k Insurance Premiums (Other Lettings),  £77k Repairs and maintenance mainly on the Rocket House.  £62k Additional Rental and service charge income (£34k) for Rocket House and (£23k) Other Lettings</p>
<p><b>Corporate and Democratic Core –</b>  £40k Audit Fees (19/20 payment made in 22/23).  Supplies and Services including,  £18k Bank Charges,  £14k Consultancy Fees,  £30k Other Professional Fees,  £71k Contributions of which £67k is funded from Business Rates reserve i.e. (Enterprise Zone).</p>

<b>Resources – Organisational Resources</b>
<p><b>Car Parking –</b>            £198k Premises related expenditure including utilities, rent and repairs and maintenance.            (£314k) Additional income including ticket income and penalty notices.</p>
<p><b>Public Conveniences –</b>            £139k Premises related expenditure including insurance premiums, utilities, rent and repairs and maintenance.</p>

### **Non-Service Income and Expenditure**

- 4.3 The non-service expenditure and income predominantly relates to investment income (interest and dividends). The original income budget for 2022/23 was £1.149m, but the actual investment income for the year was £1.449m. This favourable variance £300k is due to actual interest rates (actual averaging 3.53%) being higher than those anticipated when setting the budget (average rate assumed at 2.68%).
- 4.4 Borrowing costs were £165k, which were £19k higher than the budget of £146k. This was due to the interest rates being higher than anticipated, the amount of borrowing undertaken was as anticipated. All borrowing was short-term borrowing (less than 1 year duration) and was undertaken to meet shortfalls in its cash flow to fund its operations and capital programme.
- 4.5 The full details of the Treasury Management activity and performance for the year are contained in a separate report on this agenda. Significant points to note though, are that £9.419m was withdrawn from the Council's investment in pooled funds. This was done to manage the cashflow in the longer-term following a request at short notice for the repayment of COVID-19 Grant from the Government. The Council has brought the level of its pooled fund investments down to £22.581m. As at the 31st March 2023, the Council has loans invested with Housing Associations to the value of £2.332m. but with good cash flow planning the Council should be able to balance any costs of borrowing with the interest earned on its investments.

### **Retained Business Rate Income**

- 4.8 The Council re-joined the Norfolk Business Rates Pool again in 2022/23. This is beneficial for all authorities within the Pool.
- 4.9 Accounting for Business Rates collection is a complex area as it involves three financial years and contributions to and from other external organisations over this time too. In addition to the normal complexities, there has been the impact of the additional COVID 19 pandemic grants to account for. The Council received grants from central government to redistribute as additional reliefs to the retail hospitality & leisure and nurseries sectors. This was to support businesses during the COVID 19 pandemic national lockdown. The value of this relief totalled £10m for the North Norfolk District in 2020/21. Although full compensation was provided to the authority by the government

through section 31 grants, the timing has meant that there has been a deficit created in the Collection Fund and this is still working its way through the accounts. Due to cash flow problems being experienced by Local Authorities during the pandemic, the Government paid over the entirety of the section 31 grant, whereas normally an Authority would only receive its proportionate share. The local share due to North Norfolk District Council is 40% of the grant received, and the remaining 60% was accrued in anticipation of returning it to Central Government. The grant has been repaid during 2022/23.

- 4.10 There are large variances on Retained Business Rates due to the timing difference between Section 31 grant being received and being accounted for, and the accounting for the Council's share of the deficit on the Collection Fund. This grant money was transferred to the Business Rates Reserve to offset the anticipated deficit which would affect the Council in the 2022/23 financial year alongside normal monies held in reserve.
- 4.11 The year-end position is that there is a deficit of £0.521k for Retained Business Rates Income when the actual outturn is compared to the budget. It is proposed to fund this deficit from the Business Rates Reserve. However this is the draft calculated position and may be subject to change once the calculations have been checked during the closure of accounts process which will follow on from the producing the outturn position.

## **5. Reserves**

- 5.1 The Council holds a General Reserve for which the recommended balance for 2022/23 is £2.1 million. The purpose of holding a General Reserve is to provide a working balance to help cushion the impact of uneven cash flows and to provide a contingency to help cushion the impact of unexpected events or emergencies.
- 5.2 The outturn position for the year ending 31 March 2022 was a net £0.616m surplus and at its meeting on 5 October 2022 full Council approved that it should be added to the General Reserve in order to help offset the impacts of pay and inflation at above budgeted levels in 2022/23, resulting from the volatile and unstable global economy (the reaction to the impact of COVID-19 and the war in Ukraine). This report recommends funding the 2022/23 deficit from the General Reserve and that it should be met from the 2021/22 surplus £0.616m set aside to meet this.
- 5.2 In addition to the General Reserve the Council holds several Earmarked Reserves that are held to meet known or predicted liabilities. The Earmarked Reserves also provides a means at the year-end for carrying funds forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists.
- 5.3 There are several Earmarked Reserves that have balances, yet the timing of the use of the reserve is yet to be agreed. For example, the Business Rates reserve which is held to negate any negative impacts on the General fund resulting from business rates appeals awarded.
- 5.4 Section 4 of the report has highlighted several service areas where an underspend has occurred in the year and a transfer to reserves had been made to ensure funds are available to meet future spending commitments.

Unlike capital budgets, underspends on revenue budgets in the year are not automatically rolled forward at the year-end where there is an annual budget provision. Where the underspend represents a grant received which has not yet been fully utilised or there has been a delay in the planned use, the unspent grant has been rolled forward.

5.5 The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. This appendix outlines the purpose of each reserve and shows the planned use over the current four-year budget period. The updated budget projections were forecasting a movement of (£3.234m) out of earmarked reserves. At outturn the final transfer made was £42k inwards, resulting in a variance of £3.276m the most significant movements are as follows.

- **Business Rates Reserve** – Business rates shortfall after final accruals (£0.521m) – please note this is not yet reflected in the Reserves position.
- **Coast Protection** - (£0.117m) Additional Sea defence expenditure. Grant roll forward request re CTAP funding programme.
- **Grants Reserve** - £0.404m – This relates to residual COVID grants which had unspent balances as of 31<sup>st</sup> March 2023.
- **Delivery Plan Reserve** – £1.415m, Capital financing and slippage in funded posts.
- **Housing Reserve** - £0.711m - lower than budgeted transfer out of this reserve to fund staffing costs. Grant roll forward requests totalling £0.593m have been transferred to this reserve.
- **Restructuring & Invest to Save Reserve** - (£0.336m) 2022/23 Capital financing.
- **Planning** – £0.149m Staffing savings earmarked for use in 2023/24 budget.
- **New Homes Bonus** – £0.160m Slippage in Local Plan expenditure.

5.7 The General Reserve balance as of 31 March 2023 stands at £2.910 million, which is above the minimum recommended balance. The funding of the deficit of £0.261m has not yet been actioned in the General Reserve. This will reduce the balance to £2.649m which is still above the minimum recommended balance.

## 6. Capital Programme 2022/23

6.1 This section of the report presents the financing of the capital programme for 2022/23, together with the updated programme for the financial years 2023/24 to 2027/28. Appendix D provides the detail of the outturn for the 2022/23 capital programme for all service areas and variances prior to any adjustments to the original year budgets. The updated capital programme for 2023/24 to 2027/28, after all carry forwards and bringing back of budgets, have been done together with the financing for all schemes is attached at Appendix E.

6.2 The outturn position for the 2022/23 capital programme at Appendix D, highlights where schemes have variances that need to be reprofiled between years. The reasons for reprofiling include where schemes have not

progressed as originally planned, and the funding is requested to be carried forward to the new financial year.

- 6.3 In total the expenditure on the capital programme for the 2022/23 year was £6.862m compared to an updated 2022/23 budget of £16.337m giving an underspend of £9.475m. This is the draft outturn position as at 31<sup>st</sup> March 2023 before any reprofiling has been done. The 'Updated Budgets' shown in Appendix D are the latest approved budgets.
- 6.4 The significant underspend is attributable to multiple factors. Some projects have not progressed as far as originally planned due to delays in confirming the finances available to budget managers. This was due to resource issues within the Finance Team meaning that there wasn't anyone with the knowledge and expertise in Capital to cover this area of work. This issue is being resolved as interim resource has been brought in and there is currently a recruitment campaign underway to appoint permanent staff.
- 6.5 The financing of the capital programme is as below. Details of the Capital Expenditure and the financing for 2022/23 can be found in Appendix D.
- Expenditure was funded by:
- £2.516m of capital receipts,
  - £1.835m of grants,
  - £1.754m of contributions
  - £0.810m from reserve allocations.
  - (£0.054m) Prior year adjustment to the borrowing which has been applied in financing the 2022/23 programme.
- 6.6 There were four capital projects outstanding from 2021/22 that were completed in 2021/22 and so the 2022/23 budget was not required. These were:
- The Car Park Ticket Machine Replacement Programme.
  - Steelworks Protection to Victory Pool and Fakenham Gym
  - Fakenham Gym
  - The Splash Gym Equipment
- 6.7 Capital receipts generated from the sale of assets during 2022/23 were:
- £1.671m earned from the sale of the Parklands site.
  - £0.417m from the sale of Property (7-9 Bridewell Street).
  - £0.778m from Right to Buy sales relating to the Council's old housing stock.
- 6.8 For schemes which did not complete in 2022/23 and where there was an underspend of the 2022/23 budget allocation, the unspent budgets have been rolled forward into 2023/24. The significant capital roll-forwards (i.e., over £100k of slippage) can be found in the table below and are detailed in Appendix E.
- 6.9 Within the capital programme there is capital expenditure planned for 2023/24 to 2025/26 of £250k per annum for the provision of temporary accommodation. It was planned to fund these through the use of preserved Right-to-buy capital receipts. There is a need for this accommodation now and so it is proposed that the expenditure is all moved into 2023/24 and that in the short term the expenditure is funded by borrowing if there is a short in



capital receipts. Then, moving forward the capital receipts can be applied to reduce the borrowing requirement until such time as the borrowing reduces to zero. This is included as a recommendation for Cabinet.

**Table 3 - Budget Slippage from 2022/23 to the 2023/24 Capital Programme over £100,000**

<b>Capital Project</b>	<b>2022/23 Budget rolled-forward into 2023/24</b>
Cornish Way Industrial Units	£140,120
Public Conveniences Improvements (Net budget remaining across full scope of programme)	£248,964
CPO of Long-Term Empty Properties	£434,294
Fakenham Urban Extension	£1,780,000
Loans to Housing Providers	£150,000
Property Acquisitions	£704,784
Community Housing Fund	£1,335,160
S106 Enabling	£1,425,000
Coastal Adaptations	£244,990
Cromer Pier – Infrastructure Steelworks	£576,087
The Reef Leisure Centre	£139,727
Cromer Coast Protection Scheme	£3,316,936
Mundesley – Refurbishment of Coastal Defences	£2,760,927
3G Facilities at North Walsham & Fakenham	£847,570

## **7. Capital Programme 2022/23 Update**

- 7.1 Appendix E shows the updated capital programme for the period 2023/24 to 2027/28 as it currently stands. The capital programme has been updated to reflect the slippage identified within this report, together with the capital outturn position. It also includes schemes which have already received formal approval by Cabinet (up to the last Cabinet meeting), the 2023/24 budget report and P10 monitoring report which went to full Council in March 2023.

## **8. Medium Term Financial Strategy**

- 8.1 The content of this report includes details of budgets which will support the medium-term financial strategy through the revised capital programme and movements in reserves.

## **9. Proposals and Options**

This is a factual report that outlines the financial position at the year-end for the financial year 2022/23. There are proposed recommendations for Cabinet to make to full Council on 12 July 2023. The approval of these recommendations will enable the Council to maintain its strong financial position in the coming years.

**10. Corporate Priorities**

Delivering services within budgets enables the Council to maintain its strong financial position and maintain a robust level of reserves that may be required to address future unforeseen events.

**11. Financial and Resource Implications**

11.1 This report is of a financial nature and the financial implications are included within the report content.

**12. Legal Implications**

12.1 There are no legal implications as a direct consequence of this report

**13. Risks**

13.1 Financial risks are identified within the report content

**14. Net ZeroTarget**

*The Council's Net Zero Strategy & Action Plan requires all decisions to be assessed and tested for consistency against the Net Zero 2030 Strategy & Climate Action Plan. Please confirm that this has been undertaken and provide any details.*

**15. Equality, Diversity & Inclusion**

*Under equality legislation, the Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and to promote equality. Please ensure that you have referred to the Council's Equality, Diversity & Inclusion Strategy and outline whether there are any implications of the decision you are proposing. If the report is in relation to a key decision, an equality impact assessment should be undertaken and referenced as a background document. Any issues identified as a result of the impact assessment should be outlined here.*

**16. Community Safety issues**

*If the proposals are likely to have any impact on community safety issues, they should be referenced here.*

**17. Conclusion and Recommendations**

17.1 Members are asked to consider the report and recommend the following to Full Council:

1. The provisional outturn position for the General Fund revenue account for 2022/23
2. The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2023/24 budget
3. Use £0.261k of the General Reserve to cover the deficit of £0.261k that is the position at the year-end for 2022/23
4. The financing of the 2022/23 capital programme as detailed within the report and at Appendix D

5. The balance on the General Reserve of £2.649 million
6. The updated capital programme for 2023/24 to 2025/26 and scheme financing as outlined within the report and detailed at Appendix E
7. The roll-forward requests as outline in Appendix F are approved

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## General Fund Summary Outturn 2022/23

	2022/23 Base Budget £	2022/23 Updated Budget £	2022/23 Outturn £	2022/23 Outturn Variance £
<b>Directorate</b>				
Corporate Leadership/Executive Support	350,720	421,717	325,310	(96,407)
Communities	9,765,875	10,512,392	9,764,789	(747,603)
Place and Climate Change	5,530,289	6,368,062	5,290,215	(1,077,847)
Resources	5,967,695	4,393,405	4,574,958	181,553
<b>Net Cost of Services</b>	<b>21,614,579</b>	<b>21,695,576</b>	<b>19,955,273</b>	<b>(1,740,304)</b>
Parish Precepts	2,724,873	2,724,873	2,724,972	99
Capital Charges	(2,456,953)	(2,456,953)	(2,456,964)	(11)
Refcus	(1,677,167)	(1,677,167)	0	1,677,167
Interest Receivable	(1,136,652)	(1,136,652)	(1,448,107)	(311,455)
External Interest Paid	145,532	145,532	165,758	20,226
Revenue Financing for Capital:	1,173,426	1,413,426	810,274	(603,152)
MRP Waste Contract	562,500	562,500	661,723	99,223
IAS 19 Pension Adjustment	265,496	265,496	(1,892,404)	(2,157,900)
<b>Net Operating Expenditure</b>	<b>21,215,634</b>	<b>21,536,631</b>	<b>18,520,524</b>	<b>(3,016,107)</b>
<b>Contribution to/(from) the Earmarked Reserves</b>				
Capital Projects Reserve	0	0	0	0
Asset Management	5,466	(24,534)	(35,923)	(11,389)
Benefits	(32,303)	(32,303)	(23,426)	8,877
Building Control	0	0	0	0
Business Rates	(18,000)	(18,000)	(74,051)	(56,051)
Coast Protection	(62,422)	(62,422)	202,543	264,965
Communities	(275,000)	(275,000)	(163,226)	111,774
Delivery Plan	(2,117,608)	(2,117,608)	(702,392)	1,415,216
Economic Development & Tourism	0	0	34,800	34,800
Elections	50,000	50,000	83,015	33,015
Enforcement Reserve	0	0	(29,635)	(29,635)
Environmental Health	0	0	183,283	183,283
Grants	(51,476)	(141,476)	262,700	404,176
Housing	(544,192)	(544,192)	166,678	710,870
Legal	(29,612)	(29,612)	(30,871)	(1,259)
Major Repairs Reserve	280,000	150,000	258,772	108,772
New Homes Bonus Reserve	(160,000)	(160,000)	0	160,000
Organisational Development	(12,446)	(59,156)	(17,873)	41,283
Planning Revenue	0	0	198,965	198,965
Restructuring/Invest to save	130,453	130,453	(234,987)	(365,440)
Treasury Reserve	0	0	0	0
Contribution to/(from) the General Reserve	(76,043)	(100,330)	(35,826)	64,504
<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>18,302,451</b>	<b>18,302,451</b>	<b>18,563,070</b>	<b>260,619</b>
Collection Fund – Parishes	(2,724,873)	(2,724,873)	(2,724,973)	(100)
Collection Fund – District	(6,513,398)	(6,513,398)	(6,423,641)	89,757
Retained Business Rates	(7,206,520)	(7,206,520)	(6,725,157)	481,363
Revenue Support Grant	(93,540)	(93,540)	(93,540)	0
New Homes bonus	(886,575)	(886,575)	(886,575)	0
Rural Services Delivery Grant	(507,661)	(507,661)	(507,661)	0
Ctax Family Annex discount	0	0	(50,074)	(50,074)
Lower Tier Services Grant	(147,545)	(147,545)	(147,545)	0
Services Grant	(222,339)	(222,339)	(222,339)	0
<b>Income from Government Grant and Taxpayers</b>	<b>(18,302,451)</b>	<b>(18,302,451)</b>	<b>(17,781,505)</b>	<b>520,946</b>
<b>(Surplus)/Deficit</b>			<b>781,564</b>	<b>781,564</b>

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## Communities Directorate

## Environment and Leisure Outturn 2022/23

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Commercial Services</b>				
Employee Costs	285,530	306,004	20,474	£35,953 Pension Fund adjustments (current service costs). (£15,479) Employee costs due to vacant post and restructure.
Transport Related Expenditure	9,778	13,607	3,829	Higher mileage and fuel costs.
Supplies & Services	48,035	5,452	(42,583)	Professional fees not spent but are partially offset by lower income generation.
Internal Support Services	173,440	196,344	22,904	
Income	(24,500)	(3,546)	20,954	Reduction in fee income (partially offset by lower costs).
	<b>492,283</b>	<b>517,861</b>	<b>25,578</b>	
<b>Internal Drainage Board Levies</b>				
Premises	432,200	438,826	6,626	Higher inflation than budgeted.
Internal Support Services	250	292	42	
	<b>432,450</b>	<b>439,118</b>	<b>6,668</b>	
<b>Travellers</b>				
Premises	8,200	6,397	(1,803)	No Major Variances.
Supplies & Services	41,400	52,940	11,540	£5,832 Higher Operating Lease rental costs. £5,525 Rental of portable toilets.
Internal Support Services	6,940	8,888	1,948	
Capital Financing Costs	23,174	23,172	(2)	No Major Variances.
Income	(2,000)	(520)	1,480	No Major Variances.
	<b>77,714</b>	<b>90,876</b>	<b>13,162</b>	
<b>Public Protection</b>				
Employee Costs	168,745	202,395	33,650	£25,793 Pension Fund adjustments (current service costs). £4,782 Employee costs. £3,492 Training costs.
Transport Related Expenditure	4,389	3,270	(1,119)	No Major Variances.
Supplies & Services	28,825	33,487	4,662	£7,613 Licensing plates; £5,305 Professional Fees & Subscriptions; (£2,991) Fewer DBS checks; (£3,000) Advertising. Balance made up of other minor variances.
Internal Support Services	127,140	142,164	15,024	
Income	(202,100)	(259,038)	(56,938)	See <b>Note A</b> below:
	<b>126,999</b>	<b>122,278</b>	<b>(4,721)</b>	
<b>Note A:</b> (£4,707) Grant income - Pavement Licence; (£3,743) Higher general licensing income; (£49,074) Higher Taxi Licensing income - request to roll forward to an Earmarked Reserve.				
<b>Street Signage</b>				
Supplies & Services	12,000	4,995	(7,005)	Fewer street signs ordered and installed.
Internal Support Services	21,040	24,738	3,698	
	<b>33,040</b>	<b>29,733</b>	<b>(3,307)</b>	
<b>Environmental Protection</b>				
Employee Costs	561,515	701,130	139,615	£93,675 Pension Fund adjustments (current service costs). £45,940 Employee costs - back pay/inflation costs.
Premises	0	248	248	No Major Variances.
Transport Related Expenditure	22,493	28,524	6,031	Higher fuel costs.
Supplies & Services	98,120	83,680	(14,440)	See <b>Note A</b> below:
Internal Support Services	227,770	251,736	23,966	
Capital Financing Costs	52,962	52,968	6	No Major Variances.
Income	(45,000)	(83,630)	(38,630)	See <b>Note B</b> below:
	<b>917,860</b>	<b>1,034,657</b>	<b>116,797</b>	
<b>Note A:</b> (£3,500) Lower equipment R&M; (£23,507) Lower Professional Fees mostly in respect of Private Water Sampling (PWS); £10,215 Enforcement Board Works (to be funded from Reserve); £2,291 Subscriptions.				
<b>Note B:</b> £9,772 Lower income generated from PWS and risk assessments; (£18,516) Higher level of rechargeable income received in respect of Assisted burials and rechargeable works (£13,000) Ukraine Funding for accommodation checks - request to be rolled forward and used for staffing costs in 2023/24; (£16,000) Recovery of Fixed Penalty Notices - to be utilised as part of the Environmental Health budget savings bid in 2023/24 towards staffing costs.				
<b>Environmental Contracts</b>				
Employee Costs	297,261	357,626	60,365	£48,869 Pension Fund adjustments (current service costs). £12,607 Employee costs - back pay/inflation costs.
Transport Related Expenditure	12,463	13,324	861	No Major Variances.
Supplies & Services	1,275	4,480	3,205	No Major Variances.
Internal Support Services	(315,520)	(380,119)	(64,599)	
Capital Financing Costs	4,521	4,524	3	No Major Variances.
Income	0	165	165	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Corporate Health and Safety</b>				
Employee Costs	0	13,389	13,389	New post - funded by departmental restructure.
Transport Related Expenditure	0	72	72	No Major Variances.
Supplies & Services	0	378	378	No Major Variances.
Internal Support Services	0	(13,840)	(13,840)	
Income	0	0	0	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Markets</b>				
Employee Costs	16,486	17,473	987	No Major Variances.
Premises	35,914	27,050	(8,864)	Lower rental costs.
Supplies & Services	3,850	1,204	(2,646)	Bad Debts provision.
Internal Support Services	22,680	26,904	4,224	
Income	(40,000)	(35,631)	4,369	Lower income from traders.
	<b>38,930</b>	<b>36,999</b>	<b>(1,931)</b>	
<b>Parks &amp; Open Spaces</b>				
Premises	238,773	258,105	19,332	See <b>Note A</b> below:
Supplies & Services	72,500	74,836	2,336	Surveyor fees and signage.
Internal Support Services	127,370	141,848	14,478	
Capital Financing Costs	16,206	16,200	(6)	No Major Variances.
Income	(8,500)	(14,497)	(5,997)	Higher interest on grassed area deposits.
	<b>446,349</b>	<b>476,492</b>	<b>30,143</b>	
<b>Note A:</b> £26,172 Higher R&M costs - the majority of this relates to works at Cromer & Sheringham Yacht Ponds; (£9,921) Serco - Lower Grounds Maintenance costs. (£3,145) Lower rental costs; £6,605 Higher utility costs.				
<b>Foreshore</b>				
Employee Costs	19,787	22,671	2,884	£3,746 Pension Fund adjustments (current service costs). Offset by other minor variances in relation to Employee Costs.
Premises	104,876	100,588	(4,288)	(£30,026) Lower R&M costs; £25,738 Amenity lighting electricity costs.
Transport Related Expenditure	700	877	177	No Major Variances.
Supplies & Services	5,300	390	(4,910)	Equipment not purchased.
Internal Support Services	111,360	117,814	6,454	
Capital Financing Costs	27,880	27,876	(4)	No Major Variances.
Income	0	(1,063)	(1,063)	No Major Variances.
	<b>269,903</b>	<b>269,153</b>	<b>(750)</b>	
<b>Leisure Complexes</b>				
Employee Costs	0	(8,577)	(8,577)	Reimbursement of an insurance claim.
Premises	105,393	128,610	23,217	See <b>Note A</b> below:
Supplies & Services	36,553	195,943	159,390	See <b>Note B</b> below:
Support Services	90,150	103,394	13,244	
Capital Financing Costs	492,459	492,468	9	No Major Variances.
Income	0	(728)	(728)	No Major Variances.
	<b>724,555</b>	<b>911,111</b>	<b>186,556</b>	
<b>Note A:</b> £9,208 Higher R&M costs at Cromer Sports centre; £2,351 Higher Grounds Maintenance costs (Serco); (£19,793) Lower hall hire costs; £28,443 Higher Insurance premiums; £2,988 Higher utility/running costs.				
<b>Note B:</b> £151,687 Management Fees - change in contract in-year; £4,080 Equipment purchases; £2,950 Other professional fees - surveys at The Splash/Reef.				
<b>Other Sports</b>				
Employee Costs	42,349	33,694	(8,655)	(£11,940) Sports Development post now deleted from establishment in departmental restructure; £3,285 Marshalling at the Mammoth Marathon.
Premises	5,200	5,944	744	No Major Variances.
Transport Related Expenditure	0	67	67	No Major Variances.
Supplies & Services	33,200	115,920	82,720	£89,050 Costs associated with the Mammoth Marathon; (£8,400) Grants and professional fees not spent in year. Balance made up of other minor variances.
Internal Support Services	60,520	69,685	9,165	
Income	0	(42,305)	(42,305)	Fees income for Mammoth Marathon.
	<b>141,269</b>	<b>183,004</b>	<b>41,735</b>	



Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Recreation Grounds</b>				
Premises	6,400	5,625	(775)	No Major Variances.
Supplies & Services	6,000	7,861	1,861	No Major Variances.
Internal Support Services	3,410	4,180	770	No Major Variances.
Capital Financing Costs	5,632	5,628	(4)	No Major Variances.
Income	(1,000)	(1,090)	(90)	No Major Variances.
	<b>20,442</b>	<b>22,203</b>	<b>1,761</b>	
<b>Pier Pavilion</b>				
Employee Costs	0	779	779	No Major Variances.
Premises	9,000	10,012	1,012	£7,012 Higher R&M costs relating to fixed wire testing and pump servicing offset by (£6,000) Saving in utility costs.
Internal Support Services	25,770	30,316	4,546	
Capital Financing Costs	17,020	17,016	(4)	No Major Variances.
	<b>51,790</b>	<b>58,123</b>	<b>6,333</b>	
<b>Beach Safety</b>				
Premises	2,750	1,198	(1,552)	No Major Variances.
Supplies & Services	414,180	371,872	(42,308)	See <b>Note A</b> below:
Internal Support Services	69,990	80,828	10,838	
	<b>486,920</b>	<b>453,899</b>	<b>(33,021)</b>	
<b>Note A:</b> (£40,048) Lower Cleansing costs (Serco); £5,349 Higher management fee for RNLI (Lifeguarding) contract; (£12,423) R&M for Memorial seats not spent. £4,834 Misc. expenditure relating to Beach Safety - E.g. Blue Flag applications and beach signage. Balance made up of other minor variances.				
<b>Woodlands Management</b>				
Employee Costs	130,407	158,873	28,466	£22,091 Pension Fund adjustments (current service costs). £6,375 Employee inflation.
Premises	50,374	72,663	22,289	Higher R&M costs - includes tree safety works.
Transport Related Expenditure	21,182	25,284	4,102	Higher fuel costs.
Supplies & Services	12,450	20,579	8,129	Cost of events at Holt Country Park and signage at Pretty Corner Woods (partially offset by grant income).
Internal Support Services	152,570	169,082	16,512	
Capital Financing Costs	1,346	1,344	(2)	No Major Variances.
Income	(33,960)	(70,492)	(36,532)	See <b>Note A</b> below:
	<b>334,369</b>	<b>377,334</b>	<b>42,965</b>	
<b>Note A:</b> (£16,942) Higher income from Car Parking charges; (£4,264) Grant income; (£2,608) Events income; (£10,878) Rechargeable income from the Woodland Trust for Pretty Corner Woods.				
<b>Cromer Pier</b>				
Premises	122,140	188,032	65,892	(£10,701) Lower R&M costs; £76,562 Higher insurance premium.
Supplies & Services	4,000	190	(3,810)	Professional fees not spent.
Internal Support Services	97,720	107,636	9,916	
Capital Financing Costs	20,737	20,736	(1)	No Major Variances.
	<b>244,597</b>	<b>316,594</b>	<b>71,997</b>	
<b>Waste Collection And Disposal</b>				
Employee Costs	0	560	560	No Major Variances.
Supplies & Services	4,467,050	4,651,722	184,672	See <b>Note A</b> below:
Internal Support Services	472,660	539,381	66,721	
Capital Financing Costs	459,571	459,576	5	No Major Variances.
Income	(3,824,500)	(4,249,453)	(424,953)	See <b>Note B</b> below:
	<b>1,574,781</b>	<b>1,401,786</b>	<b>(172,995)</b>	
<b>Note A:</b> £169,783 Serco variable billing contract payments; (£21,714) NEWS contractor payments - change in price per tonne; £14,412 Consultancy costs associated with legal advice. £12,857 Contribution to Norwich City Council for Smoothing Mechanism. £8,831 Bad debt written off.				
<b>Note B:</b> (£276,811) Additional fee income; £9,650, Recycling credit income - lower tonnage and higher than budgeted cost per tonne; (£118,209) Returned gate fee and profit share from Norfolk Environmental Waste Services (NEWS) relating to 2021/22 - this has been requested to be rolled forward; (£11,750) Smoothing Mechanism. (£20,206) Rechargeable income relating to a Deed of Variation and legal costs. Balance made up of other minor variances.				
<b>Cleansing</b>				
Supplies & Services	718,000	614,811	(103,189)	Savings in the Serco Cleansing contract relating to one-off events.
Internal Support Services	46,540	54,426	7,886	
Capital Financing Costs	85,500	85,500	0	No Major Variances.
Income	(60,000)	(83,908)	(23,908)	(£19,006) Additional income from dog and litter bin recharges; (£4,895) Sale of a vehicle.
	<b>790,040</b>	<b>670,829</b>	<b>(119,211)</b>	

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Leisure</b>				
Employee Costs	186,610	180,540	(6,070)	Employee savings due to re-structure of the team.
Transport Related Expenditure	8,852	5,560	(3,292)	Lower mileage claims,
Supplies & Services	5,050	23,811	18,761	£20k Contribution to Active Norfolk towards the cost of the Locality Officer - offset by salary savings within the restructure of the team.
Internal Support Services	(200,512)	(209,895)	(9,383)	
Income	0	(15)	(15)	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Community Safety</b>				
Employee Costs	20,410	22,751	2,341	This post is now vacant - the variance relates to in-year salary savings offset by a redundancy cost.
Transport Related Expenditure	1,463	242	(1,221)	No Major Variances.
Supplies & Services	4,000	5,001	1,001	No Major Variances.
Internal Support Services	22,220	24,294	2,074	No Major Variances.
	<b>48,093</b>	<b>52,288</b>	<b>4,195</b>	
<b>Civil Contingencies</b>				
Employee Costs	74,188	95,542	21,354	£12,649 Pension Fund adjustments (current service costs). The balance relates to staffing inflation.
Premises	0	0	0	No Major Variances.
Transport Related Expenditure	1,063	1,064	1	No Major Variances.
Supplies & Services	12,390	3,361	(9,029)	Savings in Equipment purchases and Other Professional fees.
Internal Support Services	37,810	42,324	4,514	
Income	0	(2,520)	(2,520)	Sale of a vehicle.
	<b>125,451</b>	<b>139,772</b>	<b>14,321</b>	
<b>Ad Environmental &amp; Leisure Svcs</b>				
Employee Costs	75,577	90,937	15,360	£12,358 Pension Fund adjustments (current service costs). The balance relates to staffing inflation.
Transport Related Expenditure	1,763	1,670	(93)	No Major Variances.
Supplies & Services	100	417	317	No Major Variances.
Internal Support Services	(77,440)	(93,024)	(15,584)	
Income	0	0	0	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Environment &amp; Leisure</b>	<b>7,377,835</b>	<b>7,604,111</b>	<b>226,276</b>	

## Communities Directorate

## People Services Outturn 2022/23

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Benefits Administration</b>				
Employee Costs	934,098	1,163,918	229,820	£138,207 Pension Fund adjustments (current service costs). £91,604 Higher staffing costs to be funded from grants.
Transport Related Expenditure	2,463	1,895	(568)	No Major Variances.
Supplies & Services	42,400	111,783	69,383	See <b>Note A</b> below:
Internal Support Services	403,670	438,270	34,600	
Capital Financing Costs	31,700	31,704	4	No Major Variances.
Income	(350,000)	(523,592)	(173,592)	(£138,300) Grants received from the Department for Works and Pensions (DWP) to offset additional costs of legislative changes and service improvements. (£27,975) Higher subsidy, (£7,318) Recharges to offset subscription costs.
	<b>1,064,331</b>	<b>1,223,978</b>	<b>159,647</b>	

**Note A:** This variance relates to: £21,821 Professional fees - Civica Services, £10,450 Consultancy, £5,172 Computer software, £6,036 Subscriptions - all funded from grant income. £20,895 Bad Debt provision. £5,009 Other minor variances.

**Homelessness**

Employee Costs	0	90	90	No Major Variances.
Premises	162,502	111,702	(50,800)	Lower repairs/maintenance and utility/running costs.
Transport Related Expenditure	0	3,286	3,286	Taxi costs.
Supplies & Services	928,742	1,252,303	323,561	See <b>Note A</b> below:
Internal Support Services	873,130	1,156,592	283,462	
Capital Financing Costs	28,482	28,488	6	No Major Variances.
Income	(998,392)	(1,833,561)	(835,169)	See <b>Note B</b> below:
	<b>994,464</b>	<b>718,900</b>	<b>(275,564)</b>	

**Note A:** £256,986 B&B Charges, £53,356 Rent Deposit Scheme, £26,233 Bad Debts written off, £10,070 Contributions, £3,274 Severe Weather Emergency Payment (SWEP) to cover temporary accommodation costs, (£21,440) Your Choice Your Home, (£7,383) Bad Debt provision.

**Note B:** (£253,426) Additional grant funding over and above the Homeless Prevention Grant; (£578,533) Rent collections and service charges for temporary accommodation.

**Housing Options**

Employee Costs	474,654	724,093	249,439	£93,810 Pension Fund adjustments (current service costs). £151,061 Higher employee and travel costs to be funded from grant income. £4,568 Other minor variances.
Transport Related Expenditure	9,000	5,352	(3,648)	Lower mileage claims.
Supplies & Services	9,679	4,453	(5,226)	Lower equipment and postage costs.
Internal Support Services	(493,333)	(727,462)	(234,129)	
Income	0	(6,435)	(6,435)	Grant income relating to Target Hardening project - used for staffing.
	<b>0</b>	<b>0</b>	<b>(0)</b>	

**Community**

Employee Costs	513,355	988,195	474,840	£139,653 Pension Fund adjustments (current service costs). £344,888 The majority of this relates to employee costs for fixed term posts - funded from various grants. (£9,701) Other minor variances.
Premises	50,000	52,057	2,057	No Major Variances.
Transport Related Expenditure	11,089	17,795	6,706	Travelling costs funded from grants.
Supplies & Services	410,323	503,318	92,995	£48,982 Professional fees relating to "Your Own Place". £47,156 Health & Community grant payments. (£3,143) Other minor variances.
Internal Support Services	205,096	134,746	(70,350)	
Capital Financing Costs	0	0	0	No Major Variances.
Income	(114,101)	(1,478,310)	(1,364,209)	See <b>Note A</b> below:
	<b>1,075,762</b>	<b>217,801</b>	<b>(857,961)</b>	

**Note A:** (£35k) Contribution from NHS for the Community Transformation Fund (Waiting Well); (£41k) Contribution from NCC for Secondary Care Social Prescribing; (£64k) Contributions from Primary Care Trust; Grants of (£347k) Covid Recovery Fund, (£613k) Contain Outbreak Management Fund (COMF), (£245k) Ukraine Funding and (£78k) UK Prosperity Funding - received against a budget of £114k - used for staffing and partnership payments. (£54,823) Disabled Facility Grant - Self Pay income.

**Ad People Services**

Employee Costs	72,791	90,979	18,188	£12,344 Pension Fund adjustments (current service costs). The balance relates to staffing inflation.
Transport Related Expenditure	1,213	963	(250)	No Major Variances.
Supplies & Services	100	0	(100)	No Major Variances.
Internal Support Services	(74,104)	(91,942)	(17,838)	
Income	0	0	0	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	

**Total People Services** **3,134,557** **2,160,679** **(973,878)**

**Total Communities** **10,512,392** **9,764,790** **(747,602)**

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## Corporate Directorate Outturn 2022/23

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Human Resources &amp; Payroll</b>				
Employee Costs	378,616	428,839	50,223	£51,253 Pension Fund adjustments (current service costs), £40,085 Employee costs due to pay increase, £12,400 Recruitment costs, (£53,086) Training budget offered as saving.
Transport Related Expenditure	690	155	(535)	No Major Variances.
Supplies & Services	28,750	50,167	21,417	£15,578 Legal advise, £8,026 Specialist employment advise. (£2,187) Other minor variances.
Internal Support Services	(360,346)	(475,928)	(115,582)	
Income	(1,000)	(3,233)	(2,233)	No Major Variances.
	<b>46,710</b>	<b>0</b>	<b>(46,710)</b>	
<b>Registration Services</b>				
Employee Costs	126,030	121,145	(4,885)	£16,093 Pension fund adjustments (current service costs), (£18,670) Employee savings due to vacant posts. (£2,308) Other minor variances.
Premises	1,050	820	(230)	No Major Variances.
Transport Related Expenditure	400	590	190	No Major Variances.
Supplies & Services	58,830	52,631	(6,199)	£5,120 Printing costs due to household notification letters. (£7,195) Postage saving as now completed externally. (£4,124) Other minor variances.
Internal Support Services	165,910	185,612	19,702	
Income	(1,500)	(35,489)	(33,989)	(£33,015) New burdens funding to be rolled forward to cover additional costs in the May 2023 Elections.
	<b>350,720</b>	<b>325,310</b>	<b>(25,410)</b>	
<b>Corporate Leadership Team</b>				
Employee Costs	700,541	866,352	165,811	£101,939 Pension fund adjustments (current service costs), £53,110 Employee costs due pay increase, £7,665 Recruitment advertising costs, £3,167 Training.
Premises	0	70	70	No Major Variances.
Transport Related Expenditure	10,652	7,384	(3,268)	No Major Variances.
Supplies & Services	17,480	41,374	23,894	£18,710 Professional fees for temporary S151 officer and recruitment of replacement officer. £7,875 Placement fee for S151 officer. (£2,691) Other minor variances.
Internal Support Services	(704,386)	(911,447)	(207,061)	
Income	0	(3,733)	(3,733)	No Major Variances.
	<b>24,287</b>	<b>(0)</b>	<b>(24,287)</b>	
<b>Communications</b>				
Employee Costs	193,884	265,669	71,785	£39,432 Pension fund adjustments (current service costs), £37,353 Employee costs due pay increase and maternity cover, (£5,000) Training.
Transport Related Expenditure	963	2,322	1,359	No Major Variances.
Supplies & Services	58,700	40,697	(18,003)	(£14,417) Saving on magazine, (£4,000) Professional photography.
Internal Support Services	(309,501)	(363,602)	(54,101)	
Capital Financing Costs	55,954	55,956	2	No Major Variances.
Income	0	(1,042)	(1,042)	No Major Variances.
	<b>0</b>	<b>0</b>	<b>(0)</b>	
<b>Corporate Delivery Unit</b>				
Employee Costs	169,572	145,420	(24,152)	£19,097 Pension fund adjustments (current service costs), (£43,175) Employee savings due to vacant posts.
Transport Related Expenditure	1,200	29	(1,171)	No Major Variances.
Supplies & Services	16,540	3,542	(12,998)	(£12,685) Subscription not needed - offered as saving.
Internal Support Services	(187,312)	(148,990)	38,322	
Income	0	0	0	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Corporate Directorate</b>	<b>421,717</b>	<b>325,310</b>	<b>(96,407)</b>	

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## Place and Climate Change

## Sustainable Growth Outturn 2022/23

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Economic Growth</b>				
Employee Costs	1,510	4,711	3,201	Fixed term employee costs covered by capital income.
Premises	0	15,836	15,836	£8,790 Sheringham Little Theatre boiler report & repairs. £5,181 Sheringham Little Theatre premises insurance not budgeted for on ZBB. Other minor variances
Transport Related Expenditure	0	127	127	No Major Variances.
Supplies & Services	98,490	207,334	108,844	See <b>Note A</b> below:
Internal Support Services	238,720	285,208	46,488	
Capital Financing Costs	2,037	2,040	3	No Major Variances.
Income	(27,000)	(155,744)	(128,744)	See <b>Note B</b> below:
	<b>313,757</b>	<b>359,513</b>	<b>45,756</b>	
<b>Note A:</b> £82,928 Grant payments covered by grant income below. £30,000 Sheringham Little Theatre grant to be paid from reserves. £17,500 New Anglia Enterprise Partnership payments funded from income below. (£13,896) Deep History Coast marketing underspend offered as a saving. (£9,250) Business Hub not implemented, offered as a saving. £1,562 Other minor variances.				
<b>Note B:</b> (£92,315) UK Shared Prosperity Fund grant income paid out in grant payments above. (£23,646) New Anglia Enterprise Partnership income paid out above. (£10,782) 21/22 Norfolk County Council business rates pool claim not accrued (£6,000) VENI Project income. £3,999 Other minor variances.				
<b>Tourism</b>				
Supplies & Services	81,600	85,897	4,297	No Major Variances.
Internal Support Services	138,030	164,250	26,220	
	<b>219,630</b>	<b>250,147</b>	<b>30,517</b>	
<b>Market Town Initiatives</b>				
Supplies & Services	0	(6,987)	(6,987)	Repaid grant from previous years.
	<b>0</b>	<b>(6,987)</b>	<b>(6,987)</b>	
<b>Coast Protection</b>				
Employee Costs	0	36,458	36,458	Coastal Transition Accelerator Programme (CTAP) employee costs covered by income below.
Premises	179,500	297,881	118,381	£117,474 Sea defences overspend to be funded from the coastal reserve. £1,180 Other minor variances.
Transport Related Expenditure	0	601	601	No Major Variances.
Supplies & Services	487,000	80,721	(406,279)	(£366,264) CTAP funds to be rolled into 23/24. (£15,000) Professional fees to fund above overspend.
Internal Support Services	309,650	365,507	55,857	
Capital Financing Costs	508,701	508,704	3	No Major Variances.
Income	(405,000)	(405,000)	0	No Major Variances.
	<b>1,079,851</b>	<b>884,872</b>	<b>(194,979)</b>	
<b>Business Growth Staffing</b>				
Employee Costs	347,239	365,656	18,417	£48,347 Pension fund adjustments (current service costs). (£27,079) Employee savings due to vacant post, reserve funded. £2,850 Other minor variances.
Transport Related Expenditure	6,852	6,523	(329)	No Major Variances.
Supplies & Services	1,200	371	(829)	No Major Variances.
Internal Support Services	(353,291)	(372,550)	(19,259)	
	<b>2,000</b>	<b>0</b>	<b>(2,000)</b>	

## Place and Climate Change

## Sustainable Growth Outturn 2022/23

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Housing Strategy</b>				
Employee Costs	176,923	203,771	26,848	£28,173 Pension fund adjustments (current service costs). £1,325 Other minor variances.
Premises	0	17	17	No Major Variances.
Transport Related Expenditure	2,163	1,175	(988)	No Major Variances.
Supplies & Services	31,200	11,610	(19,590)	Professional and consultancy fees not needed in the year, offered as saving.
Internal Support Services	61,380	78,564	17,184	
Capital Financing Costs	777,167	0	(777,167)	Refcus transfer to be completed.
Income	(22,500)	(17,200)	5,300	Grant income lower than budgeted.
	<b>1,026,333</b>	<b>277,937</b>	<b>(748,396)</b>	
<b>Environmental Strategy</b>				
Employee Costs	140,453	139,153	(1,300)	£18,354 Pension fund adjustments (current service costs) (£19,510) Employee savings due to vacant posts, reserve funded.
Premises	0	306	306	No Major Variances.
Transport Related Expenditure	963	2,424	1,461	No Major Variances.
Supplies & Services	345,000	137,861	(207,139)	(£187,457) Tree planting underspend, reserve funded (£20,132) Green build professional fee underspend covered by reduced income.
Internal Support Services	27,250	32,218	4,968	
Income	(15,000)	(1,000)	14,000	Green build income reduction due to cancelled event covered by reduced spend above.
	<b>498,666</b>	<b>310,963</b>	<b>(187,703)</b>	
<b>Coastal Management</b>				
Employee Costs	449,694	341,220	(108,474)	£43,791 Pension fund adjustments (current service costs) (£152,265) Cancelled posts covered by reduced income below and reserve funds.
Premises	0	13	13	No Major Variances.
Transport Related Expenditure	16,815	12,282	(4,533)	No Major Variances.
Supplies & Services	30,720	11,464	(19,256)	(£17,572) Professional fees that were used and funded by CTAP. (£1,684) Other minor variances.
Internal Support Services	(367,229)	(266,315)	100,914	
Income	(130,000)	(98,665)	31,335	Reduced external funding due to cancelled posts above.
	<b>0</b>	<b>0</b>	<b>(0)</b>	
<b>Ad Sustainable Growth</b>				
Employee Costs	82,761	100,331	17,570	£13,626 Pension fund adjustment (current service costs). £3,944 Employee costs due to pay increase.
Transport Related Expenditure	1,463	1,090	(373)	No Major Variances.
Supplies & Services	100	208	108	No Major Variances.
Internal Support Services	(84,324)	(101,629)	(17,305)	
	<b>0</b>	<b>0</b>	<b>(0)</b>	
<b>Total Sustainable Growth</b>	<b>3,140,237</b>	<b>2,076,445</b>	<b>(1,063,792)</b>	



## Place and Climate Change

## Planning Outturn 2022/23

## Service

	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Development Management</b>				
Employee Costs	956,145	1,077,472	121,327	See <b>Note A</b> below:
Transport Related Expenditure	27,402	24,371	(3,031)	No Major Variances.
Supplies & Services	99,391	168,443	69,052	£59,695 Legal fees, predominantly Cley appeal. £10,590 Subscriptions - to be reviewed.
Internal Support Services	751,570	818,813	67,243	
Capital Financing Costs	76,501	76,500	(1)	No Major Variances.
Income	(858,216)	(840,132)	18,084	£10,610 Planning application fees down £9,644 Pre-application fees down.
	<b>1,052,793</b>	<b>1,325,467</b>	<b>272,674</b>	

**Note A:** £147,034 Pension fund adjustments (current service costs), £5,058 Unplanned recruitment costs, (£16,162) Training costs unspent due to vacant post and funding from levy, (£12,679) Employee costs due to vacant post, reserve funded. (£3,480) Professional indemnity budget not needed. £1,556 Other minor variances.

## Planning Policy

Employee Costs	434,593	457,778	23,185	£60,032 Pension fund adjustments (current service costs) (£34,842) Employee costs due to vacant posts.
Transport Related Expenditure	8,454	6,743	(1,711)	No Major Variances
Supplies & Services	270,500	24,191	(246,309)	(£210,000) Local plan fees - reserve funded to be spent in 23/24. (£36,000) Consultancy Fees.
Internal Support Services	167,770	191,600	23,830	
Income	0	(22)	(22)	No Major Variances.
	<b>881,317</b>	<b>680,290</b>	<b>(201,027)</b>	

## Conservation, Design &amp; Landscape

Employee Costs	338,635	282,472	(56,163)	£33,403 Pension fund adjustments (current service costs) (£89,177) Employee costs due to vacant posts, partly reserve funded.
Transport Related Expenditure	10,741	7,006	(3,735)	No Major Variances.
Supplies & Services	66,450	21,031	(45,419)	£14,039 Enforcement works funded from reserves, (£48,816) Professional fees - reserve funded to be spent in 23/24 (£9,740), Contributions no longer payable.
Internal Support Services	89,550	100,800	11,250	
Income	0	(10,057)	(10,057)	DEFRA Grant to be spent in 23/24.
	<b>505,376</b>	<b>401,252</b>	<b>(104,124)</b>	

## Major Developments

Employee Costs	374,726	300,911	(73,815)	£37,130 Pension fund adjustments (current service costs), £8,671 Unplanned recruitment costs, (£116,316) Employee costs due to vacant posts.
Transport Related Expenditure	10,126	4,992	(5,134)	No Major Variances.
Supplies & Services	5,800	10,001	4,201	No Major Variances.
Internal Support Services	118,380	133,308	14,928	
Income	0	(873)	(873)	No Major Variances.
	<b>509,032</b>	<b>448,340</b>	<b>(60,692)</b>	

## Building Control

Employee Costs	459,631	517,400	57,769	£64,864 Pension fund adjustments (current service costs), (£5,027) Employee costs due to vacant posts - reserve funded, (£5,000) Training delayed due to vacant posts.
Transport Related Expenditure	22,678	24,858	2,180	No Major Variances.
Supplies & Services	13,990	11,802	(2,188)	No Major Variances.
Internal Support Services	174,840	191,224	16,384	
Income	(429,000)	(435,710)	(6,710)	(£84,133) Influx of building regulation plan income due to regulation change, £72,752 Lower building regulation inspection income due to regulation change, £5,175 Energy Assessments.
	<b>242,139</b>	<b>309,574</b>	<b>67,435</b>	

## Place and Climate Change

Planning Outturn 2022/23  
Service

	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Combined Enforcement Team</b>				
Employee Costs	219,046	215,025	(4,021)	£28,531 Pension fund adjustments (current service costs), (£30,900) Employee costs due to vacant posts - part reserve funded.
Transport Related Expenditure	10,852	9,530	(1,322)	No Major Variances.
Supplies & Services	2,750	15,460	12,710	£13,937 Agency staff fee. (£1,227) Other minor variances.
Internal Support Services	(232,648)	(240,015)	(7,367)	
	<b>0</b>	<b>0</b>	<b>(0)</b>	
<b>Property Information</b>				
Employee Costs	111,318	130,421	19,103	£13,991 Pension fund adjustments (current service costs), £9,448 Employee costs due to pay increase, (£4,000) Training not completed in year.
Transport Related Expenditure	200	0	(200)	No Major Variances.
Supplies & Services	54,750	39,312	(15,438)	(£17,961) Search fees down due to lower applications, will be reflected in income. £2,523 Other minor variances.
Internal Support Services	53,090	56,732	3,642	
Income	(182,190)	(177,618)	4,572	£7,973 Search fee income down due to lower applications. (£3,299) Grant not budgeted for.
	<b>37,168</b>	<b>48,847</b>	<b>11,679</b>	
<b>Ad Planning</b>				
Employee Costs	89,640	108,302	18,662	£14,754 Pension fund adjustment (current service costs), £3,481 Employee costs due to pay increase.
Transport Related Expenditure	1,463	963	(500)	No Major Variances.
Supplies & Services	100	569	469	No Major Variances.
Internal Support Services	(91,203)	(109,834)	(18,631)	
	<b>0</b>	<b>(0)</b>	<b>(0)</b>	
		(266,315)		
<b>Total Planning</b>	<b>3,227,825</b>	<b>3,213,770</b>	<b>(14,055)</b>	
<b>Total Place and Climate Change</b>	<b>6,368,062</b>	<b>5,290,215</b>	<b>(1,077,847)</b>	

## Resources Directorate

## Finance and Assets Outturn 2022/23

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Industrial Estates</b>				
Premises	32,100	55,799	23,699	See <b>Note A.</b>
Supplies & Services	12,100	15,422	3,322	See <b>Note B.</b>
Internal Support Services	89,740	110,546	20,806	
Capital Financing Costs	19,246	19,248	2	No Major Variances.
Income	(191,000)	(171,903)	19,097	Lower rental and service charge income due to vacant units.
	<b>(37,814)</b>	<b>29,112</b>	<b>66,926</b>	
<b>Note A:</b> Overspends in relation to: £20,183 Insurance Premiums, £4,827 Repairs and Maintenance and £5,245 Service Charges. (£4,000) Underspend on Rent/Hire of Buildings. Other minor variances totalling (£2,556).				
<b>Note B:</b> (£2,700) Bad Debts Written Off. (£8,100) Marketing underspend. £13,628 Other professional fees overspend in relation to Legal fees and marketing for lease of Industrials units. Other minor variances totalling £494.				
<b>Surveyors Allotments</b>				
Premises	3,000	1,840	(1,160)	No Major Variances.
Supplies & Services	0	(200)	(200)	No Major Variances.
Internal Support Services	18,660	22,900	4,240	
Income	(100)	(50)	50	No Major Variances.
	<b>21,560</b>	<b>24,490</b>	<b>2,930</b>	
<b>Parklands</b>				
Premises	36,768	26,621	(10,147)	Premises underspend due to Parklands being sold during the year.
Supplies & Services	0	3,489	3,489	Parklands has now been sold. £2,700 Overspend in relation to valuation of Parklands. Other minor variances totalling £789.
Internal Support Services	47,560	47,556	(4)	No Major Variances.
Income	(66,160)	(68,942)	(2,782)	Additional rental income.
	<b>18,168</b>	<b>8,723</b>	<b>(9,445)</b>	
<b>Revenue Services</b>				
Employee Costs	767,370	877,038	109,668	£102,284 Pension Fund adjustments (current service costs). £7,384 Overspend on Employee Costs.
Premises	0	4,857	4,857	Overspend in relation to Council Tax - Other.
Transport Related Expenditure	300	1,206	906	No Major Variances.
Supplies & Services	162,328	231,276	68,948	See <b>Note A.</b>
Internal Support Services	605,740	661,706	55,966	
Income	(513,882)	(892,525)	(378,643)	See <b>Note B.</b>
	<b>1,021,856</b>	<b>883,558</b>	<b>(138,298)</b>	

**Note A:** £60,462 Bad Debt Provision. £6,850 Enforcement Board works to be funded from reserve. Overspends in relation to: £11,276 Annual Billing, £4,473 Computer Costs, £2,133 External Printing, £3,197 Other Professional Fees and £10,619 Postage Direct Costs. Underspends in relation to: (£3,134) Advertising and (£27,525) Hybrid Mailing. Other minor overspends totalling £597.

**Note B:** Additional income in relation to (£460,700) Grants and (£35,344) Cf Demand - District. Less than budgeted income allocated from court costs.

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Benefits Subsidy</b>				
Supplies & Services	145,377	57,519	(87,858)	See <b>Note A.</b>
Transfer Payments	19,711,883	19,217,030	(494,853)	Lower housing benefit payments made in the year.
Income	(19,857,260)	(18,855,090)	1,002,170	See <b>Note B.</b>
	<b>0</b>	<b>419,459</b>	<b>419,459</b>	

**Note A:** (£173,595) Movement in the provision for Bad and doubtful debts. £85,737 Additional hardship grants funded from additional grant funding and reserves.

**Note B:** £494,853 Reduced subsidy to reflect value of benefits paid out in the year. £713,896 Shortfall in subsidy relating to temporary accommodation. £167,599 subsidy at reduced rates re overpayments. (£65,818) Additional Hardship Grants (£308,360) Recovered benefit overpayment and overpayment debt.

#### Non Distributed Costs

Employee Costs	0	45,024	45,024	Employee Costs Overspend
	<b>0</b>	<b>45,024</b>	<b>45,024</b>	
<b>Estates</b>				
Employee Costs	269,766	312,652	42,886	£40,881 Pension Fund adjustments (current service costs). £2,005 Employee Costs Overspend.
Premises	0	5,148	5,148	Overspend in relation to Insurance Premiums.
Transport Related Expenditure	3,500	3,858	358	No Major Variances.
Supplies & Services	40,650	93,506	52,856	See <b>Note A.</b>
Internal Support Services	(313,916)	(416,182)	(102,266)	
Income	0	1,018	1,018	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	

**Note A:** £8,411 Overspend in relation to Insurance Premiums. £49,960 Bad Debt Provision. £4,000 Enforcement Board works to be funded from reserves. Underspends in relation to: (£4,370) Consultancy Fees, (£5,099) Other Professional Fees. Reduction in amount needed from Asset Management Reserve, budget was £5,000 but only need £925.

#### Admin Buildings

Employee Costs	0	225	225	No Major Variances.
Premises	440,155	643,767	203,612	See <b>Note A.</b>
Supplies & Services	31,591	9,556	(22,035)	See <b>Note B.</b>
Transfer Payments	118,956	185,513	66,557	Overspends in relation to £43,807 Internal Service Charge Cromer and £22,750 Internal Service Charge Fakenham.
Internal Support Services	(238,177)	(272,926)	(34,749)	
Capital Financing Costs	43,174	43,164	(10)	No Major Variances.
Income	(328,439)	(568,303)	(239,864)	See <b>Note C.</b>
	<b>67,260</b>	<b>40,996</b>	<b>(26,264)</b>	

**Note A:** Overspends in relation to: £105,202 Electricity, £10,148 Gas, £16,840 Insurance Premiums, £36,586 Contract Cleaning, £42,875 Repairs and Maintenance, mainly in relation to various repairs at Cromer and scaffolding at Fakenham. (£6,831) Underspend in relation to NNDR/Business Rates. Other minor variances totalling (£1,208).

**Note B:** £3,146 Material Purchases Overspend. Underspends in relation to: (£16,655) Health and Safety, (£4,500) Marketing and (£5,000) Other Professional Fees. Other minor variances totalling £974.

**Note C:** Additional Income in relation to: (£97,562) Cromer and Fakenham COVID-19 Cleaning costs. (£27,040) Reimbursement of Capital Costs at Fakenham, this was being paid quarterly, but has now been paid in full, no further repayments expected. (£66,557) Internal Service Charge Income, (£65,236) Service Charge Income, and (£2,251) in relation to EVCP Car parking Income. £19,188 Rental income not received. Other minor variances totalling (£406).

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Corporate Finance</b>				
Employee Costs	484,567	498,698	14,131	See <b>Note A</b> .
Transport Related Expenditure	1,113	1,176	63	No Major Variances.
Supplies & Services	15,330	70,302	54,972	See <b>Note B</b> .
Transfer Payments	0	0	0	No Major Variances.
Internal Support Services	(514,641)	(583,807)	(69,166)	
Capital Financing Costs	13,631	13,632	1	No Major Variances.
Income	0	0	0	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Note A:</b> £51,891 Pension Fund adjustments (current service costs). (£37,760) Underspend in relation to Employee Costs. 2 x Apprentices not recruited into, therefore £44,110 budget from reserve not needed.				
<b>Note B:</b> Overspends in relation to: £35,125 Agency Staffing. £4,865 Other Professional Fees and £11,116 Subscriptions (error at Zero Based Budgeting where no budget was included). Other minor variances totalling £3,866.				
<b>Insurance &amp; Risk Management</b>				
Employee Costs	44,372	34,044	(10,328)	Employee insurance premium underspend.
Premises	437	254	(183)	No Major Variances.
Transport Related Expenditure	17,425	9,798	(7,627)	Vehicle insurance premium underspend.
Supplies & Services	148,825	103,237	(45,588)	(£53,412) Public Liability insurance premium underspend. £8,710 Professional Fees overspend. Other minor variances totalling (£886).
Internal Support Services	(211,059)	(147,697)	63,362	
Income	0	363	363	No Major Variances.
	<b>0</b>	<b>0</b>	<b>(0)</b>	
<b>Internal Audit</b>				
Supplies & Services	80,000	46,041	(33,959)	Underspend in relation to Internal Audit Fees.
Internal Support Services	(80,000)	(46,041)	33,959	
Income	0	0	0	No Major Variances.
	<b>0</b>	<b>(0)</b>	<b>(0)</b>	
<b>Chalets/Beach Huts</b>				
Premises	24,399	30,030	5,631	Overspend in relation to Roller shutter door repairs/replacements, to be funded from Major Repairs Reserve.
Supplies & Services	26,200	20,175	(6,025)	(£8,952) Underspend in relation to Equipment Purchases. Other minor variances totalling £2,927.
Internal Support Services	102,760	117,946	15,186	
Income	(236,300)	(297,324)	(61,024)	Additional Income in relation to: (£11,220) Storage Fees and (£51,104) Rental Income. Other minor variances totalling £1,300.
	<b>(82,941)</b>	<b>(129,173)</b>	<b>(46,232)</b>	

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Investment Properties</b>				
Premises	153,497	263,370	109,873	See <b>Note A</b> .
Supplies & Services	18,679	(28,334)	(47,013)	See <b>Note B</b> .
Internal Support Services	147,150	176,814	29,664	
Capital Financing Costs	76,841	76,848	7	No Major Variances.
Income	(192,676)	(254,452)	(61,776)	See <b>Note C</b> .
	<b>203,491</b>	<b>234,246</b>	<b>30,755</b>	

**Note A:** Underspends in relation to: (£2,727) Council Tax - Empty Properties (Other Lettings), (£6,258) Grounds Maintenance (Other Lettings and Itteringham), (£5,505) Contract Cleaning (Itteringham). Overspends in relation to: £30,534 Electricity (Rocket House and Other Lettings), £3,218 Gas (Rocket House), £14,250 Insurance Premiums (Other Lettings), £3,420 Water (Rocket House), and £77,430 Repairs and Maintenance mainly in relation to Rocket House Service/Replacement of lifts and Removal of Walls at Cromer Melbourne. £8,680 of Repairs and Maintenance overspend is in relation to roller shutter doors and is to be funded from Major Repairs Reserves. Other minor variances totalling (£4,489).

**Note B:** (£33,305) Bad Debts Provision. Overspend in relation to £2,413 Other Fees & Charges across all investment properties. (£16,500) Underspend in relation to Marketing (Itteringham and Other Lettings). Other minor variances totalling £379.

**Note C:** Additional Income in relation to: (£34,194) Charges Other Recoverable (Rocket House), (£4,861) Internal Service Charge (Rocket House) and (£23,129) Rental Income (Other Lettings). Other minor variances totalling £408.

#### Central Costs

Employee Costs	78,580	71,399	(7,181)	£4,313 Pension Fund adjustments (current service costs). (£11,494) Employee Costs underspend.
Transport Related Expenditure	0	840	840	No Major Variances.
Supplies & Services	15,500	5,243	(10,257)	Other professional fees underspend.
Internal Support Services	(94,080)	(77,482)	16,599	
Income	0	0	0	No Major Variances
	<b>0</b>	<b>(0)</b>	<b>0</b>	

#### Corporate & Democratic Core

Premises	0	2,228	2,228	Fixtures and Fittings Overspend - Decoration of Cromer Pier for Queens Jubilee Celebrations.
Transport Related Expenditure	0	14	14	No Major Variances.
Supplies & Services	239,700	425,122	185,422	See <b>Note A</b> .
Internal Support Services	1,265,540	1,568,491	302,951	
Capital Financing Costs	900,000	0	(900,000)	Refcus transfers not yet completed.
Income	0	(124,613)	(124,613)	Unbudgeted income from DCLG - Support for Levelling Up bid process.
	<b>2,405,240</b>	<b>1,871,243</b>	<b>(533,997)</b>	

**Note A:** Overspends in relation to: £40,359 Audit Fees (19/20 payment made in 22/23), £18,364 Bank Charges, £13,881 Consultancy Fees (support for levelling up bid), £29,746 Other Professional Fees, £10,242 Subscriptions, £1,865 other minor variances and £70,965 in relation to Contributions of which £67,000 is to be funded from Business Rates reserve (Scottow Enterprise Park Pot A, Pot B and Pot C funding). £10,000 to be funded from Grants Reserves for NCLS Contribution.

#### Members Services

Employee Costs	176,553	205,832	29,279	£27,409 Pension Fund adjustments (current service costs). £11,870 Overspend on Employee costs. (£10,000) Members Training underspend.
Transport Related Expenditure	17,610	8,949	(8,661)	Transport Costs underspend.
Supplies & Services	336,450	351,821	15,371	See <b>Note A</b> .
Internal Support Services	76,050	87,999	11,949	
	<b>606,663</b>	<b>654,601</b>	<b>47,938</b>	

**Note A:** Overspends in relation to: £9,108 Members Basic Allowance and £9,376 Other professional fees, unbudgeted costs in relation to Youth Council Support. Other minor variances totalling (£3,113).

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Legal Services</b>				
Employee Costs	474,969	530,156	55,187	£74,347 Pension Fund adjustments (current service costs). (£19,160) Underspend in relation to Employee Costs.
Transport Related Expenditure	7,782	3,283	(4,499)	Travelling Allowance underspend.
Supplies & Services	70,730	80,512	9,782	See <b>Note A</b> .
Internal Support Services	(223,585)	(289,205)	(65,620)	
Income	(329,896)	(324,746)	5,150	See <b>Note B</b> .
	<b>0</b>	<b>0</b>	<b>(0)</b>	

**Note A:** (£9,429) Bad Debt Provision. Underspend of (£7,510) Client Disbursements. Overspend of £27,610 Other Professional Fees mainly in relation to a legal case and fees for additional Solicitor. Other minor variances totalling (£889).

**Note B:** Additional Income in relation to (£7,205) Charges Other Recoverable. Due to staffing vacancies/capacity issues Legal have been unable to continue to do some of the additional work outside of/in addition to SLA for extra income, therefore there was a reduction in Fee Income of £12,355.

#### Ad Finance, Assets & Legal

Employee Costs	79,585	106,145	26,560	£10,991 Pension Fund adjustments (current service costs). £15,570 Employee Costs overspend.
Transport Related Expenditure	1,213	1,048	(165)	No Major Variances
Supplies & Services	100	51	(49)	No Major Variances
Internal Support Services	(80,898)	(107,244)	(26,346)	
Income		0	0	No Major Variances
	<b>0</b>	<b>0</b>	<b>(0)</b>	
<b>Total Finance, Assets and Legal</b>	<b>4,223,483</b>	<b>4,082,280</b>	<b>(141,203)</b>	

## Resources Directorate

## Organisational Resources Outturn 2022/23

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Car Parking</b>				
Premises	582,000	779,875	197,875	See <b>Note A.</b>
Supplies & Services	381,000	420,540	39,540	See <b>Note B.</b>
Internal Support Services	149,690	177,090	27,400	
Capital Financing Costs	75,820	75,816	(4)	Depreciation.
Income	(2,772,799)	(3,086,442)	(313,643)	See <b>Note C.</b>
	<b>(1,584,289)</b>	<b>(1,633,121)</b>	<b>(48,832)</b>	
<b>Note A:</b> Overspends in relation to: £26,385 Electricity, £35,691 NNDR/Business Rates, £28,507 Rent/Hire/Purchase of Land and £109,229 Repairs and Maintenance, mainly due to Flowbird smart city pay and display machine service contract, and reactive repairs at Cromer - Runton Road, North Walsham - Mundesley Road, Sheringham - Chequers and Weybourne - Beach Road. Other minor variances totalling (£1,937).				
<b>Note B:</b> Overspends in relation to: £13,671 Advertising, £5,281 Consultancy Fees, £20,417 Credit Card Charges, and £4,881 Management Fee. Underspend of (£4,213) in relation to Other Professional Fees. Other minor variances totalling (£497).				
<b>Note C:</b> Additional Income in relation to: (£121,888) Charges - Cash, (£83,823) Charges - Credit Card, (£27,203) Charges - PCN, (£76,442) Charges - Season Tickets, (£2,986) Insurance Recovered and (£10,000) Other Contributions. Reduction of £9,314 in relation to Rental Income. Other minor variances totalling £615.				
<b>ICT - Support Services</b>				
Employee Costs	882,335	963,667	81,332	£131,383 Pension Fund adjustments (current service costs). (£50,051) Employee Costs underspend.
Transport Related Expenditure	1,000	239	(761)	
Supplies & Services	919,353	999,398	80,045	Overspends in relation to: £20,821 Computer Costs, £54,809 Other Professional Fees and £7,113 Telephone Costs. Other minor variances totalling (£2,698).
Internal Support Services	(1,930,666)	(2,086,284)	(155,618)	
Capital Financing Costs	127,978	127,980	2	Depreciation.
Income	0	(5,000)	(5,000)	Income from Local Government Authority (LGA), to be spent on Cyber training.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Poppyfields</b>				
Premises	3,114	2,542	(572)	No Major Variances.
Supplies & Services	19,700	18,745	(955)	No Major Variances.
Internal Support Services	21,820	26,356	4,536	
	<b>44,634</b>	<b>47,643</b>	<b>3,009</b>	
<b>Property Services</b>				
Employee Costs	555,844	691,436	135,592	£94,442 Pension Fund adjustments (current service costs). £41,149 Employee Costs overspend.
Premises	0	11,555	11,555	Overspends in relation to: £10,555 Repairs and Maintenance and £1,000 Rent/Hire of Buildings.
Transport Related Expenditure	18,389	28,070	9,681	Overspends in relation to: £2,610 Travel/Transport and £7,071 Vehicle Diesel costs/Repair costs.
Supplies & Services	32,580	46,248	13,668	See <b>Note A.</b>
Internal Support Services	(644,568)	(821,491)	(176,923)	
Capital Financing Costs	47,755	47,760	5	No Major Variances.
Income	(10,000)	(3,579)	6,421	Reduction of Fee Income £7,878. Other minor variances totalling (£1,457).
	<b>0</b>	<b>0</b>	<b>0</b>	

**Note A:** Underspends in relation to: (£3,271) Equipment Purchases and (£6,451) Other Professional Fees. Overspends in relation to: £12,876 Materials Purchases, £6,711 Other Fees and Charges and £3,503 Postage Direct Costs. Other minor variances totalling £300.



Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Playgrounds</b>				
Premises	24,200	40,521	16,321	£16,355 Repairs and Maintenance overspend. Other minor variances totalling £34.
Supplies & Services	53,000	93,493	40,493	Overspends in relation to: £15,491 Equipment Purchases, £10,031 Materials Purchases and £16,523 Playground Repairs. Other minor variances totalling (£1,552).
Internal Support Services	59,340	67,900	8,560	
	<b>136,540</b>	<b>201,914</b>	<b>65,374</b>	
<b>Community Centres</b>				
Premises	5,800	16,984	11,184	Overspends in relation to: £4,383 Increased Insurance Premiums and £6,855 Repairs and Maintenance. Other minor variances totalling (£54).
Internal Support Services	16,010	19,840	3,830	
	<b>21,810</b>	<b>36,824</b>	<b>15,014</b>	
<b>Tourist Information Centres</b>				
Employee Costs	64,339	86,649	22,310	£11,350 Pension Fund adjustments (current service costs). £10,960 Employee Costs overspend.
Premises	13,336	38,736	25,400	£17,572 Electricity cost overspend. Balance of £7,828 made up of other minor variances.
Transport Related Expenditure	85	0	(85)	No Major Variances.
Supplies & Services	17,820	21,250	3,430	£5,348 Purchases for Resale overspend. (£1,918) underspend made up of other minor variances.
Internal Support Services	51,550	56,556	5,006	
Capital Financing Costs	6,040	6,036	(4)	No Major Variances.
Income	(30,170)	(30,904)	(734)	No Major Variances.
	<b>123,000</b>	<b>178,323</b>	<b>55,323</b>	
<b>Public Conveniences</b>				
Premises	563,540	702,954	139,414	See <b>Note A</b> .
Supplies & Services	23,000	27,669	4,669	Overspends in relation to: £5,895 Sanitary & Nappy waste collection service and £3,590 Material Purchases. Underspend of (£7,000) in relation to Repairs and Maintenance. Other minor variances totalling £2,184.
Transfer Payments	16,774	21,635	4,861	Rocket House Service Charge.
Internal Support Services	190,120	231,136	41,016	
Capital Financing Costs	82,028	82,032	4	Depreciation
Income	0	(153)	(153)	No Major Variances.
	<b>875,462</b>	<b>1,065,273</b>	<b>189,811</b>	
<b>Note A:</b> Overspends in relation to: £53,029 Electricity, £14,076 Increased insurance premiums, £18,815 Rent/Hire of Buildings - Toilet unit at Weybourne, £34,236 Water Charges (includes draining down most public conveniences), £2,346 SERCO costs in relation to Contract Cleaning and £45,867 Repairs and Maintenance (unbudgeted vandalism, arson costs and programmed maintenance). Underspend in relation to (£28,416) NNDR/Business Rates. Other minor variances totalling (£539).				
<b>Digital Transformation</b>				
Employee Costs	164,485	176,013	11,528	£20,462 Pension Fund adjustments (current service costs). (£8,934) Underspend on Employee Costs.
Transport Related Expenditure	0	180	180	No Major Variances.
Supplies & Services	0	54	54	No Major Variances.
Internal Support Services	388,280	419,576	31,296	
	<b>552,765</b>	<b>595,823</b>	<b>43,058</b>	

Service	Updated Budget 2022/23 £	Outturn 2022/23 £	Outturn Variance £	Variance Explanation
<b>Reprographics</b>				
Employee Costs	42,349	53,977	11,628	£7,317 Pension Fund adjustments (current service costs). £4,311 Overspend on Employee Costs.
Transport Related Expenditure	250	0	(250)	No Major Variances.
Supplies & Services	40,290	33,750	(6,540)	Underspends in relation to: (£2,647) Equipment Operating Lease and (£2,366) Stationery. Other minor variances totalling (£1,527).
Internal Support Services Income	(75,389) (7,500)	(84,686) (3,041)	(9,297) 4,459	Reduction in income from external clients since COVID, some customers no longer exist and other customers are not ordering as much to keep costs down.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Customer Services - Corporate</b>				
Employee Costs	866,577	948,409	81,832	£110,999 Pension Fund adjustments (current service costs). (£29,167) Employee costs underspend.
Transport Related Expenditure	500	3,959	3,459	Travelling allowance overspend.
Supplies & Services	62,367	51,736	(10,631)	See <b>Note A</b> .
Internal Support Services	(966,250)	(1,034,834)	(68,584)	
Capital Financing Costs	54,056	54,048	(8)	No Major Variances.
Income	(17,250)	(23,318)	(6,068)	Additional income of (£7,770) in relation to Service Charge. Reduction in income of £2,335 in relation to Charges Other Recoverable. Other minor variances totalling (£633).
	<b>0</b>	<b>(0)</b>	<b>(0)</b>	
<b>Note A:</b> Overspends in relation to: £5,055 Equipment Operating Lease, £8,354 Equipment Purchases and £2,733 Legal Fees. Underspends in relation to: (£6,764) Postage Direct Costs, (£4,645) Repairs and Maintenance and (£10,380) Stationery. Other minor variances totalling (£4,984).				
<b>Ad Organisational Resources</b>				
Employee Costs	75,642	99,745	24,103	£13,619 Pension Fund adjustments (current service costs). £10,483 Overspend in relation to Employee Costs.
Transport Related Expenditure	1,213	963	(250)	No Major Variances.
Supplies & Services	100	0	(100)	No Major Variances.
Internal Support Services Income	(76,955) 0	(100,708) 0	(23,753) 0	No Major Variances.
	<b>0</b>	<b>(0)</b>	<b>(0)</b>	
<b>Total Organisational Resources</b>	<b>169,922</b>	<b>492,678</b>	<b>322,756</b>	
<b>Total Resources</b>	<b>4,393,405</b>	<b>4,574,958</b>	<b>181,553</b>	
	4,393,405	4,574,958	181,553	GF Summary

## Reserves Statement 2022-23 Outturn

Appendix C

Reserve	Purpose and Use of Reserve	Balance 01/04/22	Contributions In	Contributions Out	Outturn 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
		£	£	£	£	£	£	£	£	£	£	£
<b>General Fund - General Reserve</b>	A working balance and contingency, current recommended balance is £2.1 million.	<b>2,945,866</b>	0	(35,826)	<b>(35,826)</b>	<b>2,910,040</b>	(356,461)	<b>2,553,579</b>	(9,298)	<b>2,544,281</b>	0	<b>2,544,281</b>
<b>Earmarked Reserves:</b>												
Capital Projects	To provide funding for capital developments and purchase of major assets.	<b>555,618</b>	0	0	<b>0</b>	<b>555,618</b>	(400,000)	<b>155,618</b>	0	<b>155,618</b>	0	<b>155,618</b>
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	<b>882,030</b>	37,506	(73,429)	<b>(35,923)</b>	<b>846,107</b>	0	<b>846,107</b>		<b>846,107</b>		<b>846,107</b>
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.	<b>749,248</b>	0	(23,426)	<b>(23,426)</b>	<b>725,822</b>	(111,305)	<b>614,517</b>	0	<b>614,517</b>	0	<b>614,517</b>
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	<b>224,115</b>	0	0	<b>0</b>	<b>224,115</b>	(81,866)	<b>142,249</b>	(53,529)	<b>88,720</b>	(53,529)	<b>35,191</b>
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.	<b>4,256,294</b>	0	(74,051)	<b>(74,051)</b>	<b>4,182,243</b>	(1,278,267)	<b>2,903,976</b>	(18,000)	<b>2,885,976</b>	(18,000)	<b>2,867,976</b>
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	<b>299,889</b>	345,017	(142,474)	<b>202,543</b>	<b>502,432</b>	0	<b>502,432</b>	0	<b>502,432</b>	0	<b>502,432</b>
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area.	<b>569,776</b>	0	(163,226)	<b>(163,226)</b>	<b>406,550</b>	(275,000)	<b>131,550</b>	0	<b>131,550</b>	0	<b>131,550</b>
Delivery Plan	To help achieve the outputs from the Corporate Plan and Delivery Plan.	<b>4,326,421</b>	0	(702,392)	<b>(702,392)</b>	<b>3,624,029</b>	(1,289,412)	<b>2,334,617</b>	(424,860)	<b>1,909,757</b>	(10,000)	<b>1,899,757</b>
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets.	<b>197,621</b>	34,800	0	<b>34,800</b>	<b>232,421</b>	(44,800)	<b>187,621</b>	(10,000)	<b>177,621</b>	(10,000)	<b>167,621</b>
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	<b>103,000</b>	83,015	0	<b>83,015</b>	<b>186,015</b>	(100,000)	<b>86,015</b>	50,000	<b>136,015</b>	50,000	<b>186,015</b>
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	<b>90,125</b>	0	(29,635)	<b>(29,635)</b>	<b>60,490</b>	0	<b>60,490</b>	0	<b>60,490</b>	0	<b>60,490</b>
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	<b>311,193</b>	183,283	0	<b>183,283</b>	<b>494,476</b>	(16,000)	<b>478,476</b>	0	<b>478,476</b>	0	<b>478,476</b>

## Reserves Statement 2022-23 Outturn

Appendix C

Reserve	Purpose and Use of Reserve	Balance 01/04/22	Contributions In	Contributions Out	Outturn 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
		£	£	£	£	£	£	£	£	£	£	£
Environment Reserve	To fund expenditure relating to the Council's Green Agenda.	150,000	0	0	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	376,188	(113,488)	262,700	2,620,356	0	2,620,356		2,620,356		2,620,356
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	648,042	(481,364)	166,678	2,274,036	(555,898)	1,718,138	(189,179)	1,528,959	(52,897)	1,476,062
Land Charges	To mitigate the impact of potential income reductions.	339,152	0	0	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	0	(30,871)	(30,871)	93,452	(31,745)	61,707	(31,745)	29,962	0	29,962
Major Repairs Reserve	To provide provision for the repair and maintenance of the councils asset portfolio.	329,207	280,000	(21,228)	258,772	587,979	0	587,979	0	587,979	0	587,979
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	222,543	0	0	0	222,543	(178,000)	44,543	0	44,543	(18,000)	26,543
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	0	(17,873)	(17,873)	155,224	(42,742)	112,482	(7,860)	104,622	0	104,622
Pathfinder	To help Coastal Communities adapt to coastal changes.	89,566	0	0	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	0	198,965	416,891	(148,965)	267,926	50,000	317,926	50,000	367,926
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	144,453	(379,440)	(234,987)	664,008	0	664,008	0	664,008	0	664,008
Sports Hall Equipment & Sports Facilities	To support renewals for sports hall equipment. Amount transferred in the year represents over or under achievement of income target.	(0)	0	0	0	(0)	0	(0)	0	(0)	0	(0)
Treasury	To smooth impacts on the Revenue account of movement in fair value changes of the Councils holdings in Pooled Funds	500,000	0	0	0	500,000		500,000	0	500,000	0	500,000
<b>Total Reserves</b>		<b>23,021,018</b>	<b>2,331,269</b>	<b>(2,288,723)</b>	<b>42,546</b>	<b>23,063,564</b>	<b>(4,910,461)</b>	<b>18,153,103</b>	<b>(644,471)</b>	<b>17,508,632</b>	<b>(62,426)</b>	<b>17,446,206</b>

<b>Capital Programme Outturn 2022-23</b>				
<u>Scheme</u>	Updated Budget 2022/23	22/23 Actual Expenditure	Variance	Reprofiling
	£	£	£	£
<b>Boosting Business Sustainability and Growth</b>				
Rocket House	39,620	2,784	(36,836)	36,836
Collectors Cabin	24,400	160	(24,240)	24,240
Cornish Way Industrial Units	161,860	21,740	(140,120)	140,120
Fakenham Connect/Crinkle Wall	96,060	3,631	(92,430)	92,430
North Walsham Heritage Action Zone	2,097,280	2,122,908	25,628	(25,628)
Public Convenience Improvements Fakenham and Wells	535,360	707,338	171,978	(171,978)
Public Convenience Improvements Sheringham and North Walsham	500,000	79,058	(420,942)	420,942
Weybourne Car Park Public Convenience	0	9,985	9,985	0
Unit 1 & 2, Surf Lifesaving School, Cromer Promenade	55,000	0	(55,000)	55,000
Purchase of Property Services Vehicles	25,000	10,465	(14,535)	14,535
Car Park Ticket Machine Replacement Programme	140,570	6,669	(133,901)	0
Fakenham Urban Extension	1,800,000	20,000	(1,780,000)	1,780,000
CPO of Long Term Empty Properties	444,000	0	(444,000)	444,000
Loans to Housing Providers	150,000	0	(150,000)	150,000
Public Conveniences	99,000	0	(99,000)	99,000
Crinkle Crinkle Wall	130,000	0	(130,000)	130,000
Countryside Machinery	27,700	7,249	(20,451)	20,451
Property Acquisitions	0	5,216	5,216	(5,216)
Chalet Refurbishment	0	47,965	47,965	0
			0	0
Morris Street CP Boundary	0	59,935	59,935	0
	<b>6,325,850</b>	<b>3,105,103</b>	<b>(3,220,747)</b>	<b>3,204,731</b>
<b>Local Homes for Local Need</b>				
REFCUS - Disabled Facilities Grants - grants paid out	1,354,615	1,339,364	(15,251)	15,251
Compulsory Purchase of Long Term Empty Properties	184,820	9,706	(175,114)	175,114
Community Housing Fund	1,335,160	0	(1,335,160)	1,335,160
Provision of Temporary Accommodation	336,040	336,965	925	(925)
S106 Enabling	1,425,000	0	(1,425,000)	1,425,000
	<b>4,635,635</b>	<b>1,686,035</b>	<b>(2,949,600)</b>	<b>2,949,600</b>
<b>Climate, Coast and the Environment</b>				
Coastal Erosion Assistance	45,370	13,375	(31,995)	31,995
REFCUS - Windblown Sand Reimbursement	0	2,719	2,719	0
Coastal Adaptations	247,490	2,500	(244,990)	244,990
Sandscaping Monitoring	0	26,760	26,760	0
Windblown Sand Reimbursement	0	2,719	2,719	0
Cromer Pier - Infrastructure Steelworks	881,920	305,833	(576,087)	576,087
Pier Theatre Drainage	200,000	35,565	(164,435)	0
Sea Palling Ramp	9,650	0	(9,650)	9,650
Replacement of Flood Gates at Cable Gap Bacton, The Ship Bacton & Walcott Post Office	45,500	0	(45,500)	45,500
Coastal Management Fund	100,000	103,000	3,000	(3,000)
Mundesley - Refurbishment of Coastal Defences	0	198,933	198,933	(198,933)
Cromer Coast Protection Scheme	0	199,244	199,244	(199,244)
Coastal Transition Accelerator	1,015,000	55,042	(959,958)	959,958
Cromer Pier Phase 2		150	150	0
	<b>2,544,930</b>	<b>945,841</b>	<b>(1,599,089)</b>	<b>1,467,002</b>

<u>Scheme</u>	Updated Budget 2022/23 £	22/23 Actual Expenditure £	Variance £	Reprofiling £
<b>Quality of Life</b>				
Steelwork Protection to Victory Pool and Fakenham Gym	27,470	0	(27,470)	0
Fakenham Gym	62,500	0	(62,500)	0
The Splash Gym Equipment	161,830	0	(161,830)	0
Artificial Football Pitch - North Walsham/Fakenham	848,870	1,300	(847,570)	847,570
The Reef Leisure Centre	147,640	7,913	(139,727)	139,727
Sheringham Enabling Land	99,030	20,353	(78,677)	78,677
Green Road Football Facility	50,220	0	(50,220)	50,220
Holt Country Park	150,000	0	(150,000)	150,000
Pavilion Theatre Bar Upgrade	46,000	294,586	248,586	0
The Reef Solar Car Port	0	17,551	17,551	(17,551)
	<b>1,593,560</b>	<b>341,703</b>	<b>(1,251,857)</b>	<b>1,248,643</b>
<b>Customer Focus and Financial Sustainability</b>				
Administrative Buildings	10,100	1,232	(8,868)	8,868
Cromer Office LED Lighting	60,000	58,403	(1,597)	1,597
LED Lighting Programme	90,000	0	(90,000)	90,000
Fire Sensors	150,000	0	(150,000)	150,000
Electric Vehicle Charging Points	87,980	8,047	(79,933)	33,317
Waste vehicles	32,600	(32,446)	(65,046)	65,046
Purchase of Bins	8,780	142,240	133,460	0
User IT Hardware Refresh	131,070	130,463	(607)	607
Storage Hardware	17,570	0	(17,570)	17,570
Server Replacement	60,000	0	(60,000)	60,000
Members IT	23,540	21,991	(1,549)	1,549
Backup Network Upgrade	14,000	0	(14,000)	14,000
Network Hardware Replacement	100,000	91,119	(8,881)	8,881
Fire Wall Replacements	3,510	0	(3,510)	3,510
Computer Hardware Purchases (Printers - MFDs)	48,000	45,497	(2,503)	2,503
Digital Mailroom Scanner	20,000	4,383	(15,617)	15,617
Refurbishment of IT Training Room	15,000	0	(15,000)	15,000
Financial Management System	230,000	226,966	(3,034)	3,034
Folding Machine/Laminator	24,500	1,620	(22,880)	22,880
Planning S106 Software (Exacom)	40,000	45,500	5,500	0
Civica Revenues System	11,090	11,090	0	0
Long Income Family Track (LIFT) Dashboard	23,430	23,426	(4)	0
Recruitment Software	35,050	0	(35,050)	35,050
Citizen App	1,000	3,400	2,400	0
	<b>1,237,220</b>	<b>782,929</b>	<b>(454,291)</b>	<b>549,031</b>
<b>TOTAL EXPENDITURE</b>	<b>16,337,195</b>	<b>6,861,611</b>	<b>(9,475,584)</b>	<b>9,419,007</b>
<b>2022/23 Capital Programme Financing Table</b>				
Grants	1,835,656			
Other Contributions	1,754,024			
Asset Management Reserve	72,504			
Revenue Contribution to Capital (RCCO)	0			
Delivery Plan reserve	37,551			
Housing reserve	340,431			
Benefits reserve	23,426			
Capital receipts	2,516,189			
Borrowing	-54,534			
<b>Total</b>	<b>6,861,611</b>			

## Capital Programme - Budget 2023/24

Scheme	Budget before	Brought	Updated	Updated	Updated	Updated	Updated
	brought forwards	forwards from	Budget	Budget	Budget	Budget	Budget
	from 2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£	£	£
<b>Boosting Business Sustainability and Growth</b>							
Rocket House Building	1,000,000	36,836	1,036,836	0	0	0	0
Collectors Cabin		24,240	24,240	0	0	0	0
Cornish Way Industrial Units		140,120	140,120	0	0	0	0
Fakenham Connect/Crinkle Crinkle Wall	130,000	92,430	222,430	0	0	0	0
North Walsham Heritage Action Zone	307,250	66,872	374,122	0	0	0	0
Public Conveniences (Fakenham & Wells)		(171,978)	(171,978)	0	0	0	0
Public Conveniences (Sheringham & North Walsham)		420,942	420,942	0	0	0	0
Changing Places Toilets	300,000	0	300,000	0	0	0	0
Unit 1 & 2, Cromer Promenade		55,000	55,000	0	0	0	0
Purchase of Property Services Vehicles		14,535	14,535	0	0	0	0
Fakenham Urban Extension		1,780,000	1,780,000	0	0	0	0
Property Acquisitions	710,000	(5,216)	704,784	0	0	0	0
Chalet Refurbishment	125,000	0	125,000	0	0	0	0
Marrams Building - Roof Repair	50,000	0	50,000	0	0	0	0
Red Lion Roof	30,000	0	30,000	0	0	0	0
Car Parks refurbishment	311,000	0	311,000	0	0	0	0
Loans to Housing Providers	150,000	150,000	300,000	150,000	0	0	0
Cromer Office - LED Lighting Programme		91,597	91,597	0	0	0	0
	<b>3,113,250</b>	<b>2,695,377</b>	<b>5,808,627</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Local Homes for Local Need</b>							
Disabled Facilities Grants	1,354,615	0	1,354,615	0	0	0	0
Compulsory Purchase of Long Term Empty Properties		434,294	434,294	0	0	0	0
Community Housing Fund	250,000	1,335,160	1,585,160	0	0	0	0
Provision of Temporary Accommodation	750,000	(927)	749,073	0	0	0	0

## Capital Programme - Budget 2023/24

Scheme	Budget before brought forwards from 2022/23	Brought forwards from 2022/23	Updated Budget	Updated Budget	Updated Budget	Updated Budget	Updated Budget
	2023/24 £	2023/24 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
S106 Enabling	175,000	1,425,000	1,600,000	300,000	300,000	300,000	0
	<b>2,529,615</b>	<b>3,193,527</b>	<b>5,723,142</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>0</b>
<b>Climate, Coast and the Environment</b>							
Cromer Coast Protection Scheme	3,516,180	(199,244)	3,316,936	0	0	0	0
Coastal Erosion Assistance		31,991	31,991	0	0	0	0
Coastal Adaptations		244,990	244,990	0	0	0	0
Mundesley - Refurbishment of Coastal Defences	2,959,860	(198,933)	2,760,927	0	0	0	0
Sea Palling Ramp		9,650	9,650	0	0	0	0
Replacement of Flood Gates at Cable Gap Bacton, The Ship Bacton & Walcott Post Office		45,500	45,500	0	0	0	0
Dountryside Machinery		31,216	31,216	0	0	0	0
Coastal Management Fund	150,000	(3,000)	147,000	200,000	250,000	250,000	0
Port Country Park		150,000	150,000	0	0	0	0
Coastwise Initiative (Coastal Transition Accelerator)		959,958	959,958	0	0	0	0
	<b>6,626,040</b>	<b>1,072,128</b>	<b>7,698,168</b>	<b>200,000</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>
<b>Quality of Life</b>							
Cromer Pier - Steelworks and Improvements to Pavilion Theatre		576,087	576,087	0	0	0	0
3G Facility at North Walsham/Fakenham		847,570	847,570	0	0	0	0
Cromer 3G Football Facility	1,000,000	0	1,000,000	0	0	0	0
The Reef Leisure Centre	161,000	139,727	300,727	0	0	0	0
Sheringham Enabling Land		78,677	78,677	0	0	0	0
Green Road Football Facility		50,220	50,220	0	0	0	0
	<b>1,161,000</b>	<b>1,692,281</b>	<b>2,853,281</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Customer Focus and Financial Sustainability</b>							
Administrative Buildings		8,868	8,868	0	0	0	0
Purchase of Bins	20,000	0	20,000	20,000	20,000	80,000	0
User IT Hardware Refresh	60,000	602	60,602	60,000	60,000	60,000	0



## Capital Programme - Budget 2023/24

Scheme	Budget before brought forwards from 2022/23	Brought forwards from 2022/23	Updated Budget	Updated Budget	Updated Budget	Updated Budget	Updated Budget
	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£	£	£
Storage Hardware		17,570	17,570	0	0	0	0
Members IT	25,000	1,549	26,549	0	0	0	0
Electric Vehicle Charging Points		33,317	33,317	0	0	0	0
Waste vehicles		65,046	65,046	0	0	0	0
Backup Network Upgrade		14,000	14,000	0	0	0	0
Fire Wall Replacements		3,510	3,510	0	0	0	0
Refurbishment of IT Training Room		15,000	15,000	0	0	0	0
Financial Management System		3,034	3,034	0	0	0	0
The Reef Solar Carport	596,000	(17,551)	578,449	0	0	0	0
Recruitment Software		35,050	35,050	0	0	0	0
Printer Replacement		2,503	2,503	0	0	0	0
Network Hardware Replacement	100,000	8,881	108,881	0	0	0	0
Folding Machine Laminator		22,880	22,880	0	0	0	0
Fire Sensors/Modern Alarm system in Cromer Offices		150,000	150,000	0	0	0	0
Digital Mailroom Scanners		15,617	15,617	0	0	0	0
	<b>801,000</b>	<b>379,878</b>	<b>1,180,878</b>	<b>80,000</b>	<b>80,000</b>	<b>140,000</b>	<b>0</b>
	<b>14,230,905</b>	<b>9,033,190</b>	<b>23,264,095</b>	<b>730,000</b>	<b>630,000</b>	<b>690,000</b>	<b>0</b>

## Capital Programme Financing

	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
Grants	7,602,750	1,882,186	9,484,936	1,354,615	1,354,615	1,354,615	1,354,615
Other Contributions	300,000	2,200,000	2,500,000	300,000	300,000	300,000	0
Asset Management Reserve	0	163,523	163,523	0	0	0	0
Major Repairs Reserve	0	222,430	222,430	0	0	0	0
Invest to Save Reserve	0	0	0	0	0	0	0
Delivery Plan Reserve	456,000	1,002,449	1,458,449	0	0	0	0
Capital Projects Reserve	0	916,004	916,004	0	0	0	0
Housing Reserve	1,000,000	1,084,233	2,084,233	0	0	0	0
Benefit Reserve	0	0	0	0	0	0	0
Grants Reserve	0	0	0	0	0	0	0
Revenue Contribution to Capital (RCCO)	0	0	0	0	0	0	0
Capital Receipts	2,142,840	4,243,715	6,386,555	430,000	330,000	140,000	80,000
Internal / External Borrowing	1,583,700	(1,583,700)	0	(1,354,615)	(1,354,615)	(1,104,615)	(1,434,615)

## Capital Programme - Budget 2023/24

<u>Scheme</u>	Budget before	Brought	Updated	Updated	Updated	Updated	Updated
	brought forwards	forwards from	Budget	Budget	Budget	Budget	Budget
	from 2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	2023/24	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£	£	£
<b>TOTAL FINANCING</b>	<b>13,085,290</b>	<b>10,130,840</b>	<b>23,216,130</b>	<b>730,000</b>	<b>630,000</b>	<b>690,000</b>	<b>0</b>

2022/23 Under spends and Grants - Requests to Roll Forward

Ref	Service Area	Service	Amount £	Amount Agreed by S151	Under spend and details of request	Request Made by (Service Mgr/Budget Holder)	Recommended Treatment / Reserve Allocation
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1) Requests to roll forward service underspends.

US1	Community	Environmental Protection	16,000	16,000	Recovery of Fixed Penalty Notices (to offset Housing staffing costs in 2023/24 - part of the EH savings bid)	Emily Capps	Environmental Health
US2	Community	Waste	118,209	118,209	NEWS returned gate fee and profit share 2021/22	Scott Martin	Environmental Health
US3	Coastal	Coastal Management	14,000	14,000	Preparation for Redundancy Pay at end of contract from East Suffolk Council.	Rob Goodliffe	Restructuring & Invest to Save Proposals

148,209      148,209

2) Unspent grants - grants received in the year that remain unspent at 31 March 2023

Grant 1	People Services	Housing	488,028	488,028	COMF - Contain Outbreak Management Fund, funds drawn down from Norfolk County Council to be allocated in 2023/24.	Karen Hill	Housing
Grant 2	People Services	Housing	105,443	105,443	Balance of unallocated grants received re NNCP, Waiting well and the better care fund	Karen Hill	Housing
Grant 3	Coastal	CTAP	345,017	345,017	Revenue grant received for CTAP programme to be implemented over 5 years from 2022/23 - 2026/27.	Rob Goodliffe	Coast Protection
Grant 4	Resources	Revenues	17,080	17,080	Request to keep these New Burden funds as need some resources to backfill staff bringing in the new schemes and to cover any additional software costs etc.	Sean Knight	Grants
Grant 5	Electoral Services	Election Expenses	33,015	33,015	Electoral Integrity Programme New Burdens Funding needed for additional costs associated with the voter identification and accessibility portions of the act for the May 2023 Elections.	Tracey Holmes	Election Reserve

988,583      988,583

TOTAL

1,136,792      1,136,792

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<b>Treasury Outturn Report 2022/23</b>	
<b>Executive Summary</b>	This report sets out the Treasury Management activities undertaken during 2022/23 compared with the Treasury Management Strategy for the year.
<b>Options Considered</b>	This report must be prepared to be ensured members are aware of Treasury activities. It is also a requirement for the Council to comply with the CIPFA Treasury Management and Prudential Codes.
<b>Consultation(s)</b>	Link Treasury Services have provided the economic information in Appendix T associated with this report.
<b>Recommendations</b>	That Cabinet reviews and approves this report, with the recommendation that it is submitted to Full Council for final approval.
<b>Reasons for recommendations</b>	This report requires approval by Full Council for the Authority to be compliant with the CIPFA Treasury Management and Prudential Codes.
<b>Background papers</b>	<p>This report refers to the Council's Capital Strategy Report 2022/23 which was approved by Members on 31/01/2022.</p> <p>This report refers to the Council's Treasury Management Strategy 2022/23 which was approved by Members on 23/02/2022.</p>

<b>Wards affected</b>	All
<b>Cabinet member(s)</b>	Cllr Lucy Shires
<b>Contact Officer</b>	James Moore - Accountancy Assistant - James.Moore@north-norfolk.gov.uk

<b>Links to key documents:</b>	
Corporate Plan:	This report shows the Council's current Treasury position against the cost of delivering its Capital Programme (CFR – Capital Financing Requirement). This shows the Council's current ability to finance its current Capital Programme.
Medium Term Financial Strategy (MTFS)	<p>This report supports the Medium Term Financial Strategy through protecting Council funds and cash flows, whilst minimizing borrowing costs.</p> <p>This report shows the Council's Investment and Borrowing position against the Council's Capital Financing Requirement, showing the net debt position of the Authority as at the end of the financial year.</p>
Council Policies & Strategies	<p>This report refers to the Council's Capital Strategy Report 2022/23 which was approved by Members on 31/01/2022.</p> <p>This report refers to the Council's Treasury Management Strategy 2022/23 which was approved by Members on 23/02/2022.</p>

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	This report is available to the public.
Details of any previous decision(s) on this matter	This is an annual report on the Council's current Treasury position.

## 1. Purpose of the report

This report sets out the Treasury Management activities undertaken during 2022/23 compared with the Treasury Management Strategy for the year.

It is a requirement for this report to be completed to comply with the CIPFA (Chartered Institute of Public Finance) Treasury Management Code and the Council's own Treasury Management: Code of Practice, so that members are updated with the current Treasury position of the Authority.

## **2. Introduction & Background**

This report shows the Council's current Treasury position against the cost of delivering its Capital Programme (CFR – Capital Financing Requirement). This shows the Council's current ability to finance its current Capital Programme.

The Council Borrows and Invests substantial sums of money and is therefore exposed to financial risks including the loss/gain of invested funds. There is also the revenue accounting implications of a constantly changing interest rate environment on the Authority's investments. The successful identification, monitoring and control of risk remains central to the Authority's Treasury Management Strategy.

Please refer to **Appendix T – Annual Treasury Outturn Report 2022/23** for a full outline of the Council's Treasury position.

## **3. Proposals and Options**

This report contributes towards the overall financial performance of the Council. It is recommended that the Council proceeds with its Treasury operations as outlined in the Treasury Management Strategy 2023-24 and Capital Strategy 2023-24 approved by members on 22/02/2023.

## **4. Corporate Priorities**

The Council's Treasury Management report supports the Medium Term Financial Strategy through protecting the Council's funds and cash flows whilst minimizing borrowing costs.

## **5. Financial and Resource Implications**

There is no significant implication highlighted by this report. The Treasury has followed the Treasury Management Strategy, and the Council currently has sufficient investment balances to fund the Capital Programme.

## **6. Legal Implications**

This report must be prepared to ensure the Council is compliant with the CIPFA Treasury Management Code.

## **7. Risks**

This report addresses the potential risk that the Council does not have sufficient funds, or requires long-term borrowing, to finance its Capital Programme.

Full risks details are highlighted within Appendix T associated with this report.

## **8. Net Zero Target**

Not applicable to this report.

**9. Equality, Diversity & Inclusion**

10. Not applicable to this report.

**11. Community Safety issues**

Not applicable to this report.

**12. Conclusion and Recommendations**

11.1. To conclude that treasury activities for the year have been carried out in accordance with the CIPFA code and the Council's Treasury Strategy.

11.2. To ask that this report is sent to Full Council for approval.



# **North Norfolk District Council**

## **Annual Treasury Outturn Report 2022/23**

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# Annual Treasury Management Review 2022/23

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## Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2022/23 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 23/02/2022)
- a mid-year, (minimum), treasury update report (Council 20/12/2022)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, the Council has received quarterly treasury management update reports.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Overview & Scrutiny Committee before they were reported to the full Council.

Member training on treasury management was not undertaken during the 2022/23 year, but a session will be organised during the 2023/24 financial year order to support members' scrutiny role, with intentions for this session to run yearly to keep members updated with the Council's current portfolio.

## Executive Summary

During 2022/23, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	31.3.22 Actual £m	2022/23 Forecast £m	31.3.23 Actual £m
Capital Expenditure	9.183	13.985	6.862
<b>Capital Financial Requirement</b>	<b>15.827</b>	<b>15.677</b>	<b>15.111</b>
Short-Term Borrowing	13.000	0.000	9.000
Long-Term Borrowing	0.000	0.000	0
<b>Gross Borrowing</b>	<b>13.000</b>	<b>0.000</b>	<b>9.000</b>
Short-Term Investments	10.770	8.600	2.830
Long-Term Investments	32.000	32.000	22.582
Non-Treasury Investments (Housing Loans)	2.605		2.332
<b>Total Investments</b>	<b>45.375</b>	<b>40.600</b>	<b>27.744</b>
<b>Net Investments</b>	<b>32.375</b>	<b>40.600</b>	<b>18.744</b>
Net Borrowing	<b>(16.548)</b>	<b>(24.923)</b>	<b>(3.633)</b>

Other prudential and treasury indicators are to be found in the main body of this report. The Director of Finance also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

## Recommendations

The Council is recommended to:

1. Approve the actual 2022/23 prudential and treasury indicators in this report
2. Note the annual treasury management report for 2022/23

## Introduction and Background

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

### 1. The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund £m	31.3.22 Actual	2022/23 Forecast	31.3.23 Actual
<b>Capital expenditure</b>	<b>9.183</b>	<b>13.985</b>	<b>6.862</b>
Capital Receipts	0.999	6.035	2.516
Grants, Reserves & Capital Contributions	2.624	4.657	4.400
Revenue Contributions	1.319	3.293	0.00
<b>Financed in year</b>	<b>4.942</b>	<b>0.000</b>	<b>6.916</b>
<b>Unfinanced capital expenditure (External Borrowing)</b>	<b>4.241</b>	<b>0.000</b>	<b>(0.054)</b>

## 2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2022/23 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. The Council can borrow from multiple sources; two potential brokers (Tradition/King & Shaxson) to organise borrowing from other Government Bodies (Council's, Police Authorities, Fire Authorities), it can borrow through the Public Works Loan Board (PWLB), or it can borrow internally using temporary cash resources within the Council.

**Reducing the CFR** – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the Revenue Account borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2022/23 MRP Policy, (as required by DLUHC Guidance), was approved as part of the Capital Strategy Report for 2022/23 on 31/01/2022.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract (*if applicable*).

CFR (£m): General Fund	31.3.22 Actual	2022/23 Budget	31.3.23 Actual
Opening balance	11.939	16.003	15.827
Add unfinanced capital expenditure (as above)	4.241	0.000	(0.054)
Less MRP/VRP*	(0.353)	(0.326)	(0.662)
Less PFI & finance lease repayments	0.000	0.000	0.000
Closing balance	15.827	15.677	15.111

\* Includes voluntary application of capital receipts

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

**Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2022/23) plus the estimates of any additional capital financing requirement for the current (2023/24) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2022/23. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

£m	31.3.22 Actual	2022/23 Budget	31.3.23 Actual
Gross borrowing position	13.000	0.000	9.000
CFR	15.827	15.677	15.111
(Under) / over funding of CFR	(2.527)	(15.677)	(6.111)

The Council does not have a gross borrowing position above its CFR.

**The authorised limit** - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2022/23 the Council has maintained gross borrowing within its authorised limit.

**The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

**Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2022/23
Authorised limit	£50m
Maximum gross borrowing position during the year	£15m
Operational boundary	£15m
Average gross borrowing position	£10m



### 3. Treasury Position as at 31st March 2023

The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2022/23 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

DEBT PORTFOLIO £m	31.3.22 Principal	Average Rate/ Return	Average Duration (Days)	31.3.23 Principal	Average Rate/ Return	Average Duration (Days)
<b>Fixed rate funding, Short-Term Borrowing:</b>						
- Local Authority Borrowing	11.000	0.51%	208	7.000	4.23%	137
- Police Authority Borrowing	0.000			2.000	4.55%	85
- Fire Authority Borrowing	2.000	0.95%	184	0.000		
<b>Variable rate funding:</b>						
- None	0.000			0.000		
<b>Total debt</b>	<b>13.000</b>	<b>0.58%</b>		<b>9.000</b>	<b>4.30%</b>	<b>120</b>
<b>CFR</b>	<b>15.827</b>			<b>15.111</b>		
<b>Over / (under) borrowing</b>	<b>(3.520)</b>			<b>(6.858)</b>		
<b>Total investments</b>	<b>45.375</b>	<b>2.10%</b>		<b>27.744</b>	<b>5.21%</b>	
<b>Net debt</b>	<b>(41.855)</b>			<b>(20.886)</b>		

The maturity structure of the debt portfolio was as follows:

£m	31.3.22 actual	2022/23 original limits	31.3.23 Actual
Under 12 months	13.000	50.000	9.000
12 months and within 24 months	0.000	0.000	0.000
24 months and within 5 years	0.000	0.000	0.000
5 years and within 10 years	0.000	0.000	0.000
10 years and within 20 years	0.000	0.000	0.000
20 years and within 30 years	0.000	0.000	0.000
30 years and within 40 years	0.000	0.000	0.000
40 years and within 50 years	0.000	0.000	0.000

The Council has reduced its short-term borrowing during the 2022-23 financial year by selling some of its long term-investments (Pooled Funds) in March 2023 as can be seen in the Executive Summary on page 7 above. The amount of long-term investments has decreased from £32m to £22.581m, £9.419m of investment was sold which generated a net investment return of £118,298 on the principal invested.

Mostly short-term deposit funds were repaid (Cash Plus and Short-Dated Funds) as these have a recommended investment duration of around 5 years and were bought in May 2015. These

investments focus on a high-level of security with a low return yet can be repaid at same day notice. The below investment portfolio table reflects the balance of these two types of funds being reduced from a total of £6m to £1.012m.

Approximately 20% investment of the larger fund categories (equity and Multi-Asset Funds) were then repaid to keep diversification across the portfolio whilst ensuring there was no loss in recognition of principle on the total repayment (net investment return mentioned above). By keeping a diverse portfolio in different fund types, the Council is able to balance losses and gains on the capital values of investments so that a net gain is always realised when repaying long-term investments.

<b>INVESTMENT PORTFOLIO</b>	<b>31.3.22 Actual £m</b>	<b>31.3.22 Actual % of Portfolio</b>	<b>31.3.23 Actual £m</b>	<b>31.3.23 Actual % of Portfolio</b>
<b>Treasury investments</b>				
Money Market Funds	10.770	24%	2.830	11%
<b>Total managed in house</b>	<b>10.770</b>	<b>24%</b>	<b>2.830</b>	<b>11%</b>
Cash Plus Funds	3.000	7%	0	0%
Short-Dated Bond Funds	3.000	7%	1.012	4%
Strategic Bond Funds	5.000	12%	5.000	20%
Equity Income Funds	8.000	19%	5.570	22%
Property Funds	5.000	12%	5.000	20%
Multi-Asset Income Funds	8.000	19%	6.000	23%
<b>Total managed externally (Pooled Funds)</b>	<b>32.000</b>	<b>76%</b>	<b>22.582</b>	<b>89%</b>
<b>TOTAL TREASURY INVESTMENTS</b>	<b>42.770</b>	<b>100%</b>	<b>25.412</b>	<b>100%</b>

<b>Non-Treasury investments</b>				
Loan to Broadland Housing Association	2.422	93%	2.154	92%
Loan To Homes for Wells	0.186	7%	0.178	8%
<b>TOTAL NON-TREASURY INVESTMENTS</b>	<b>2.605</b>	<b>100%</b>	<b>2.332</b>	<b>100%</b>

<b>Treasury investments</b>	<b>42.770</b>	<b>94%</b>	<b>25.412</b>	<b>92%</b>
<b>Non-Treasury investments</b>	<b>2.605</b>	<b>6%</b>	<b>2.332</b>	<b>8%</b>
<b>TOTAL OF ALL INVESTMENTS</b>	<b>45,375</b>	<b>100%</b>	<b>27.744</b>	<b>100%</b>

The maturity structure of the investment portfolio was as follows:

COUNTERPARTY / INVESTMENT	Redemption Period	Investment Value 31.03.2023 (£m)
Aberdeen Standard / MMF	CALL	0.555
Blackrock / MMF	CALL	1.075
DWS / MMF	CALL	1.200
Federated Investors (UK) LLP / MMF	CALL	0.000
Goldman Sachs / MMF	CALL	0.000
Invesco AIM / MMF	CALL	0.000
CCLA (UK) Public Sector Deposit Fund / MMF	CALL	0.000
CCLA / Local Authorities Mutual Investment Trust	T + 6 months	5.000
Payden & Rygel / Sterling Reserve Fund	T + 2 days	1.012
M&G Securities / UK Income Distribution Fund	T + 3 days	2.000
M&G Securities / Global Dividend Fund	T + 3 days	1.570
Ninety-One / Diversified Income Fund	T + 3 days	3.000
Schroder Unit Trusts / Income Maximiser Fund	T + 4 days	2.000
Threadneedle / Strategic Bond Fund	T + 4 days	3.000
M&G Securities / Strategic Corporate Bond Fund	T + 3 days	2.000
Aegon Asset Management / Diversified Income Fund	T + 3 days	3.000
<b>TOTAL</b>		<b>25.412</b>

*Note: CALL = Same day. T = Terms (date of notification to redeem/invest). Fixed = Long-term investment with set repayment dates. The CCLA (LAMIT) fund a Property Fund investment which has a long redemption period.*

The Council has seven same day investment/redemption Money Market Funds (MMF) accounts to invest/redeem surplus cash for its daily operations. For MMF's there is no gain/loss on principal invested, therefore they are low risk but with lower interest rates. The cash balances invested in these counterparties fluctuate daily.

The Council has nine Pooled Fund investments as at 31/03/2023, these are intended for long-term investing generating a higher return than MMF's. The principal invested in these funds is at more risk than MMF's as they are subject to gain/loss dependant on the value of the shares owned by the Council. The Council has only invested in counterparties recommended by its treasury advisors and with thorough credit checks. These are all income funds.

The Council sold all of its investments in Royal London Asset Management / Short-Term Income Fund, Royal London / Short-term Income Enhance Fund, Threadneedle / UK Equity Fund and the CCLA / Diversified Income Fund.

The Council currently has two outstanding loans with Housing Associations. One large loan with the Broadland Housing Association (original loan value £3.5m) and one smaller loan with Homes for Wells (original loan value £192,675).

To support the above investment portfolio, the below table summarises the interest earned on the average amounts of the Council's investments during the last two financial years. The purpose of this table is to give members an idea of the rate of return on the Council's portfolio of each type of investment.

<b>INVESTMENT INTEREST</b>	31.3.22 Average Amount Invested £m	31.3.22 Interest Earned £m	31.3.22 Average interest rate %	31.3.23 Average Amount Invested £m	31.3.23 Interest Earned £m	31.3.23 Average interest rate %
Money Market Funds	10.770	0.006	0.06%	7.427	0.136	4.82%
<b>Total managed in house</b>	<b>10.770</b>	<b>0.006</b>	<b>0.06%</b>	<b>7.427</b>	<b>0.136</b>	<b>4.82%</b>
Cash Plus Funds	3.000	0.013	0.42%	2.679	0.048	1.80%
Short-Dated Bond Funds	3.000	0.014	0.48%	2.831	0.045	1.61%
Strategic Bond Funds	5.000	0.098	1.96%	5.000	0.155	3.11%
Equity Income Funds	8.000	0.277	3.46%	7.794	0.371	4.76%
Property Funds	5.000	0.254	5.08%	5.000	0.267	5.34%
Multi-Asset Income Funds	8.000	0.278	3.48%	7.830	0.334	4.26%
<b>Total managed externally (Pooled Funds)</b>	<b>32.000</b>	<b>0.934</b>	<b>2.92%</b>	<b>31.134</b>	<b>1.220</b>	<b>3.92%</b>
<b>TOTAL TREASURY INVESTMENTS</b>	<b>42.770</b>	<b>0.940</b>	<b>2.20%</b>	<b>38.561</b>	<b>1.356</b>	<b>3.99%</b>

*Please note that for 31.3.23 figures, pooled funds investments were sold in March 2023, so principal values are different for the average amounts invested.*

<b>Non-Treasury Investments</b>	31.3.22 Average Amount Invested £m	31.3.22 Interest Earned £m	31.3.22 Average interest rate %	31.3.23 Average Amount Invested £m	31.3.23 Interest Earned £m	31.3.23 Average interest rate %
Loan to Broadland Housing Association	2.423	0.092	3.80%	2.219	0.084	3.80%
Loan To Homes for Wells	0.182	0.005	3.00%	0.178	0.006	3.00%
<b>Total Loans</b>	<b>2.605</b>	<b>0.097</b>	<b>3.75%</b>	<b>2.397</b>	<b>0.090</b>	<b>3.75%</b>

<b>AVERAGE OF ALL INVESTMENTS</b>	31.3.22 Average Amount Invested £m	31.3.22 Interest Earned £m	31.3.22 Average interest rate %	31.3.23 Average Amount Invested £m	31.3.23 Interest Earned £m	31.3.23 Average interest rate %
Treasury Investments	42.770	0.940	2.20%	38.561	1.356	3.99%
Non-Treasury Investments	2.605	0.097	3.75%	2.397	0.09	3.75%
<b>AVERAGE OF ALL INVESTMENTS</b>	<b>45.375</b>	<b>1.037</b>	<b>2.29%</b>	<b>40.959</b>	<b>1.446</b>	<b>3.53%</b>

As can be seen from the above, interest rates in 2021/22 were low from the effects of COVID. In February 2022, the Russia-Ukraine war occurred which led to high levels of inflation in cost of goods. The MPC (Monetary Policy Committee) have increased interest rates consistently over the 2022/23 fiscal year to help control the rising inflation rate and prevent a recession. By making interest rates more expensive, consumers and businesses are less likely to borrow funds and therefore spending decreases, slowing down inflation.

## 4. The Investment Risk Strategy for 2022/23

### 4.1 Investment strategy and control of interest rate risk

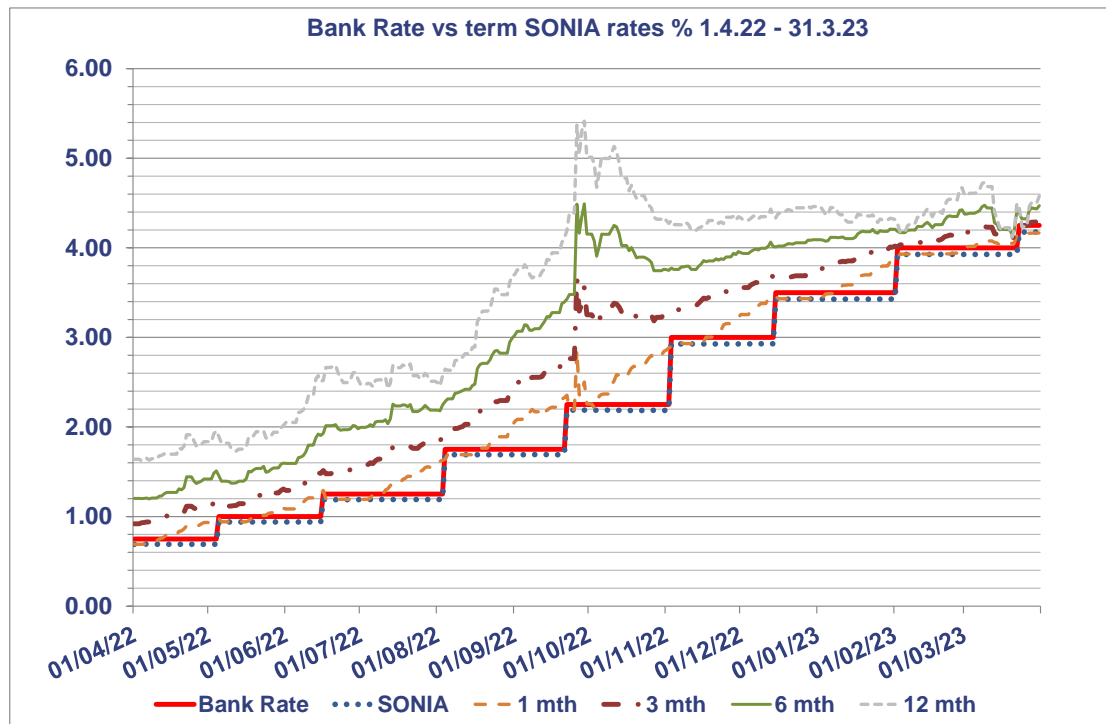
The Treasury managed the Council's interest rate risk in 2022/23 by minimalizing the amount of borrowing undertaken. This is achieved by investing surplus cash into Money Market Funds which have same day access, maintaining a cash flow record to track predicted cash shortfalls in daily operations. When borrowing is necessary to be undertaken, interest rates and MPC (Monetary Policy Committee) meetings are taken into consideration and borrowing is undertaken earlier if it is deemed more financial beneficial to borrow earlier at a cheaper rate. This "forward borrowing" or a week or two was undertaken by the Council in 2022/23 to meet its shortfalls in cash, and in doing so managed to borrow the required sums at more beneficial interest rate and balance the borrowing costs with the increase in interest rates of its long-term investments.

The effective borrowing management of the Council has been more difficult than in previous years. Before and during the COVID period, interest rates and borrowing rates averaged 0.5% and never exceeded 1% even on long-term borrowing (1 year +). After this period, with the changes in the UK's political leadership and the Ukrainian-Russia war, inflation and interest rates increased monthly to the point where even treasury advisors were uncertain of future interest rate forecasts.

In January 2023 year, the decision was made to reduce the Council's total long-term investment portfolio, with the redemption of just under £9.42m of its Pooled Fund investments. It was ensured that a balanced portfolio was kept minimizing risk of realising capital losses on investments during a turbulent financial period. By redeeming these long-term investments, the Council prevented its borrowing requirement being increased to figures of around £20m following a request from central government to repay COVID grants unspent in March 2023 to the value of £6m. The remaining value was used to reduce the Council's short-term borrowing amount at the end of the 2022/23 financial year.

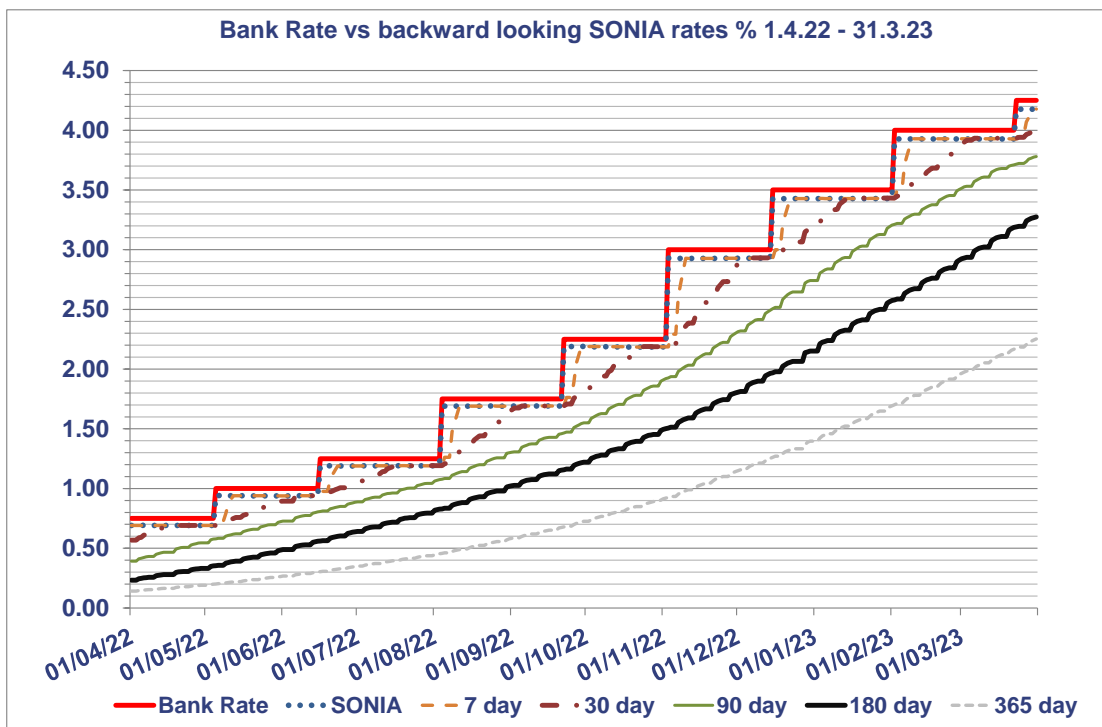
Consideration to further borrowing and possibly withdrawing more Pooled Fund investments will be constantly monitored during the 2023/24 financial year. With interest rates predicted to rise further to 5% in June 2023, 5.25% in July 2023 and peaking at 5.5% in September 2023. The current bank of England rate is 4.5% (as at May 2023). It would not be unexpected for rates to reach 6% by December 2023. The Council will need to take careful consideration into its levels of expenditure over the 2023/24 year with the risk of overspending becoming more prevalent as the interest rates increase throughout the year.

### Investment Benchmarking Data – Sterling Overnight Index Averages (Term) 2022/23



FINANCIAL YEAR TO QUARTER ENDED 31/3/2023						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
<b>High</b>	4.25	4.18	4.17	4.30	4.49	5.41
<b>High Date</b>	23/03/2023	31/03/2023	31/03/2023	31/03/2023	29/09/2022	29/09/2022
<b>Low</b>	0.75	0.69	0.69	0.92	1.20	1.62
<b>Low Date</b>	01/04/2022	28/04/2022	01/04/2022	01/04/2022	07/04/2022	04/04/2022
<b>Average</b>	2.30	2.24	2.41	2.72	3.11	3.53
<b>Spread</b>	3.50	3.49	3.48	3.38	3.29	3.79

**Investment Benchmarking Data – Sterling Overnight Index Averages (Backward-looking) 2022/23**



FINANCIAL YEAR TO QUARTER ENDED 31/03/2023							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
<b>High</b>	4.25	4.18	4.18	4.00	3.78	3.27	2.25
<b>High Date</b>	23/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023
<b>Low</b>	0.75	0.69	0.69	0.57	0.39	0.23	0.14
<b>Low Date</b>	01/04/2022	28/04/2022	29/04/2022	01/04/2022	01/04/2022	01/04/2022	01/04/2022
<b>Average</b>	2.30	2.24	2.20	2.09	1.81	1.42	0.90
<b>Spread</b>	3.50	3.49	3.49	3.43	3.39	3.04	2.11



## 4.2 Borrowing strategy and control of interest rate risk

During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were initially low and minimising counterparty risk on placing investments also needed to be considered.

A cost of carry generally remained in place during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns. As the cost of carry dissipated, the Council sought to avoid taking on long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and short-term borrowing (<1 year).

The policy of avoiding long-term borrowing has served well over the last few years. However, this has been kept under review to avoid incurring higher borrowing costs in the future when this Authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Resources has monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks as outlined in section 4.1 above.

- It was realised that there was a significant risk of a sharp rise in long and short-term rates, (e.g., due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and so consideration into potential long-term fixed rate borrowing was avoided to prevent the Council being locked into a expensive long-term loan from the PWLB. Short term borrowing and the repayment of long-term investments was decided as the best management of the Council's Treasury.
- if it had been felt that there was a significant risk of a much sharper fall in long and short-term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden recession, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2022/23 but by August it had become clear that inflation was moving up towards 40-year highs, and the Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022, and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time. Currently the CPI measure of inflation is still above 10% in the UK but is expected to fall back towards 4% by year end. Nonetheless, there remain significant risks to that central forecast.

Forecasts at the time of approval of the treasury management strategy report for 2022/23 are as per the below table:

Link Group Interest Rate View 7.2.22												
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
<b>BANK RATE</b>	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month ave earnings	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month ave earnings	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month ave earnings	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

The following table highlight the rapid bank rate increases over the 2022/23 financial year:

Link Group Interest Rate View 10.5.22													
	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>BANK RATE</b>	1.25	1.50	1.75	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
3 month ave earnings	1.20	1.50	1.70	2.00	2.00	2.00	2.00	2.00	1.70	1.70	1.70	1.70	1.70
6 month ave earnings	1.60	1.90	2.10	2.20	2.20	2.20	2.20	2.10	2.00	1.90	1.90	1.90	1.90
12 month ave earnings	2.00	2.20	2.30	2.40	2.40	2.30	2.30	2.20	2.20	2.10	2.10	2.10	2.10
5 yr PWLB	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.50	2.50	2.50	2.50	2.50
10 yr PWLB	2.80	2.80	2.90	2.90	2.90	2.90	2.90	2.90	2.80	2.80	2.80	2.80	2.80
25 yr PWLB	3.00	3.10	3.10	3.20	3.20	3.20	3.10	3.10	3.00	3.00	3.00	3.00	3.00
50 yr PWLB	2.70	2.80	2.80	2.90	2.90	2.90	2.80	2.80	2.70	2.70	2.70	2.70	2.70

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
<b>BANK RATE</b>	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

Link Group Interest Rate View 09.08.22													
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>BANK RATE</b>	2.25	2.50	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.00
3 month ave earnings	2.50	2.80	3.00	2.90	2.80	2.50	2.40	2.30	2.30	2.30	2.20	2.20	2.20
6 month ave earnings	2.90	3.10	3.10	3.00	2.90	2.80	2.70	2.60	2.50	2.50	2.40	2.30	2.30
12 month ave earnings	3.20	3.30	3.20	3.10	3.00	2.90	2.80	2.70	2.40	2.40	2.40	2.40	2.40
5 yr PWLB	2.80	3.00	3.10	3.10	3.00	3.00	2.90	2.90	2.80	2.80	2.80	2.70	2.70
10 yr PWLB	3.00	3.20	3.30	3.30	3.20	3.10	3.10	3.00	3.00	3.00	2.90	2.90	2.80
25 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.40	3.30	3.30	3.20	3.20	3.20	3.10
50 yr PWLB	3.10	3.20	3.20	3.20	3.20	3.10	3.10	3.00	3.00	2.90	2.90	2.90	2.80

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>BANK RATE</b>	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

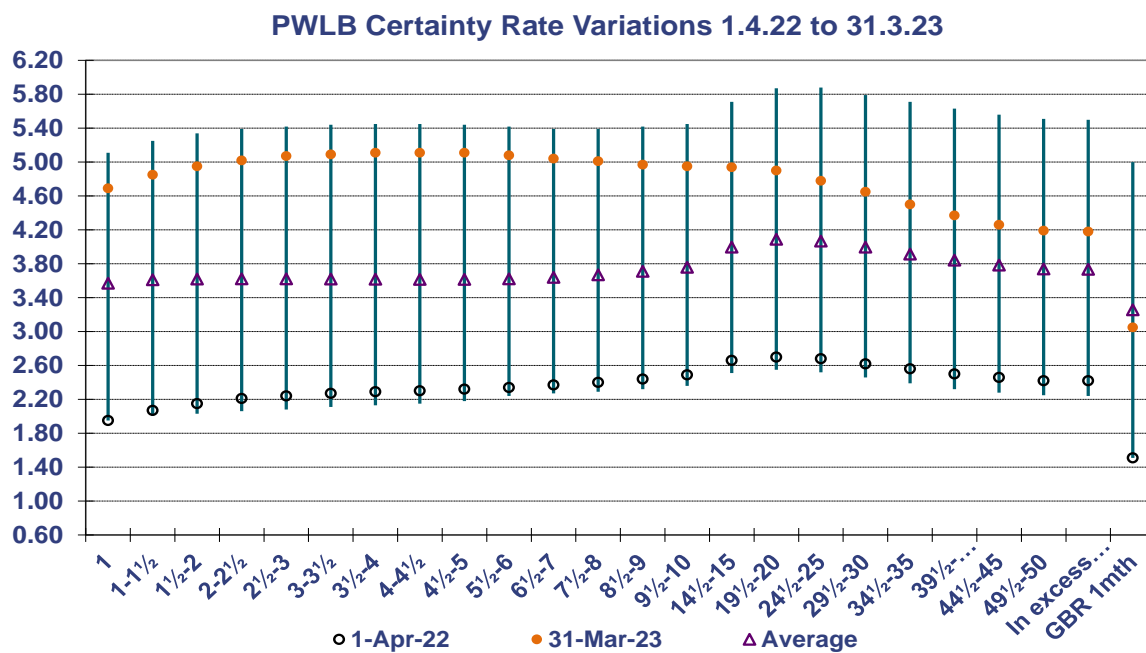
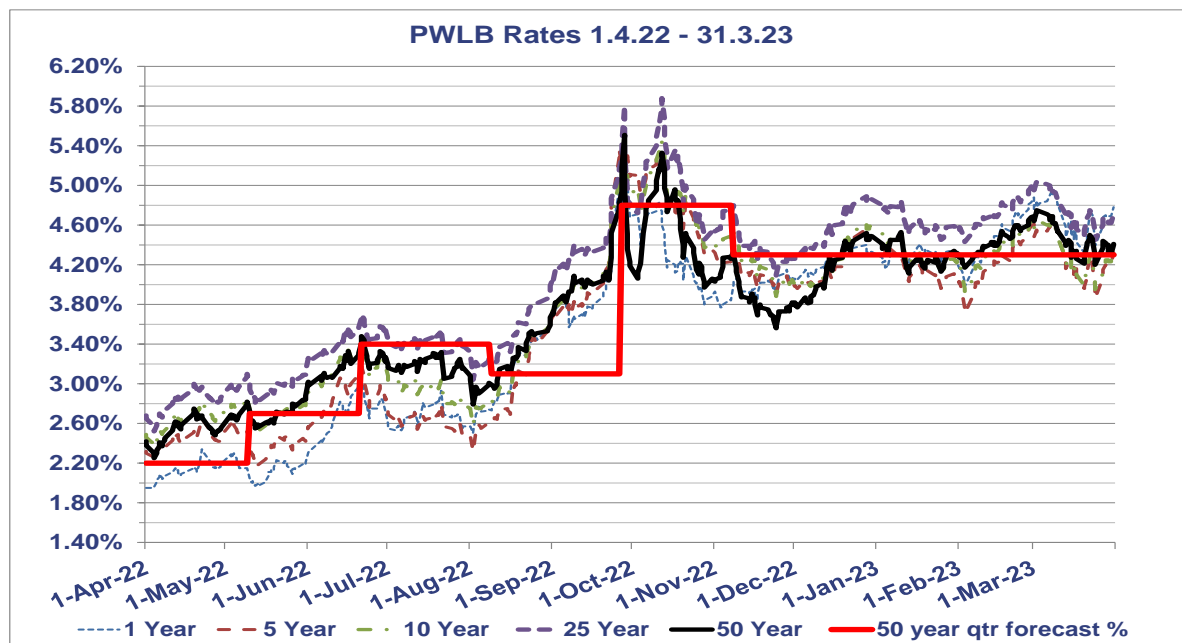
Link Group Interest Rate View		08.11.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Link Group Interest Rate View		19.12.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Link Group Interest Rate View		07.02.23											
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
<b>BANK RATE</b>	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings	4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings	4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings	4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10
10 yr PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.40
50 yr PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10

Link Group Interest Rate View		27.03.23										
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
<b>BANK RATE</b>	4.50	4.50	4.25	4.00	3.50	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings	4.50	4.50	4.30	4.00	3.50	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings	4.50	4.40	4.20	3.90	3.40	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings	4.50	4.40	4.20	3.80	3.30	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.10	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.20	3.10
10 yr PWLB	4.20	4.20	4.00	3.90	3.80	3.70	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB	4.60	4.50	4.40	4.20	4.10	4.00	3.80	3.70	3.60	3.50	3.50	3.40
50 yr PWLB	4.30	4.20	4.10	3.90	3.80	3.70	3.50	3.50	3.30	3.20	3.20	3.10

PWLB RATES 2022/23



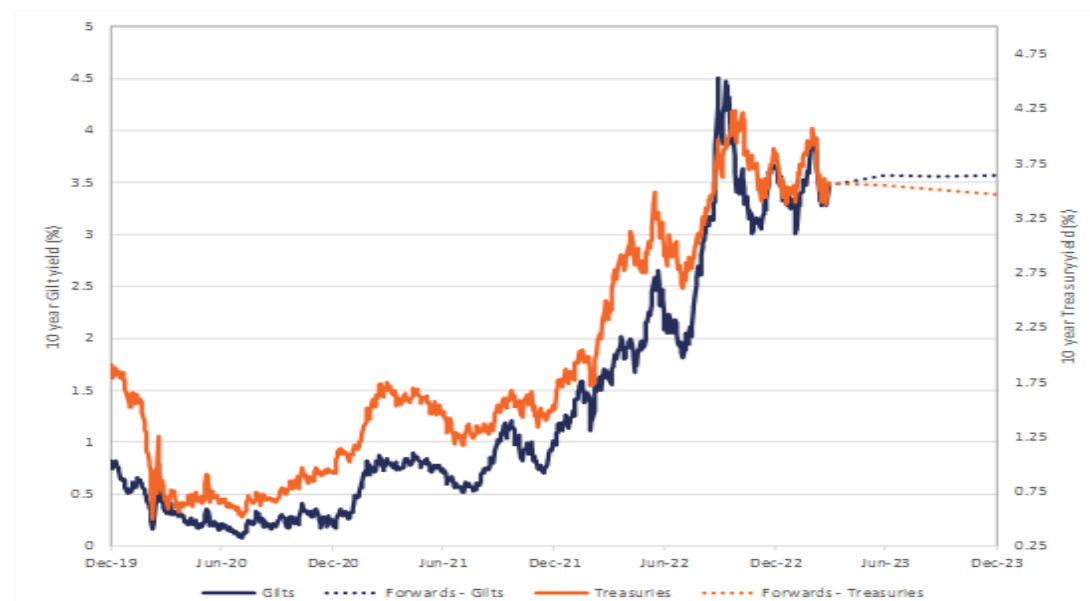
HIGH/LOW/AVERAGE PWLB RATES FOR 2022/23

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.45%	5.88%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	12/10/2022	12/10/2022	28/09/2022
<b>Average</b>	3.57%	3.62%	3.76%	4.07%	3.74%
<b>Spread</b>	3.16%	3.26%	3.09%	3.36%	3.26%

PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by persistent inflation that is exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

#### Graph of UK gilt yields v. US treasury yields



There is likely to be a fall in PWLB rates across the whole curve over the next one to two years as Bank Rate first rises to dampen inflationary pressures and a tight labour market, and is then cut as the economy slows, unemployment rises, and inflation (on the Consumer Price Index measure) moves closer to the Bank of England's 2% target.

## 5. Borrowing Outturn

**Treasury Borrowing** – *The following is record of all short-term borrowing undertaken by the Council in 2022-23:*

Lender	Principal £m	Interest Rate Type	Interest Rate	Maturity days	Interest payable in 2022/23
West Midland Combined Authority	5.000	Fixed	0.10%	182	£821.92
Humberside Fire & Rescue Service	2.000	Fixed	0.95%	184	£9,005.48
North Hertfordshire District Council	2.000	Fixed	0.95%	184	£7,912.33
Tendring District Council	2.000	Fixed	0.95%	184	£9,005.48
Armagh City Banbridge and Craigavon Borough Council	2.000	Fixed	0.65%	99	£2,635.62
Northern Ireland Housing Executive	2.000	Fixed	1.30%	80	£5,698.63
Solihull Metropolitan Borough Council	5.000	Fixed	2.80%	181	£69,424.66
Fermanagh and Omagh District Council	2.000	Fixed	3.55%	182	£32,679.45
Erewash Borough Council	2.000	Fixed	3.45%	32	£6,049.32
Newport City Council	1.000	Fixed	3.85%	14	£1,476.71
Cambridgeshire & Peterborough Combined Authority	5.000	Fixed	4.50%	92	£14,178.08
Police & Crime Commissioner for Avon and Somerset	2.000	Fixed	4.55%	85	£5,734.25

The Five borrowed amounts highlighted in light grey were carried forward from the 2021/22 financial year, the above table reflects the amount of interest due in the 2022/23 year only.

The three borrowed amounts highlighted in dark grey were carried forward into the 2022/23 financial year, the above table reflects the amount of interest due in the 2022/23 year only.

The Council's borrowing budget for 2022/23 was £145,532, this was calculated on a forecast of interest rates being 2%, interest rates were 1% as at December 2021, and they were expected to only marginally rise by April 2022.

The actual cost of borrowing in 2022/23 was £164,621.93, £19,089.93 over the budgeted amount. This cost was covered the extra interest earned above budget on the Council's investments.

The Council has taken no long-term borrowing from the Public Works Loans Board.

### **Borrowing in advance of need**

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

As outlined in section 4.1 The Council did borrow in advance of need when a forecasted cash deficit was known, and it was predicted borrowing rates were to be increased by the MPC soon. Therefore, borrowing was agreed ahead of the borrowing date to agree a lower interest rate.

## 6. Investment Outturn

**Investment Policy** – the Council’s investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved at Full Council. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.)

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties that were not managed by short-term borrowing. No overdraft charges were received.

### **Investments held by the Council**

- The Council maintained an average balance of £40.959m of internally managed funds over the 2022/23 financial year.
- The internally managed funds earned an average rate of return of 3.53%.
- The comparable performance indicator is the average 12-month SONIA rate, which was also 3.53% as shown in the table on page 18.
- This compares with a budget assumption of £42.821m investment balances earning an average rate of 2.68%.
- Total investment income was £1.449m compared to a budget of £1.149m which is a total of £300k extra income earned.



## 7. The Economy and Interest Rates

### UK. Economy.

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps in 2022. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
<b>Bank Rate</b>	4.25%	3%	4.75%-5%
<b>GDP</b>	0.1%q/q Q4 (4.1%y/y)	+0.1%q/q Q4 (1.9%y/y)	2.6% Q4 Annualised
<b>Inflation</b>	10.4%y/y (Feb)	6.9%y/y (Mar)	6.0%y/y (Feb)
<b>Unemployment Rate</b>	3.7% (Jan)	6.6% (Feb)	3.6% (Feb)

Q2 of 2022 saw UK GDP deliver growth of +0.1% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Q4 GDP was positive at 0.1% q/q. Most recently, January saw a 0.3% m/m increase in GDP as the number of strikes reduced compared to December. In addition, the resilience in activity at the end of 2022 was, in part, due to a 1.3% q/q rise in real household disposable incomes. A big part of that reflected the £5.7bn payments received by households from the government under the Energy Bills Support Scheme.

Nevertheless, CPI inflation picked up to what should be a peak reading of 11.1% in October, although hopes for significant falls from this level will very much rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. On balance, most commentators expect the CPI measure of inflation to drop back towards 4% by the end of 2023. As of February 2023, CPI was 10.4%.

The UK unemployment rate fell through 2022 to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact remains, however, that with many economic participants registered as long-term sick, the UK labour force shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food (up 18.3% y/y in February 2023) and energy that have endured since Russia's invasion of Ukraine on 22 February 2022.

Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.

In the interim, following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by



her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of the 17<sup>th</sup> of November gave rise to a net £55bn fiscal tightening, although much of the “heavy lifting” has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have reversed the increases seen under the previous tenants of No10/11 Downing Street, although they remain elevated in line with developed economies generally.

As noted above, GDP has been tepid throughout 2022/23, although the most recent composite Purchasing Manager Indices for the UK, US, EZ and China have all surprised to the upside, registering survey scores just above 50 (below suggests economies are contracting, and above suggests expansion). Whether that means a shallow recession, or worse, will be avoided is still unclear. Ultimately, the MPC will want to see material evidence of a reduction in inflationary pressures and a loosening in labour markets. Realistically, that is an unlikely outcome without unemployment rising and wage settlements falling from their current levels. At present, the bigger rise in employment kept the ILO unemployment rate unchanged at 3.7% in January. Also, while the number of job vacancies fell for the ninth consecutive month in February, they remained around 40% above pre-pandemic levels.

Our economic analysts, Capital Economics, expect real GDP to contract by around 0.2% q/q in Q1 and forecast a recession this year involving a 1.0% peak-to-trough fall in real GDP.

The £ has remained resilient of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.23. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 4.5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

As for equity markets, the FTSE 100 started 2023 strongly, rising to a record high of 8,014 on 20<sup>th</sup> February, as resilient data and falling inflation boosted earnings. But global equities fell sharply after concerns over the health of the global banking system emerged early in March. The fall in the FTSE 100 was bigger than the drop in the US S&P 500. Indeed, at around 7,600 now, the FTSE is 5.2% below its record high on 20<sup>th</sup> February, while the S&P 500 is only 1.9% lower over the same period. That’s despite UK banks having been less exposed and equity prices in the UK’s financial sector not falling as far. It may be due to the smaller decline in UK interest rate expectations and bond yields, which raise the discounted value of future earnings, compared to the US.

**USA.** The flurry of comments from Fed officials over recent months suggest there is still an underlying hawkish theme to their outlook for interest rates. Markets are pricing in a further interest rate increases of 25-50bps, on top of the current interest rate range of 4.75% - 5%.

In addition, the Fed is expected to continue to run down its balance sheet once the on-going concerns about some elements of niche banking provision are in the rear-view mirror.

As for inflation, it is currently at c6% but with the economy expected to weaken during 2023, and wage data already falling back, there is the prospect that should the economy slide into a recession of any kind there will be scope for rates to be cut at the backend of 2023 or shortly after.

**EU.** Although the Euro-zone inflation rate has fallen below 7%, the ECB will still be mindful that it has further work to do to dampen inflation expectations and it seems destined to raise rates to 4% in order to do so. Like the UK, growth has remained more robust than anticipated but a recession in 2023 is still seen as likely by most commentators.

## 8. Other Issues

### 1. IFRS 9 fair value of investments

*English authorities:* Following the consultation undertaken by the Department of Levelling Up, Housing and Communities DLUHC on IFRS 9, the Government has extended the mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31<sup>st</sup> March 2025. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

Risk management will need to take account of the 2018/19 Accounting Code of Practice proposals for the valuation of investments. Whilst for many authorities, this may not be a significant issue, key considerations are included in our Technical Release, (TRA14, 29 August 2017), including:

- Expected credit loss model. Whilst this should not be material for vanilla treasury investments such as bank deposits, this is likely to be problematic for some funds e.g., property funds, (and also for non-treasury management investments dealt with in the capital strategy e.g., longer dated service investments, loans to third parties or loans to subsidiaries).
- The valuation of investments previously valued under the available for sale category e.g., equity related to the “commercialism” agenda, property funds, equity funds and similar, will be changed to Fair Value through the Profit and Loss (FVPL).

### 2. Changes in risk appetite

The Treasury has not changed its risk appetite during the 2022/23 year. The main focus of the treasury is to safeguard taxpayers money by investing in low risk counterparties and maintaining a diverse portfolio, and then secondly to generate a interest return on investments.

### 3. Counterparty limits

The counterparty limits were not changed at the end of the 2022/23 year, effective the 1<sup>st</sup> April 2023. This is to reflect a lower total investment value of the Council, and to ensure diversification is maintained across the investment portfolio to minimize risk. These limits are in the Treasury Strategy 2023/24, but are also highlighted again below:

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

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<b>Purchase of Temporary Accommodation Unit</b>	
<b>Executive Summary</b>	This report recommends purchase of a 4-bed home partly funded from government Local Authority Housing Fund grant. Initially the home will be used to help meet the resettlement needs of Afghan households but in the longer-term the Council will be able to use the home as temporary accommodation for homeless households.
<b>Options considered</b>	Do not use government grant and allocated budget to purchase property and therefore do not add to the stock of affordable homes in the district. Transfer the grant funding to a Registered Provider for them to acquire a 4-bedroom home for affordable housing
<b>Consultation(s)</b>	Portfolio Holder for Housing, Housing Options Manager, Estates and Assets Strategy Manager, Finance Team.
<b>Recommendations</b>	That Cabinet approves the purchase of a 4-bed home, partly supported by funding from the government's Local Authority Housing Fund grant
<b>Reasons for recommendations</b>	To give authority for spend over £100k
<b>Background papers</b>	Local Authority Housing Fund grant opportunity- 6 March 2023 Purchase of Temporary Accommodation Unit - 7 November 2022

<b>Wards affected</b>	District-wide
<b>Cabinet member(s)</b>	Cllr Wendy Fredericks
<b>Contact Officer</b>	Nicky Debbage, Housing Strategy & Delivery Manager <a href="mailto:nicky.debbage@north-norfolk.gov.uk">nicky.debbage@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Local Homes for Local Need
Medium Term Financial Strategy (MTFS)	Provision of good quality council owned temporary accommodation can deliver savings compared to more expensive and inferior alternatives such as bed and breakfast
Council Policies & Strategies	North Norfolk District Council Housing Strategy 2021 - 2025

<b>Corporate Governance:</b>	
Is this a key decision	Yes

Has the public interest test been applied	-
Details of any previous decision(s) on this matter	<p>Cabinet 6 March 23, Agenda item 12 - Local Authority Housing Fund Grant Opportunity</p> <p>Decision</p> <p>RESOLVED that</p> <p>The Council accepts the Local Authority Housing Fund grant funding in full and commits to the delivery of 11 homes.</p> <p>The source of the homes is from market sales including new-build when available (and if affordable).</p> <p>The Council delivers the new homes in partnership with Flagship. The Council will pass the grant on to Flagship, who will provide the match funding and own the homes, in return the Council will have nomination rights to the homes in perpetuity.</p>

## 1. Purpose of the report

- 1.1 This report recommends the Council purchases a 4-bed property using government grant funding awarded to the Council (Local Authority Housing Fund) earlier this year. The home will be used to meet the immediate resettlement needs of Afghan households. In the longer term the home will be available to NNDC to use to help meet our statutory homeless duties, e.g. as temporary accommodation.

## 2. Introduction & Background

- 2.1 Cabinet on 6th March 2023 agreed to accept grant from Round 1 of the government's Local Authority Housing Fund programme. This funding was awarded to help councils deal with additional housing pressures and to provide move-on and settled accommodation for Afghan and Ukrainian households. The grant was to be used to increase the provision of affordable housing available to support those households who are homeless, at risk of homelessness, or in bridging accommodation.
- 2.2 A second round of LAHF funding has now been announced, with funding focussed on housing for Afghan households in bridging accommodation. Consideration of whether NNDC should accept further Round 2 funds will be covered in a separate report, this report only looks at the Round 1 programme.
- 2.3 NNDC was awarded up to £1,245,210 through Round 1 of the Local Authority Housing Fund (LAHF) across two streams:
- Main element: £1,040,000 to provide a minimum of 10 homes for Ukrainian households.
  - Bridging element: £205,210 to provide a minimum of one larger 4+ bed home(s) for Afghan households in bridging accommodation.
- 2.4 The grant funding could cover up to 40% of the acquisition costs of the main element / Ukrainian homes and up to 50% of the cost of the Bridging element home. Additional grant of £20,000 per property is available for associated costs (purchase, refurbishment, etc.)

- 2.5 If the Council were to acquire all 11 homes this would require significant match funding (over £1.4m), use considerable staff resources and expose the Council to risk, especially as the grant has tight timescales pressures (homes to be acquired before March 2024). Therefore Cabinet agreed that NNDC would work in partnership with Flagship Housing who would acquire (and match fund) the homes. The homes would then become part of the overall stock of affordable housing in the district (with NNDC having full nomination rights to the homes).
- 2.6 With support from NNDC, Flagship have now agreed the purchase of 10 x new homes on two sites in the District. These homes are currently still under construction but will be complete before March 2024. The homes are all two or three-bed, and will therefore fulfil the Main Element Ukrainian homes part of the LAHF grant.
- 2.3 However, Flagship are unable to identify a new build 4-bed home to deliver the Bridging element of the LAHF grant. Accommodation for larger homeless families is very difficult (and expensive) to secure, and in the longer-term a 4-bed home would be extremely useful to NNDC to help meet these needs. NNDC could use the Bridging element of the LAHF grant to help acquire a 4-bed home, which in the longer-term can be used as TA for larger families.

### **3. Purchase Recommendation**

- 3.1 Officers undertook property searches to identify any suitable available homes. The home needed to be large enough to accommodate the client group (4-beds plus sufficient communal space), well located / close to amenities and public transport, be in good condition, and have good energy standards. A suitable 4-bed homes has now been identified, an offer made and accepted and a survey carried out on the home to ensure it offers value for money.
- 3.2 The home is located in one of the main towns in the district, is in good condition and has an Energy Performance Certificate rating of C with the potential to increase this to a B rating. The price of the property is £315,000. The Council is able to claim 50% of this cost in LAHF funding meaning we will need to fund the remaining share (£157,500). Additionally, the Council can use up to £20,000 of LAHF grant to cover acquisition costs and refurbishment (including improvements to the energy efficiency of the home). The grant conditions also mean there will be no Stamp Duty Land Tax payable on this purchase.

### **4. Corporate Priorities**

This proposal helps deliver the Corporate Plan objective “Local Homes for Local Need” and specifically the action 1.5.1b.2 The Council will explore options to provide better forms of temporary accommodation, including further direct delivery of temporary housing.

### **5. Financial and Resource Implications**

As stated in paragraph 3.2, the Council can use LAHF grant to cover 50% of the purchase price of this property plus a further £20,000 to cover associated costs. This leaves a cost of £157,500; which can be met from the Temporary Accommodation budget in the capital programme.

The 2023/24 TA budget (including brought forward underspend from 2022/23 is £250,823. Cabinet on 7 November 2022 agreed to the purchase of a further 2-bed property to be used for Temporary Accommodation, this purchase will also be funded from the TA budget and is estimated to total £110,000. This would result in spend of £267,500 against the TA budget and an overspend of around £16,000. However, a further £500k is already allocated for future TA purchases.

## 6. Legal Implications

Legal input will be required to ensure effective conveyancing and to identify any legal constraints on properties that are considered for purchase.

The council is able to hold in the General Fund, and let on license, homes to be used for TA for homeless households.

## 7. Risks

The key risks and mitigations associated with purchase of this property are:

- The property is a poor investment – mitigated by purchases being subject to an independent valuation
- The property has unforeseen major investment needs – mitigated by purchases being subject to a full survey
- The property is not required for TA in the future – mitigated by future sale of the asset if required

## 8. Net Zero Target

The property currently has a reasonable energy rating (EPC C) with the potential and available budget to improve this to a good rating of EPC B. However, the addition of this property to our estate will increase the Council's carbon footprint. This will need to be off-set in order to achieve the carbon net zero policy by 2030. Additional investment could be considered to upgrade the property further in order to minimise the additional carbon footprint. As it is an existing home, the overall 'community' emissions will not increase as a result of this purchase.

## 9. Equality, Diversity & Inclusion

Initially this home will be used to provide resettlement accommodation to Afghan refugee households. Long-term these homes would be available to households on the Council's housing list as temporary accommodation. There are not therefore considered to be any impacts on EDI.

## 10. Community Safety issues

The council will work with partner agencies to ensure the safety of households accommodated in this property.

## 11. Conclusion and Recommendations

The Local Authority Housing Fund provides grant to enable North Norfolk District to provide additional affordable homes in the district. 10 of these homes are being delivered in partnership with Flagship Housing. Using the LAHF grant NNDC is able to purchase a further large family home. Initially the Council will use the home to house Afghan refugee households. Long-



term the home would be available to homeless households on the Council's housing list as temporary accommodation (and like other existing TA, the home could be sold if no longer required). Purchase of this 4-bedroom home is recommended.

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<b>Council Loan to Homes for Wells to Enable Purchase of Two Properties</b>	
<b>Executive Summary</b>	<p>The delivery of new affordable housing is a key priority for the Council. This is an opportunity to support the delivery of two affordable homes and support the work of a partner community-led housing organisation.</p> <p>The support takes the form of a loan of £110,000 at commercial rates and at minimal risk to the Council.</p>
<b>Options considered</b>	<p>The alternatives are:</p> <ul style="list-style-type: none"> <li>a) To provide a loan for one property only.</li> <li>b) Not to provide any loan funding at all.</li> </ul>
<b>Consultation(s)</b>	<p>Cllr. Wendy Fredericks – Portfolio Holder.</p> <p>Finance team – support for and terms of the loan.</p> <p>Homes for Wells – amount of loan and number of properties.</p>
<b>Recommendations</b>	<p>This is a <u>resolution</u> for Cabinet to approve a loan of £110,000 to Homes for Wells to help with the purchase of two properties.</p>
<b>Reasons for recommendations</b>	<p>The two homes will provide affordable housing for low-income households from the Homes for Wells waiting list.</p>
<b>Background papers</b>	<p>No other background papers.</p>

<b>Wards affected</b>	Wells with Holkham
<b>Cabinet member(s)</b>	Cllr. Wendy Fredericks
<b>Contact Officer</b>	Graham Connolly, Housing Strategy and Delivery Manager, <a href="mailto:graham.connolly@north-norfolk.gov.uk">graham.connolly@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	This proposal supports the Council's Local Homes for Local Need by facilitating new homes and by using loan funding to achieve that aim.
Medium Term Financial Strategy (MTFS)	No links to the MTFS.
Council Policies & Strategies	This proposal supports the Council's aim to provide more affordable housing in the district.

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	Not exempt.
Details of any previous decision(s) on this matter	Cabinet approved a previous loan to Homes for wells in February 2020.

## **1. Purpose of the report**

- 1.1 This report seeks Cabinet approval to a loan of £110,000 to Homes for Wells to support their purchase of two additional homes in Wells.
- 1.2 Homes for Wells will use these homes to house low-income households from their waiting list.

## **2. Introduction & Background**

### Overview

- 2.1 Across the district there is a shortage of affordable housing for people who cannot afford to rent or buy a home in the market. The situation in Wells is made worse by the shortage of homes for rent and very high house prices relative to local wages.
- 2.2 Homes for Wells is a community-led housing group (and registered with Homes England as a Registered Housing Provider). Homes for Wells has the opportunity to purchase two properties which the Flagship Housing Group (Flagship) is selling. Homes for Wells seek financial support from the Council to purchase these two homes. Homes for Wells will use the two properties to provide homes for low-income households on their waiting list.
- 2.3 As part of their asset management strategy Flagship has a programme of investment in new and existing property. For a small number of properties Flagship determines that disposal is the best option. Flagship uses the proceeds of sales to help support its programme of new development. Property disposals by Flagship are controversial. Often the new properties are not in the same places as the sold properties. However, in the case of Wells Flagship has replaced old homes with new.
  - a) Market Lane – 40 affordable rent 2016/17 and 2017/18.
  - b) Nielson Close – four affordable rent and two shared ownership 2020/21.
- 2.4 Homes for Wells has arranged for surveys of the two properties and with relatively modest maintenance work the two properties will provide good quality homes.

## **3. Proposals and Options**

- 3.1 This report recommends that Cabinet approve a loan of £110,000 to Homes for Wells to help with the purchase of two homes.
- 3.2 In addition the Council will provide grant of £50,000 to help with the purchase of one of the properties. The grant is from the Community Housing Fund (CHF) monies held by the Council. The Portfolio Holder and Chief Executive have delegated authority to decide on the award of the grant.
- 3.3 Appendix 1 – shows the business plan for the proposed two property purchases. With the support from the loan and grant funding Homes for

Wells can meet the cost of purchasing both properties. They also project a modest surplus of income over spending (net contribution to reserves). This demonstrates that Homes for Wells is able to meet to costs of maintaining and managing the two properties, including making loan repayments to the Council.

Interest on the Loan

3.4 The interest rate on the loan of 5.5% is marginally above the interest rate charged to the Council by the Public Works Loan Board (PWLB). This is important for two reasons.

- 1) It ensures the Council is charging a commercial rate for the loan and there is therefore no risk of 'state aid'.
- 2) If the Council needs to borrow from the PWLB to fund the loan there is no net cost to the Council. Alternatively if the Council funds the loan from internal reserves the interest received represents a fair return for the use of those reserves.

Whilst interest rates are likely to rise we do not anticipate further increases before Cabinet take the decision to approve the loan on 29<sup>th</sup> June (assuming the decision is to approve).

Rents

3.5 It is usual for the Council to require grant and loan recipients to let their properties at affordable rents. An affordable rent is a rent capped by the lower of 80% of the local market rent and the local housing allowance (LHA).

3.6 In this case the proposal is that Homes for Wells let one of the properties at an affordable rent and the other at an intermediate rent of no more than 80% of market rent. The following table illustrates the proposal.

Property	Local Housing Allowance	Proposed Rent	Market Rent (across district)
1a Northfield	£575	£575	£675 - £1,450
5 Gales Road	£675	£850	£850 - £1,450

There are no properties currently advertised for rent in Wells or nearby. The market rent comparisons are for properties currently available (as at 15<sup>th</sup> June 2023) across the district. Based on historic rents in Wells the proposed rent of £850 for Gales Road is no more than 80% of market.

3.7 A household dependent upon benefits can claim rent up to LHA. So 1a Northfield would be suitable for a household in receipt of benefits but 5 Gales Road would not. Instead 5 Gales Road would be suitable for a working household. It would be very attractive to a family with one or more incomes but who have no hope of buying or renting in the market. A group Homes for Wells is keen to support.

3.8 Affordable rent is a priority for the Council and the proposed grant is therefore directed entirely at 1a Northfield. Intermediate rent is not suitable for all households in housing need. However, it does meet the needs of many households and for this reason this report proposes supporting 5 Gales Road with loan (but not grant) funding.

Funding Agreement and Loan Agreement

- 3.9 Eastlaw will provide a funding agreement and a loan agreement covering the grant and loan. These agreements between the Council and Homes for Wells will ensure that Homes for Wells repay grant if they sell 1a Northfield and will ensure the Council loan is secured against the properties via a charge on the properties.

#### Options

- 3.10 Homes for Wells initially looked at four properties, one of which has since sold. It was clear from our discussions with Homes for Wells that the purchase of the remaining three properties stretched their available reserves too thinly. After discussion Homes for Wells and the Housing Strategy team have come up with this proposal for a two property purchase.
- 3.11 The alternatives are to offer support to one property only or to none of the properties.
- 3.12 Either property would work as a single purchase. For the Council our preference would be 1a Northfields which let at an affordable rent. Homes for Wells would choose 5 Gales Road because they need larger three-bed homes for existing tenants who are over-crowded.
- 3.13 Arguably there is no cost to the Council of funding two rather than one property. The second, 5 Gales Road, requires loan funding only and will provide a commercial return to the Council.
- 3.14 The option of supporting neither will retain £50,000 grant which the Council could use to support delivery of an alternative affordable home. However, £50,000 is only sufficient to support one home and it is better to deliver this now rather than at some future and uncertain date.
- 3.15 In summary supporting the purchase of two homes provides the maximum benefit to both the Council and to Homes for Wells.

#### **4. Corporate Priorities**

- 4.1 In the Corporate Delivery Plan - Local Homes for Local Need - there is an overarching objective to facilitate new housing, 'There is a significant local need for housing across the district. Enabling and facilitating new housing of the right type, quality and affordability will therefore, be a key priority for the Council and, working with a variety of partners, we will explore all available avenues to increase the supply of quality, affordable housing to address this need'.
- 4.2 More specifically the Corporate Delivery plan (Objective 5.2) says, 'Investigate ways to support and assist affordable housing providers, including the potential for a Council loan scheme for Registered Providers to facilitate a supply of affordable homes for our communities, whilst supporting the Council's financial sustainability.'

#### **5. Financial and Resource Implications**

- 5.1 The proposed loan is at a commercial rate and does not have any financial implications for the council.
- 5.2 The associated staff time of agreeing the loan and legal documents can be met through existing staff resources.

#### **6. Legal Implications**

- 6.1 To avoid any state aid implications the Council will set an interest rate at or just above that set by the PWLB and which is comparable to market rates.

6.2 Eastlaw will prepare a formal loan agreement and a charge on the properties will ensure the loans are secure.

## **7. Risks**

7.1 The main risk is non-repayment of the loan by Homes for Wells. The Council is protected against this risk because:

- a) Homes for Wells is a long-standing and well managed organisation with Board members with appropriate skills and experience.
- b) The Business plan for the two properties (see appendix 1) makes reasonable assumptions about ongoing costs and income.
- c) The loans will be secured by means of a charge on the properties. The Council could use this security to ensure loan repayment.

## **8. Net Zero Target**

8.1 The Council will not own the properties and so supporting Homes for Wells to purchase the homes will not impact on the Council's carbon emissions.

8.2 Homes for Wells will carry out improvement works to the homes including works to improve energy efficiency. These works will contribute to the reduction of carbon emissions across the district.

## **9. Equality, Diversity & Inclusion**

9.1 Assisting Homes for Wells to provide additional affordable housing will help provide equality of opportunity for those housed – a home which is affordable and meets the housing needs of the household occupying the home.

## **10. Community Safety issues**

10.1 There are no community safety issues.

## **11. Conclusion and Recommendations**

11.1 The delivery of new affordable housing is a key priority for the Council. This is an opportunity to support the delivery of two affordable homes and support the work of a partner community-led housing organisation.

11.2 The support takes the form of a loan of £110,000 at commercial rates and at minimal risk to the Council.


11.3 This report recommends that Cabinet approve a loan of £110,000 to Homes for Wells to help with the purchase of two properties.

## Appendix 1 - Business Plan for Proposed Two Property Purchase

<b><u>NNDC loan and grant</u></b>			
	Affordable		Intermediate contribution from reserves
	Two Bed		Three Bed
	1a Northfield		5 Gales Road
<i>Acquisition Costs</i>	£s		£s
Cost Per Property	150,000		250,000
Refurb Cost Per Property	8,500		35,000
Legal and Survey Fees Per Property	1,500		2,000
<b>Total Acquisition Costs</b>	<b>160,000</b>		<b>287,000</b>
Cash paid from reserves	67,500		219,500 287,000
percentage of price that is loan	27%		24%
NNDC loan	42,500		67,500
NNDC grant	50,000		
<b>Total Funding For Acquisition</b>	<b>160,000</b>		<b>287,000</b>
<b>On-going running costs</b>			
Rent Per Property Per Month	575		850
Annual Rent Per Property	6,900		10,200
Bad Debt 5%	-345.01		-510.00
Void 2.5%	-172.50		-255.00
<b>Net Rent Per Property</b>	<b>6,383</b>		<b>9,435</b>
Annual Insurance Per Property	400		500
Annual On-going Repairs Per Property 15%	1,035		1,530
Annual Other Admin Per Property	500		500
<b>Annual Contribution Per Property</b>	<b>4,448</b>		<b>6,905</b>
Interest Rate On Loan	5.50%		5.50%
Years Repayable	15		15
<b>Loan repayment</b>	<b>(4,234.09)</b>		<b>(6,724.73)</b>
<b>Net Annual Contribution</b>	<b>213.51</b>		<b>180.27</b>



<b>Discretionary Disabled Facilities Grant Policy</b>	
<b>Executive Summary</b>	<p>The current mandatory Discretionary Facilities Grant (DFG) service delivered by the Integrated Housing Adaptations Team (IHAT) is valued, effective and efficient.</p> <p>Demand for mandatory DFGs is increasing due to an increasing older population and the desire by many people with disabilities and long term health conditions to remain in their own home rather than in residential or nursing care.</p> <p>A Discretionary DFG Policy is needed to widen the scope and services available through the DFG process. It will offer an early intervention service and contribute to the resolution of cases that require works outside the scope of the current DFG fund. A Discretionary DFG Policy will reduce the formal process and enable adaptations to be progressed more quickly for those with life limiting conditions.</p> <p>Overall the Discretionary DFG Policy will widen the DFG offer, improve customer service, reduce DFG process wait times and support the promotion of independent living.</p>
<b>Options considered</b>	<p><b>Not to adopt a Discretionary DFG Policy - not recommended</b></p> <p>Whilst there is no legal requirement for North Norfolk District Council (NNDC) to have a Discretionary DFG Policy, without one the DFG funding can only be used to fund eligible, mandatory DFG works. There is evidence of unmet need amongst clients who require adaptations that are outside the financial or eligible scope of current mandatory DFG works.</p> <p>Without a Discretionary DFG Policy, NNDC would not be able to access designated additional Better Care Fund funding for the period 2023 – 2025 as this is specifically for discretionary DFG works and is conditional on the Council having a Discretionary DFG Policy. The exact amount is to be confirmed but it is believed to be around £240,000 for the period 2023 – 2025.</p> <p><b>To adopt the Discretionary DFG Policy and utilise the additional Better Care Fund for the period 2023 – 2025 to allocation to expand the current DFG service to meet identified and unmet need. - Recommended</b></p> <p>NNDC will not be able to access the additional Better Care Fund discretionary allocation without a Discretionary DFG Policy. The Discretionary elements identified within the Policy are believed to be those that will have the most positive benefit for residents, will meet current unmet need and which can be delivered at this time within existing staff capacity and resources.</p> <p>The Discretionary DFG Policy will be reviewed annually and</p>

	recommendations for change made if appropriate.
<b>Consultation(s)</b>	Cllr Wendy Fredericks, Portfolio Holder for Housing and Peoples' Services
<b>Recommendations</b>	Recommendation - Cabinet to adopt the Discretionary DFG Policy.
<b>Reasons for recommendations</b>	To enhance and improve DFG provision with the aim of promoting independent living and wellbeing.  To increase the range of DFG Services that are available and to enhance the existing services offered to meet unmet need.
<b>Background papers</b>	<u>Adult social care system reform: next steps to put People at the Heart of Care</u>  NNDC Discretionary DFG Policy   DFG Discretionary Policy document SJ.dc

<b>Wards affected</b>	All wards in North Norfolk
<b>Cabinet member(s)</b>	Cllr Wendy Fredericks
<b>Contact Officer</b>	Sonia Shuter, Early Help & Prevention Manager <a href="mailto:sonia.shuter@north-norfolk.gov.uk">sonia.shuter@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Quality of Life
Medium Term Financial Strategy (MTFS)	No
Council Policies & Strategies	Discretionary

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	Yes
Details of any previous decision(s) on this matter	None

## **1. Purpose of the report**

To seek Cabinet approval to implement a Discretionary Disabled Facilities Grant Policy for North Norfolk.

A Policy is required to enable the Council to access additional Government funding identified in the “Next steps to put People at the Heart of Care” plan.

Nationally £102m will be available to top up Disabled Facilities Grants to fund eligible discretionary disabled facilities works for the financial period 2023 - 2025.

Based on NNDCs current core Disabled Facilities Grant (DFG) allocation it is envisaged that an additional grant of approximately £240, 0000 will be available for eligible discretionary DFG works subject to the Council having a Discretionary DFG Policy.

The policy sets out the mandatory legal framework for Disabled Facilities Grants (DFGs) and how the Council intends to use its powers under Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 (RRO) to provide discretionary interventions to promote independent living and wellbeing.

Discretionary grants are subject to funds being available and for works the Council identifies as eligible.

## **2. Introduction & Background**

The Disabled Facilities Grant (DFG) is a mandatory grant, provided under the Housing Grants, Construction and Regeneration Act 1996.

DFG DFG are mandatory means tested grants available to both adults and children who are disabled and require works identified as eligible as set out in section 100 of the Housing Grants, Construction and Regeneration Act 1996.

Local Authorities have a statutory duty to provide DFGs to applicants who qualify. DFGs have been available for over 30 years to help people to stay safe and independent at home.

Statutory funding for DFG's is via the Better Care Fund. NNDC's current annual allocation is £1,354,615.00. NNDC can utilise a maximum of 15% of the DFG funding towards revenue costs to implement the fund.

During the financial year 2022 / 2023 NNDC completed 142 DFGs at cost of £1,248,131.00.

In addition to eligible mandatory eligible works, subject to the adoption of a Discretionary Disabled Facilities Grant Policy, the Council is able to use its discretionary powers under the RRO to fund discretionary works to enhance and facilitate a DFG offer. The overall aim of both mandatory and discretionary DFGs are to maintain independence and quality of life and reduce, delay or prevent the need for people to formal statutory interventions and the reduction in independence and quality of life.

The Policy sets out how the Council intends to use its discretion to enhance and expand the remit of the DFG service regard to the needs of the District, the availability of funding and the Council's priorities.

### **3. Proposals and Options**

The Council does not currently have a Discretionary Disabled Facilities Grants Policy.

The proposed discretionary elements of the Policy were identified following a review of applications and cases where the ability to provide additional discretionary services would have reduced process times, improved customer service, enhanced service provision, improved holistic outcomes for the customer and enabled the effective use of resources.

There will be no additional staff resources required to implement the Discretionary Policy. Implementation of some elements of the Policy could reduce officer time and input as certain processes and assessments would be reduced.

Subject to NNDC having a Discretionary DFG Policy, additional funding from the Better Care Fund of £240,000 for the period 2023-2025 will be received. This funding will be the primary source used to deliver the Discretionary DFG elements during the period 2023 – 2025.

Discretionary funding will be reviewed annually, the expiry of the policy is 31/03/2025 however funding may be withdrawn prior to this if all allocated funds have been committed or there is increased demand for mandatory DFGs.

The rationale for adopting a Discretionary DFG Policy at this time is to ensure that NNDC can access the additional funding from the Better Care Fund for Discretionary DFG works.

Discretionary grants can also be funded from the mandatory DFG budget but would be subject to surplus funds from within the core budget being available. Delivery of mandatory DFG grants will be prioritised first

It is proposed that any discretionary funding should be registered as a local land charge against the resident's (owner occupier's) property following the completion of work.

The local land charge relating to mandatory grants is up to a maximum of £10,000 when the cost of work is over £5,000. The proposed local land charge relating to identified discretionary grants would be applied for the full amount of discretionary funding provided to an applicant. This will be repayable when the occupancy condition is breached or upon the sale or transfer of the property.

This would give some protection to the discretionary projects and increase their longevity by recycling funds back into to the DFG Budget.

The Policy includes both the mandatory legal framework for DFGs in accordance with the Housing Grants, Construction and Regeneration Act 1996 and the proposed discretionary elements.

As there are no proposed changes to be made to the mandatory DFG process, only the Discretionary DFG proposals of the Policy are itemised in the Cabinet report.

### Discretionary Policy elements

The following Policy proposals were deemed as eligible and of most benefit to customers and the service:

#### **Partial Waiver of up to £5000 contribution following the means test**

The first £5000 of an assessed contribution will be waived and the applicant will not be required to fund this portion of the contribution towards the cost of works.

#### **DFG architects and Surveyors Fees Grant**

The Council at its discretion may pay professional fees and associated charges up to a **maximum** of £5000 required for DFG work. The fees must be reasonable and agreed with the Council before any work takes place in order to be eligible and this will be done/agreed on a case by case basis.

For this discretionary element, a financial means test will be undertaken on the owner or the registered tenant of the property irrespective of whether they are considered the relevant person for the purposes of the mandatory Disabled Facilities Grant application.

#### **Funding in excess of the statutory maximum mandatory grant of £30,000 (also known as top-up funding)**

This grant is intended to assist in cases where a major adaptation has been identified as essential to meet the needs of the disabled person, where failure to have the work carried out would mean that the disabled applicant is unable to remain living in the community. All other options for funding and/or seeking alternative accommodation have been considered and are not accessible to meet the disabled applicant's needs.

The grant is a maximum £30,000 **per property**. The additional £30,000 can only be accessed where the full £30,000 of mandatory grant has been utilised. The maximum amount of DFG assistance may therefore be £60,000. Top up funding will only be considered or approved by the Housing Adaptations Team Leader.

For this discretionary element, the financial means test will be on the owner or the tenant of the property irrespective of whether they are considered the relevant person for the purposes of the mandatory Disabled Facilities Grant application.

A local land charge for the full discretionary grant amount will be placed on the owner occupied property in addition to any mandatory grant local land charge, which will be repayable when the occupancy condition is breached or upon the sale or transfer of the property.

The provision of this top up funding ensures that where a need has been identified, and work has been recommended as being necessary and appropriate but the DFG mandatory maximum amount does not cover the full cost of the adaptation the Council fulfils its duty to assist with meeting need.

### **Fast track End of life grant**

Where there is an urgent exceptional need to progress works, usually due to medical circumstances. The Council recognises that some residents who require palliative care at the end of their lives may be unable to return home from hospital or remain in their home due to the lack of suitable aids and adaptations. A fast track end of life grant is available to fund this work, which enables the adaptations to be completed quickly outside the DFG regulations. Work up to the value of £5,000 will not be means tested and with minimal paperwork which means that single adaptations costing less than £5,000 such as a stair lift or ramp can be provided quickly. This will be at the discretion of the Housing Adaptations Team Leader.

### **Home repairs, safe and secure grant**

This discretionary grant offers provision of simple measures to ensure that the elderly, vulnerable or disabled residents can occupy their homes safely and reduce likelihood of developing ill-health or having an accident in the home. The grant may also be used for works to ensure that properties are suitable for people to be discharged from hospital without undue delay. The grant available per household may be up to £10,000 depending on eligible works. Grant funded works will be delivered via the Council's approved contractors via existing measured term contracts. To qualify for assistance an applicant must fall within one of the following three categories, A, B or C:

- a) Be a disabled adult or child i.e. registered as disabled. This will include those with a disability, chronic illness, mental health condition or sensory impairment, which restricts their functioning on a day to day basis.
- b) Be aged over 60 and require works available through the home repairs, safe and secure grant which relate to home safety improvements, repairs to essential items or required to facilitate hospital discharge.

To be eligible for the Home repairs, safe and secure grant the applicant is required to be in receipt of one of the following income or disability related benefits:

- Any of the pass-porting benefits for DFG eligibility
  - Disability living allowance
  - Personal Independence Payment (PIP)
- c) Be a person who is awaiting discharge from hospital but is unable to return home due to unsuitable conditions, which works or the provision of minor adaptations will resolve and who is in receipt of one of the income or disability related benefits listed in category B above.

### **Eligible works will include:**

- Provision and installation of equipment to help prevent the risk of falls or other accidents within the home, as well as promote independence. For example galvanised external hand rails.
- Repair work to help reduce the risk of accidents and hospitalization and to assist with hospital discharges such as essential repairs and minor adaptations.

- Minor works of home repair – minor plumbing or electrical repairs, installing carbon monoxide / smoke alarms etc.
- Works to improve door or window security where there is a risk of break in or following a break in/attempted break in.

The grant will fund up to £10,000 worth of work provided by the Council's approved contractors under the pre-existing measured term contract. This includes an initial visit and assessment of client's needs / risks, the provision of labour, materials costs, and VAT, up to a total of £10,000.

As with the other proposed discretionary elements related to DFGs, provision of the Home repairs, safe and secure grant will only be considered having regard to the available budget at the time. If the budget does not have sufficient resource in reserve to deal with the mandatory referrals that may present throughout the financial year, the Council reserves the right not to approve any discretionary elements including Home repairs, safe and secure grant.

A local registered land charge for the full discretionary grant amount will be placed on the owner occupied property, which will be repayable when the occupancy condition is breached or upon the sale or transfer of the property.

#### **Non-means tested minor adaptations works up to £1,000**

The grant will fund Minor adaptations up to the value of £1000 that have been identified as necessary and appropriate following an assessment with an appropriate practitioner. Applicants will not be subjected to a means test to access the grant which may delay the installation.

The maximum total grant award of £1000 includes the provision of labour, materials costs, and VAT and any other associated cost to complete the minor adaptation.

#### **4. Corporate Priorities**

The Discretionary DFG Policy will contribute towards the achievement of Corporate Plan priorities in relation to Housing and Quality of Life.

#### **5. Financial and Resource Implications**

Additional Government funding of approximately £240,000 will be available to deliver the elements of the Discretionary DFG Policy for the period 1.4.2023 – 31.3.2025.

It is not proposed to use mandatory DFG funding for discretionary works during the Policy implementation period.

Discretionary funding will be reviewed annually. The Discretionary DFG Policy clearly states that Discretionary DFG's may be withdrawn if all of the allocated funding has been used.

It is considered that there is sufficient capacity within the Integrated Housing Adaptations Team (IHAT) to implement the additional Discretionary DFG proposals. No additional staff resources will be required.

#### **6. Legal Implications**

None identified.

## **7. Risks**

The Council will not be able to access the proposed additional Government funding for discretionary DFG services without an approved Policy.

Discretionary DFG elements can also be funded from the annual mandatory DFG grant of approximately £1.3m. However demand for and the costs of mandatory DFG works is increasing and there is limited funding for discretionary works.

There is a reputational risk of NNDC not having a Discretionary DFG Policy and accessing associated funding to widen DFG scope and services.

## **8. Net Zero Target**

No adverse effects.

## **9. Equality, Diversity & Inclusion**

Implementation of a Discretionary DFG Policy will promote equality, diversity and inclusion and it will increase the DFG offer to residents identified as disabled due to disability or health.

## **10. Community Safety issues**

None


## **11. Conclusion and Recommendations**

- Demand for and the cost of mandatory DFGs is increasing.
- There is a need to widen the scope of works and services available through DFGs to improve customer service, increase eligible works and implement a fast track process for priority and life limiting cases.
- A Discretionary DFG policy will help to reduce the number of DFG cases that do not progress for reasons such as timeframe, above threshold costs or works being required that are outside scope of mandatory works
- It is considered that the implementation of the Discretionary DFG Policy could enhance the early intervention offer and contribute towards a reduction or delay in the need for some DFG works.
- A Discretionary DFG Policy includes elements to offer a range of additional DFG works and support services that will help maintain independence and improve quality of life.

Cabinet are asked to approve the Discretionary Disabled Facilities Grant Policy for the period 1.4.2023 – 31.3.2025.



<b>Information Advice &amp; Advocacy</b>	
<b>Executive Summary</b>	<p>North Norfolk District Council (NNDC) is committed to reducing inequality and supporting residents of North Norfolk to have access to Information, Advice &amp; Advocacy (IAA) services that meet a range of generic and specialised needs.</p> <p>There is an ongoing and increasing need for the provision of generic IAA and specialist debt services. This has been exacerbated as a result of Covid and the Cost of Living increases.</p> <p>Norfolk Citizens Advice (Norfolk CA) have worked in partnership with NNDC for at least ten years providing a range of generic and specialist IAA services across North Norfolk. They are also a Government approved debt advisor organisation.</p> <p>Awarding a grant of £66,323 to Norfolk CA will enable the continuation of established advice and information services in North Norfolk and the provision of a dedicated specialist debt advisor for direct referrals by NNDC for the period 1st April 2023 – 31st March 2024.</p>
<b>Options considered</b>	<p><b>Not to provide funding towards IAA services. - Not recommended</b></p> <p>There has been an increase in demand for a range of IAA services in North Norfolk particularly in relation to finance, benefit and debt. The impact of Covid and the continued Cost of Living increases and considered to be the main contributing factors.</p> <p>The provision of accredited IAA services in a range of community locations across North Norfolk contributes towards the achievement of Quality of Life objective in the Corporate Plan.</p> <p><b>Utilising the identified IAA budget to increase internal support for people requiring IAA services. – Not recommended</b></p> <p>The focus of the People Services Directorate is to provide a range of services including IAA to residents particularly those who are vulnerable and experience hardship.</p> <p>Whilst the majority of the People’s Services do provide an element of community provision mainly through visiting people in their own homes if necessary there is no consistent community presence. People are encouraged to utilise a range remote service provision to contact NNDC and a range of effective methods are available. However, for some people often those who are most vulnerable an in person appointment is more appropriate. NNDC currently</p>

	<p>does not have the capacity or resources to provide the range of IAA services needed in the community. This means that unless people are able to travel to NNDC offices in Cromer or Fakenham there are limited opportunities for them to receive face to face IAA services.</p> <p>NNDC are not a Government Approved Debt Advisor and therefore are limited to the range of debt support they can offer.</p> <p><b>Utilise the IAA budget to fund an external, debt accredited IAA provider. - Recommended</b></p> <p>IAA services has been in North Norfolk provided by Citizens Advice for many years. Norfolk CA has been the main provider of IAA in North Norfolk for at least ten years. Norfolk CA has a positive reputation and a visible presence in dedicated offices, community venues and more recently food banks.</p> <p>Norfolk CA are the only provider offering face to face IAA services in North Norfolk who are also a Government approved debt advisor.</p> <p>Offering the IAA grant to Norfolk CA would offer value for money as it would contribute to existing funding and provide a more comprehensive generic and specialised IAA service across North Norfolk.</p>
<b>Consultation(s)</b>	Consultation with Portfolio Holder and Assistant Director for People's Services.
<b>Recommendations</b>	<p>It is considered that the proposed use of the grant to enhance and secure IAA services in North Norfolk offers better value than funding a stand alone or in house service.</p> <p>Cabinet are asked to recommend that a grant of £66,323 is awarded to Norfolk CA towards for the provision of generic IAA services in North Norfolk and a Specialist Debt Relief Order Advisor to take direct referrals from NNDC and to be based at NNDC at least one day a week.</p>
<b>Reasons for recommendations</b>	To recognise and respond to the ongoing and increasing demand for generic and specialist IAA services in North Norfolk.
<b>Background papers</b>	 <p>North Norfolk Report April 2023 v2.pptx</p>

<b>Wards affected</b>	All Wards
<b>Cabinet member(s)</b>	Cllr. Wendy Fredericks
<b>Contact Officer</b>	Sonia Shuter, Early Help & Prevention Manager.

<b>Links to key documents:</b>	
Corporate Plan:	Quality of Life
Medium Term Financial Strategy (MTFS)	No
Council Policies & Strategies	None

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	No
Details of any previous decision(s) on this matter	

## **1. Purpose of the report**

The Council has historically provided funding to support the provision of Information, Advice & Advocacy (IAA) in North Norfolk.

The impact of Covid and the significant increase in the Cost of Living has resulted in increased demand for IAA service from both statutory and voluntary organisations.

Funding of £66,323 is allocated in the base budget for the provision of IAA services for the period 1.4.2023 – 31.3.2024.

A decision needs to be taken as to how this funding should be allocated.

## **2. Introduction & Background**

2.1 Norfolk Citizens Advice (CA) have provided an IAA service in North Norfolk for at least the last ten years. Norfolk CA is a member of the Citizens Advice service and holds the Advice Quality Standard. It is authorised and regulated by the Financial Conduct Authority.

Norfolk CA receive funding for their services from a range of sources including grants from statutory and charitable organisations as well as fund raising.

The CA has an informative web site with a web chat facility. It also offers telephone and email advice as well as dedicated office space in North Walsham, Holt and Fakenham. It provides outreach services in other key towns and locations across North Norfolk.

Funding from the Trussell Trust has enabled Norfolk CA to have an advisor in all of the Trussell Trust Food Banks in North Norfolk.

NNDC have a positive relationship with Norfolk CA, quarterly monitoring reports and service data are received. Review meetings are held and a dedicated electronic referral system has been established in the last year enabling NNDC to refer directly to Norfolk CA.

- 2.2 The annual report from Norfolk CA in relation to North Norfolk for the period 1.4.2022 – 31.3.2023 shows that the CA dealt with 1,703 cases and 5,189 issues from 1,404 clients.

Over 50% of clients identify themselves as having a Long Term Health Condition or disability.

The highest users of the service are people aged between 50 – 70 years.

- 2.2 The top five issues dealt with in the last year were: debt 1,248, benefits 1,038, utilities 589, housing 383 and family concerns 353.
- 2.4 Debt issues have increased by 91%. Virtually all clients have some sort of debt problem. Utility and energy issues have increased by 160% and housing issues by 20%  
Demand for CA services in North Norfolk has increased by 22% in the last financial year.
- 2.5 With regard to debt, the main issue related to the arrangement of a Debt Relief Order (DRO). Citizens Advice are a Government approved debt advisor organisation and employ Specialist Debt Advisors who are able to support people through the Debt Relief Order process.

### **3. Proposals and Options**

- 3.1 Funding of £66,323 is allocated in the base budget for the provision of IAA services for the period 1.4.2023 – 31.3.2024.
- 3.2 The Cost of Living crisis has increased demand for IAA services and support particularly in the key areas associated with the cost of living such as debt.
- 3.3 NNDC does provide generic IAA services and support to all residents and in particular those that are considered to be vulnerable as part of its Customer Service, Revenues and Benefits, Housing, Early Help & Prevention services. The demand for support from these services has increased substantially.
- 3.4 NNDC is committed to reducing inequality and supporting residents of North Norfolk to have access to a range of IAA services that meet generic and specialist needs.
- 3.5 Offering funding to Norfolk CA towards both the generic service and the provision of a Specialist Debt Advisor in North Norfolk will demonstrate that the Council recognises the impact on residents of the increase in the Cost of Living and the resulting significant difficulties with debt that some people are experiencing.

- 3.6 Norfolk CA are the main Voluntary Community or Social Enterprise organisation that offers generic IAA services in North Norfolk for people of all ages, as well as being a Government approved debt advisor organisation.
- 3.7 It is proposed that NNDC's allocated funding of £66,323 is offered to Norfolk CA towards the continuation of generic IAA services in North Norfolk and for the provision of an Approved Debt Advisor to be based at NNDC at least one day a week and to take referrals in respect of clients known to internal services and those who require debt support with e.g. Debt Relief Orders (DROs) that NNDC officers are unable to provide.
- 3.8 No other options were considered. Norfolk CA has an established and valued presence already in North Norfolk. It has a positive working relationship with NNDC and through its partnership with the Trussell Trust has a significance presence in North Norfolk.  
The benefit to NNDC and to North Norfolk residents of working collaboratively with Norfolk CA is considerable. The provision by Norfolk CA of both a generic service and Specialist Debt Advisor will enhance and compliment internal NNDC services and enhance collaboration and partnership working with the VCSE Sector.

#### **4. Corporate Priorities**

Whilst there is no explicit mention of IAA services in the Corporate Plan it is considered that the proposal supports both Quality of Life and Customer Focus.

#### **5. Financial and Resource Implications**

- 5.1 Funding of £66,323 for the Information, Advice and Advocacy is allocated in the base budget. The total amount would be offered to Norfolk CA.
- 5.2 There will be minimal involvement with exchequers in terms of payment of the quarterly grant plus officer time to review quarterly data and liaise with Norfolk CA. This time has not been costed but will be within existing resources.

#### **6. Legal Implications**

Written confirmation has been received from the Procurement Officer that the proposal does not need to follow a procurement process as the funding will be used towards providing a service which is a public service that anyone can use and not just limited to NNDC.

#### **7. Risks**

- 7.1 The risk of not funding Norfolk CA is that some of the dedicated offices and outreach offering face to face provision in North Norfolk may reduce opening times or close completely. Under their contract with Norfolk County Council,

Norfolk CA are under no obligation to provide a face to face service in any district.

7.2 The provision of the service provided by Norfolk CA does reduce and divert demand from NNDC. If the Norfolk CA offer in North Norfolk is reduced it is considered it will have a direct and adverse impact and significantly increased demand for NNDC IAA services. Norfolk CA are also able to offer a level of debt advice and support that NNDC does not have authority to provide.

7.3 Citizens Advice is a respected and valued service. It is recognised that the grant from NNDC does not solely fund the face to face service in North Norfolk. However, there could be a negative and adverse reputational risk to NNDC if the grant is withdrawn and face to face service in North Norfolk subsequently reduces or ends.

## **8. Net Zero Target**

Norfolk CA will be encouraged to utilize energy efficient buildings and that volunteers are utilized effectively wherever possible in terms of car sharing and distance travelled.

## **9. Equality, Diversity & Inclusion**

The services offered by Norfolk CA are open to everyone through a range of medium. It is considered that supporting in particular the delivery of face to face and specialist debt services may be of particular benefit to some people with protected characteristics.

## **10. Community Safety issues**

None

## **11. Conclusion and Recommendations**

11.1 There is an ongoing and increasing need for the provision of generic IAA and specialist debt services. This has been exacerbated as a result of Covid and the Cost of Living increases.

People that are vulnerable or disadvantaged are more likely to be affected increase in the Cost of Living or other issues that can negatively impact on their quality of life.

11.2 Norfolk CA have worked in partnership with NNDC for at least ten years providing a range of generic and specialist IAA services across North Norfolk. They are also a Government approved debt advisor organisation.

- 11.3 . Awarding a grant of £66,323 to Norfolk CA will enable the continuation of established advice and information services in North Norfolk and the provision of a dedicated specialist debt advisor for direct referrals by NNDC for the period 1st April 2023 – 31st March 2024.

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<b>CROMER, MARRAMS BOWLS CLUB – PROPOSED REDEVELOPMENT</b>	
<b>Executive Summary</b>	<p>The Council own the premises leased to and occupied by Marrams Bowls Club on Runton Road, Cromer.</p> <p>The Club is managed by Trustees.</p> <p>The external elements of the premises are in dis-repair and will require major capital expenditure by NNDC to consolidate the building structure and ongoing revenue cost to then maintain.</p> <p>In this paper the potential to demolish part of the property and to refurbish and reconfigure the Clubhouse into a reduced area has been considered and both plans and costs have been provided by external architects and quantity surveyors.</p> <p>The recommended option would provide the opportunity to create a newly refurbished clubhouse and a new bespoke area for up to 3x separate income producing concessions.</p>
<b>Options considered</b>	<p>The following options have been considered as being possible and implementable;</p> <ol style="list-style-type: none"> <li>1. Termination of the current lease and closure of the Club to provide for redevelopment - discounted</li> <li>2. Demolition of the whole and development of a new Clubhouse and restaurant at first floor level – not viable.</li> <li>3. Demolish the whole and re-use for concessions and re-provide putting concession – discounted as loss of bowls amenity</li> <li>4. Reduced scale of repairs (roof and windows) – discounted as doesn't meet net zero priorities</li> <li>5. Demolition of part and refurbishment of the Clubhouse to provide new community club facilities and space for concessions viable scheme (the recommended scheme).</li> <li>6. Disposal to tenants or 3<sup>rd</sup> party - discounted</li> </ol>
<b>Consultation(s)</b>	<ol style="list-style-type: none"> <li>1. Planning – the proposal to redevelop or refurbish has been discussed at a high level with the planning team and conservation officer</li> <li>2. Several meetings have been held with senior Club members to discuss the options and they have seen the plans for refurbishment being Option 4 above.</li> <li>3. Local Members are aware of the proposals albeit at a high level.</li> <li>4. The pitch &amp; putt tenant has been advised of the proposed plans.</li> </ol>
<b>Recommendations</b>	It is recommended to Cabinet to approve:

	<p>1)The proposal (Option 4) to redevelop the club house to respond to significant building repair needs</p> <p>2) Additional capital budget of £350,000 to fund the project alongside the £50,000 of Capital for roof repairs previous allocated.</p> <p>3)That should there be any further negotiations to the lease terms, to delegate to the Assistant Director Finance Assets Legal, s151 officer, in consultation with the portfolio holder, the ability to amend the lease terms.</p> <p>4) The surplus area to be marketed and let to concession operators</p>
<b>Reasons for recommendations</b>	This recommendation is being made as it provides the best return on the capital to be employed in responding to repairs and maintenance issues at the property and supports the Councils Corporate Plan objectives.
<b>Background papers</b>	None

<b>Wards affected</b>	Cromer Town; Cllr Adams, Cllr Boyle
<b>Cabinet member(s)</b>	<p>1) Finance, Estates &amp; Property Services; Cllr Shires</p> <p>2) Community, Leisure &amp; Outreach; Cllr Withington</p> <p>3) Climate &amp; Net Zero; Cllr Varley</p> <p>4) Sustainable Growth; Cllr Heinrich</p>
<b>Contact Officer</b>	Renata Garfoot, Estates & Asset Manager <a href="mailto:Renata.garfoot@north-norfolk.gov.uk">Renata.garfoot@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	<p>The proposals are linked to the following Corporate Plan priorities;</p> <ul style="list-style-type: none"> <li>• Boosting Business Sustainability and Growth</li> <li>• Financial Sustainability and Growth</li> <li>• Quality of life</li> <li>• Climate, Coast &amp; the Environment</li> </ul>
Medium Term Financial Strategy (MTFS)	These proposals are linked to the MTFS in that any income generated from this building would be an entirely new income source for the Council and any new lease could pass other ongoing costs to the tenant(s)/concession holders
Council Policies & Strategies	The proposals in this report are linked to the Asset Management Plan 2018 and fully support the policies in that plan. Net Zero Strategy and Action Plan.

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	The Exempt Appendix provides information that is commercially and financially sensitive.
Details of any previous decision(s) on this matter	None

## **1. Purpose of the report**

- 1.1 The Council own the premises occupied by Marrams Bowls Club on Runton Road, Cromer.
- 1.2 The Club is managed by Trustees and they held a 7 year lease dated December 2013, which ended in December 2020. They are currently holding over.
- 1.3 The external elements of the premises are in dis-repair and will require major capital expenditure by NNDC to consolidate the building structure and ongoing revenue cost to maintain.
- 1.4 The purpose of this report is to outline and recommend the preferred option for the site to demolish part of the property and to refurbish and reconfigure the Clubhouse into a reduced area has been considered and both plans and costs have been provided by externally appointed Architects and consultant Quantity Surveyors.
- 1.5 This proposal would also provide the opportunity to create a new and bespoke area for up to 3x separate income producing concessions.

## **2. Introduction & Background**

- 2.1 The Marrams Bowls Club is located in a high profile location on the Runton Road just to the west of the Cliftonville Hotel, to the east of the Blue Sky Café and a two minute walk to the Runton Road car park (see maps below).
- 2.2 The Clubhouse and adjacent Club toilet block and the bowling green are let to Trustees of the Marrams Bowling Club The Club is operated as a traditional members club for a summary of lease see exempt Appendix D.
- 2.3 The current Clubhouse building, excluding the adjacent toilets (that would in any event remain unchanged), has an approximate floor area of 134 m<sup>2</sup> (1,441 sq.ft). The adjacent toilet and storage block is leased to the Club is some 26 sq.m (278 sq.ft).
- 2.4 The main Clubhouse building is single storey and is a poor quality timber building on brick base.

- 2.5 This property asset currently generates little income for the Council, however, the operation as a traditional bowling club does add amenity to the location and provides an attractive through route for pedestrians from the town centre to Runton Road car park and the seafront passing the Deep History Coast Discovery Point.
- 2.6 The building has been physically deteriorating for many years due to the lack of essential maintenance. There are significant problems with the roof and water ingress through the failing windows. A high level review and report by Property Services (over 2 years ago) has identified that the roof needs to be replaced along with all windows at an estimated cost of some £40,000. Given the current circumstances in the construction market these costs are expected to be considerably higher than originally suggested.
- 2.7 In the meantime, temporary remedial works have been carried out to the roof to maintain a wind and watertight building but these are unlikely to be remain effective after a few years.

### **3. Proposals and Options**

- 3.1 Given the extensive works required in order to resolve maintenance issues, for the property to be net zero by 2030 and the lack of income it was deemed appropriate to review the location as one that could continue to provide bowling facilities along with the potential to create additional commercial property income whilst retaining the Clubhouse albeit in a reduced format. Due to the current low income generated from this site and the need for the Council to invest in the area to provide an improved clubhouse, additional income from concessions is needed to support financial viability of the project.
- 3.2 As agreed by CLT and to inform the possibilities at the location Architects were asked to provide a reduced and revised internal layout for the Club and to provide NNDC with estimated costs for both the demolition of the flat roof area and the refurbishment of the Clubhouse.
- 3.3 The proposed layout attached to this report at Appendix B was refined following consultation with the Trustees at the Club and has been created to provide a 12m indoor bowling mat which can be used for indoor events. The Trustees they are generally supportive of the proposal and officers will continue to work with them to deliver these improvements. The scheme is indicative and whilst high-level discussions have been had with our planners no pre app has been progressed.
- 3.4 It is proposed that NNDC could create up to 3x new concession pitches in the location.
- 3.5 Whilst the indicative scheme has yet to be fully costed through a procurement process the summary cost appraisal for the demolition and rebuild would cost approximately £346,000 (net of VAT), which given a potential increased income from concessions in addition to the bowls club shows a return on capex (gross) that meets the requirements of the Asset Management Plan. It is important to note that this return could be reduced in the event that the procured 'tested' figure comes in at a higher figure. However, this does not account for further rental income that we might be able to secure from the

bowls club nor any contribution from the Club towards the fitting out costs of the new Clubhouse.

3.6 The plan attached in Appendix B shows the proposed new layout after the demolition of the flat roof element of the existing buildings.

3.7 In summary the proposed works are as follows;

- Demolition of flat roof sections to create a new outdoor terrace (for concessions) and stripping out the existing Club
- Provision of new external walls to create a smaller Clubhouse with reduced kitchen and bar areas and the provision of new services
- Internal fitting out including the installation of new kitchen and bar fittings
- The reconfiguration of the current toilets to create new changing room facilities and new toilet provision. This will require the re-location of the existing pitch and putt operation to an alternative location on the same site.
- Removal of the existing garage/store and the re-provision of 2x new storage units
- New air source heat pump & solar panels

3.8 Appendix C shows the Executive Summary and Cost Plan.

3.9 There are related ongoing issues with the capacity of the water supply to the Bowls Club and the adjacent separately leased out Putting Green.

3.10 The water supply to both the Marrams bowling green and adjacent putting greens is not currently sufficient to meet the demand of both operators. The current tenants both prefer to water over-night in the hottest part of the year. Given the hotter summers being experienced due to climate change there will be increasing pressure on the water supply and a resolution to this matter will be required.

3.11 Following recommendations from an irrigation company there are two ways to increase the supply of water to these sites:

- 1) Increase the size of the incoming water pipe from the mains supply
- 2) Increase the size and height of the water tanks.

3.12 A further option would be to consider rain-water harvesting to supplement the supply.

3.13 These options to resolve water capacity would require further capital investment by the Council. These have yet to be fully costed and are not included in the summary cost plan appended here and therefore an estimated budget has been allowed for.

#### **4. Corporate Priorities**

- 4.1 A redevelopment of this property to provide an improved quality of facilities for the bowls club, to meet net zero priorities, commercial use on part and income generate would meet the following Corporate Plan objectives:
- 4.2 **Boosting Business Sustainability and Growth** – This site is in a prime location in Cromer and if redeveloped could offer a new or existing businesses an opportunity for concession pitches to be located alongside the bowls club.
- 4.3 **Financial Sustainability and Growth** – the new development would create income for the Council of approximately £15,000 per annum, in addition to rental income from the bowls club.
- 4.4 **Quality of life** – Depending on the future use of the premises this building could further add to the amenity and aesthetics of the Marrams and its frontage onto the Runton Road.
- 4.5 **Climate, Coast & the Environment** – the redevelopment will improve the property with the removal of existing M&E to provide new air source heat pump, LED lighting, solar and rain water harvesting (subject to feasibility). It is expected that the running costs of the clubhouse for the Trustees will reduce with these net zero measures.
- 4.6 **Medium Term Financial Strategy**  
Concession income generated from this building would be an entirely new income source for the Council and any new lease could pass other ongoing costs to the tenant(s)/concession holders
5. **Financial and Resource Implications**
- 5.1 The proposed redevelopment will require the additional capital budget of £350,000 to add to the £50,000 budget previously allocated for roof repairs. The additional sum can be funded through the Asset Management Reserve and Capital Receipts.
- 5.2 If alternative opportunities become available to improve the club house at a lower cost, officers will review those options and make savings where possible.
- 5.3 Securing the necessary planning consents and implementing those consents would take at least 12 months and during the construction period the bowls club would need to be re-housed in temporary accommodation close to the green. A provisional sum (see exempt Appendix D) has been included in the cost plan for such temporary accommodation.
- 5.4 Over the course of any leases or concessions granted there could be the opportunity to review and revise the rent upwards depending on the market conditions.
- 5.5 Staff resource requirements would include: securing planning and building control consents, procuring a construction contract, negotiating new lease terms with the Club and other tenants/concessions, producing legal documentation, managing the redevelopment process, and managing the lease once in place.

- 5.6 Investigations into the potential for the Club to fund part of the capital expenditure will be made in due course and similarly any sports funding grants will be investigated. Initial investigations suggest that funds may be available for the Club to pursue via Bowls England (see website Finance & Funding-Bowls England)

## **6. Legal Implications**

A formal surrender of the current lease and grant of new lease would be undertaken with the Trustees alongside the completion of a construction contract should the development progress.

## **7. Risks**

- 7.1 If the recommended option to demolish part of the clubhouse and to refurbish to provide new community club facilities and space for concessions does not progress then the Council will retain an ongoing obligation to maintain and repair the premises, which are not fit for purpose. This would require significant revenue funding on a ongoing basis.
- 7.2 The risk of progressing with the redevelopment option would primarily relate to capital funding and cost control and the risks associated with the ongoing inflationary nature of the construction industry.
- 7.3 Planning permission would be required for the part demolition and redevelopment which if not granted would mean that the scheme could not be implemented and the 'demolition of whole' option would have to be considered, requiring the permanent closure of the Club.

## **8. Net Zero Target**

- 8.1 *The Council's Net Zero Strategy & Action Plan requires all decisions to be assessed and tested for consistency against the Net Zero 2030 Strategy & Climate Action Plan.*
- 8.2 The Net Zero Strategy and Action Plan requires that Council buildings are designed to be net zero by 2030 and this has been taken into account with the sustainable design and energy provision.

## **9. Equality, Diversity & Inclusion**

- 9.1 Under equality legislation, the Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and to promote equality.
- 9.2 The proposed refurbishment will take account of this regulation and will take account of all building regulations.
- 9.3 Given the time constraints on providing this report it has not yet been possible to consider a quality impact assessment under the Council's Equality, Diversity & Inclusion Strategy. This will follow.

## **10. Community Safety issues**

- 10.1 The proposals are unlikely to have any impact on community safety issues.

## **11. Conclusion and Recommendations**

- 11.1 Without further investment by NNDC the building will continue to deteriorate over the next few years and at some point would become unfit for purpose and not capable of being used.
- 11.2 The options are either that NNDC spend significant capital monies on refurbishing the premises (the £40k plus mentioned above) but the property will not meet the Councils net zero priorities and continue with the Bowls Club as tenants possibly paying a higher rent than they currently are doing OR the Council further considers a complete redevelopment of the site as outlined here and bring in additional commercial tenants alongside the bowls club.
- 11.3 The redevelopment option would be capital intensive unless external funding can be sourced. Notwithstanding this the over-riding and determining factor from a strategic asset management point of view would be to encourage new financial investment in this location and income from operators that can provide a more commercial offering whilst re-housing the bowls club in improved and more sustainable energy efficient facilities that will both endure and reduce the ongoing NNDC maintenance burden.
- 11.4 It is recommended to Cabinet to approve:
  - 11.4.1 The proposal to redevelop the club house to respond to significant building repair needs and net zero priorities.
  - 11.4.2 Additional capital budget of £350,000 alongside the previous allocated budget of £50,000 to fund the project
  - 11.4.3 That should there be any further negotiations to the lease terms, to delegate to the Assistant Director Finance Assets Legal, s151 officer, in consultation with the portfolio holder, the ability to amend new lease terms.
  - 11.4.3 The surplus area to be marketed and let to concession operators

**Appendices:**

- A) Photos of existing clubhouse
- B) Revised refurbishment scheme plan and specification
- C) Cost Plan
- D) Exempt Appendix



Appendix A Photographs of site



General view of the site



To remain and be refurbished

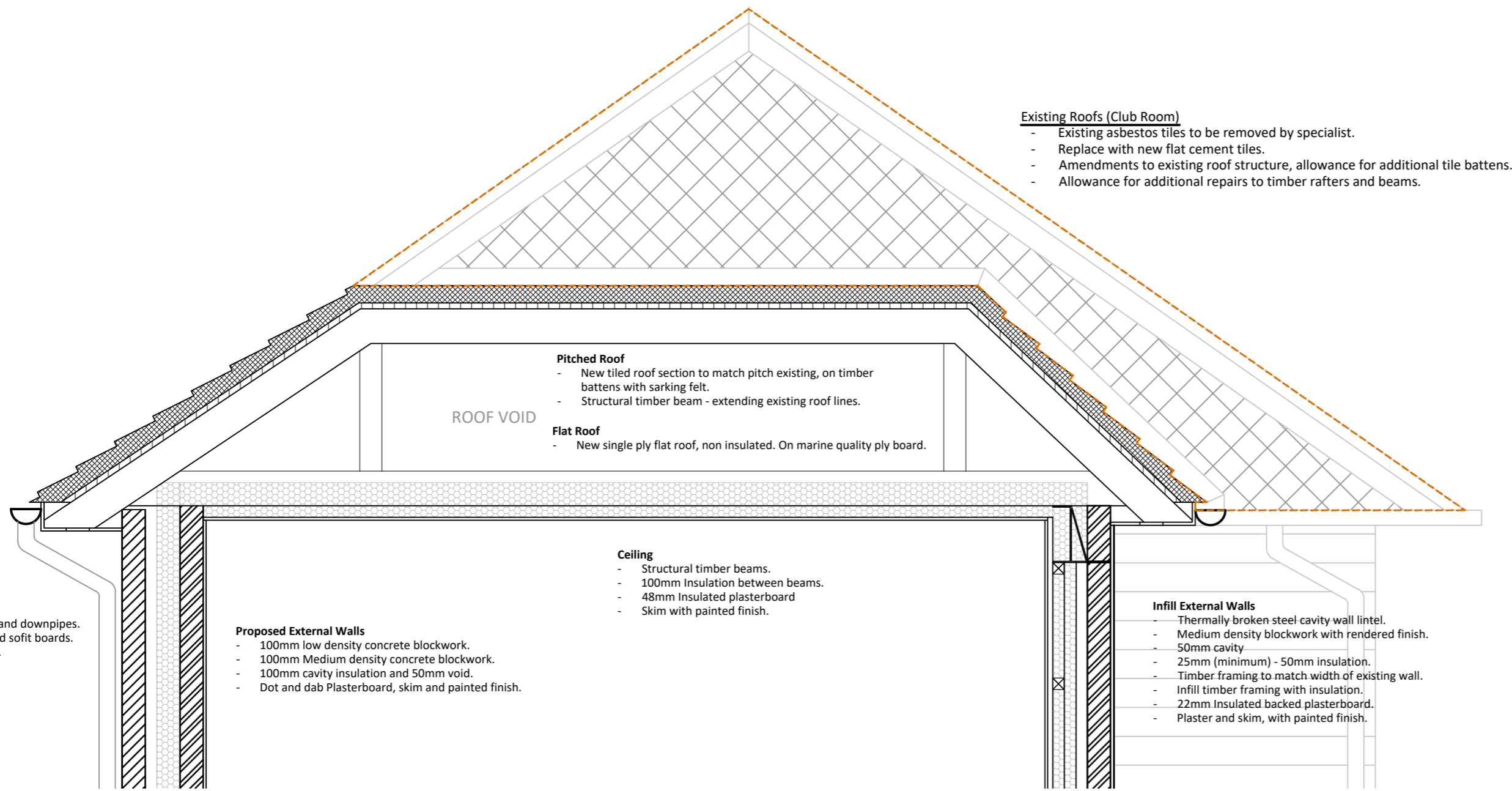


To be demolished.



To be demolished

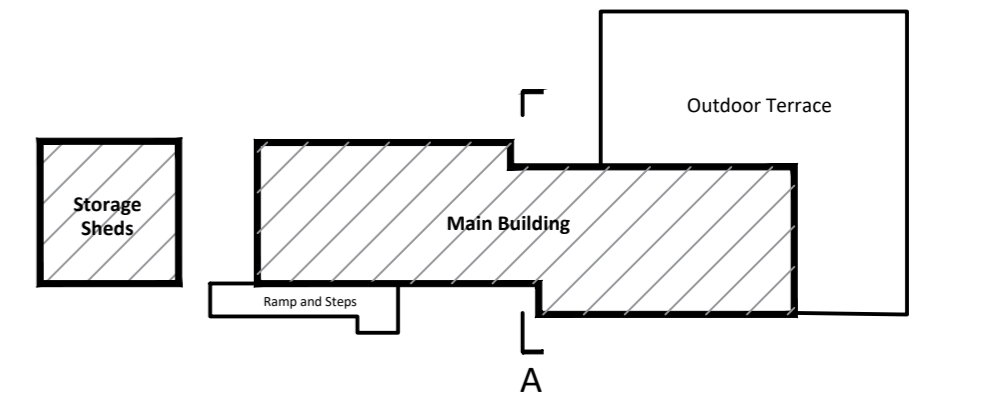




Indicative Section A-A The above section and specification is for pricing only

Scale 1:20

key

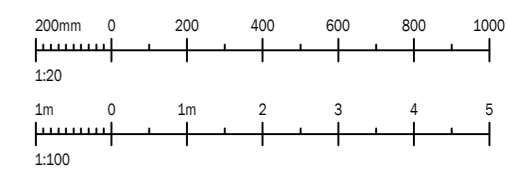


**Elevation Key**

--- Existing asbestos roof tiles to be safely removed by specialist.

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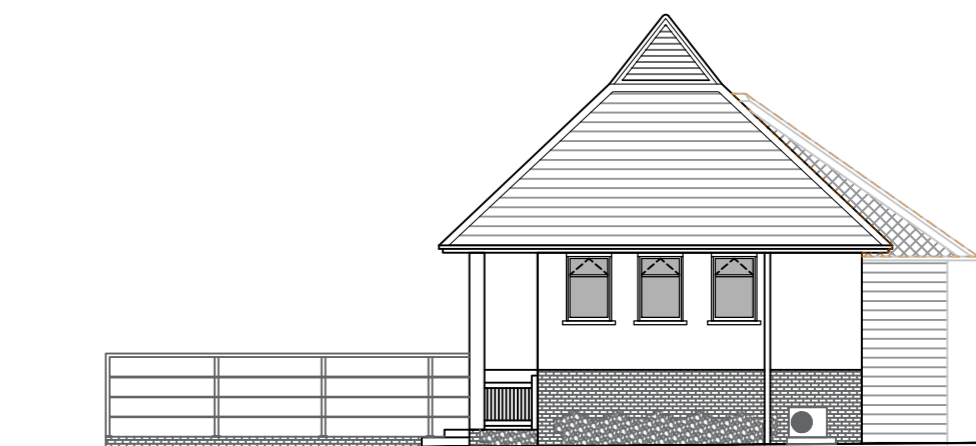


A	31/03/23	Asbestos information and additional client changes	MR
rev:	date:	description:	by:



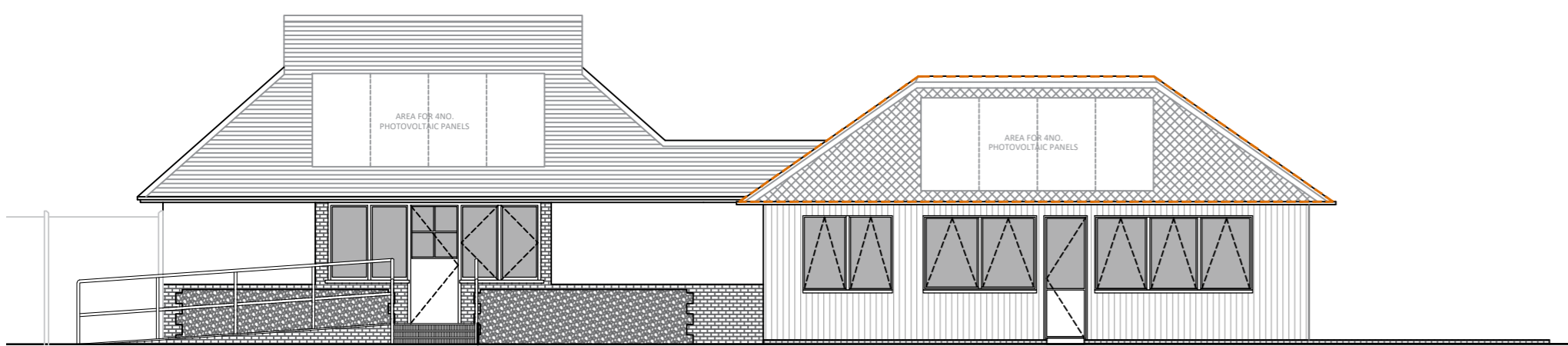
East Elevation

Scale 1:100



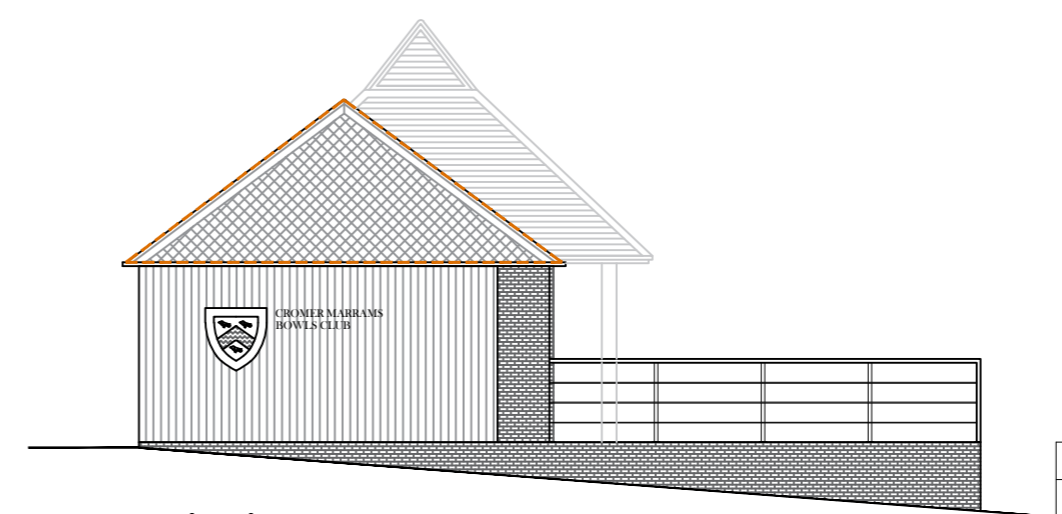
North Elevation

Scale 1:100



West Elevations

Scale 1:100



South Elevations

Scale 1:100



**Paul Robinson**  
PARTNERSHIP  
ARCHITECTURE + SURVEYING

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FEASIBILITY

client:  
North Norfolk District Council

location:  
Marrams Bowls Club  
Runton Road, Cromer

title:  
Proposed Feasibility Scheme  
Section and Elevations

scale @ A2:  
1:20, 1:100  
date:  
March 2023  
project no:  
8331

drawn by:  
MR  
approved:  
JY  
dwg no:  
F04

revision:  
A

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Initial Cost Plan  
for  
The Proposed Internal and External Alterations

at  
Marram's Bowls Club, Cromer

Page 157

5th April 2023

Daniel Connal Partnership  
The Glasshouse  
Kings Lane  
Norwich  
Norfolk  
NR1 3PS

**For the Use of North Norfolk District Council**

**Proposed Internal and External Alterations at Marram's Bowls Club, Cromer  
04002  
Cost Plan Version 1.0**

**5th April 2023**



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**Appendices**

APPENDIX A - DETAILED COST PLAN FOR THE PROPOSED INTERNAL AND EXTERNAL ALTERATIONS AT MARRAM'S BOWLS CLUB, CROMER

5th April 2023

## 1.0 Executive Summary

- 1.1 The Cost Plan totals **£345,721** (excluding VAT), and provides indicative costs for the proposed internal and external alterations at Marram's Bowls Club, Cromer. The cost plan allows for partial demolition and stripping out of the existing Bowl's Club building, followed by the construction of a single storey extension, alterations to the internal layout, application of internal finishes, adjustment of existing services, installation of new kitchen and bar fittings, and a small amount of external works including repurposing the existing floor slab to act as an outdoor terrace area.
- 1.2 The Cost Plan is priced at current price levels with an allowance for inflation to 4Q 2023 (assumed mid-point of construction) and excludes VAT and all other items listed in Section 4.0.
- 1.3 The Cost Plan is based on a GIFA of 87 m<sup>2</sup>, based on the drawings provided - with 37 m<sup>2</sup> being existing building and 50 m<sup>2</sup> new construction.
- 1.4 The Cost Plan is based on the information listed in Section 3.0.
- 1.5 This Cost Plan has been prepared solely for the use of North Norfolk District Council, and should not be relied upon by any third party.

5th April 2023

## 2.0 Cost Plan Summary

2.1 Our summary below is based on the information listed in Section 3.0 and is priced at 2Q 2023 market levels, with an allowance for inflation to 4Q 2023 (assumed mid-point of construction).

<u>Marram's Bowling Green, Cromer</u>	<u>£</u>	<u>£ Per m<sup>2</sup></u>	<u>% of Final Sum</u>
Facilitating Works	£ 42,515	£ 489	12%
Substructure	£ 1,800	£ 21	1%
Superstructure	£ 81,100	£ 932	23%
Internal Finishes	£ 16,518	£ 190	5%
Fittings, Furnishings and Equipment	£ 11,000	£ 126	3%
Services	£ 43,330	£ 498	13%
External works	£ 72,810	£ 837	21%
<b>Subtotal</b>	<b>£ 269,073</b>	<b>£ 3,093</b>	<b>78%</b>
Main contractor's preliminaries (15.0%)	£ 40,361	£ 464	12%
<b>Subtotal</b>	<b>£ 309,433</b>	<b>£ 3,557</b>	<b>90%</b>
Contingency (10.0%)	£ 30,943	£ 356	9%
<b>Subtotal</b>	<b>£ 340,377</b>	<b>£ 3,912</b>	<b>98%</b>
Inflation to 4Q 2023 (1.57%)	£ 5,344	£ 61	2%
<b>Total</b>	<b>£ 345,721</b>	<b>£ 3,974</b>	<b>100%</b>



5th April 2023



**3.0 Information Used**

3.1 This Cost Plan has been prepared from the following design information:

Paul Robinson Partnership

Drawing No.	Title	Revision
SK01	Existing Plan and Elevations	-
F03	Proposed Feasibility Scheme	B
F04	Proposed Feasibility Scheme - Section and Elevations	-

5th April 2023

#### **4.0 Assumptions & Exclusions**

##### 4.1 Assumptions

- 4.1.1 Our Cost Plan is based on 1Q 2023 price levels with an allowance for inflation to 4Q 2023. The percentage allowance of 1.57% has been based on the tender price indices provided by Building Cost Information Service. It should be noted that this is a prediction and inflation rates are currently volatile.
- 4.1.2 We have assumed a mid-level specification for all internal finishes, fixtures and fittings etc. The client's final selection of these elements can have a significant impact on costs, particularly the Kitchen, bar and changing room fittings.
- 4.1.3 It is assumed that the roof coverings to the section of building to be demolished contain a large concentration of asbestos, the removal of which has been allowed for within the 'Toxic materials treatment' section. Removal of any other deleterious materials includes items mentioned within the Asbestos Refurbishment Survey dated July 2014.
- 4.1.4 An allowance for temporary accommodation has been included to allow club members to continue with activities whilst construction work is underway. The specific accommodation used and the duration of use can have a significant impact on costs.
- 4.1.5 It is assumed that very minimal structural alterations will be made required to accommodate the changes to the layout of the building. It's also assumed that a small amount of propping will be required temporarily to support the small section of wall to remain.
- 4.1.6 An allowance has been made to upgrade the statutory electrical services to supply the greater demand from the proposed concession. Costs may be reduced if an upgraded electrical supply is not required, or costs could vary depending on the advice of UKPN.

5th April 2023



#### 4.2 Exclusions

4.2.01 The following items are excluded from our Cost Plan. These items are likely to have a significant cost impact and should therefore be reviewed and covered by an appropriate budget allowance if necessary.

1. Value Added Tax
2. Planning / Building Control Fees
3. Project/design team fees
4. Ground decontamination or dewatering
5. Ecology / Bats
6. Concession to the outdoor terrace area
7. Loose items such as tables, chairs and an indoor bowling mat
8. Soft furnishings, AV equipment
9. External works beyond what is named in cost plan
10. Bespoke joinery fittings

Proposed Internal and External Alterations at Marram's Bowls Club, Cromer

04002

Cost Plan Version 1.0

5th April 2023



**APPENDIX A - DETAILED COST PLAN FOR THE PROPOSED INTERNAL AND EXTERNAL ALTERATIONS AT  
MARRAM'S BOWLS CLUB, CROMER**

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Marram's Bowling Green, Cromer

5 April 2023

DETAILED BUILD UP

Marram's Bowling Green, Cromer



Ref.	Description	Qty	Unit	Rate £	Total £	Notes	
A	Marram's Bowls Club, Cromer	87	m2	3,973.80	345,721		
	<b>Rounded Total to Cost Plan Summary</b>				<b>345,721</b>		

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DETAILED BUILD UP

Marram's Bowls Club, Cromer



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Marram's Bowling Green, Cromer</b>					
A	Facilitating works				42,515	
B	Substructure				1,800	
C	Superstructure				81,100	
D	Internal finishes				16,518	
E	Fittings, furnishings and equipment				11,000	
	Services				43,330	
	External works				72,810	
	<i>Sub Total</i>				<u>269,073</u>	
	Main contractor's preliminaries			15.00	40,361	
	<i>Sub Total</i>				<u>309,433</u>	
I	Contingency			10.00	30,943	
	<i>Sub Total</i>				<u>340,377</u>	
J	Inflation to 4Q 2023			1.57	5,344	
	<i>Group Total</i>				<u>345,721</u>	
	<b>Rounded Total to Cost Plan Summary</b>				<u><b>345,721</b></u>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - Facilitating works -



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Facilitating works</b>					
A	Toxic/hazardous material treatment				5,500	
B	Major demolition works				22,015	
C	Temporary Accommodation				15,000	
	<b>Total to Collection</b>				<b>42,515</b>	

5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Facilitating works - Toxic/hazardous material treatment



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Toxic/hazardous material treatment</b>					
A	Allowance for removal and disposal of existing pitched roof coverings; assumed to be asbestos	1	Item	3,500.00	3,500	
B	Allowance for removal and disposal of any other deleterious material	1	Item	2,000.00	2,000	
	<b>Total to Collection</b>				<b>5,500</b>	

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5 April 2023

## DETAILED BUILD UP

Marram's Bowls Club, Cromer - Facilitating works - Major demolition works



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Major demolition works</b>					
A	Strip and dispose of mechanical and electrical fixtures and fittings	174	m2	5.00	870	
B	Remove pitched roof structure and dispose	51	m2	20.00	1,020	
C	Remove flat roof coverings and dispose	91	m2	10.00	910	
D	Remove flat roof structure and dispose	91	Item	15.00	1,365	
E	Remove kitchen fittings and dispose	1	Item	400.00	400	
F	Remove kitchenette fittings and dispose	1	Item	200.00	200	
	Remove bar fittings and dispose	1	Item	400.00	400	
	Remove internal doors and dispose; single leaf	12	No	40.00	480	
	Remove floor coverings and dispose	168	m2	5.00	840	
	Remove suspended ceilings and dispose	168	m2	7.50	1,260	
K	Demolish internal partitions and dispose; timber studwork	105	m2	25.00	2,625	
L	Demolish internal partitions and dispose; lightweight blockwork	39	m2	35.00	1,365	
M	Remove WC's and dispose	4	No	50.00	200	
N	Remove urinals and dispose	3	No	50.00	150	
O	Remove sinks and dispose	3	No	40.00	120	
P	Remove external doors and dispose; single leaf	4	No	50.00	200	
Q	Remove windows and dispose	16	No	80.00	1,280	
R	Remove external cladding and dispose; timber weatherboard cladding	125	m2	7.50	938	
S	Remove rainwater goods and dispose	91	m	7.50	683	
T	Carefully remove timber fascias and dispose	56	m	10.00	560	
U	Demolish external wall and dispose	96	m2	25.00	2,400	
V	Cut opening through external wall; block cavity wall	1	Item	1,000.00	1,000	

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Facilitating works - Major demolition works



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	Demolish storage shed and dispose	1	Item	750.00	750	
B	Demolish existing steps and dispose; make good	1	Item	750.00	750	
C	Allowance to remove storage and seating and dispose	1	Item	750.00	750	
D	Allowance to remove any other fixtures and fittings	1	Item	500.00	500	
	<b>Total to Collection</b>				<b>22,016</b>	

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Marram's Bowling Green, Cromer

5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Facilitating works - Temporary Accommodation



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<b>Temporary Accommodation</b> Allowance for provision of temporary site accommodation	1	Item	15,000.00	15,000	
					<b>15,000</b>	
	<b>Total to Collection</b>					

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5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Substructure - Substructure



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<p><b>Substructure</b></p> <p>Foundation and concrete slab infill to building link; 1030 x 2870 mm; including strip foundations, masonry to 150 mm above floor level, blinded hardcore bed, 150 mm thick reinforced concrete slab and insulation</p>	3	m2	600.00	1,800	
	<b>Total to Collection</b>				<b>1,800</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - Superstructure -



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Superstructure</b>					
A	Frame				1,500	
B	Roof				34,910	
C	External walls				20,270	
D	Windows and external doors				12,750	
E	Internal walls and partitions				5,420	
	Internal doors				6,250	
	<b>Total to Collection</b>				<b>81,100</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - Superstructure - Roof

Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Roof</b>					
A	Allowance to replace damaged flashings, mortar and trims	1	Item	1,250.00	1,250	
B	Remove existing pitch roof coverings; select and refix including providing 25% new tiles including nails; plain tiles	68	m2	70.00	4,760	
C	Upgrade quilt insulation to existing pitched roof	68	m2	30.00	2,040	
D	Replace timber louvers to verge ends	2	No	500.00	1,000	
	Pitched roof structure; softwood trussed roof	51	m2	65.00	3,315	
	Pitched roof coverings; plain tiles to match existing; including underfelt, battening, eaves course, ridges and quilt insulation	75	m2	140.00	10,500	
	Flat roof decking; softwood roof joists, herringbone strutting, external plywood boarding	5	m2	130.00	650	
H	Flat roof covering; single layer polymer roofing membrane; including board insulation	5	m2	200.00	1,000	
I	Trespa Fascia board to perimeter of roof	52	m	45.00	2,340	
J	Trespa soffit boards to perimeter of roof; including soffit ventilators	52	m	55.00	2,860	
K	Roof drainage; 100 mm uPVC gutter	52	m	60.00	3,120	
L	Roof drainage; 68 mm dia. uPVC downpipe	15	m	55.00	825	
M	Allowance for works joining new roof with existing	1	Item	1,250.00	1,250	
	<b>Total to Collection</b>				<b>34,910</b>	



5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Superstructure - External walls



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>External walls</b>					
A	Allowance for minor repairs to remaining external walls	62	m2	15.00	930	
B	Repaint rendered external walls	21	m2	20.00	420	
C	Allowance for temporary propping to external wall	1	Item	500.00	500	
D	Plaster to internal face of remaining external walls	88	m2	15.00	1,320	
E	Blockwork cavity wall; 100 mm lightweight blockwork, 100 mm Medium density blockwork, 100 mm cavity insulation; including plasterboard and plaster skim to internal face	39	m2	210.00	8,190	
	Infil external wall; 100 mm external blockwork with rendered finish, 25 mm cavity insulation and timber stud boxing to match width of existing wall; including insulated back plasterboard and plaster skim to internal face	6	m2	275.00	1,650	
	External cladding; accoya wood texture cladding; including backing	66	m2	110.00	7,260	
	<b>Total to Collection</b>				<b>20,270</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - Superstructure - Windows and external doors

Ref.	Description	Qty	Unit	Rate £	Total £	Notes
<b>Windows and external doors</b>						
A	Softwood windows; painted; double glazed; 600 x 900 mm	3	No	600.00	1,800	
B	Softwood windows; painted; double glazed; 1300 x 1300 mm	2	No	750.00	1,500	
C	Softwood windows; painted; double glazed; 1400 x 1300 mm	2	No	800.00	1,600	
D	Softwood windows; painted; double glazed; 1500 x 1300 mm	1	No	900.00	900	
E	Softwood windows; painted; double glazed; 2000 x 1300 mm	1	No	1,200.00	1,200	
	Softwood windows; painted; double glazed; 2700 x 1300 mm	1	No	1,600.00	1,600	
	Window boards; timber painted	10	No	125.00	1,250	
	Softwood external door; painted; including frame and ironmongery; single leaf	2	No	1,450.00	2,900	
<b>Total to Collection</b>					<b>12,750</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - Superstructure - Internal walls and partitions



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
<b>Internal walls and partitions</b>						
A	Metal stud partitions; 12.5 mm thick plasterboard both sides; tape and fill joints; including pattressing where necessary	54	m2	75.00	4,050	
B	Plaster skim coat to internal partitions	137	m2	10.00	1,370	
	<b>Total to Collection</b>				<b>5,420</b>	

5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Superstructure - Internal doors



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Internal doors</b>					
A	Certified fire doors; solid timber; single leaf; including ironmongery, frame, architrave and any necessary signage	7	No	800.00	5,600	
B	Serving hatch; 1000 x 600 mm; with lockable roller shutter door	1	No	650.00	650	
	<b>Total to Collection</b>				<b>6,250</b>	

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5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Internal finishes -



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Internal finishes</b>					
A	Wall finishes				4,388	
B	Floor finishes				8,350	
C	Ceiling finishes				3,780	
	<b>Total to Collection</b>				<b>16,518</b>	

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Marram's Bowling Green, Cromer

5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Internal finishes - Wall finishes



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Wall finishes</b>					
A	One mist and two coats of emulsion paint	225	m2	7.50	1,688	
B	Ceramic wall tiles; including backing	45	m2	60.00	2,700	
	<b>Total to Collection</b>				<b>4,388</b>	

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5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Internal finishes - Floor finishes



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Floor finishes</b>					
A	Latex screed	84	m2	10.00	840	
B	Flotex sheet flooring	56	m2	60.00	3,360	
C	Vinyl floor; including coving	29	m2	50.00	1,450	
D	MDF bullnose skirting; gloss paint finish	48	m	25.00	1,200	
E	Entrance matting with aluminium frame	3	m2	500.00	1,500	
	<b>Total to Collection</b>				<b>8,350</b>	

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Marram's Bowling Green, Cromer

5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Internal finishes - Ceiling finishes



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<b>Ceiling finishes</b> Metal frame suspended ceiling system; hangers plugged and screwed to soffit	84	m2	45.00	3,780	
	<b>Total to Collection</b>				<b>3,780</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - Fittings, furnishings and equipment -



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<b>Fittings, furnishings and equipment</b> Fittings, furnishings and equipment				11,000	
	<b>Total to Collection</b>				<b>11,000</b>	



DETAILED BUILD UP

Marram's Bowls Club, Cromer - Fittings, furnishings and equipment - Fittings, furnishings and equipment

Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Fittings, furnishings and equipment</b>					
A	Allowance for kitchen fittings	1	Item	4,500.00	4,500	
B	Allowance for bar fittings	1	Item	3,000.00	3,000	
C	Allowance for benches and lockers	1	No	3,500.00	3,500	
	<b>Total to Collection</b>				<b>11,000</b>	

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services -



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Services</b>					
A	Sanitary installations				6,750	
B	Disposal installations				1,740	
C	Water installations				5,220	
D	Space heating and air conditioning				11,960	
E	Ventilation				2,000	
F	Electrical installations				10,875	
	Communication, security and control systems				2,610	
	Builder's work in connection with services				2,175	
	<b>Total to Collection</b>				<b>43,330</b>	

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5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Sanitary installations



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Sanitary installations</b>					
A	Doc M package; including WC, sink, Mirror and grab rails	1	Item	2,250.00	2,250	
B	WC; Standard with cistern; including seat and flush valve	2	No	550.00	1,100	
C	Sink; wall hung basin	2	No	450.00	900	
D	Wall mounted fold down changing table	1	No	500.00	500	
E	Allowance for soap dispensers and hand driers etc.	1	Item	2,000.00	2,000	
	<b>Total to Collection</b>				<b>6,750</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Disposal installations



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<b>Disposal installations</b> Allowance for alterations to disposal installations	87	m2	20.00	1,740	
	<b>Total to Collection</b>				<b>1,740</b>	

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Water installations



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<b>Water installations</b> Allowance for alterations to hot and cold water installations	87	m2	60.00	5,220	
	<b>Total to Collection</b>				<b>5,220</b>	

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Space heating and air conditioning



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Space heating and air conditioning</b>					
A	Allowance for installation of air source heat pump	1	Item	5,000.00	5,000	
B	Allowance for alterations to space heating installations	87	m2	80.00	6,960	
	<b>Total to Collection</b>				<b>11,960</b>	

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Ventilation



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<b>Ventilation</b> Allowance for ventilation to Changing Rooms, WC's and Kitchen	1	Item	2,000.00	2,000	
	<b>Total to Collection</b>				<b>2,000</b>	



DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Electrical installations



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Electrical installations</b>					
A	Allowance for alterations to electrical power installations	87	m2	90.00	7,830	
B	Allowance for alterations to electrical lighting installations	87	m2	35.00	3,045	
	<b>Total to Collection</b>				<b>10,875</b>	



DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Communication, security and control systems

Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Communication, security and control systems</b>					
A	Allowance for communication system installations	87	m2	10.00	870	
B	Allowance for security installations	87	m2	10.00	870	
C	Allowance for alterations to smoke alarm installations	87	m2	10.00	870	
	<b>Total to Collection</b>				<b>2,610</b>	

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Marram's Bowling Green, Cromer

5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - Services - Builder's work in connection with services



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
A	<b>Builder's work in connection with services</b> Allowance for builder's work in connection with services	87	m2	25.00	2,175	
	<b>Total to Collection</b>				<u>2,175</u>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - External works -



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>External works</b>					
A	Site preparation works					
B	Roads, paths, pavings and surfacings				16,560	
C	Soft landscaping, planting, and irrigation systems				1,000	
D	Fencing, railings and walls				11,450	
E	External fixtures				21,050	
	External drainage				4,000	
	External services				18,750	
	<b>Total to Collection</b>				<b>72,810</b>	

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5 April 2023

DETAILED BUILD UP

Marram's Bowls Club, Cromer - External works - Roads, paths, pavings and surfacings



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
<b>Roads, paths, pavings and surfacings</b>						
A	Allowance for asphalt surfacing to outdoor terrace	87	m2	75.00	6,525	
B	Resurface existing footpath	45	m2	55.00	2,475	
C	Allowance to redirect footpath around proposed storage shed	1	Item	1,500.00	1,500	
D	Allowance for repairs to existing storage shed base	1	Item	500.00	500	
E	Reinforced concrete slab for new storage shed; including excavation	13	m2	120.00	1,560	
F	Allowance for concrete ramp and steps to entrance with brick surround to match existing; including paviour surfacing to match existing	1	Item	4,000.00	4,000	
<b>Total to Collection</b>					<b>16,560</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - External works - Soft landscaping, planting, and irrigation systems



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Soft landscaping, planting, and irrigation systems</b>					
A	Allowance for minor soft landscaping	1	Item	1,000.00	1,000	
	<b>Total to Collection</b>				<b>1,000</b>	



DETAILED BUILD UP

Marram's Bowls Club, Cromer - External works - Fencing, railings and walls

Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>Fencing, railings and walls</b>					
A	Allowance for repairs and alterations to fencing	1	Item	1,500.00	1,500	
B	Allowance for balustrading to outdoor terrace	31	m	250.00	7,750	
C	Handrail to entrance ramp; tubular handrail with warmtouch PVC coating	8	m	275.00	2,200	
	<b>Total to Collection</b>				<b>11,450</b>	

DETAILED BUILD UP

Marram's Bowls Club, Cromer - External works - External fixtures



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>External fixtures</b>					
A	Allowance for replacement external timber benches	2	No	650.00	1,300	
B	Allowance for new signage	1	Item	1,250.00	1,250	
C	Allowance for Metrostor modular outdoor storage building	2	No	9,250.00	18,500	
	<b>Total to Collection</b>				<b>21,050</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - External works - External drainage



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>External drainage</b>					
A	Allowance for alterations to storm water drainage	1	Item	1,500.00	1,500	
B	Allowance for alterations to foul drainage	1	Item	2,500.00	2,500	
	<b>Total to Collection</b>				<b>4,000</b>	

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DETAILED BUILD UP

Marram's Bowls Club, Cromer - External works - External services



Ref.	Description	Qty	Unit	Rate £	Total £	Notes
	<b>External services</b>					
A	Allowance for external wall mounted perimeter lighting and spot lighting to sign	1	Item	3,000.00	3,000	
B	Allowance to upgrade incoming electrical supply	1	Item	15,000.00	15,000	
C	Provison of power points to concession	3	No	250.00	750	
	<b>Total to Collection</b>				<b>18,750</b>	

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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