Public Document Pack

Cabinet

NORTH NORFOLK DISTRICT COUNCIL

Please contact: Emma Denny

Please email: emma.denny@north-norfolk.gov.uk
Please Direct Dial on: 01263 516010

Friday, 26 January 2024

A meeting of the **Cabinet** of North Norfolk District Council will be held in the Council Chamber - Council Offices on **Monday, 5 February 2024** at **10.00 am**.

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

Members of the public who wish to ask a question or speak on an agenda item are requested to arrive at least 15 minutes before the start of the meeting. It will not always be possible to accommodate requests after that time. This is to allow time for the Committee Chair to rearrange the order of items on the agenda for the convenience of members of the public. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel:01263 516010, Email:emma.denny@north-norfolk.gov.uk.

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. Please note that this meeting is livestreamed: NNDC eDemocracy - YouTube

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

IN TRAN communication for all

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

A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. MINUTES 1 - 6

To approve, as a correct record, the minutes of the meeting of the Cabinet held on 08 January 2024.

3. PUBLIC QUESTIONS AND STATEMENTS

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

4. DECLARATIONS OF INTEREST 7 - 12

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 requries 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

The following recommendations were made to Cabinet by the Overview & Scrutiny Committee at the meeting held on 24th January 2024:

Agenda Item 9: Draft Revenue Budget 2024/25

Recommended

A) Council's budget monitoring to include the expected level income streams within the Council budget should be reported in future to the Overview and Scrutiny Committee, and

(B) the Director of Resources be requested to produce at the start of the new financial year a timetable that sets out the key events as the budget is developed throughout the year such as which committee meetings it will be reported to and periods of public consultation.

Agenda item 11: Corporate Peer Review Draft Action Plan

Recommended

(A) the Overview and Scrutiny Committee agrees that the Peer

Review Action Plan be presented to Cabinet for agreement and adoption.

(B) a report be submitted to the Overview and Scrutiny Committee following the Local Government's Association revisit to the Council on the progress that had been on the changes proposed within the Action Plan.

8. RECOMMENDATIONS FROM LICENSING COMMITTEE 13 - 18

The following recommendation was made by the Licensing Committee (Regulatory) to Cabinet at the meeting on Monday 22nd January:

To recommend that Cabinet agrees to increase the current Hackney Carriage fare charges by 15%, subject to successful statutory consultation.

Please note that the appendices to the report can be accessed via the Licensing Committee Agenda for 22nd January.

9. DRAFT REVENUE BUDGET 2024-2025 19 - 86

Executive Summary	This report presents the latest iteration of the budget for 2024/25. It is intended to present the position as we currently know it and it will need to be updated as more information becomes available e.g. the impact of the final Local Government Finance Settlement for 2024/25.
Options considered.	No other options have been considered as it is a requirement to calculate "the expenditure which the authority estimates it will incur in the forthcoming year in performing its functions" and then subtract "the sums which it estimates will be payable for the year into its general fund". This is required to set a balanced budget before 11 March 2024.
Consultation(s)	The Overview and Scrutiny Committee have reviewed the content and have made recommendations to Cabinet for its consideration. This is the only consultation that has taken place prior to this paper being presented to Cabinet. Consultation with other stakeholders is planned to take place, e.g. Council Taxpayers and Business Rates payers, the results of which will be incorporated into the report being presented to full Council on 21 Feb 2024.
Recommendations	That Cabinet consider any recommendations made by Overview and Scrutiny. That Cabinet consider the list of proposed savings, the use of reserves and the setting of a savings target and decide on the combination to include in the Budget for 2024/25 so that a balanced budget can be recommended to full Council. That Cabinet agree to use of any additional funding announced as part of the final Local Government

	Settlement announcement to replace the use of reserves. That Cabinet decide which proposed new capital bids should be recommended to full Council for inclusion in the Capital Programme.
Reasons for recommendations	To enable the Council to set a balanced budget.
Background papers	2023/24 Budget report presented to full Council on 22 February 2023. 2024/25 Budget Report presented to Cabinet on 8 January 2024

Wards affected	All
Cabinet member(s)	Cllr Lucy Shires
Contact Officer	Tina Stankley Director of Resources and s151 Officer tina.stankley@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Strong Responsible & Accountable Council.
Medium Term Financial Strategy (MTFS)	The setting of a balanced budget for 2024/25 provides the base position for reviewing the following years of the Medium-Term Finance Plan.
Council Policies & Strategies	Budget Setting & Medium-Term Finance Strategy.

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Yes
Details of any previous decision(s) on this matter	

10. TREASURY MANAGEMENT STRATEGY 2024 – 2025 87 - 126

Executive Summary	This report sets out the Council's Treasury Management Strategy for the year 2024/25. It sets out details of the Council's Treasury Management activities and presents a strategy for the prudent investment of the Council's resources. It also sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives.
Options considered	No other options considered. It is a requirement that the Treasury Management Strategy report must be approved

	by full Council each year in advance of the new financial year to ensure the Council is compliant with the CIPFA Treasury Management, CIPFA Prudential Codes and guidance issued by the Department of Levelling Up, Housing & Communities (DLUHC).
Consultation(s)	Cabinet Member Section 151 Officer This report has been prepared with the assistance of Link Treasury Services, the Council's Treasury Management advisors.
Recommendations	To recommend to full Council that the Treasury Management Strategy 2024/25 is approved.
Reasons for recommendations	Approval by Full Council demonstrates compliance with the Prudential Codes to ensure; • A flexible investment strategy enabling the Council to respond to changing market conditions. • Ensure compliance with CIPFA and DHLUC guidance. • Confirming capital resources available for delivery of the Council's capital programme. It is a requirement that any proposed changes to the prudential indicators are approved by Full Council.
Background papers	The Council's Treasury Management Strategy 2023/24. CIPFA Prudential Code (Treasury Management in the Public Services: Code of Practice 2021 Edition). CIPFA Prudential Code (Capital Finance in Local Authorities: Code of Practice 2021 Edition).

Wards affected	All
Cabinet member(s)	Cllr. Lucy Shires
Contact Officer	James Moore

Links to key documents:	
Corporate Plan:	This report is required to ensure that the Council can demonstrate it is in a sound financial position and able to deliver the projects in the Capital Programme which support the Corporate Plan Objectives.
Medium Term Financial Strategy (MTFS)	This report supports the MTFS in confirming adequate financing is in place for the Council to operate its regular functions alongside delivering the Council's Capital Programme.

Council Policies Strategies	N/A

11. NORTH NORFOLK DISTRICT COUNCIL CORPORATE PEER CHALLENGE - DRAFT ACTION PLAN 127 - 172

Executive Summary	The District Council is required to develop an Action Plan in response to recommendations made through the recent Corporate Peer Challenge of the authority. This draft Action Plan seeks to meet this requirement.
Options considered	This report and the Corporate Peer Challenge Action Plan details the Council's proposed response to recommendations made within the Peer Challenge Report. Development of the draft Action Plan has involved consideration of potential options / actions in response to the recommendations made.
Consultation(s)	Preparation of the draft Action Plan in response to the recommendations made in the Corporate Peer Challenge report has involved consultation with Corporate Leadership Team, Management Team and the Leader of the Council. This report and the draft Action Plan has been presented to the Overview and Scrutiny Committee for comment as an item of pre-scrutiny business before presentation of the Action Plan for agreement by Cabinet
Recommendations	**Cabinet is invited to comment on the draft Action Plan and then agree for adoption.**
Reasons for recommendations	To ensure the objectives of the Council are achieved and to support the Council is its future development, learning and continuous improvement.
Background papers	LGA Corporate Peer Challenge report conducted 12th – 15th September 2023

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

Links to key documents:	
Corporate Plan:	Theme:- A Strong, Responsible & Accountable Council Objective:- 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. Action:- We will:- 1. Produce an Action Plan in response to the recommendations made by the recent LGA Corporate Peer Challenge by end December 2023 and thereafter deliver the Action Plan objectives over the period to June 2025.
Medium Term Financial Strategy (MTFS)	There are a number of comments made within the Corporate Peer Challenge which seek to support and strengthen the Council's MTFS and strategic financial position given the changing context of local government finances and, as appropriate, these are responded to through the Action Plan
Council Policies & Strategies	All – the Corporate Peer Challenge process promotes sector-led improvement and is intended to support the Council in its objectives in the provision of quality services which meet the needs of the district's residents, communities, businesses and visitors and of our ambitions around continuous improvement

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Yes – there is no private or confidential information to be considered by this report.
Details of any previous decision(s) on this matter	N/A

12. CABBELL PARK, CROMER

Executive Summary	Cabbell Park is situated on Mill Road in Cromer and was previously the home of Cromer Town Football Club. Ownership of Cabbell Park was taken on by NNDC in 2015, with a section at the front of the site sold to make

	way for a new medical practice. The capital sum from this sale (approx. £360k) is held for the purpose of providing/improving football facilities in the town. Cromer Youth Football Club (CYFC) have for many years been seeking a home for their club. Since the late 80s they have been playing matches at various satellite sites across the district, including Fearns Field, Northrepps, Southrepps, Bodham, East Runton and more. A project is currently underway to build a 3G football facility on the adjacent Academy/Sports Centre site, for which the youth football club are a partner club. It is proposed that Cabbell Park could become the home of CYFC.
Options considered	1. The necessary improvements are made, and additional facilities added, to Cabbell Park to enable CYFC to lease the ground and have a home for all of their football operations. The car parking area would be leased to the NHS from 6am-6pm Monday to Friday. 2. Do not follow option one and investigate further options for the site.
Consultation(s)	This proposal has been loosely discussed with CYFC, Norfolk FA, The Local Member and senior officers prior to the report being brought forward.
Recommendations	**1. That Cabinet supports in principle the necessary improvements and provision of additional facilities to Cabbell Park to enable Cromer Youth Football Club to lease the ground and have a home for all of their football operations.** **2. Officers are instructed to undertake further work to develop the scope of improvements, design of additional facilities and appropriate permissions and costings and present these in a paper to a future Cabinet meeting for consideration.**
Reasons for recommendations	This is the first time in 30 years that a tangible option exists to provide a home for CYFC, a solution which will also maximise the use of Cabbell Park. A permanent home in Cromer for the club would enable them to grow and secure football in the town for a number of years to come. Football clubs for many are the heart of the community and this is an opportunity to bring this back to the town.

Background papers	NA

Wards affected	Cromer Town & Suffield Park
Cabinet member(s)	Cllr Liz Withington
Contact Officer	Colin Brown, Leisure and Locality Services Manager

Links to key documents:	
Corporate Plan:	Developing our Communities
Medium Term Financial Strategy (MTFS)	The proposal as a whole could generate a small amount of additional income
Council Policies & Strategies	List here which existing council policies and strategies the proposals are linked to

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

13. PROPOSED DISPOSAL OF HIGHFIELD ROAD CAR PARK FOR AFFORDABLE HOUSING 183 - 190

Executive Summary	This report sets out a proposal to dispose of the NNDC owned car park at Highfield Road, Fakenham to Flagship Housing for the development of affordable housing.
Options considered	- Retain site as a car park - Exchange site for Fakenham Town Council owned land elsewhere in Fakenham
Consultation(s)	Fakenham Town Council District Councillors for Lancaster South & North Portfolio Holder for Housing and Peoples' Services Estates and Property Services
Recommendations	**It is recommended that Cabinet:** **- Agree that Highfield Road is surplus to requirements** **- That NNDC enter into an option agreement with Flagship Housing (subject to Planning Permission) for sale of the Highfield Road car park to be developed for affordable housing.**

	- That demolition of the existing toilet block on the site is undertaken as soon as is possible
Reasons for recommendations	The development of the Highfield Car park offers the opportunity to make better use of an under-used car park, to deliver badly needed affordable homes, to generate a capital receipt and to reduce the current revenue liabilities at the site.
Background papers	None

Wards affected	Lancaster South
Cabinet member(s)	Cllr Fredericks, Portfolio Holder for Housing and Peoples' Services
Contact Officer	Nicky Debbage, Housing Strategy & Delivery Manager, nicky.debbage@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Meeting our Housing Need.
Medium Term Financial Strategy (MTFS)	New affordable homes will help the council tackle housing need and potentially reduce the cost of temporary accommodation for homeless households the Council has a duty to accommodate
Council Policies & Strategies	NNDC Housing Strategy 2021-2025

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Appendix A is exempt as it contains commercial information that may prejudice future asset sales
Details of any previous decision(s) on this matter	NA

Please note that there is an exempt appendix to this item.

14. EXCLUSION OF PRESS AND PUBLIC

To pass the following resolution:

"That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A (as amended) to the Act."

The appendix to the report [Agenda item 13] is to be treated as exempt for the following reason: Information in this appendix involves the likely disclosure of exempt information as defined in paragraph 3, Part 1 of schedule 12A (as amended) to the Local Government Act 1972.

This paragraph relates to:
Information relating to the financial or business affairs of any particular person (including the authority holding that information) The public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:

The document contains information relating to the business affairs of the Council and other external parties and contains commercially confidential information.

15.	**PRIVATE BUSINESS**	191 - 192

This page is intentionally left blank

CABINET

Minutes of the meeting of the Cabinet held on Monday, 8 January 2024 at the Council Chamber - Council Offices at 10.00 am

Committee Members Present:	Cllr W Fredericks (Deputy Chair)	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
Cllr A Fitch-Tillett
Cllr J Toye

Officers in attendance Chief Executive, Director for Finance, Monitoring Officer, Director for Communities, Director for Place & Climate Change, Policy & Performance Manager and Democratic Services Manager

Apologies for Absence: Cllr L Shires

1 MINUTES

The minutes of the Cabinet meeting held on 6th November 2023 were approved as a correct record and signed by the Chairman.

2 PUBLIC QUESTIONS AND STATEMENTS

None received.

3 ITEMS OF URGENT BUSINESS

None received.

4 DECLARATIONS OF INTEREST

None received.

5 MEMBERS' QUESTIONS

The Chairman advised members that they could aske questions throughout the meeting as matters arose.

6 RECOMMENDATIONS FROM CABINET WORKING PARTIES

The Chairman invited Cllr A Brown, Portfolio Holder for Planning & Enforcement to introduce this item. Cllr Brown explained that the recommendations related to the second of two conservation area reviews in the Glaven Valley. The first focussed on the villages and the second on the rural area covering the Glaven Valley. He thanked the officers for their hard work and also Purcell who had provided some external support to the process. Cllr Brown concluded by saying that he hoped that there would be more conservation area appraisals coming forward.

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

RESOLVED

1. To adopt the Glaven Valley Conservation Appraisal following the amendments itemised in the report, for statutory planning purposes and for the Appraisal document to become a material consideration in the planning process.

2. To agree the proposed boundary changes as recommended in the draft Appraisal document and those further changes detailed in this report, and that they be published in accordance with the Planning (Listed Buildings & Conservation Areas) Act 1990.

3. To agree the proposed Local Listings as identified within the draft Appraisal documents.

Reason for the decision:

To adopt the draft Conservation Area Appraisal

7 RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE

The Chairman of Overview & Scrutiny Committee, Cllr N Dixon, was unable to attend the Cabinet meeting. The Chairman informed members that the Overview & Scrutiny Committee had made the following recommendations at the meeting on 13 December 2023:

1. Draft Revenue Budget 2024-2025 (Including MTFS)

RESOLVED

To recommend the following two stage process for scrutiny of the draft Budget and Medium Term Financial Strategy (MTFS):

1. Cabinet to identify areas for cost reductions from: efficiencies, service redesign, CP delivery plan budget, etc; and, income generation from: raising discretionary charges, new income streams, council tax, etc. This should include opportunities to invest to save schemes. The Overview & Scrutiny Committee to review Cabinet proposals at their next meeting in January.

2. Preparations for the 2025-2026 Budget and MTFS gap closure proposals to commence in early 2024 to ensure early engagement and input from Members and more implementation lead time.

2. Fees & Charges 2024 – 2025

To recommend that Cabinet supports the following recommendations to Full Council

1. The Fees & Charges from 1st April 2024 as included in Appendix A
2. That delegated authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Directors/Assistant Director

to agree the fees and charges not included within Appendix A as required (outlined within the report).

In addition, the Committee **resolved** to recommend that for those charges where the Council has the discretion to vary fees, Cabinet ensures they are reviewed with the following three key issues in mind -

- a commercial approach
- benchmarking
- market forces

Cabinet **RESOLVED** to accept the recommendations.

8 DELEGATED DECISIONS SEPTEMBER TO NOVEMBER 2023

The Chairman explained that the report set out the decisions taken under delegated powers from September to November 2023. The register of decisions was published on the Council's website.

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

RESOLVED

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

Reasons for the decision:

The Constitution: Chapter 6, Part 5, sections 5.1 and 5.2 details the exercise of any power or function of the Council where waiting until a meeting of Council or a committee would disadvantage the Council. The Constitution requires that any exercise of such powers should be reported to the next meeting of Council, Cabinet or working party (as appropriate)

Section 2.1 sets out the requirements regarding the reporting of conditional delegated decisions.

9 DRAFT REVENUE BUDGET 2024 - 2025

The Chairman invited the Deputy Leader, Cllr Fredericks to introduce this item in the absence of the Portfolio Holder, Cllr Shires. She began by saying that the report had already been considered by the Overview & Scrutiny Committee for pre-scrutiny.

The report set out the draft budget for 2024/2025 and its alignment with the Corporate Plan. The figures showed that the national and international economic situation continued to have a considerable impact. In particular, the war in Ukraine, rising interest rates and high utility and contract costs placed additional strains on the Council and its services. There was particular pressure on the temporary accommodation budget as increasing numbers of people presented themselves as homeless and there was a projected shortfall of £600k by the end of 2023/24 and this was likely to be even higher for the following year.

Cllr Fredericks referred to the table on page 29 and said that it showed the impact of the delay in the introduction of the second homes premium. This, together with other factors such as a higher staff pay award and a reassessment of business rates income mean that the forecast deficit for 2024/25 was £1.459m. She added that whilst the provisional Local Government Finance Settlement (LGFS) had been announced on 18th December, it had failed to accurately reflect the impact of the last 12 months on local government. Cabinet would be meeting in the coming weeks to look at savings proposals which would then be presented to Overview & Scrutiny Committee for consideration. In conclusion, she referred to section 4 of the report, which outlined the Medium Term Financial Plan for the Council and the implications for district councils of any future funding reviews. She thanked officers for their continued hard work.

Cllr C Cushing referred to section 3.3 of the report and asked whether the projected deficit of £1.81m was incorrect and should be £1.459m. The Director for Finance (DFR) confirmed that £1.459m was the correct figure. Cllr Cushing then referred to paragraph 4.5 and sought clarification that there were currently no proposals to reduce the number of officers at the Council. The DFR confirmed that this was the case and said that it should state 'To mitigate the impact of a reduction, officers of the Council'.

Cllr Cushing asked when the outcomes of the savings proposals would be shared with members. The Chief Executive replied that Cabinet was due to meet shortly to discuss them and then a report would be presented to Overview & Scrutiny Committee on 24th January and Cabinet on 5th February. The DFR added that a paper on the capital programme would go through at the same time.

Cabinet NOTED the report.

10 FEES & CHARGES 2024 -2025

Cllr Fredericks presented the report on behalf of the Portfolio Holder for Finance, Cllr Shires. She said that it had been to the Overview & Scrutiny Committee on 13th December for pre-scrutiny. Section 3.2 set out three key reasons for any proposed increases in fees and charges. These included inflation, increase in fees where they were set by a higher authority (usually central government) and increases in fees which must be set on a cost recovery basis such as licensing fees and land charges.

Sections 3.4 to 3.10 set out where service areas had identified opportunities to generate additional income. She informed members that this report did not include changes to car parking charges, these would be reviewed at a later date.

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

RESOLVED

To recommend to Full Council:

- The fees and charges from 1st April 2024 as included in Appendix A.
- That delegated authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Directors/Assistant Director to agree the fees and charges not included within Appendix A as required (outlined within the report).

Reason for the decision:

To approve the Council's proposed fees and charges for 2024/25.

11 MANAGING PERFORMANCE 2019 - 2023

The Chairman introduced this item. He explained that the report was the final managing performance report for the Corporate Plan 2019 – 2023. It summarised delivery against the Corporate Plan agreed by the Council in November 2019 and the Delivery Plan agreed by Cabinet at its meeting of February 2020. He said that it was important to acknowledge that the majority of the Corporate Plan 2019 – 2023 objectives were achieved despite the unprecedented circumstances presented by the Covid pandemic. He added that some of the objectives were ongoing such as the Changing Places programme. He concluded by thanking officers for their hard work and support.

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

RESOLVED

To receive and agree the report and acknowledge that the majority of the Corporate Plan 2019-2023 priorities and objectives for this period were achieved despite the unprecedented circumstances presented by the global COVID pandemic.

Reason for the decision:

To ensure the objectives of the Council are achieved and service performance monitored, and, as appropriate, improved so as to ensure the provision of good quality, value for money services to the district's residents, businesses and visitors and inform future corporate learning and improvement.

12 MANAGING PERFORMANCE Q2

The Chairman introduced this item. He explained that the report provided information on the Council's performance during the second quarter of the year from 1st July to 30th September and included a management response where any issues had been highlighted. He said that face to face customer contacts in this quarter were 2985 in comparison to 2511 at the Council's Cromer and Fakenham offices – an increase of 19% against the same quarter last year. Telephone calls to the Customer Contact Centre had also increased and were 13,376 for the quarter compared to 12,304 in the same quarter in 2022 (an increase of 8.7%) reflecting the Contact Centre taking on more frontline service calls including Benefits enquiries during that year. The Council's new chatbot service, Nelly, continued to perform well. He concluded by saying that planning performance had improved considerably and he congratulated the Planning team on their hard work. Cllr A Brown, Portfolio Holder for Planning & Enforcement echoed this.

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

RESOLVED

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

Reason for the decision:

To ensure the objectives of the Council are achieved and service performance monitored, reviewed and, as necessary, improved.

13 ROCKET HOUSE BUILDING, CROMER - BUILDING REPAIR INVESTIGATIONS

The Chairman introduced this item in the absence of the Portfolio Holder, Cllr Shires. He explained that following the previous report to Cabinet on 4th September 2023, a visit to the property and technical briefing was made available for members. It was proposed that the next step would be to commission detailed investigations into the fabric of the building to identify the cause of the damp problems and establish remedial options and any associated costs.

The Council's Surveyor explained the investigation work would be localised, mainly around the toilet block area. It was hoped that the cause of the damp would be found, which was thought to be replicated all the way around the back of the building.

Cllr C Cushing asked about timescales for the initial investigation work. The Surveyor replied that it was hoped that the sections that needed to be punched through would be identified by the end of the week and then any areas that needed to be prepared for specialist investigations would be ready by the end of January.

Cllr Cushing sought clarification on where the £50k funding for the investigation work was coming from. The Director for Finance (DFR) replied that it was from the £1m capital budget set allocated to the project.

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

RESOLVED to

1. Delegate to Officers to commission detailed investigations into the fabric of the building in 2 phases to identify the cause of damp, establish remedial options and budget costings.
2. A further report back to Cabinet with the findings.

Reason for the decision:

To respond to the need for essential repairs, maintenance and energy improvement works to the building

14 EXCLUSION OF PRESS AND PUBLIC

15 PRIVATE BUSINESS

The meeting ended at 10.25 am.

____
Chairman

Registering interests

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

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

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

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

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

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

Non participation in case of disclosable pecuniary interest

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

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

Disclosure of Other Registerable Interests

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

Disclosure of Non-Registerable Interests

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

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

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

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

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

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

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

Table 1: Disclosable Pecuniary Interests

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

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

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

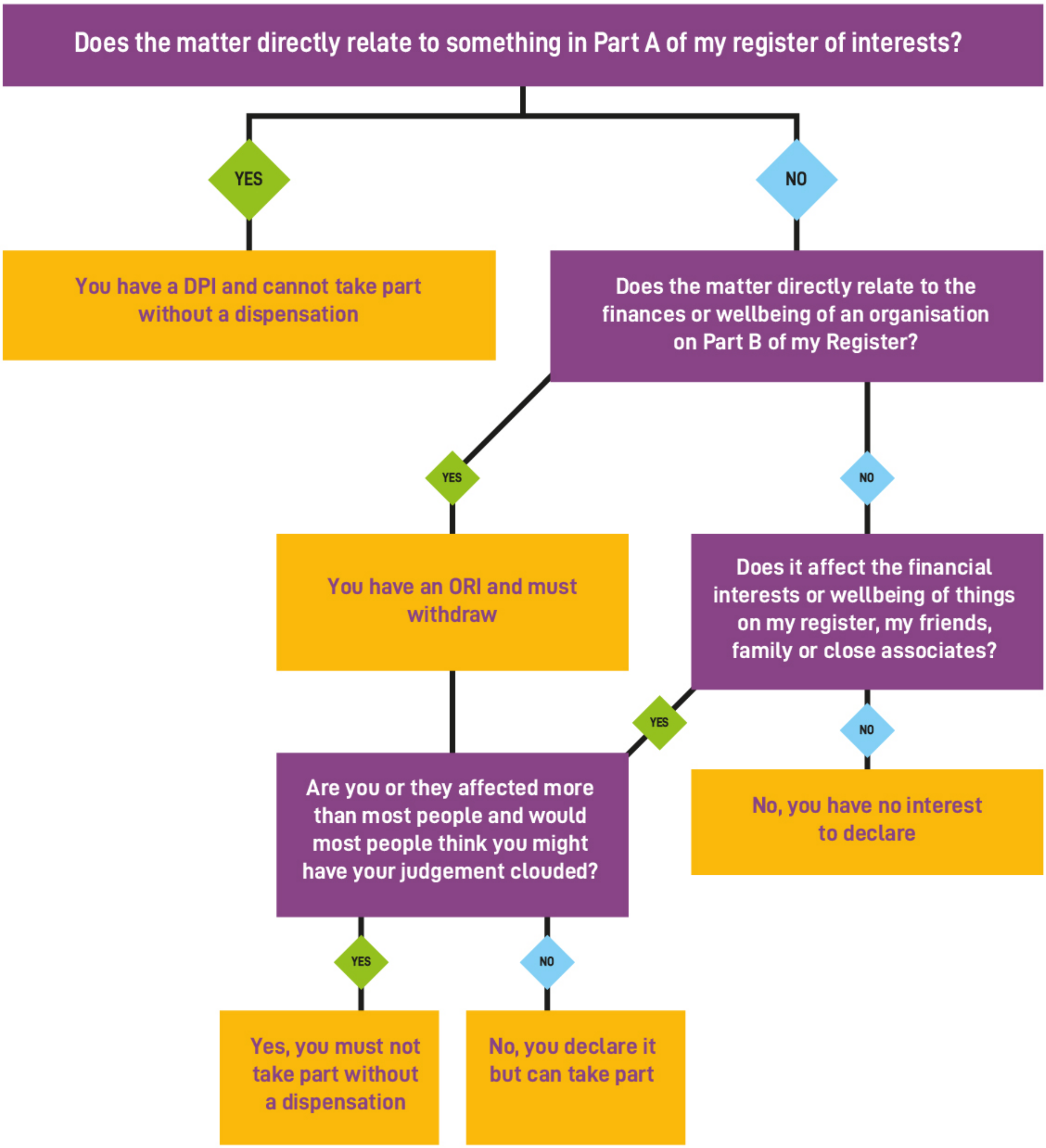
	spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

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

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

Table 2: Other Registrable Interests

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



Local Government Association

Guidance on LGA Model Councillor Code of Conduct

Hackney Carriage Fare Review	
Executive Summary	Hackney Carriage Fares (maximum chargeable) are set by the District Council under a provision made in Local Government Misc. Provision Act 1976. The Council has been requested by the taxi trade to review these maximum fares.
Options considered	Whether to increase fares or not increase fares and by what amount.
Consultation(s)	Consultation has taken place with representatives the North Norfolk taxi trade. Further public consultation will occur if the recommendations are accepted through press publication.
Recommendations	Licensing Committee (Regulatory) recommend to Cabinet to increase the current Hackney Carriage fare charges by 15%, subject to successful statutory consultation.
Reasons for recommendations	Hackney Carriage Fares have not been reviewed by the authority for a number of years. Members of the taxi trade have requested a review, due to the increasing cost of providing this service.
Background papers	NNDC Hackney Carriage and Private Hire Policy. Taxi and private hire vehicle licensing best practice guidance for licensing authorities in England Taxi and private hire vehicle licensing best practice guidance for licensing authorities in England - GOV.UK (www.gov.uk)

Wards affected	All
Cabinet member(s)	Cllr C Ringer
Contact Officer	Nicky Davison, Licensing Officer: nicky.davison@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Investing in our local economy and infrastructure.
Medium Term Financial Strategy (MTFS)	Not applicable.
Council Policies & Strategies	None.

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Yes

Details of any previous decision(s) on this matter	A previous review of fares last occurred in 2018.

1. Purpose of the report

1.1 This report reviews the current Hackney Carriage fares within North Norfolk, benchmarking them against other Council's. The report explores the options available in relation to reviewing Hackney Carriage fares within the District of North Norfolk.

2. Introduction & Background

2.1 The Council has responsibility under the Local Government (Miscellaneous Provisions) Act 1976, for setting the maximum fares that can be charged by hackney carriage vehicles licensed to operate within the District. The table of fares applies only to Hackney Carriage vehicles. Private Hire Operators are able to agree their hiring charges in advance with their customers at the time of booking the journey.

2.2 The Licensing Authority received five requests from the taxi trade in January and February 2023, for an increase to the hackney carriage tariff rate. This is due to the period of time since the current fares came into effect together with the rise in fuel and running costs since 2018.

2.3 On 20 March 2023, the Council circulated the request to all licensed Hackney Carriage and Private Hire drivers and both Hackney Carriage and Private Hire Operators for their views. This consisted of 345 drivers, 50 Hackney Carriage Operators and 28 Private Hire Operators. A copy of this email can be seen in Appendix A. An email was also sent to the Chairman of North Norfolk Taxi and Private Hire Association.

2.4 The Licensing Team has received 69 responses which represents 22% of the trade. The general consensus of the responses received from the trade is that they are in agreement with a fare increase. The table below shows the responses received.

Hackney Carriage Fare Table - Consultation outcome

	Total sent	Responses received	Yes	No	No comment	% of responses
Drivers	345	65	47	11	7	19
Operators	79	25	20	5		32

Figure 1.

2.5 Hackney Carriage ("Taxi") fares are made up of an initial hiring charge and a "mileage" rate, both of which are expressed in terms of distance and/or time per unit cost. This is because when a hired taxi is stationary or moving slowly in traffic the meter continues charging, but by time, instead of distance.

2.6 The 'flag drop' is the fixed cost that can be charged for an initial distance. It is universal in its application and is included in the cost of all journeys. It offers the taxi driver a minimum return for every journey encouraging the supply of journeys that cover a short distance.

2.7 The current table of Hackney Carriage fares was increased in April 2018. The current fares can be seen in **Appendix B.**

2.8 Taxi fares are a maximum, and in principle are open to downward negotiation between customer and driver/operator.

2.9 In January and February 2023 officers received written correspondence from representatives of the North Norfolk taxi trade, in which requests were put forward for the Council to consider increasing the current table of fares.

2.10 Out of the responses which voted yes for an increase to the Hackney Carriage fare table, 63 provided recommended fees or percentage increase for the separate tariff rates. These proposed tariff charges can be seen in **Appendix C**.

2.11 According to the data compiled by the Office for National Statistics (ONS), the Consumer Prices Index (CPI) rose by 26.0% from April 2018 to September 2023. With this in mind and in relation to the representations from the trade, a draft version 1 of the proposed hackney carriage fares was produced and can be seen as **Appendix D**.

2.12 A meeting took place on 03 November 2023 between the Licensing Enforcement Officer and the Chairman of the North Norfolk Taxi and Private Hire Association to discuss this proposal. During this meeting, it was considered that the proposed increase was too high in one review and may have a negative impact on services provided by the taxi trade. Although the proposed fares are maximum fares and the Operator/Proprietor can provide discounts, we do not want customers to be put off from using the taxi service within North Norfolk. The public have a reasonable expectation that the services available will be accessible and affordable. With the higher cost of living and a high proportion of customers replying on the taxi service to enable them to carry out their food shopping and attend medical appointments, a reduced increase was deemed more appropriate at this time.

2.13 From this meeting, a 2nd version of the hackney carriage fares was drafted, based on a 15 % increase (rounded to the nearest 10 pence). The draft version 2 of the proposed hackney carriage fares can be seen in **Appendix E**.

2.14 Historically, Tariff 2 (night rate between 23:00 hours to 07:00 hours) is charged at one and a half times Tariff 1 (day rate). Tariff 3 (Sunday rate between 07:00 hours and 23:00 hours) is charged as one and a quarter times Tariff 1. Tariff 4 (Christmas/New Year and Bank Holiday periods) is charged at double Tariff 1. This calculation has been carried over in the draft version of the proposed fares.

2.15 The Private Hire and Taxi Monthly (PHTM), a national taxi trade publication, produces a monthly league table of all UK Council hackney carriage fares. This league table shows that North Norfolk District Council’s current “fare tariff 1”, for a 2-mile journey, sits in 318th place out of 340 licencing authorities listed. **Appendix F** shows the current position of North Norfolk as of 15th December 2023.

2.16 When drawing comparisons between hackney carriage fares in different areas, the normal method used is to compare the cost of a 2-mile journey. Officers have researched and produced a table showing a comparison of the hackney carriage fares charged in other neighbouring local authority areas for a 2-mile journey. This can be seen below:

PHTM stats 15/12/23

Local Authority	2-mile fare £	Last Increase	Ranked out of 340
Great Yarmouth BC	£ 8.50	2022	19
East Suffolk North	£ 8.40	2022	22
Breckland DC	£ 8.00	2022	51
Mid Suffolk	£ 7.50	2023	101
South Norfolk	£ 7.50	2023	105
Norwich City	£ 7.30	2023	129
West Suffolk	£ 7.20	2022	145
Kings Lynn and WNBC	£ 7.00	2022	169
East Cambs	£ 6.80	2022	188
East Suffolk South	£ 6.20	2020	278
Fenland	£ 6.20	2022	280
North Norfolk DC	**£ 5.80**	**2018**	**318**

Figure 2.

2.17 Using the table above, the below table highlights where we would sit in the comparison table and neighbouring authority if a 15% was agreed by members:

Proposed 2 mile journey	
Increase	
15.0%	**Ranked**
£6.70	218

Figure 3.

2.18 The cost of fuel is only one factor that Members should consider when determining whether it is appropriate to vary the table of fares. Also, of relevance will be other general increases in the cost of living for hackney carriage proprietors.

2.19 In terms of next steps, following a decision by Council. If the increase was agreed the proposed hackney carriage fare charges will be published in one local newspaper setting out the table of fares, in accordance with the regulations. The notice will specify the 14-day consultation period and the manner in which objections to the table of fares or variation can be made. A copy of the notice will be available at the Council Offices and posted on the Councils website. Current drivers and operators in the North Norfolk District Council area would directly be sent the proposal.

2.20 If there are no objections to the table of fares, the table of fares shall come into operation on the date of the expiration of the period specified in the notice.

2.21 If objections are received, the Council will set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.

3. Proposals and Options

3.1 Following consultations with representative of the taxi trade in North Norfolk and a benchmarking exercise with neighbouring authorities and other local authorities across the UK an increase of 15% on hackney carriage fares is proposed.

3.2 **Option 1**

Committee agree the 15% increase to the hackney carriage (maximum) fares operating within the District of North Norfolk.

3.3 **Option 2**

Committee do not accept the proposal to increase hackney carriage (maximum) fares by 15% operating within the District of North Norfolk.

3.4 **Option 3**

Committee agree that the proposed hackney carriage (maximum) fares should be increased but by a different percentage.

4. Corporate Priorities

4.1 A review of the hackney carriage fares contributes to the corporate plan priority Investing in Our Local Economy and infrastructure. The Council reviewing the maximum fares which can be charged provides support to rural businesses allowing them to thrive. Given the rural nature of the district and its demographics some sections of our communities are heavily reliant on the taxi trade for shopping and hospital appointments, therefore having a sustainable taxi trade operating in the district also contributes to the corporate priority Developing Communities.

5. Financial and Resource Implications

5.1 There are no financial implications to the Council therefore the S151 officer has not been consulted, however there are some short-term resource implications. The Licensing team will have to manage the public consultation process which will follow if the recommendation to increase fares is approved by Committee.

6. Legal Implications

6.1 As there are no legal implications the Monitoring Officer has not been consulted. However legal advice has been received in relation to the process.

7. Risks

7.1 There are no perceived risks to North Norfolk District Council.

8. Net ZeroTarget

8.1 Whilst this paper relates to taxis which contribute to the wider District's carbon emissions, the fare review and the associated process and outcomes do not directly lead to increased emissions.

9. Equality, Diversity & Inclusion

9.1 The Licensing Committee should ensure it has regard to the desirability of exercising its functions with regard to the need to eliminate discrimination and to increase equality of opportunity.

10. Community Safety issues

None

11. Conclusion and Recommendations

11.1 To ensure that taxi tariffs reflect the costs of the trade they should be reviewed periodically. Regular reviews will assist drivers in maintaining their earnings and so continue to attract those seeking to become taxi drivers and provide existing licensees with greater confidence to remain in the trade and plan for future investment in new vehicles. Regular reviews will also avoid large changes in fares for passengers that infrequent reviews are more likely to result in.

11.2 Committee are asked to consider the information within this report, including the proposal to increase the Hackney Carriage fares as detailed within the report.

11.3 When considering, what is an appropriate amount to increase the current Hackney Carriage fare tariff by, information has been provided within this report to support the Committee in making an informed decision having regard to the taxi trade and that of paying customers.

11.4 Members are asked to consider an increase of 15% on the current Hackey Carriage Fares.

Draft Revenue Budget for 2024-25	
Executive Summary	This report presents the latest iteration of the budget for 2024/25. It is intended to present the position as we currently know it and it will need to be updated as more information becomes available e.g. the impact of the final Local Government Finance Settlement for 2024/25.
Options considered.	No other options have been considered as it is a requirement to calculate "the expenditure which the authority estimates it will incur in the forthcoming year in performing its functions" and then subtract "the sums which it estimates will be payable for the year into its general fund". This is required to set a balanced budget before 11 March 2024.
Consultation(s)	The Overview and Scrutiny Committee have reviewed the content and have made recommendations to Cabinet for its consideration. This is the only consultation that has taken place prior to this paper being presented to Cabinet. Consultation with other stakeholders is planned to take place, e.g. Council Taxpayers and Business Rates payers, the results of which will be incorporated into the report being presented to full Council on 21 Feb 2024.
Recommendations	That Cabinet consider any recommendations made by Overview and Scrutiny. That Cabinet consider the list of proposed savings, the use of reserves and the setting of a savings target and decide on the combination to include in the Budget for 2024/25 so that a balanced budget can be recommended to full Council. That Cabinet agree to use of any additional funding announced as part of the final Local Government Settlement announcement to replace the use of reserves. That Cabinet decide which proposed new capital bids should be recommended to full Council for inclusion in the Capital Programme.
Reasons for recommendations	To enable the Council to set a balanced budget.
Background papers	2023/24 Budget report presented to full Council on 22 February 2023. 2024/25 Budget Report presented to Cabinet on 8 January 2024

Wards affected	All
Cabinet member(s)	Cllr Lucy Shires
Contact Officer	Tina Stankley Director of Resources and s151 Officer tina.stankley@north-norfolk.gov.uk

Links to key documents:

Corporate Plan:	Strong Responsible & Accountable Council.
Medium Term Financial Strategy (MTFS)	The setting of a balanced budget for 2024/25 provides the base position for reviewing the following years of the Medium-Term Finance Plan.
Council Policies & Strategies	Budget Setting & Medium-Term Finance Strategy.

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Yes
Details of any previous decision(s) on this matter	

1. Purpose of the report

This report is being presented to Cabinet to enable it to finalise the budget, to consider the assumptions made in the draft budget and it's alignment to the Corporate Plan and to consider any recommendations of the Overview and Scrutiny Committee, so that it can make its recommendations to full Council on 21 February 2024.

2. Introduction & Background

2.1 Officers have spent some time in reviewing their budgets. These have now been consolidated to give a Summary General Fund Budget for 2024/25.

2.2 The context in which the Council is operating is that local authorities throughout the UK are finding themselves affected financially by many external factors that are beyond their control. There is the ongoing impact of the ongoing war in Ukraine, high but reducing inflation levels which are currently at 4.6%, but half of what it was this time last year (9.2% in December 2022), higher interest rates (although several economists have recently said that they think these have now peaked), labour shortages, the residual impact of COVID as we are learning to live with it, a continuing cost-of-living crisis and an uncertain economic outlook and the uncertainty which accompanies the year in which a general election is to be held.

2.3 In advance of next month's final Local Government Finance Settlement additional funding was announced on 24 January 2024. Most notable for the Council is an increase in the Rural Services Delivery Grant and that the funding guarantee would be increased from 3% to 4%. At present exact figures are not available, however it is recommended that any additional funding should be used to reduce the drawn down of reserves to balance the budget.

2.4 The Council is seeing the high utility and contract costs persisting, which has fed through to demands for higher pay rises for a second year running. The continuing cost-of-living crisis is also leading to an increase in the demand for the Council's services. This is creating a particular pressure on the Temporary Accommodation budgets, as the number of people presenting themselves as homeless is increasing. Whilst government subsidy can be claimed for this expenditure it does not fully cover this and it is anticipated that the shortfall will amount to a budget pressure of over £600k by the end of 2023/24 and will be at least the same again in 2024/25. This is a nationwide issue for councils across the country with a significant number experiencing pressures on their Temporary Accommodation budgets. Lobbying by Councils is taking place to try and gain some central government financial support for this.

3. Current Proposed Budget for 2024-25

3.1 The 2024/25 budget presented below is a balanced budget – see line 29. The MTFP is contained in Appendix A along with further detail of Service Budgets contained in Appendix B

Table 1: General Fund Summary Budget

Line no.	General Fund Summary 2024/25 Base Budget	Column 1	Column 2	Column 3
	Service Area	**2023/24 Base Budget £**	**2023/24 Updated Base Budget £**	**2024/25 Base Budget £**
1	Corporate Leadership/ Executive Support	484,705	517,720	406,877
2	Communities	10,156,967	10,056,257	10,768,774
3	Place and Climate Change	6,509,032	6,500,859	7,121,376
4	Resources	5,518,103	5,518,103	4,682,536
5	Savings to be Identified	0	0	(250,000)
6	**Net Cost of Services**	**22,668,807**	**22,592,939**	**22,729,563**
7	Parish Precepts	2,875,207	2,875,207	2,875,207
8	Capital Charges	(2,456,953)	(2,456,953)	(2,962,374)
9	Interest Receivable	(1,533,436)	(1,533,436)	(1,865,172)
10	External Interest Paid	0	0	23,880
11	Revenue Financing for Capital:	710,000	3,757,578	170,000
12	Minimum Revenue Provision	330,000	330,000	487,860
13	IAS 19 Pension Adjustment	265,496	265,496	268,000
14	**Net Operating Expenditure**	**22,859,121**	**25,830,831**	**21,726,964**
	Income from Government Grant and Taxpayers			
15	Collection Fund – Parishes	(2,875,207)	(2,875,207)	(2,875,207)
16	Collection Fund – District	(6,738,797)	(6,738,797)	(7,052,536)
17	Retained Business Rates	(6,315,000)	(6,315,000)	(7,683,000)
18	New Homes bonus	(31,080)	(31,080)	(5,600)
19	Revenue Support Grant	(102,462)	(102,462)	(309,046)
20	3% Funding Guarantee	(974,416)	(974,416)	(928,923)
21	Rural Services Delivery Grant	(567,386)	(567,386)	(567,386)
22	LCTS Admin Grant	(136,747)	(136,747)	0
23	Ctax Discount Grant	(50,074)	(50,074)	(51,576)
24	Services Grant	(130,442)	(130,442)	(108,848)
25	Business rates Levy Surplus	(27,049)	(27,049)	0
26	**Income from Government Grant and Taxpayers**	**(17,948,660)**	**(17,948,660)**	**(19,582,122)**
27	**(Surplus)/Deficit**	**4,910,461**	**7,882,171**	**2,144,842**
28	**Contribution To/(From) Reserves**	(4,910,461)	(7,882,171)	(2,144,842)
29	**Net Position**	**0**	**0**	**0**

3.2 The table above shows

- In Column 1 the Original Base Budget which was approved by full Council on 22 February 2023. It shows a balanced budget position for 2023/24.
- In Column 2 the latest updated balanced budget position as reported to full Council on 20 September 2023. However, it should be noted that the latest budget monitoring report (i.e. as at 30 September 2023) identifies a forecast overspend for this current year against this budget of at least £600k. Action is currently being taken by officers to reduce expenditure wherever possible and thus reduce the overspend position for the year.
- In Column 3 the budget for 2024/25 is a balanced position as per line 29.
- Line 6 shows the net cost of running the Council's services. It is the total of Lines 1 to 5. This figure comprises the cost less the fees and charges income earned by the services.

- Line 14 is the total cost of operating as a Council and includes items that are not attributable to any particular service e.g. investment income. It is the total of Lines 6 to 13.
- Line 26 is the total of Lines 15 to 25, and it is the amount that is funded by Government Grant and Local Taxpayers.
    - Line 15 is the income that NNDC will collect from taxpayers for the parish precepts, the town and parish councils as shown at line 6.
    - Line 16 is NNDC's Council Tax income to be collected from Council Taxpayers. This includes an assumed increase of £4.95.
    - Line 17 is NNDC's Business Rate income to be collected from Businesses within the District.
    - Line 18 to 25 are the grants that NNDC will receive from Central Government.
- Line 27, Column 3 is the deficit that needs to be met from NNDC reserves.
- Line 28, Column 3 shows the net amount of reserves that are required to balance the budget for 2024/25. It should be noted that a summary of the reserves being utilised is contained in paragraph 3.14.

3.3 The initial draft budget for 2024-25 presented to Cabinet on 8 January 2024 had a net deficit of £1.459m. Additional savings and additional income have since been identified and by including these in the budget along with the additional use of reserves (Economic Development Reserve £148k and Grants Reserve £268k) along with £250k of savings yet to be identified a balanced budget can be presented by officers for Cabinet to agree at its meeting on 5 February 2024. The list of proposed savings and additional income can be found at Appendix C. Table 2 below shows a summary of the movements to arrive at a balanced budget.

Table 2 – Summary of Movements to Achieve Balanced Budget

Explanation of movement	**£m**
Budget Deficit for 2024/25 when presented to Cabinet on 8 January 2024.	1.459
Additional growth in service budgets identified since the initial draft budget was prepared:	0.136
Local Council Tax Support Grant included twice in error taken out	0.140
Additional savings in service budgets identified	(0.094)
Savings and additional income that has been included in the General Fund Summary that was identified by officers in December 2023 and January 2024 to balance the budget.	(0.975)
Savings to be Identified	(0.250)
Additional use of reserves to balance the budget for 2024/25 (Economic Development Reserve £148k and Grants Reserve £268k)	(0.416)
Budget Deficit for 2024/25	**0.000**

Variances 2023/24 to 2024/25

3.4 The changes in base budget from 203/24 to 2024/25 are summarised in Table 3 below and significant variances are explained in 3.5 to 3.10.

Table 3: Variance Base Budgets 2023/24 to 2024/25

	2023/24 Base Budget	2024/25 Base Budget	Variance	Percentage Movement
	£	£	£	%
Employees/Support Services	16,127,912	16,741,060	613,148	4.57
Premises	3,732,544	4,037,919	305,375	11.00
Transport	290,856	278,277	(12,579)	(4.22)
Supplies & Services	13,079,499	14,008,823	929,324	9.39
Transfer Payments	17,078,067	18,628,032	1,549,965	7.22
Income (External)	(29,829,024)	(33,658,922)	(3,829,898)	11.69
Total Direct Costs and Income	**20,479,854**	**20,035,189**	**(444,665)**	**(2.95)**
Notional Charges:				
Capital Charges	2,456,953	2,962,374	505,421	25.73
IAS19 Notional Charges	(268,000)	(268,000)	0	0.00
Total Notional Charges	**2,188,953**	**2,694,374**	**505,421**	**18.86**
Total Net Costs	**22,668,807**	**22,729,563**	**60,756**	**0.34**

Employees

3.5 The significant variances in employee's costs are summarised in Table 4

Table 4: Employee Cost Variances

£	Explanation
966,647	Employee Inflation and pay award
656,635	Employee costs funded from various grants within people services
110,283	Employee Growth
-396,948	Reduced employee budgets and savings exercise
-732,766	Movement through reserves of temporary funded posts non-recurring

Pay Inflation

3.6 Currently pay inflation is included at 5% for 2024/25 and then at 3.5% for the remaining years of the Medium-Term Financial Plan. The table below shows what the impact on the budget would be if different levels of pay inflation are assumed.

Table 5: Pay Inflation

Inflation % Applied	Total Salary, NI & Super Inflation £	Movement £	Narrative
3.5%	543,123	(233,256)	Budget saving
5.0%	776,379	-	Budgeted figure
7%	1,086,246	309,867	Additional budget pressure

Premises Costs

3.7 Significant variances are highlighted in the following table:

Table 6: Premises Costs

Category	Variance
Building Maintenance	134,138.00
Water	31,893.80
Energy Costs	112,143.00
Cleaning	24,867.00

Transport Costs

3.8 There has been inflation and growth on Transport Costs of £7,000 but this has been offset by a reduction of £19,000 generated through savings.

Supplies and Services

3.9 There are a number of variances across this wide-ranging category of expenditure the most significant being those highlighted in the following table:

Table 7: Supplies and Services Variances

Category	Variance
Professional Fees	267,962
Banking & treasury	-25,228
Other Fees and Charges	189,939
Postages	37,765
Computers and Telephones	199,312
Insurances	48,495
Grants and Subscriptions	230,675

Transfer Payments

3.10 The increase in expenditure is predominantly due to Housing Benefit payments (£1,614,522) which is in line with the mid-year subsidy estimate for 2023/24. This is offset by an increase in income referenced in paragraph 3.11.

Income

3.11 The significant variances in income between Base 2023/24 and 2024/25 are summarised in the Table 8 below:

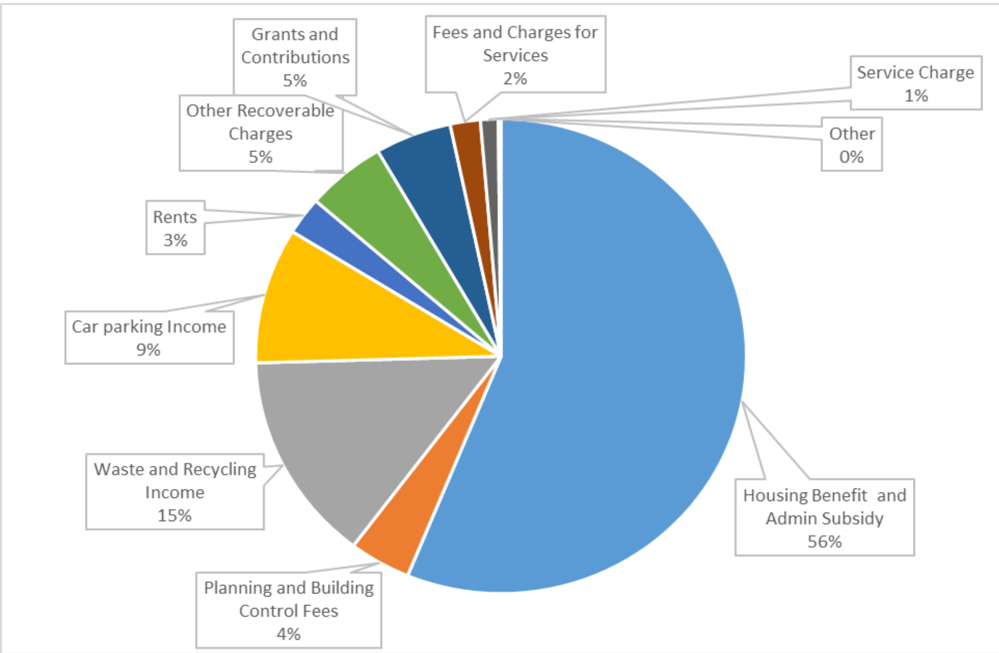
Table 8: Income Variances

Category	Variance
Housing Benefit and Admin Subsidy	-1,641,737
Planning and Building Control Fees	-25,000
Waste and Recycling Income	-382,365
Car Parking Income	-97,500
Rents	-101,120
Other Recoverable Charges	-113,313
Grants and Contributions	-1,336,810
Fees and Charges for Services	-38,183
Service Charge	-79,370
Other	-14,500

3.12 The increase in Housing Benefit Subsidy is offset by a corresponding increase in payments within Transfer Payments.

3.13 A graphical breakdown of the 2024/25 budgeted income is represented in the following chart.

Table 9: 2024/25 Budgeted Income



Reserves

3.14 The Council holds a General Fund Reserve which it keeps for unexpected expenditure or for emergencies. The Council's s151 Officer assesses what the minimum level for this reserve should be each year to ensure that the Council has sufficient funds to meet any unexpected expenditure. The

Council also holds some Earmarked Reserves, all of which have been set up to fund specific expenditure. These Earmarked Reserves are being used to fund some of the costs of services. There are also instances of contributions being made to the reserves and this is where it is known that costs will be incurred in the future and so the contributions are set aside e.g. district council elections are held every 4 years at a cost of about £200k and so each year £50k is put into the Elections Reserve so that there is a balance of £200k to take from the Elections Reserve in the fourth year to cover the cost. A full breakdown of the use of Reserves can be found at Appendix D.

Table 10: Use of Reserves

Contributions to/(from) Earmarked Reserves:	**2023/24 Base Budget**	**2023/24 Updated Base Budget**	**2024/25 Base Budget**
Capital Projects Reserve	(400,000)	(400,000)	0
Asset Management	0	(405,564)	(120,000)
Benefits	(111,305)	(111,305)	(46,622)
Building Control	(81,866)	(89,690)	(122,542)
Business Rates	(1,278,267)	(1,278,268)	(18,000)
Coast Protection	0	(134,003)	(265,738)
Common Training			
Communities	(275,000)	(275,000)	(131,550)
Delivery Plan	(1,289,412)	(2,464,360)	(472,403)
Economic Development & Tourism	(44,800)	(44,800)	(157,621)
Elections	(100,000)	(133,015)	60,000
Environmental Health	(16,000)	(34,372)	0
Grants	0	(304,784)	(343,681)
Housing	(555,898)	(1,257,875)	(128,318)
Land Charges	0	0	(89,100)
Legal	(31,745)	(31,745)	(36,000)
Major Repairs Reserve	0	(341,223)	(50,000)
New Homes Bonus Reserve	(178,000)	(48,000)	(150,000)
Organisational Development	(42,742)	(42,742)	(26,123)
Planning Revenue	(148,965)	(128,965)	(37,300)
Contribution to/(from) the General Reserve	(356,461)	(356,460)	(9,844)
Contributionto/(from) Reserves Line 28 of the table in paragraph 3.1)	**(4,910,461)**	**(7,882,171)**	**(2,144,842)**

3.15 As shown in the table above the projected drawdown from reserves over the 2-year period 2023/24 to 2024/25 is £10m. It should be noted that this use of reserves does include the planned use of reserves which have been set aside in previous years to meet the expenditure that is being incurred now.

Funding

3.16 On the funding side one of the assumptions that has been made is to increase the Council Tax by £4.95 for a Band D property. The tables below show:

- Lines 1-5 of the first table - how the Council Tax income has been calculated.
- Line 6 of the first table – the amount that is generated from 2025/26 onwards by starting to charge the 100% premium that can be charged on second homes. It is anticipated that this will generate an additional £550k per annum.
- Line 7 of the first table - the additional Council Tax income that will be generated by being able to charge a 100% premium on long term empty

properties that have been empty for a consecutive period of longer than 12 months instead of 24 months. This has been calculated to generate an additional £68k in 2024/25 then £50k per annum after that.

- the amount of Council Tax income that the annual increase of £4.95 would generate is £0.205m for 2024/25. This is calculated by multiplying the taxbase at Line 1 by the increase in Council Tax at Line 3. This, along with the increases in the following 3 years, is shown in the second table below.
- The third table below shows what the annual increase would be for each Council Tax Band, if a £4.95 increase for a Band D property is approved. This is for the district element only and does not include any increase that the County Council may approve nor that the Police may approve.

Table 11: Council Tax

Line no.		Council tax			
		24/25	25/26	26/27	27/28
1	Council Tax Base for 24/25 based on central government's assumed increase	41,392.1	41,700.7	42,012.7	42,327.6
2	Band D Council Tax before increase	£163.62	£168.57	£173.61	£178.80
3	Maximum increase allowed	£4.95	£5.04	£5.19	£5.35
4	Band D Council Tax after increase (Add Lines 2 and 3)	£168.57	£173.61	£178.80	£184.15
5	**Income assuming CT increase (line 1 multiplied by Line 4)**	**£6,977,466**	**£7,239,659**	**£7,511,871**	**£7,794,628**
6	Second homes premium	-	£550,000	£566,445	£583,382
7	Empty homes income	£68,000	£70,033	£72,127	£74,284
8	**Total Council Tax (Add Lines 5, 6 and 7)**	**£7,045,466**	**£7,309,692**	**£7,583,998**	**£7,868,911**
Additional Council Tax generated by the annual increase - Council Tax base (Line1) multiplied by Maximum increase allowed (Line 3)		£204,891	£210,172	£218,046	£226,453

Band	A	B	C	D	E	F	G	H
Value of increase across the Bands	£3.30	£3.85	£4.40	£4.95	£6.05	£7.15	£8.25	£9.90

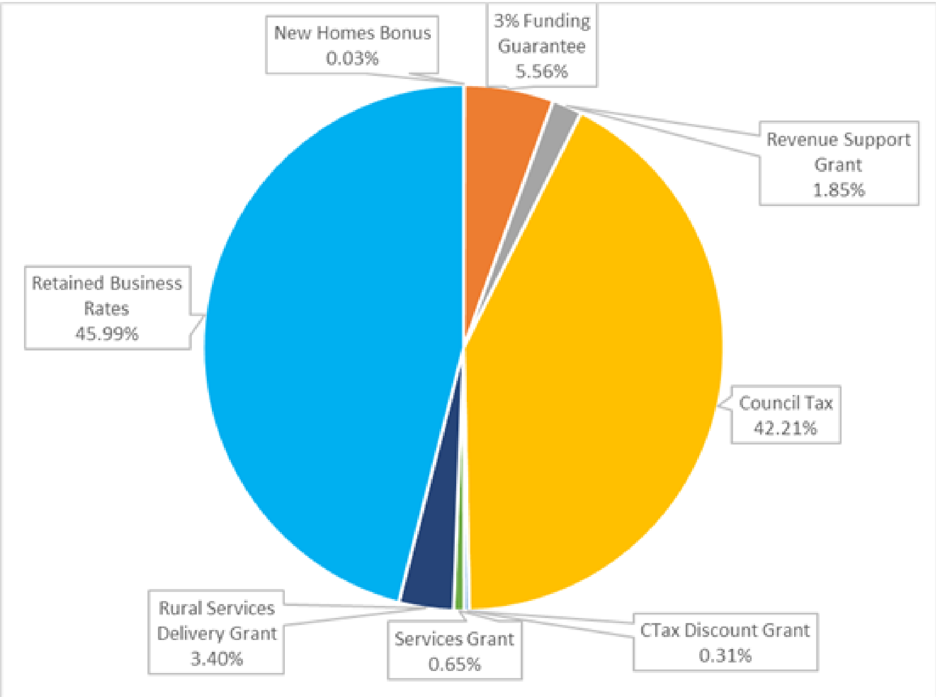
3.17 To calculate the forecast income level for the Retained Business Rates financial modelling has been undertaken that uses information available for 2023/24 which is then updated with any known changes. The resulting income is based on what is known now, but this will be updated should any further information come to light, e.g. upon completion of a government return due to be completed by 31 January 2024.

3.18 The remaining income comprises grants from central government. The provisional Local Government Finance Settlement was announced on 18 December 2023 and the General Fund Summary has been updated to reflect the funding announced. The final Local Government Finance Settlement will be announced in late January or early February.

3.19 The Government have made available through the provisional local government finance settlement an increase for councils in England of 6.5% in core spending power when compared with the 2023-24 amount. This does however assume that District Councils apply the maximum increase before requiring a referendum of 3.00% or £5 in Council Tax.

3.20 The Funding Guarantee introduced last year has been maintained for 2024/25 to ensure every council in England sees at least a 3% increase in Core Spending Power before any local decisions are made around council tax. The increase in Core Spending Power for NNDC equates to an increase of 4.6% for 2024/25 when compared to 2023/24.

Table 12: Funding Sources 2024/25



3.21 The years 2025/26 to 2027/28 of the Medium-Term Financial Plan show a significant increasing deficit. Plans are being put in place to achieve the level of savings required to set a balanced budget for future years. This will involve a rolling programme of service delivery reviews and it is planned to start these in March or April 2024.

3.22 Cabinet Members now have a balanced budget to discuss and agree so that a balanced budget can be recommended to full Council at its meeting on 21 February 2024.

4. The Medium-Term Financial Plan

4.1 The Medium-Term Financial Plan (MTFP) has been prepared alongside the budget for 2024/25. The detailed MTFP can be found as Appendix A. Assumptions have been made for the years 2025/26 to 2027/28 which are listed below. It should be noted that the further into the future we look the greater the increase in uncertainty is particularly around the funding streams.

Table 13: Projected Deficit over the life of the MTFP.

	2023/24 Base Budget £	2023/24 Updated Base Budget £	2024/25 Base Budget £	2025/26 Projection £	2026/27 Projection £	2027/28 Projection £
(Surplus)/Deficit	4,910,460	7,882,170	2,144,840	2,035,640	2,995,200	3,313,730
Contribution To/(From) Reserves	(4,910,460)	(7,882,170)	(2,144,840)	(189,330)	(3,050)	7,710
Net Position	0	0	0	1,846,310	2,992,150	3,321,440

4.2 Assumptions included are:

- The pay award is assumed to be at 3.5% for years 2025/26 as the rate of inflation has started to fall significantly.
- Increases in costs have been included for all years where we are contracted to increase costs on an annual basis.
- Increases in fees and charges (included in the Net Cost of Services) have been increased based on prudent assumptions that are in line with the increases that have been assumed for expenditure.
- For the calculation of Council Tax income, a modest increase of around 1% in the tax base has been assumed year on year and then the maximum increase has been applied to the Band D Council Tax each year at 2.99%.
- For the central government funding, the assumptions made have been to generally increase funding by 3% as has happened in the last two Local Government Finance Settlements (23/24 and 24/25) and have been based on a guaranteed increase in core spending power of at least 3%.

4.3 There is a huge level of uncertainty in the funding levels for local authorities as there are two major reviews where the outcomes of which have yet to be implemented. The current funding system is recognised by all as being no longer fit for purpose and no longer an appropriate model. A Fair Funding Review has been postponed for several years, but it is expected that this will take place and the outcomes implemented at some point over the term of this MTFP. However, it is expected that the outcome will favour authorities with Social Care responsibilities and that district authorities will suffer.

4.4 There is also a reform of the Business Rates due and again this has been postponed for some time. The Council retains the services of Pixel Financial Management Services which provide expert advice and support on government funding. They provide a forecast of central government funding for the Council and their prediction is that the Business Rates reform may take place in 2026/27 and that this will have a negative impact on the level of Business Rates income for the Council, but as there is yet no detail around this the Business Rates Income levels have been included at the 2024/25 level to be prudent.

4.5 There is an increasing deficit over the period of the MTFP 2024/25 to 2027/28 as shown in Table 13 above. Work is underway to address this forecast deficit with plans developed for officers of the Council to carry out reviews during 2024/25 to look at how services are delivered and how savings can be achieved, so that any changes or cessation in service delivery can be implemented over the period of the MTFP.

5. Capital Programme

5.1 The capital programme is what the Council intends to spend on providing new assets and improving its existing ones over the next three years. As capital expenditure is incurred, a source of finance must be identified. Capital expenditure can be financed by applying capital receipts, grants and other revenue resources or alternatively through borrowing. A summary of the Capital Programme is shown below. The list of schemes that are included in the approved programme can be found at Appendix E and the details of proposed new bids is contained in Appendix F.

Table 14: The Capital Programme and its Funding for 2023/24 to 2027/28

Capital Programme 2023/24 to 2027/28	Updated Budget 2023/24 £	Budget 2024/25 £	Budget 2025/26 £	Budget 2026/27 £	Budget 2027/28 £
Our Greener Future	28,949,100	220,000	270,000	270,000	-
Developing Our Communities	4,003,200	-	-	-	-
Meeting Our Housing Need	6,420,500	1,761,600	1,300,000	1,300,000	1,000,000
Investing In Our Local Economy And Infrastructure	5,427,100	1,283,400	-	-	-
A Strong, Responsible And Accountable Council	307,600	60,000	60,000	60,000	-
Total of the Approved Capital Programme	45,107,500	3,325,000	1,630,000	1,630,000	1,000,000
Funding of the Capital Programme					
Grants and Contributions	33,608,600	2,895,000	1,300,000	1,300,000	1,000,000
Revenue Funding (Reserves)	3,757,600	-	-	-	-
Revenue Funding (RCCO)	100,000	-	-	-	-
Capital Receipts	5,030,300	430,000	-	330,000	-
Borrowing	2,611,000	-	330,000	-	-
Total Funding of Approved Capital Programme	**45,107,500**	**3,325,000**	**1,630,000**	**1,630,000**	**1,000,000**
Proposed New Bids for approval	-	1,573,200	312,000	60,000	-
Total of the Capital Programme	**-**	**1,573,200**	**312,000**	**60,000**	**-**
Funding of the Capital Programme					
Revenue Funding (Reserves)	-	50,000	-	-	-
Capital Receipts	-	588,700	-	-	-
Borrowing	-	934,500	312,000	60,000	-
Total of Funding for Proposed Bids	**-**	**1,573,200**	**312,000**	**60,000**	**-**

5.2 The new bids proposed by service managers have been reviewed to determine which would make the highest contribution in reducing the Council's carbon emissions and this is a factor that should be taken into account when considering whether they should be included in the Capital Programme. This information has been included for each project listed in the Proposed Bids in Appendix F.

5.3 The proposed funding for the schemes is also shown in Table 14 above. Consideration is given to level of grants we have available, the level of capital receipts we have and what we might generate in future years and for any expenditure financed through borrowing, it increases the Council's 'Capital Financing Requirement' (CFR). This will result in a revenue charge (one that impacts on the bottom line of the budget and is a charge to the Council Taxpayer) called the Minimum Revenue Provision (MRP) that is made to reflect the funding of the CFR by the taxpayer. It is required to be set aside each year starting the year after the works are completed and/or the asset comes into use. It is a charge to revenue that covers the repayment of the borrowing needed to finance the capital expenditure. As the need to borrow increases, the CFR and MRP also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally in the short term, and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.

5.4 Any new projects included in the programme in the future will need to be financed by borrowing, which will result in an additional MRP charge if no capital resources such as capital grants or capital receipts are available. Alternatively, existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge. Both are charges to the General Fund and will be included in the amount to be met from Government grant and local taxpayers.

5.5 In addition to the existing capital programme, approval is also being sought to include the proposed capital projects as outlined within Appendix F. Cabinet need to decide which of these projects should be included for full Council's consideration.

6. Corporate Plan Objectives

6.1 Financial Sustainability and Growth – a balanced budget based on savings that are achievable will ensure the Council's financial sustainability over the medium term.

7. Financial and Resource Implications

7.1 The Council must set a balanced budget for 2024/25 before 11 March 2024. This report presents the budget for 2024/25 which has been achieved through a combination of planned savings, draw down from reserves and a level of savings which have yet to be identified. This early consideration of the position allows action to be taken to reduce the deficit and set a balanced budget before 11 March 2024. The Medium-Term Finance Strategy is also presented in this report.

Comments from the S151 Officer:

The Council must set a balanced budget before the start of the forthcoming financial year.

8. Legal Implications

8.1 This report does not raise any new legal implications.

Comments from the Monitoring Officer

9. Risks

9.1 This report does raise the risk that a balanced budget may not be set, but the financial sustainability of the Council is already included in the risk register.

10. Net Zero Target

10.1 This report does not raise any issues relating to Climate change.

11. Equality, Diversity & Inclusion

11.1 This report does not raise any new issues relating to equality and diversity.

12. Community Safety issues

12.1 This report does not raise any issues relating to Crime and Disorder considerations.

13. Conclusion and Recommendations

13.1 This report presents the latest iteration of the General Fund budget for 2024/25. The assumptions in arriving at the position are laid out in the report.

13.2 It is recommended that Cabinet consider any recommendations made by Overview and Scrutiny Committee.

13.3 It is recommended that Cabinet consider the options for achieving the required level savings so that a balanced budget can be recommended to full Council on 21 February 2024.

13.4 It is recommended that if there is any increase in funding when the final Local Government Settlement is announced that this is used in place of the use of reserves.

This page is intentionally left blank

General Fund Summary 2024/25 Base Budget

Service Area	2023/24 Base Budget £	2023/24 Updated Base Budget £	2024/25 Base Budget £	2025/26 Projection £	2026/27 Projection £	2027/28 Projection £
Corporate Leadership/ Executive Support	484,710	517,720	406,880	435,410	447,050	459,190
Communities	10,156,970	10,056,260	10,768,770	11,237,310	11,644,490	12,095,400
Place and Climate Change	6,509,030	6,500,860	7,121,380	6,606,100	6,577,610	6,721,990
Resources	5,518,100	5,518,100	4,682,540	4,560,810	4,693,820	4,855,350
Savings to be Identified	0	0	(250,000)	0	0	0
Net Cost of Services	**22,668,810**	**22,592,940**	**22,729,570**	**22,839,630**	**23,362,970**	**24,131,930**
Parish Precepts	2,875,210	2,875,210	2,875,210	2,875,210	2,875,210	2,875,210
Capital Charges	(2,456,950)	(2,456,950)	(2,962,370)	(2,962,370)	(2,962,370)	(2,962,370)
Refcus	0	0	0	0	0	0
Interest Receivable	(1,533,440)	(1,533,440)	(1,865,170)	(1,865,170)	(1,865,170)	(1,865,170)
External Interest Paid	0	0	23,880	23,880	23,880	23,880
Revenue Financing for Capital:	710,000	3,757,580	170,000	0	0	0
Minimum Revenue Provision	330,000	330,000	487,860	501,300	515,250	529,730
MRP - Waste Contract	0	0	0	0	0	0
IAS 19 Pension Adjustment	265,500	265,500	268,000	268,000	268,000	268,000
Net Operating Expenditure	**22,859,130**	**25,830,840**	**21,726,980**	**21,680,480**	**22,217,770**	**23,001,210**
Income						
Collection Fund – Parishes	(2,875,210)	(2,875,210)	(2,875,210)	(2,875,210)	(2,875,210)	(2,875,210)
Collection Fund – District	(6,738,800)	(6,738,800)	(7,052,540)	(7,309,690)	(7,584,000)	(7,868,910)
Retained Business Rates	(6,315,000)	(6,315,000)	(7,683,000)	(7,683,000)	(7,683,000)	(7,863,000)
New Homes bonus	(31,080)	(31,080)	(5,600)	0	0	0
Revenue Support Grant	(102,460)	(102,460)	(309,050)	(325,050)	(325,050)	(325,050)
3% Funding Guarantee	(974,420)	(974,420)	(928,920)	(700,270)	0	0
Rural Services Delivery Grant	(567,390)	(567,390)	(567,390)	(567,390)	(567,390)	(567,390)
LCTS Admin Grant	(136,750)	(136,750)	0	0	0	0
Ctax Discount Grant	(50,070)	(50,070)	(51,580)	(52,610)	(53,660)	(53,660)
Lower Tier Services Grant	0	0	0	0	0	0
Services Grant	(130,440)	(130,440)	(108,850)	(131,620)	(134,260)	(134,260)
Business rates Levy Surplus	(27,050)	(27,050)	0	0	0	0
Income from Government Grant and Taxpayers	**(17,948,670)**	**(17,948,670)**	**(19,582,140)**	**(19,644,840)**	**(19,222,570)**	**(19,687,480)**
(Surplus)/Deficit	**4,910,460**	**7,882,170**	**2,144,840**	**2,035,640**	**2,995,200**	**3,313,730**
Contribution To/(From) Reserves	(4,910,460)	(7,882,170)	(2,144,840)	(189,330)	(3,050)	7,710
Net Position	**0**	**0**	**0**	**1,846,310**	**2,992,150**	**3,321,440**

This page is intentionally left blank

General Fund Service Area Summaries 2024/25 Base

Place and Climate Change

AD Sustainable Growth

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Economic Growth				
Gross Direct Costs	110,492	666,990	556,498	£597,500 UK shared prosperity fund costs covered by income. (£18,000) Savings. (£13,500) Grant funded contributions (£10,707) Completed fixed term post.
Capital Charges	2,037	47,792	45,755	Depreciation movement in line with capital programme.
Gross Direct Income	(138,500)	(597,500)	(459,000)	(£597,500) UK shared prosperity fund grant. £138,500 Removal of previous years grants.
Support Service Charges	259,403	320,680	61,277	Movement in base budget and revised allocations.
	233,432	**437,962**	**204,530**	
Tourism				
Gross Direct Costs	77,050	68,050	(9,000)	(£10,000) Savings bid. £1,000 Inflation on contributions.
Support Service Charges	155,700	65,450	(90,250)	Movement in base budget and revised allocations.
	232,750	**133,500**	**(99,250)**	
Coast Protection				
Gross Direct Costs	267,450	526,702	259,252	Coastwise employee costs funded from grant in reserves.
Capital Charges	508,701	503,880	(4,821)	Depreciation movement in line with capital programme.
Support Service Charges	404,860	536,410	131,550	Movement in base budget and revised allocations.
	1,181,011	**1,566,992**	**385,981**	
Business Growth Staffing				
Gross Direct Costs	347,922	295,666	(52,256)	£12,364 Employee inflation. (£59,380) Reduction in fixed term posts funded from reserves. (£6,740) Pension fund adjustment.
Support Service Charges	(347,922)	(295,666)	52,256	Movement in base budget and revised allocations.
	0	**0**	**0**	
Housing Strategy				
Gross Direct Costs	207,044	184,781	(22,263)	£2,092 Employee inflation. (£11,900) Savings bid in relation to employee costs. (£11,131) Fixed term post funded from reserves.
Capital Charges	777,167	761,647	(15,520)	Refcus movement in line with capital programme.
Gross Direct Income	0	(10,000)	(10,000)	Contribution from UK shared prosperity fund.
Support Service Charges	101,490	103,270	1,780	Movement in base budget and revised allocations.
	1,085,701	**1,039,698**	**(46,003)**	
Environmental Strategy				
Gross Direct Costs	280,154	281,263	1,109	£18,562 Employee growth. £10,715 Employee inflation. (£20,000) Reduced use of reserve for climate projects. (£10,000) Savings bid in relation to Green Build.
Support Service Charges	29,420	49,390	19,970	Movement in base budget and revised allocations.
	309,574	**330,653**	**21,079**	
Coastal Management				
Gross Direct Costs	396,360	381,776	(14,584)	£20,590 Employee inflation. (£21,525) Reduction in fixed term posts externally funded. (£13,649) Pension fund adjustment.
Gross Direct Income	(66,500)	(45,000)	21,500	Reduced income for completed externally funded post.
Support Service Charges	(329,860)	(336,776)	(6,916)	Movement in base budget and revised allocations.
	0	**0**	**0**	
AD Sustainable Growth				
Gross Direct Costs	90,961	94,571	3,610	£2,698 Employee inflation. £1,000 Training.
Support Service Charges	(90,961)	(94,571)	(3,610)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Sustainable Growth	**3,042,468**	**3,508,805**	**466,337**	

General Fund Service Area Summaries 2024/25 Base

Place And Climate Change

AD Planning

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Development Management				
Gross Direct Costs	1,530,841	1,589,865	59,024	£99,754 Employee inflation. £6,225 Pension fund adjustment. (£24,700) Training budgets transfer to AD budget. (£22,700) Employee budget transfer to conservation team budget. (£3,625) Savings bids.
Capital Charges	76,501	76,501	0	No Major Variances.
Gross Direct Income	(865,000)	(900,000)	(35,000)	(£100,000) Income inflation due to fee increase. (£65,000) One off income growth for previous year removed.
Support Service Charges	946,560	1,033,390	86,830	Movement in base budget and revised allocations.
	1,688,902	**1,799,756**	**110,854**	
Planning Policy				
Gross Direct Costs	736,819	624,281	(112,538)	£23,000 Employee inflation. (£60,000) Reduced reserve funding for local plan. (£46,150) Savings bids. (£28,908) Employee budget transfer to conservation team budget.(£2,000) Training budgets transfer to AD budget.
Support Service Charges	196,150	227,570	31,420	Movement in base budget and revised allocations.
	932,969	**851,851**	**(81,118)**	
Conservation, Design & Landscape				
Gross Direct Costs	440,366	453,680	13,314	£40,893 Employee budget transfer. £15,101 Employee inflation. £4,563 Pension fund adjustment. (£50,000) Reserve funded professional fees.
Support Service Charges	95,290	119,770	24,480	Movement in base budget and revised allocations.
	535,656	**573,450**	**37,794**	
Building Control				
Gross Direct Costs	578,529	573,299	(5,230)	£37,769 Employee inflation. £1,846 Pension fund adjustment. (£40,295) Reduction in fixed term posts funded from reserves.(£7,000) Training budgets transfer to AD budget.
Gross Direct Income	(497,500)	(487,500)	10,000	Energy assessment fee removal due to legislation change.
Support Service Charges	187,890	194,250	6,360	Movement in base budget and revised allocations.
	268,919	**280,049**	**11,130**	
Combined Enforcement Team				
Gross Direct Costs	238,520	240,062	1,542	£11,901 Employee inflation. (£4,045) Reduction in fixed term posts funded from reserves. (£4,000) Training budgets transfer to AD budget.
Support Service Charges	(238,520)	(240,062)	(1,542)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Property Information				
Gross Direct Costs	179,768	254,225	74,457	£75,000 Transition costs covered by income. £6,970 Employee inflation. (£5,000) Training budgets transfer to AD budget. (£2,007) Pension fund adjustment.
Gross Direct Income	(195,960)	(235,950)	(39,990)	(£75,000) Transition payment to cover additional costs. £35,010 loss of income due to compulsory transfer.
Support Service Charges	56,310	89,190	32,880	Movement in base budget and revised allocations.
	40,118	**107,465**	**67,347**	
AD Planning				
Gross Direct Costs	95,619	130,755	35,136	£43,700 Planning training budgets transferred to AD budget. (£9,639) Savings in relation to employee costs.
Support Service Charges	(95,619)	(130,755)	(35,136)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Planning	**3,466,564**	**3,612,571**	**146,007**	

This page is intentionally left blank

General Fund Service Area Summaries 2024/25 Base

Communities Directorate
AD Environment & Leisure Services

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Commercial Services				
Gross Direct Costs	358,088	0	(358,088)	All budgets transferred to Public Protection.
Gross Direct Income	(4,000)	0	4,000	All budgets transferred to Public Protection.
Support Service Charges	193,170	0	(193,170)	Movement in base budget and revised allocations.
	547,258	**0**	**(547,258)**	
Internal Drainage Board Levies				
Gross Direct Costs	478,176	502,085	23,909	Inflation on Internal Drainage Board (IDB) Levies.
Support Service Charges	300	370	70	Movement in base budget and revised allocations.
Gross Direct Income		(35,265)	(35,265)	Grant from DLUHC towards IDB inflation.
	478,476	**467,190**	**(11,286)**	
Travellers				
Gross Direct Costs	52,890	62,048	9,158	Inflation on operating lease rentals at both sites.
Capital Charges	23,174	6,104	(17,070)	Depreciation movement in line with capital programme.
Gross Direct Income	(2,000)	(2,000)	0	No Major Variances.
Support Service Charges	7,870	9,000	1,130	Movement in base budget and revised allocations.
	81,934	**75,152**	**(6,782)**	
Public Protection				
Gross Direct Costs	238,104	765,454	527,350	See **Note A** below:
Gross Direct Income	(202,100)	(253,000)	(50,900)	(£24,900) Additional Licensing income. (£36,000) Transfer of budgets from Commercial and Environmental Protection - predominantly in connection with Private Water Sampling.
Support Service Charges	144,330	383,700	239,370	Movement in base budget and revised allocations.
	180,334	**896,154**	**715,820**	

Note A: £122,615 Employee inflation. Transfer of budgets from Commercial to include: £308,418 for Employee, £4,975 for misc. supplies and services and £44,880 for professional fees (including Private Water Sampling). £34,462 Pension Fund adjustment. £12,000 Computer maintenance costs for the Assure upgrade.

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Street Signage				
Gross Direct Costs	12,000	10,000	(2,000)	Savings bid relating to Misc. supplies and services.
Support Service Charges	23,300	42,360	19,060	Movement in base budget and revised allocations.
	35,300	**52,360**	**17,060**	
Environmental Protection				
Gross Direct Costs	696,692	655,231	(41,461)	See **Note A** below:
Capital Charges	52,962	37,620	(15,342)	Depreciation movement in line with capital programme.
Gross Direct Income	(45,000)	(13,000)	32,000	Budget transferred to Public Protection in relation to Private Water Sampling.
Support Service Charges	251,400	302,120	50,720	Movement in base budget and revised allocations.
	956,054	**981,971**	**25,917**	

Note A: £8,000 - Computer maintenance costs for the Assure system. (£16,000) - One off saving from non-recurring Employee costs. £4,000 Employee standby budget. (£4,918) Pension Fund adjustment. (£32,270) Transfer of professional fees from Commercial Services.

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Environmental Contracts				
Gross Direct Costs	350,589	386,398	35,809	£28,865 Employee Inflation. £4,000 Employee Growth. £2,944 Pension Fund adjustment.
Capital Charges	4,521	0	(4,521)	Depreciation movement in line with capital programme.
Support Service Charges	(355,110)	(386,398)	(31,288)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Corporate Health and Safety				
Gross Direct Costs	71,626	85,954	14,328	£6,175 Employee inflation, training and subscriptions. £2,250 Professional fees in respect of administering training courses. £5,903 Pension Fund adjustment.
Gross Direct Income	0	(24,000)	(24,000)	Income from charging for training in respect of Institute of Occupational Safety & Health (IOSH) courses.
Support Service Charges	(71,626)	(61,954)	9,672	Movement in base budget and revised allocations.
	0	**0**	**0**	

General Fund Service Area Summaries 2024/25 Base

Communities Directorate
AD Environment & Leisure Services

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Markets				
Gross Direct Costs	56,192	45,432	(10,760)	Transfer of Employee budgets to Foreshore.
Gross Direct Income	(40,000)	(40,000)	0	No Major Variances.
Support Service Charges	42,160	43,530	1,370	Movement in base budget and revised allocations.
	58,352	**48,962**	**(9,390)**	
Parks & Open Spaces				
Gross Direct Costs	339,484	345,668	6,184	Inflation on the Grounds Maintenance and Cleansing contract.
Capital Charges	16,206	1,368	(14,838)	Depreciation movement in line with capital programme.
Gross Direct Income	(8,500)	(8,500)	0	No Major Variances.
Support Service Charges	138,000	139,600	1,600	Movement in base budget and revised allocations.
	485,190	**478,136**	**(7,054)**	
Foreshore				
Gross Direct Costs	81,585	87,224	5,639	£4,000 Transfer of Employee budgets from Markets. £6,648 Employee inflation. £9,991 Inflation on insurance and utilities. (£15,000) Savings bid against repair and maintenance.
Capital Charges	27,880	0	(27,880)	Depreciation movement in line with capital programme.
Support Service Charges	85,270	72,520	(12,750)	Movement in base budget and revised allocations.
	194,735	**159,744**	**(34,991)**	
Leisure Complexes				
Gross Direct Costs	139,569	145,711	6,142	£22,792 Higher insurance premiums based on revaluations. (£17,000) Rent/Hire of Stalham Sports centre.
Capital Charges	492,459	587,211	94,752	Depreciation movement in line with capital programme.
Gross Direct Income	(44,105)	(85,398)	(41,293)	Leisure Contract Profit Share income.
Support Service Charges	103,090	116,350	13,260	Movement in base budget and revised allocations.
	691,013	**763,874**	**72,861**	
Other Sports				
Gross Direct Costs	98,462	53,710	(44,752)	£5,707 Higher insurance premiums based on revaluations. (£40,000) Reduced budget in relation to the Mammoth Marathon. - this is offset by reduced fee income. (£3,459) Pension Fund adjustment. (£4,400) Budget for grant payments no longer required.
Gross Direct Income	(40,000)	(8,000)	32,000	Reduced fee income from events - predominantly the Mammoth Marathon (this is offset by reduced expenditure).
Support Service Charges	76,290	68,300	(7,990)	Movement in base budget and revised allocations.
	134,752	**114,010**	**(20,742)**	
Recreation Grounds				
Gross Direct Costs	13,950	14,300	350	No Major Variances.
Capital Charges	5,632	6,046	414	No Major Variances.
Gross Direct Income	(1,000)	(1,000)	0	No Major Variances.
Support Service Charges	3,860	4,090	230	Movement in base budget and revised allocations.
	22,442	**23,436**	**994**	
Pier Pavilion				
Gross Direct Costs	9,300	3,000	(6,300)	Electricity budget not required.
Capital Charges	17,020	20,286	3,266	Depreciation movement in line with capital programme.
Gross Direct Income	0	(10,000)	(10,000)	Savings Bid in respect of Pier Contract Profit Share.
Support Service Charges	28,230	42,780	14,550	Movement in base budget and revised allocations.
	54,550	**56,066**	**1,516**	
Beach Safety				
Gross Direct Costs	378,730	370,415	(8,315)	£5,500 Inflation on Cleansing contract. £7,885 Inflation on the RNLI Lifeguard contract. (£8,000) Budget not required for emergency telephone lines. (£13,700) Savings bid against Memorial seats/benches.
Support Service Charges	78,900	76,820	(2,080)	Movement in base budget and revised allocations.
	457,630	**447,235**	**(10,395)**	

General Fund Service Area Summaries 2024/25 Base

Communities Directorate
AD Environment & Leisure Services

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Woodlands Management				
Gross Direct Costs	228,406	262,414	34,008	£29,058 Employee inflation. £2,214 Pension Fund adjustment. The balance relates to higher utility and insurance costs.
Capital Charges	1,346	5,449	4,103	Depreciation movement in line with capital programme.
Gross Direct Income	(33,960)	(56,460)	(22,500)	(£18,500) Savings bid relating to increased car parking income at Holt Country Park.
Support Service Charges	165,920	159,650	(6,270)	Movement in base budget and revised allocations.
	361,712	**371,053**	**9,341**	
Waste Collection And Disposal				
Gross Direct Costs	5,603,220	5,826,469	223,249	See **Note A** below:
Capital Charges	459,571	764,192	304,621	Depreciation movement in line with capital programme.
Gross Direct Income	(4,423,210)	(4,824,575)	(401,365)	See **Note B** below:
Support Service Charges	514,840	488,000	(26,840)	Movement in base budget and revised allocations.
	2,154,421	**2,254,086**	**99,665**	

Note A: £102,100 Serco waste contract inflation. £92,474 NEWS Contract inflation and growth (due to changes in tonnage). £42,175 Increase in gate fees for commercial waste disposal. (£3,500) Budget not required for clinical waste disposal - this is offset by lower recharges. (£10,000) Savings bids relating to lower contributions to the Norfolk Waste Partnership and recycling initiatives.

Note B: Additional fee income of (£10,000) Bulky waste collections, (£90,000) Trade waste, (£172,750) Garden waste with a further savings bid of (£50,000) to expand the Composting service. (£62,115) Increased recycling credit income. (£20,000) NEWS Profit share. £3,500 Budget not required for clinical waste recharges - offset by reduced expenditure.

Cleansing				
Gross Direct Costs	1,059,500	1,087,850	28,350	Cleansing contract inflation.
Capital Charges	85,500	0	(85,500)	Depreciation movement in line with capital programme.
Gross Direct Income	(66,000)	(87,495)	(21,495)	Additional fee income from litter and dog bin recharges.
Support Service Charges	51,840	77,760	25,920	Movement in base budget and revised allocations.
	1,130,840	**1,078,115**	**(52,725)**	
Leisure				
Gross Direct Costs	189,416	201,058	11,642	£12,553 Employee inflation. £2,531 Inflated contribution to Active Norfolk. (£3,442) Pension Fund adjustment.
Support Service Charges	(189,416)	(201,058)	(11,642)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Community Safety				
Gross Direct Costs	13,794	12,752	(1,042)	No Major Variances.
Support Service Charges	23,320	25,180	1,860	Movement in base budget and revised allocations.
	37,114	**37,932**	**818**	
Civil Contingencies				
Gross Direct Costs	96,472	100,056	3,584	Employee inflation.
Support Service Charges	41,000	64,100	23,100	Movement in base budget and revised allocations.
	137,472	**164,156**	**26,684**	
AD Environmental & Leisure Svs				
Gross Direct Costs	90,251	98,595	8,344	Employee inflation.
Support Service Charges	(90,251)	(98,595)	(8,344)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Environment and Leisure	**8,199,579**	**8,469,632**	**270,053**	

General Fund Service Area Summaries 2024/25 Base

Communities Directorate

AD People Services

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Benefits Administration				
Gross Direct Costs	1,193,732	1,194,420	688	See **Note A** below:
Capital Charges	31,700	31,700	0	No Major Variances.
Gross Direct Income	(380,000)	(413,215)	(33,215)	Additional grant income.
Support Service Charges	434,060	494,610	60,550	Movement in base budget and revised allocations.
	1,279,492	**1,307,515**	**28,023**	

Note A: £25,000 Purchase of Low-Income Family Tracker (LIFT) Dashboard and £11,000 Contribution to Citizen Advice Bureau for debt counsellor (funded from New Burdens Grant). £66,451 Employee inflation. (£94,859) One-off Employee savings from posts funded from Reserves or Grants in prior year.

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Homelessness				
Gross Direct Costs	1,123,591	1,282,137	158,546	£166,440 Professional fees funded from grant income. (£6,000) Lower software costs relating to Your Choice Your Home.
Capital Charges	28,482	83,963	55,481	Depreciation movement in line with capital programme.
Gross Direct Income	(1,045,495)	(1,580,000)	(534,505)	Grant income (£325,098) Homelessness Prevention Grant (HPG) and (£144,767) Rough Sleeper Initiative (RSI). (£70,000) Savings bid relating to additional rental income from rent increases.
Support Service Charges	1,142,250	1,219,500	77,250	Movement in base budget and revised allocations.
	1,248,828	**1,005,600**	**(243,228)**	
Housing Options				
Gross Direct Costs	714,749	791,660	76,911	£8,606 Employee inflation. £19,483 Pension Fund adjustment. £50,292 One-off funding from Reserves towards Employee costs.
Support Service Charges	(714,749)	(791,660)	(76,911)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Community				
Gross Direct Costs	1,074,449	977,423	(97,026)	See **Note A** below:
Gross Direct Income	(36,964)	(389,999)	(353,035)	Grant income (£340,000) Homes for Ukraine and (£49,999) Health & Wellbeing Partnership. £36,964 Assumed loss of contributions from Primary Care Network.
Support Service Charges	68,750	160,250	91,500	Movement in base budget and revised allocations.
	1,106,235	**747,674**	**(358,561)**	

Note A: £96,205 Higher employee costs to include inflation and posts funded from grants. £103,538 Professional fees funded from grants. £11,450 Pension Fund adjustment. (£33,260) Savings bid in relation to Arts grants.(£275,000) North Norfolk Sustainable Communities Fund grant budgets offered as a savings.

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
AD People Services				
Gross Direct Costs	87,469	93,657	6,188	Employee inflation.
Support Service Charges	(87,469)	(93,657)	(6,188)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total People Services	**3,634,555**	**3,060,789**	**(573,766)**	

This page is intentionally left blank

Communities Directorate

Environment and Leisure Services

Service	**Base Budget 2023/24 £**	**Base Budget 2024/25 £**	**Variance Base to Base £**
Commercial Services	354,088	0	(354,088)
Internal Drainage Board Levies	478,176	466,820	(11,356)
Travellers	50,890	60,048	9,158
Public Protection	36,004	512,454	476,450
Street Signage	12,000	10,000	(2,000)
Environmental Protection	651,692	642,231	(9,461)
Environmental Contracts	350,589	386,398	35,809
Corporate Health and Safety	71,626	61,954	(9,672)
Markets	16,192	5,432	(10,760)
Parks & Open Spaces	330,984	337,168	6,184
Foreshore	81,585	87,224	5,639
Leisure Complexes	95,464	60,313	(35,151)
Other Sports	58,462	45,710	(12,752)
Recreation Grounds	12,950	13,300	350
Pier Pavilion	9,300	(7,000)	(16,300)
Beach Safety	378,730	370,415	(8,315)
Woodlands Management	194,446	205,954	11,508
Waste Collection And Disposal	1,180,010	1,001,894	(178,116)
Cleansing	993,500	1,000,355	6,855
Leisure	189,416	201,058	11,642
Community Safety	13,794	12,752	(1,042)
Civil Contingencies	96,472	100,056	3,584
Ad Environmental & Leisure Svs	90,251	98,595	8,344
Total Net Costs	**5,746,621**	**5,673,131**	**(73,490)**
Capital Charges	1,186,271	1,428,276	242,005
Support Service Charges In	2,251,770	2,399,245	147,475
Support Service Charges Out	(985,083)	(1,031,020)	(45,937)
Total Net Cost of Services	**8,199,579**	**8,469,632**	**270,053**

This page is intentionally left blank

General Fund Service Area Summaries 2024/25 Base

Communities Directorate

Ad Environment & Leisure Services

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Commercial Services				
Gross Direct Costs	358,088	0	(358,088)	All budgets transferred to Public Protection.
Gross Direct Income	(4,000)	0	4,000	All budgets transferred to Public Protection.
Support Service Charges	193,170	0	(193,170)	Movement in base budget and revised allocations.
	547,258	**0**	**(547,258)**	
Internal Drainage Board Levies				
Gross Direct Costs	478,176	502,085	23,909	Inflation on Internal Drainage Board (IDB) Levies.
Support Service Charges	300	370	70	Movement in base budget and revised allocations.
Gross Direct Income		(35,265)	(35,265)	Grant from DLUHC towards IDB inflation.
	478,476	**467,190**	**(11,286)**	
Travellers				
Gross Direct Costs	52,890	62,048	9,158	Inflation on operating lease rentals at both sites.
Capital Charges	23,174	6,104	(17,070)	Depreciation movement in line with capital programme.
Gross Direct Income	(2,000)	(2,000)	0	No Major Variances.
Support Service Charges	7,870	9,000	1,130	Movement in base budget and revised allocations.
	81,934	**75,152**	**(6,782)**	
Public Protection				
Gross Direct Costs	238,104	765,454	527,350	See **Note A** below:
Gross Direct Income	(202,100)	(253,000)	(50,900)	(£24,900) Additional Licensing income. (£36,000) Transfer of budgets from Commercial and Environmental Protection - predominantly in connection with Private Water Sampling.
Support Service Charges	144,330	383,700	239,370	Movement in base budget and revised allocations.
	180,334	**896,154**	**715,820**	

Note A: £122,615 Employee inflation. Transfer of budgets from Commercial to include: £308,418 for Employee, £4,975 for misc. supplies and services and £44,880 for professional fees (including Private Water Sampling). £34,462 Pension Fund adjustment. £12,000 Computer maintenance costs for the Assure upgrade.

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Street Signage				
Gross Direct Costs	12,000	10,000	(2,000)	Savings bid relating to Misc. supplies and services.
Support Service Charges	23,300	42,360	19,060	Movement in base budget and revised allocations.
	35,300	**52,360**	**17,060**	
Environmental Protection				
Gross Direct Costs	696,692	655,231	(41,461)	See **Note A** below:
Capital Charges	52,962	37,620	(15,342)	Depreciation movement in line with capital programme.
Gross Direct Income	(45,000)	(13,000)	32,000	Budget transferred to Public Protection in relation to Private Water Sampling.
Support Service Charges	251,400	302,120	50,720	Movement in base budget and revised allocations.
	956,054	**981,971**	**25,917**	

Note A: £8,000 - Computer maintenance costs for the Assure system. (£16,000) - One off saving from non-recurring Employee costs. £4,000 Employee standby budget. (£4,918) Pension Fund adjustment. (£32,270) Transfer of professional fees from Commercial Services.

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Environmental Contracts				
Gross Direct Costs	350,589	386,398	35,809	£28,865 Employee Inflation. £4,000 Employee Growth. £2,944 Pension Fund adjustment.
Capital Charges	4,521	0	(4,521)	Depreciation movement in line with capital programme.
Support Service Charges	(355,110)	(386,398)	(31,288)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Corporate Health and Safety				
Gross Direct Costs	71,626	85,954	14,328	£6,175 Employee inflation, training and subscriptions. £2,250 Professional fees in respect of administering training courses. £5,903 Pension Fund adjustment.
Gross Direct Income	0	(24,000)	(24,000)	Income from charging for training in respect of Institute of Occupational Safety & Health (IOSH) courses.
Support Service Charges	(71,626)	(61,954)	9,672	Movement in base budget and revised allocations.
	0	**0**	**0**	

General Fund Service Area Summaries 2024/25 Base

Communities Directorate

Ad Environment & Leisure Services

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Markets				
Gross Direct Costs	56,192	45,432	(10,760)	Transfer of Employee budgets to Foreshore.
Gross Direct Income	(40,000)	(40,000)	0	No Major Variances.
Support Service Charges	42,160	43,530	1,370	Movement in base budget and revised allocations.
	58,352	**48,962**	**(9,390)**	
Parks & Open Spaces				
Gross Direct Costs	339,484	345,668	6,184	Inflation on the Grounds Maintenance and Cleansing contract.
Capital Charges	16,206	1,368	(14,838)	Depreciation movement in line with capital programme.
Gross Direct Income	(8,500)	(8,500)	0	No Major Variances.
Support Service Charges	138,000	139,600	1,600	Movement in base budget and revised allocations.
	485,190	**478,136**	**(7,054)**	
Foreshore				
Gross Direct Costs	81,585	87,224	5,639	£4,000 Transfer of Employee budgets from Markets. £6,648 Employee inflation. £9,991 Inflation on insurance and utilities. (£15,000) Savings bid against repair and maintenance.
Capital Charges	27,880	0	(27,880)	Depreciation movement in line with capital programme.
Support Service Charges	85,270	72,520	(12,750)	Movement in base budget and revised allocations.
	194,735	**159,744**	**(34,991)**	
Leisure Complexes				
Gross Direct Costs	139,569	145,711	6,142	£22,792 Higher insurance premiums based on revaluations. (£17,000) Rent/Hire of Stalham Sports centre.
Capital Charges	492,459	587,211	94,752	Depreciation movement in line with capital programme.
Gross Direct Income	(44,105)	(85,398)	(41,293)	Leisure Contract Profit Share income.
Support Service Charges	103,090	116,350	13,260	Movement in base budget and revised allocations.
	691,013	**763,874**	**72,861**	
Other Sports				
Gross Direct Costs	98,462	53,710	(44,752)	£5,707 Higher insurance premiums based on revaluations. (£40,000) Reduced budget in relation to the Mammoth Marathon. - this is offset by reduced fee income. (£3,459) Pension Fund adjustment. (£4,400) Budget for grant payments no longer required.
Gross Direct Income	(40,000)	(8,000)	32,000	Reduced fee income from events - predominantly the Mammoth Marathon (this is offset by reduced expenditure).
Support Service Charges	76,290	68,300	(7,990)	Movement in base budget and revised allocations.
	134,752	**114,010**	**(20,742)**	
Recreation Grounds				
Gross Direct Costs	13,950	14,300	350	No Major Variances.
Capital Charges	5,632	6,046	414	No Major Variances.
Gross Direct Income	(1,000)	(1,000)	0	No Major Variances.
Support Service Charges	3,860	4,090	230	Movement in base budget and revised allocations.
	22,442	**23,436**	**994**	
Pier Pavilion				
Gross Direct Costs	9,300	3,000	(6,300)	Electricity budget not required.
Capital Charges	17,020	20,286	3,266	Depreciation movement in line with capital programme.
Gross Direct Income	0	(10,000)	(10,000)	Savings Bid in respect of Pier Contract Profit Share.
Support Service Charges	28,230	42,780	14,550	Movement in base budget and revised allocations.
	54,550	**56,066**	**1,516**	
Beach Safety				
Gross Direct Costs	378,730	370,415	(8,315)	£5,500 Inflation on Cleansing contract. £7,885 Inflation on the RNLI Lifeguard contract. (£8,000) Budget not required for emergency telephone lines. (£13,700) Savings bid against Memorial seats/benches.
Support Service Charges	78,900	76,820	(2,080)	Movement in base budget and revised allocations.
	457,630	**447,235**	**(10,395)**	

General Fund Service Area Summaries 2024/25 Base

Communities Directorate

Ad Environment & Leisure Services

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Woodlands Management				
Gross Direct Costs	228,406	262,414	34,008	£29,058 Employee inflation. £2,214 Pension Fund adjustment. The balance relates to higher utility and insurance costs.
Capital Charges	1,346	5,449	4,103	Depreciation movement in line with capital programme.
Gross Direct Income	(33,960)	(56,460)	(22,500)	(£18,500) Savings bid relating to increased car parking income at Holt Country Park.
Support Service Charges	165,920	159,650	(6,270)	Movement in base budget and revised allocations.
	361,712	**371,053**	**9,341**	
Waste Collection And Disposal				
Gross Direct Costs	5,603,220	5,826,469	223,249	See **Note A** below:
Capital Charges	459,571	764,192	304,621	Depreciation movement in line with capital programme.
Gross Direct Income	(4,423,210)	(4,824,575)	(401,365)	See **Note B** below:
Support Service Charges	514,840	488,000	(26,840)	Movement in base budget and revised allocations.
	2,154,421	**2,254,086**	**99,665**	

Note A: £102,100 Serco waste contract inflation. £92,474 NEWS Contract inflation and growth (due to changes in tonnage). £42,175 Increase in gate fees for commercial waste disposal. (£3,500) Budget not required for clinical waste disposal - this is offset by lower recharges. (£10,000) Savings bids relating to lower contributions to the Norfolk Waste Partnership and recycling initiatives.

Note B: Additional fee income of (£10,000) Bulky waste collections, (£90,000) Trade waste, (£172,750) Garden waste with a further savings bid of (£50,000) to expand the Composting service. (£62,115) Increased recycling credit income. (£20,000) NEWS Profit share. £3,500 Budget not required for clinical waste recharges - offset by reduced expenditure.

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Cleansing				
Gross Direct Costs	1,059,500	1,087,850	28,350	Cleansing contract inflation.
Capital Charges	85,500	0	(85,500)	Depreciation movement in line with capital programme.
Gross Direct Income	(66,000)	(87,495)	(21,495)	Additional fee income from litter and dog bin recharges.
Support Service Charges	51,840	77,760	25,920	Movement in base budget and revised allocations.
	1,130,840	**1,078,115**	**(52,725)**	
Leisure				
Gross Direct Costs	189,416	201,058	11,642	£12,553 Employee inflation. £2,531 Inflated contribution to Active Norfolk. (£3,442) Pension Fund adjustment.
Support Service Charges	(189,416)	(201,058)	(11,642)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Community Safety				
Gross Direct Costs	13,794	12,752	(1,042)	No Major Variances.
Support Service Charges	23,320	25,180	1,860	Movement in base budget and revised allocations.
	37,114	**37,932**	**818**	
Civil Contingencies				
Gross Direct Costs	96,472	100,056	3,584	Employee inflation.
Support Service Charges	41,000	64,100	23,100	Movement in base budget and revised allocations.
	137,472	**164,156**	**26,684**	
Ad Environmental & Leisure Svs				
Gross Direct Costs	90,251	98,595	8,344	Employee inflation.
Support Service Charges	(90,251)	(98,595)	(8,344)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Environment and Leisure	**8,199,579**	**8,469,632**	**270,053**	

This page is intentionally left blank

Appendix B

Communities Directorate

People Services

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Variance Base to Base £
Benefits Administration	813,732	781,205	(32,527)
Homelessness	78,096	(297,863)	(375,959)
Housing Options	714,749	791,660	76,911
Community	1,037,485	587,424	(450,061)
Ad People Services	87,469	93,657	6,188
Total Net Costs	**2,731,531**	**1,956,083**	**(775,448)**
Capital Charges	60,182	115,663	55,481
Support Service Charges In	2,137,200	2,387,013	249,813
Support Service Charges Out	(1,294,358)	(1,397,970)	(103,612)
Total Net Cost of Services	**3,634,555**	**3,060,789**	**(573,766)**

This page is intentionally left blank

General Fund Service Area Summaries 2024/25 Base

Communities Directorate

Ad People Services

Service	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
	£	£	£	
Benefits Administration				
Gross Direct Costs	1,193,732	1,194,420	688	See **Note A** below:
Capital Charges	31,700	31,700	0	No Major Variances.
Gross Direct Income	(380,000)	(413,215)	(33,215)	Additional grant income.
Support Service Charges	434,060	494,610	60,550	Movement in base budget and revised allocations.
	1,279,492	**1,307,515**	**28,023**	

Note A: £25,000 Purchase of Low-Income Family Tracker (LIFT) Dashboard and £11,000 Contribution to Citizen Advice Bureau for debt counsellor (funded from New Burdens Grant). £66,451 Employee inflation. (£94,859) One-off Employee savings from posts funded from Reserves or Grants in prior year.

Service	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Homelessness				
Gross Direct Costs	1,123,591	1,282,137	158,546	£166,440 Professional fees funded from grant income. (£6,000) Lower software costs relating to Your Choice Your Home.
Capital Charges	28,482	83,963	55,481	Depreciation movement in line with capital programme.
Gross Direct Income	(1,045,495)	(1,580,000)	(534,505)	Grant income (£325,098) Homelessness Prevention Grant (HPG) and (£144,767) Rough Sleeper Initiative (RSI). (£70,000) Savings bid relating to additional rental income from rent increases.
Support Service Charges	1,142,250	1,219,500	77,250	Movement in base budget and revised allocations.
	1,248,828	**1,005,600**	**(243,228)**	
Housing Options				
Gross Direct Costs	714,749	791,660	76,911	£8,606 Employee inflation. £19,483 Pension Fund adjustment. £50,292 One-off funding from Reserves towards Employee costs.
Support Service Charges	(714,749)	(791,660)	(76,911)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Community				
Gross Direct Costs	1,074,449	977,423	(97,026)	See **Note A** below:
Gross Direct Income	(36,964)	(389,999)	(353,035)	Grant income (£340,000) Homes for Ukraine and (£49,999) Health & Wellbeing Partnership. £36,964 Assumed loss of contributions from Primary Care Network.
Support Service Charges	68,750	160,250	91,500	Movement in base budget and revised allocations.
	1,106,235	**747,674**	**(358,561)**	

Note A: £96,205 Higher employee costs to include inflation and posts funded from grants. £103,538 Professional fees funded from grants. £11,450 Pension Fund adjustment. (£33,260) Savings bid in relation to Arts grants.(£275,000) North Norfolk Sustainable Communities Fund grant budgets offered as a savings.

Service	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Ad People Services				
Gross Direct Costs	87,469	93,657	6,188	Employee inflation.
Support Service Charges	(87,469)	(93,657)	(6,188)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total People Services	**3,634,555**	**3,060,789**	**(573,766)**	

This page is intentionally left blank

Corporate Directorship

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Variance Base to Base £
Human Resources & Payroll	414,190	468,875	54,685
Registration Services	302,675	215,287	(87,388)
Corporate Leadership Team	782,533	824,858	42,325
Communications	279,334	280,547	1,213
Corporate Delivery Unit	192,429	207,749	15,320
Total Net Costs	**1,971,161**	**1,997,316**	**26,155**
Capital Charges	55,954	55,954	0
Support Service Charges In	520,350	625,497	105,147
Support Service Charges Out	(2,062,760)	(2,271,890)	(209,130)
Total Net Cost of Services	**484,705**	**406,877**	**(77,828)**

General Fund Service Area Summaries 2024/25 Base

Corporate Directorship

Corporate Support

	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Human Resources & Payroll				
Gross Direct Costs	415,190	469,875	54,685	£26,027 Employee inflation. £17,000 Reserve funded recruitment software. £9,700 Occupational health costs. £3,498 Pension fund adjustment. (£3,270) Savings bid.
Gross Direct Income	(1,000)	(1,000)	0	No major variances.
Support Service Charges	(414,190)	(468,875)	(54,685)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Registration Services				
Gross Direct Costs	354,670	216,787	(137,883)	(£150,000) Local election reserve funding removed. £6,186 Employee inflation. £4,709 Printing and postage inflation.
Gross Direct Income	(51,995)	(1,500)	50,495	New burdens grant removal.
Support Service Charges	182,030	191,590	9,560	Movement in base budget and revised allocations.
	484,705	**406,877**	**(77,828)**	
Corporate Leadership Team				
Gross Direct Costs	782,533	824,858	42,325	£39,052 Employee inflation. £5,130 Pension fund adjustment. £2,790 Officials Indemnity transfer from Insurance budget. (£4,647) Removal of fixed term posts funded from reserves.
Support Service Charges	(782,533)	(824,858)	(42,325)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Communications				
Gross Direct Costs	279,334	280,547	1,213	£10,903 Employee inflation. (£10,482) Completed capital funded post.
Capital Charges	55,954	55,954	0	No major variances.
Support Service Charges	(335,288)	(336,501)	(1,213)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Corporate Delivery Unit				
Gross Direct Costs	192,429	207,749	15,320	£18,147 Employee inflation. (£3,700) Savings.
Support Service Charges	(192,429)	(207,749)	(15,320)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Corporate Directorship	**484,705**	**406,877**	**(77,828)**	

This page is intentionally left blank

Place And Climate Change Directorate

Planning

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Variance Base to Base £
Development Management	665,841	689,865	24,024
Planning Policy	736,819	624,281	(112,538)
Conservation, Design & Landscape	440,366	453,680	13,314
Building Control	81,029	85,799	4,770
Combined Enforcement Team	238,520	240,062	1,542
Property Information	(16,192)	18,275	34,467
Ad Planning	95,619	130,755	35,136
Total Net Costs	**2,242,002**	**2,242,717**	**715**
Capital Charges	76,501	76,501	0
Support Service Charges In	1,565,750	1,790,873	225,123
Support Service Charges Out	(417,689)	(497,520)	(79,831)
Total Net Cost of Services	**3,466,564**	**3,612,571**	**146,007**

General Fund Service Area Summaries 2024/25 Base

Place And Climate Change

Ad Planning

Account Name	Base Budget 2023/24 £	Base Budget 2024/25 £	Movement Base to Base £	Explanation for Movement
Development Management				
Gross Direct Costs	1,530,841	1,589,865	59,024	£99,754 Employee inflation. £6,225 Pension fund adjustment. (£24,700) Training budgets transfer to AD budget. (£22,700) Employee budget transfer to conservation team budget. (£3,625) Savings bids.
Capital Charges	76,501	76,501	0	No Major Variances.
Gross Direct Income	(865,000)	(900,000)	(35,000)	(£100,000) Income inflation due to fee increase. (£65,000) One off income growth for previous year removed.
Support Service Charges	946,560	1,033,390	86,830	Movement in base budget and revised allocations.
	1,688,902	**1,799,756**	**110,854**	
Planning Policy				
Gross Direct Costs	736,819	624,281	(112,538)	£23,000 Employee inflation. (£60,000) Reduced reserve funding for local plan. (£46,150) Savings bids. (£28,908) Employee budget transfer to conservation team budget.(£2,000) Training budgets transfer to AD budget.
Support Service Charges	196,150	227,570	31,420	Movement in base budget and revised allocations.
	932,969	**851,851**	**(81,118)**	
Conservation, Design & Landscape				
Gross Direct Costs	440,366	453,680	13,314	£40,893 Employee budget transfer. £15,101 Employee inflation. £4,563 Pension fund adjustment. (£50,000) Reserve funded professional fees.
Support Service Charges	95,290	119,770	24,480	Movement in base budget and revised allocations.
	535,656	**573,450**	**37,794**	
Building Control				
Gross Direct Costs	578,529	573,299	(5,230)	£37,769 Employee inflation. £1,846 Pension fund adjustment. (£40,295) Reduction in fixed term posts funded from reserves.(£7,000) Training budgets transfer to AD
Gross Direct Income	(497,500)	(487,500)	10,000	Energy assessment fee removal due to legislation change.
Support Service Charges	187,890	194,250	6,360	Movement in base budget and revised allocations.
	268,919	**280,049**	**11,130**	
Combined Enforcement Team				
Gross Direct Costs	238,520	240,062	1,542	£11,901 Employee inflation. (£4,045) Reduction in fixed term posts funded from reserves. (£4,000) Training budgets transfer to AD budget.
Support Service Charges	(238,520)	(240,062)	(1,542)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Property Information				
Gross Direct Costs	179,768	254,225	74,457	£75,000 Transition costs covered by income. £6,970 Employee inflation. (£5,000) Training budgets transfer to AD budget. (£2,007) Pension fund adjustment.
Gross Direct Income	(195,960)	(235,950)	(39,990)	(£75,000) Transition payment to cover additional costs. £35,010 loss of income due to compulsory transfer.
Support Service Charges	56,310	89,190	32,880	Movement in base budget and revised allocations.
	40,118	**107,465**	**67,347**	
Ad Planning				
Gross Direct Costs	95,619	130,755	35,136	£43,700 Planning training budgets transferred to AD budget. (£9,639) Savings in relation to employee costs.
Support Service Charges	(95,619)	(130,755)	(35,136)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Planning	**3,466,564**	**3,612,571**	**146,007**	

This page is intentionally left blank

Place And Climate Change Directorate

Sustainable Growth

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Variance Base to Base £
Economic Growth	(28,008)	69,490	97,498
Tourism	77,050	68,050	(9,000)
Coast Protection	267,450	526,702	259,252
Business Growth Staffing	347,922	295,666	(52,256)
Housing Strategy	207,044	174,781	(32,263)
Environmental Strategy	280,154	281,263	1,109
Coastal Management	329,860	336,776	6,916
Ad Sustainable Growth	90,961	94,571	3,610
Total Net Costs	**1,572,433**	**1,847,299**	**274,866**
Capital Charges	1,287,905	1,313,319	25,414
Support Service Charges In	1,377,220	1,544,610	167,390
Support Service Charges Out	(1,195,090)	(1,196,423)	(1,333)
Total Net Cost of Services	**3,042,468**	**3,508,805**	**466,337**

This page is intentionally left blank

General Fund Service Area Summaries 2024/25 Base

Place and Climate Change

Ad Sustainable Growth

Account Name	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
	£	£	£	
Economic Growth				
Gross Direct Costs	110,492	666,990	556,498	£597,500 UK shared prosperity fund costs covered by income. (£18,000) Savings. (£13,500) Grant funded contributions (£10,707) Completed fixed term post.
Capital Charges	2,037	47,792	45,755	Depreciation movement in line with capital programme.
Gross Direct Income	(138,500)	(597,500)	(459,000)	(£597,500) UK shared prosperity fund grant. £138,500 Removal of previous years grants.
Support Service Charges	259,403	320,680	61,277	Movement in base budget and revised allocations.
	233,432	**437,962**	**204,530**	
Tourism				
Gross Direct Costs	77,050	68,050	(9,000)	(£10,000) Savings bid. £1,000 Inflation on contributions.
Support Service Charges	155,700	65,450	(90,250)	Movement in base budget and revised allocations.
	232,750	**133,500**	**(99,250)**	
Coast Protection				
Gross Direct Costs	267,450	526,702	259,252	Coastwise employee costs funded from grant in reserves.
Capital Charges	508,701	503,880	(4,821)	Depreciation movement in line with capital programme.
Support Service Charges	404,860	536,410	131,550	Movement in base budget and revised allocations.
	1,181,011	**1,566,992**	**385,981**	
Business Growth Staffing				
Gross Direct Costs	347,922	295,666	(52,256)	£12,364 Employee inflation. (£59,380) Reduction in fixed term posts funded from reserves. (£6,740) Pension fund adjustment.
Support Service Charges	(347,922)	(295,666)	52,256	Movement in base budget and revised allocations.
	0	**0**	**0**	
Housing Strategy				
Gross Direct Costs	207,044	184,781	(22,263)	£2,092 Employee inflation. (£11,900) Savings bid in relation to employee costs. (£11,131) Fixed term post funded from reserves.
Capital Charges	777,167	761,647	(15,520)	Refcus movement in line with capital programme.
Gross Direct Income	0	(10,000)	(10,000)	Contribution from UK shared prosperity fund.
Support Service Charges	101,490	103,270	1,780	Movement in base budget and revised allocations.
	1,085,701	**1,039,698**	**(46,003)**	
Environmental Strategy				
Gross Direct Costs	280,154	281,263	1,109	£18,562 Employee growth. £10,715 Employee inflation. (£20,000) Reduced use of reserve for climate projects. (£10,000) Savings bid in relation to Green Build.
Support Service Charges	29,420	49,390	19,970	Movement in base budget and revised allocations.
	309,574	**330,653**	**21,079**	
Coastal Management				
Gross Direct Costs	396,360	381,776	(14,584)	£20,590 Employee inflation. (£21,525) Reduction in fixed term posts externally funded. (£13,649) Pension fund
Gross Direct Income	(66,500)	(45,000)	21,500	Reduced income for completed externally funded post.
Support Service Charges	(329,860)	(336,776)	(6,916)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Ad Sustainable Growth				
Gross Direct Costs	90,961	94,571	3,610	£2,698 Employee inflation. £1,000 Training.
Support Service Charges	(90,961)	(94,571)	(3,610)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Sustainable Growth	**3,042,468**	**3,508,805**	**466,337**	

This page is intentionally left blank

General Fund Service Area Summaries 2024/25 Base

Resources

Ad Finance, Assets & Legal

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
	£	£	£	
Industrial Estates				
Gross Direct Costs	45,755	29,126	(16,629)	(£17,550) Premises insurance savings due to contract changes and revaluations.
Capital Charges	19,246	24,189	4,943	Depreciation movement in-line with capital programme.
Gross Direct Income	(239,020)	(218,006)	21,014	£17,130 Other Recoverable costs (offset by reduced insurance premiums mentioned above). £7,550 Rental Income. Other minor Inflation totalling (£3,666).
Support Service Charges	99,700	81,730	(17,970)	Movement in base budget and revised allocations.
	(74,319)	**(82,961)**	**(8,642)**	
Surveyors Allotments				
Gross Direct Costs	10,000	5,000	(5,000)	(£10,000) Saving bid for Cromer Church Wall (now a capital expense). £5,000 Growth for Stalham Wall.
Gross Direct Income	(100)	(50)	50	Rents - Land.
Support Service Charges	20,750	20,140	(610)	Movement in base budget and revised allocations.
	30,650	**25,090**	**(5,560)**	
Revenue Services				
Gross Direct Costs	1,042,266	1,082,305	40,039	See **Note A** below:
Gross Direct Income	(454,130)	(454,130)	0	No Variance.
Support Service Charges	669,580	707,910	38,330	Movement in base budget and revised allocations.
	1,257,716	**1,336,085**	**78,369**	

Note A: £13,390 Employee Growth. £37,326 Employee Inflation. £10,000 Other professional fees to cover disbursements. £18,000 Annual Billing, £10,000 Postage cost, and £12,000 Hybrid Mail inflation. £10,431 Additional reserve drawdown. Other minor variances totalling £5,225. (£13,419) Savings for NI and Pension. (£50,414) Pension Fund Adjustment. Savings bids in relation to Ascendant Contract, Capita, CFH Mailing, Process Serving and E-Billing totalling (£12,500).

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Benefits Subsidy				
Gross Direct Costs	16,930,262	18,544,784	1,614,522	Based on mid-year estimate.
Gross Direct Income	(16,930,262)	(18,544,784)	(1,614,522)	Based on mid-year estimate.
	0	**0**	**0**	
Non Distributed Costs				
Gross Direct Costs	268,000	268,000	0	No Variance.
IAS19 Adjustment	(268,000)	(268,000)	0	No Variance.
	0	**0**	**0**	
Estates				
Gross Direct Costs	340,453	280,762	(59,691)	See **Note A** below:
Support Service Charges	(340,453)	(280,762)	59,691	Movement in base budget and revised allocations.
	0	**0**	**0**	

Note A: £18,224 Employee cost increase mainly in relation to Inflation. £6,770 Insurance Premium Inflation. Other minor inflation totalling £3,700. Non recurring Employee costs (£10,440). Insurance budget Transfer to Property Services (£8,840). Saving bids: (£50,755) Employee costs, (£13,000) Other Professional Services, and other minor savings totalling (£5,350).

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Admin Buildings				
Gross Direct Costs	613,848	714,387	100,539	See **Note A** below:
Capital Charges	43,174	30,487	(12,687)	Depreciation movement in-line with capital programme.
Gross Direct Income	(372,101)	(452,007)	(79,906)	See **Note B** below:
Support Service Charges	(219,585)	(239,222)	(19,637)	Movement in base budget and revised allocations.
	65,336	**53,645**	**(11,691)**	Premises insurance increase due to revaluations.

Note A: Inflation in relation to: £9,947 Repairs & Maintenance, £12,734 Business Rates, £27,612 Utilities, £12,302 Premises insurance increase due to revaluations (offset by recovery of costs below), £21,327 Internal Service Charge (offset by additional service charge income below). £27,500 Growth in relation to Utilities and Cleaning at Cedars North Walsham. (£11,869) One of savings in relation to contract cleaning.

Note B: Inflation in relation to: (£7,570) Rental Income, (£17,802) Other recoverable costs (mainly to offset additional insurance premiums), (£21,327) Internal Service Charge income (offset by internal service charge expenditure above), and (£33,107) Service Charge income from tenants.

General Fund Service Area Summaries 2024/25 Base

Resources

Ad Finance, Assets & Legal

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
	£	£	£	
Corporate Finance				
Gross Direct Costs	686,167	582,275	(103,892)	Inflation in relation to: £17,474 Employee, Non recurring items removed: (£75,000) Agency Fees and (£48,894) for 2 Apprentice posts.
Capital Charges	13,631	13,631	0	No Variance.
Support Service Charges	(699,798)	(595,906)	103,892	Movement in base budget and revised allocations.
	0	**0**	**0**	
Insurance & Risk Management				
Gross Direct Costs	152,546	202,940	50,394	£54,930 Insurance Inflation (Employee, Public Liability and Theft etc). (£4,536) Budget transfers to IT, Members and CLT.
Support Service Charges	(152,546)	(202,940)	(50,394)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Internal Audit				
Gross Direct Costs	84,000	88,200	4,200	Other Professional Fees.
Support Service Charges	(84,000)	(88,200)	(4,200)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Chalets/Beach Huts				
Gross Direct Costs	46,194	54,458	8,264	£10,764 Premises Costs inflation, mainly in relation to Premises insurance increase due to revaluations (Offset by additional income below) and Business Rates.
Capital Charges	0	4,530	4,530	Depreciation movement in-line with capital programme.
Gross Direct Income	(263,770)	(323,570)	(59,800)	Mainly in relation to Rental Income and additional income to offset increased Insurance Premiums.
Support Service Charges	113,390	107,640	(5,750)	Movement in base budget and revised allocations.
	(104,186)	**(156,942)**	**(52,756)**	
Investment Properties				
Gross Direct Costs	171,841	213,539	41,698	Inflation in relation to: £16,341 Utilities, £15,169 Repairs and Maintenance and (£12,430) Premises insurance due to revaluations (offset by reduction in income below). £22,076 Repairs and Maintenance Growth mainly in relation to Rocket House.
Capital Charges	76,841	111,696	34,855	Depreciation movement in-line with capital programme.
Gross Direct Income	(251,633)	(289,799)	(38,166)	See **Note A** Below:
Support Service Charges	148,750	187,500	38,750	Movement in base budget and revised allocations.
	145,799	**222,936**	**77,137**	

Note A: £12,430 Reduction in Other Recoverable income due to decreased insurance premiums. (£24,030) Additional Service Charge Income. (£20,000) Additional Income - QR codes, advertising on carparks, concessions. (£4,600) Saving bid for additional income.

Central Costs				
Gross Direct Costs	54,413	51,000	(3,413)	Pension Fund Adjustment.
Support Service Charges	(54,413)	(51,000)	3,413	Movement in base budget and revised allocations.
	0	**0**	**0**	
Corporate & Democratic Core				
Gross Direct Costs	415,578	635,135	219,557	£281,250 Increase in Audit Fee by 150%. (£60,000) Removal of Supermarket contribution.
Capital Charges	900,000	0	(900,000)	Refcus movement in-line with capital programme.
Support Service Charges	1,615,410	1,500,680	(114,730)	Movement in base budget and revised allocations.
	2,930,988	**2,135,815**	**(795,173)**	

General Fund Service Area Summaries 2024/25 Base

Resources

Ad Finance, Assets & Legal

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
	£	£	£	
Members Services				
Gross Direct Costs	579,193	609,206	30,013	See **Note A** below:
Support Service Charges	87,025	96,680	9,655	Movement in base budget and revised allocations.
	666,218	**705,886**	**39,668**	

Note A: Inflation in relation to: £9,255 Employee costs and £30,000 Members Allowances. Growth of £3,800 Members Careers Allowance and £4,000 for Independent Person. (£7,702) Savings mainly in relation to Public Transport. (£10,000) Additional savings as a result of savings bid in relation to Travelling Allowance and Members training.

Legal Services				
Gross Direct Costs	622,160	554,352	(67,808)	See **Note A** below:
Gross Direct Income	(45,000)	(50,000)	(5,000)	Additional income in relation to savings bid of (£5,000).
Support Service Charges	(577,160)	(504,352)	72,808	Movement in base budget and revised allocations.
	0	**0**	**0**	

Note A: Inflation in relation to: £19,385 Employee and £6,000 Books. £5,749 Employee Growth. £3,122 Pension Fund Adjustment. (£15,505) Savings in relation to Employee costs. (£88,924) Removal of non recurring employee costs.

Ad Finance, Assets & Legal				
Gross Direct Costs	93,327	105,281	11,954	Employee Inflation.
Support Service Charges	(93,327)	(105,281)	(11,954)	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Finance, Assets & Legal	**4,918,202**	**4,239,554**	**(678,648)**	

This page is intentionally left blank

Resources Directorate

Organisational Resources

Service	Base Budget 2023/24 £	Base Budget 2024/25 £	Variance Base to Base £
Car Parking	(2,021,134)	(2,046,168)	(25,034)
ICT - Support Services	1,822,151	2,032,374	210,223
Poppyfields Canteen	22,814	23,525	711
Property Services	665,040	702,298	37,258
Playgrounds	92,635	93,160	525
Amenity Lighting	37,875	61,221	23,346
Community Centres	10,520	12,670	2,150
Tourist Information Centres	80,027	105,681	25,654
Cromer Pier	213,667	176,000	(37,667)
Public Conveniences	753,197	807,592	54,395
Digital Transformation	138,675	131,173	(7,502)
Reprographics	78,393	35,868	(42,525)
Customer Services - Corporate	1,011,771	950,560	(61,211)
Ad Organisational Resources	89,244	82,747	(6,497)
Total Net Costs	**2,994,875**	**3,168,701**	**173,826**
Capital Charges	414,414	549,775	52,112
Support Service Charges In	2,040,410	2,023,026	(17,384)
Support Service Charges Out	(4,849,798)	(5,298,520)	(448,722)
Total Net Cost of Services	**599,901**	**442,982**	**(240,168)**

This page is intentionally left blank

General Fund Service Area Summaries 2024/25 Base

Resources

Ad Organisational Resources

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
	£	£	£	
Car Parking				
Gross Direct Costs	1,011,665	1,110,631	98,966	Inflation in relation to: £20,310 Repairs and Maintenance, £10,000 Rent/Hire/Purchase of land, £22,226 Electricity and £8,000 Management Fee. Repairs and Maintenance Growth of £32,590.
Capital Charges	75,820	55,829	(19,991)	Depreciation movement in-line with capital programme.
Gross Direct Income	(3,032,799)	(3,156,799)	(124,000)	Additional income in relation to: Rental Income (£45,000) and savings bid additional income of (£79,000) by creating more spaces on Meadow Car park.
Support Service Charges	187,090	180,930	(6,160)	Movement in base budget and revised allocations.
	(1,758,224)	**(1,809,409)**	**(51,185)**	
ICT - Support Services				
Gross Direct Costs	1,822,151	2,032,374	210,223	See **Note A** below:
Capital Charges	127,978	206,587	78,609	Depreciation movement in-line with capital programme.
Support Service Charges	(1,950,129)	(2,238,961)	(288,832)	Movement in base budget and revised allocations.
	0	**0**	**0**	

Note A: £60,456 Increase in Employee costs. £79,812 Inflation in relation to Computer Purchases Hardware, Software, Licences, Maintenance, Lines/Modems, Consumables. £74,999 Growth due to purchase of software etc within departments during year without letting IT know. £13,381 funding from Reserves for fixed term post. £10,536 Budget transfers from Digital Transformation and Insurance. (£18,876) Employee savings as a result of saving bids.

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Poppyfields				
Gross Direct Costs	22,814	23,525	711	No major variance.
Support Service Charges	22,770	22,890	120	Movement in base budget and revised allocations.
	45,584	**46,415**	**831**	
Property Services				
Gross Direct Costs	665,040	702,298	37,258	See **Note A** below:
Capital Charges	47,755	16,354	(31,401)	Depreciation movement in-line with capital programme.
Support Service Charges	(712,795)	(718,652)	(5,857)	Movement in base budget and revised allocations.
	0	**0**	**0**	

Note A: £8,840 Budget transferred from Estates for Engineering Insurance. £38,126 Increase in Employee costs. £5,725 Pension Fund Adjustment. £4,067 Minor Inflation. Savings bid totalling (£19,500) Standby payments, Generic Training and Travelling Allowances.

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Playgrounds				
Gross Direct Costs	92,635	93,160	525	No major variance.
Support Service Charges	54,070	59,950	5,880	Movement in base budget and revised allocations.
	146,705	**153,110**	**6,405**	
Amenity Lighting				
Gross Direct Costs	37,875	61,221	23,346	£23,346 Inflation mainly in relation to Electricity.
Support Service Charges	29,980	30,360	380	Movement in base budget and revised allocations.
	67,855	**91,581**	**23,726**	
Community Centres				
Gross Direct Costs	10,520	12,670	2,150	Premises insurance increase due to revaluations.
Capital Charges	0	1,460	1,460	Depreciation movement in-line with capital programme.
Support Service Charges	18,140	18,120	(20)	Movement in base budget and revised allocations.
	28,660	**32,250**	**3,590**	

General Fund Service Area Summaries 2024/25 Base

Resources

Ad Organisational Resources

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
	£	£	£	
Tourist Information Centres				
Gross Direct Costs	110,197	135,851	25,654	£18,804 Utilities inflation. Other minor inflation totalling £6,974.
Capital Charges	6,040	2,651	(3,389)	Depreciation movement in-line with capital programme.
Gross Direct Income	(30,170)	(30,170)	0	No Variance.
Support Service Charges	54,820	61,050	6,230	Movement in base budget and revised allocations.
	140,887	**169,382**	**28,495**	
Cromer Pier				
Gross Direct Costs	213,667	176,000	(37,667)	(£36,470) Premises insurance savings due to the fact we are now only insuring half of the Pier.
Capital Charges	20,737	72,849	52,112	Depreciation movement in-line with capital programme.
Support Service Charges	106,990	99,930	(7,060)	Movement in base budget and revised allocations.
	341,394	**348,779**	**7,385**	
Public Conveniences				
Gross Direct Costs	753,197	815,592	62,395	See **Note A** below:
Capital Charges	82,028	139,989	57,961	Depreciation movement in-line with capital programme.
Gross Direct Income	0	(8,000)	(8,000)	Additional income from sale of extra Woo Woo loo.
Support Service Charges	214,450	245,010	30,560	Movement in base budget and revised allocations.
	1,049,675	**1,192,591**	**142,916**	

Note A: £20,219 Utilities Inflation, £5,660 Premises insurance increase due to revaluation.£23,850 Growth and Inflation in relation to Contract Cleaning and Grounds Maintenance. £9,000 Repairs and Maintenance growth for Changing Places toilet inspections. Other minor inflation.

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Digital Transformation				
Gross Direct Costs	138,675	131,173	(7,502)	(£8,921) Budget transfer to ICT - Support Services. £7,702 Employee Inflation. (£5,991) Pension Fund Adjustment.
Support Service Charges	398,690	87,110	(311,580)	Movement in base budget and revised allocations.
	537,365	**218,283**	**(319,082)**	
Reprographics				
Gross Direct Costs	82,393	39,868	(42,525)	(£45,456) Employee saving (merging with Digital Mailroom).
Gross Direct Income	(4,000)	(4,000)	0	No variance.
Support Service Charges	(78,393)	(35,868)	42,525	Movement in base budget and revised allocations.
	0	**0**	**0**	
Customer Services - Corporate				
Gross Direct Costs	1,029,021	967,810	(61,211)	See **Note A** Below:
Capital Charges	54,056	54,056	0	No Variance
Gross Direct Income	(17,250)	(17,250)	0	No Variance
Support Service Charges	(1,065,827)	(1,004,616)	61,211	Movement in base budget and revised allocations.
	0	**0**	**0**	

Note A: £52,457 Employee Inflation. £14,000 Employee growth (previously budgeted at incorrect spinal point). (£5,764) Employee Savings. (£118,056) Reduction in fixed term posts funded from Reserves. (£7,632) Pension Fund Adjustment.

	Base Budget 2023/24	Base Budget 2024/25	Movement Base to Base	Explanation for Movement
Ad Organisational Resources				
Gross Direct Costs	89,244	82,747	(6,497)	Employee savings.
Support Service Charges	(89,244)	(82,747)	6,497	Movement in base budget and revised allocations.
	0	**0**	**0**	
Total Organisational Resources	**599,901**	**442,982**	**(156,919)**	

CONFIDENTIAL - Accepted Savings/Income 2024/25 to 2027/28

Ref.	Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	Permanent (P) /One off (O)	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income	2027/28 Savings /Income
SAVINGS BIDS SUBMITTED BY ASSISTANT DIRECTORS									
COMMUNITIES									
COM01	People Services - Housing Options	Temporary Accommodation additional Income	Incease in temporary accommodation rental income due to rent increases from 1 January 2024 and 1 April 2024.	I	P	70,000	70,000	70,000	70,000
COM03	People Services - Early Help and Prevention	Sustainable Communities Fund	Cease payment of Grant	S	O	131,550	0	0	0
COM04	People Services - Early Help and Prevention	Arts and Cultural Grant	Cease payment of Grant	S	P	33,260	33,260	33,260	33,260
COM05	Environment and Safety Services	Savings from provision of street signs.	Fewer signs need replacing as more robust signs are now used resulting in a savings in expenditure.	S	P	2,000	2,000	2,000	2,000
COM06	Environment and Safety Services	Income from further promotion of garden bins.	Further active promotion of the garden waste collection service could generate additional income from 1,000 additional subscribers.	I	P	50,000	54,800	59,600	64,300
COM07	Environment and Safety Services	Income from health and safety training.	Opportunity for NNDC to act as a training provider to 3rd parties and charge for this service. Expanding additonal service to increase income.	I	P	20,000	22,500	25,000	27,500
COM08	Environment and Safety Services	Reduction in spend on recycling initiatives.	Budgets exist for the promotion of recycling initiatives both internally and in conjunction with the Norfolk Waste Partnership. These budgets have not fully been spent in recent years and as such, a saving can be offered for both aspects.	S	P	10,000	10,000	10,000	10,000
COM11	Leisure & Locality Services	Pier Pavilion Theatre changes to budget	Remove budget allocated to electricity at the Pier Pavilion Theatre as this is no longer required.	S	P	5,000	5,000	5,000	5,000
COM12	Leisure & Locality Services	Holt Country Park Car Parking	Increase the budget for car parking income to better reflect the actual income received which has increased in recent years. Also to increase parking by 20p per visit to increase income received. Increasing the cost of parking at HCP to £2.50 is still seen as very good value.	I	P	18,500	18,500	18,500	18,500
COM13	Leisure & Locality Services	HCP Events and Sale of goods	Increased income from events and sale of goods.	I	P	4,000	4,000	4,000	4,000
COM15	Leisure & Locality Services	Pier Contract Profit Share	The Pier Pavilion Theatre has enjoyed a strong year and it is predicted that the Council will receive a profit share from the contract for the first time this year.	I	P	10,000	10,000	10,000	10,000
COM16	Leisure & Locality Services	Reduce R&M on Foreshores	R&M of promenades and foreshores. By its very nature this can fluctuate form year to year depending on weather and other factors and this saving is reflective of activity.	S	P	15,000	15,000	15,000	15,000
COM17	Leisure & Locality Services	Memorial Seats/Benches	Review of R&M responsibilities.	S	P	13,700	13,700	13,700	13,700
SUB TOTAL COMMUNITIES						**383,010**	**258,760**	**266,060**	**273,260**
CORPORATE									

CONFIDENTIAL - Accepted Savings/Income 2024/25 to 2027/28

Ref.	Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	Permanent (P) /One off (O)	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income	2027/28 Savings /Income
SAVINGS BIDS SUBMITTED BY ASSISTANT DIRECTORS									
CORP01	Human Resources	HR & Common Training Budget Review	Review of HR & Common training budgets frealising savings across Equipment Purchases, First Aid Purchases, Subscriptions, Other Fees & Charges and Health & Safety.	S	P	3,270	3,270	3,270	3,270
SUB TOTAL CORPORATE						**3,270**	**3,270**	**3,270**	**3,270**
PLACE									
PL01	Development Management	Planning Performance Agreements	An enhanced focus on securing funding via more Planning Performance Agreements. This will be designed in the first half of 2024/25 and delivered from 2025 onwards.	I	P	0	20,000	20,000	20,000
PL02	Development Management	Improved Pre-Application Service	A review of the pre-application service is underway and planned to be in place during 2024/25 and a prediction is made that that for 2025/26 the income levels will hit a mid point between the current target (of £145,000) and the target for next year (£80,000). That means an increase of income of £32,500 is predicted in 2025/26 - and can then assume a £10,000 per annum increase thereafter.	I	P	0	32,500	42,500	52,500
PL03	Development Management	Fee Income	Reduction in 2024/25 reflects the under recover in 2023/24 influenced by the state of the national economy and age of the Local Plan. This partially offset by the recently announced Government increases in fee levels. It is estimated that the adoption of the Local Plan should increase the number of applications received (but that will probably take effect in the 2nd half of the next financial year).	I	P	-50,000	50,000	70,000	90,000
PL04	Planning	Basket of Minor Savings	Minor reductions to a number of services.	S	P	10,225	10,225	10,225	10,225
PL05	Planning Policy	Planning Policy Savings	The Local Plan is expected be adopted in the summer of 2024 and a review of resource needs to coincide at that point is considered appropriate. It is considered that a lower staffing level would be appropriate and it is estimated that this could be introduced in-year at no direct cost to the Council.	S	P	45,000	52,500	52,500	52,500
PL06	Planning	Use of Planning Reserve	The Local Plan Examination is expected to be completed by the end of March 2024. Some further expenditure above normal budget levels might be required prior to adoption (although these could possibly be funded from witin existin resources) . The production of a new Plan should be a cheaper process as the Government are endeavouring to simplify the process and the Council won't be starting from a review of a Plan that is significantly out of date. It is estimated that a reserve position of £200,000 for the 2025/26 financial year is appropriate and therefore the level above that can be offered by way of a reduction in reserve levels.	S	O	87,300	0	0	0
PL07	Land Charges	Use of Land Charges Reserve	Reduction in reserve to a level that allows for £40,000 per annum (for this year and the 4 years of the Medium Term Plan). As a consequence, a saving is offered by way of a proposed reduction in the reserve level.	S	O	89,100	0	0	0
PL08	Housing Strategy & Delivery	Reduction in staffing levels (with no redundancy)	Review of the way in which services within the wider team are managed.	S	P	11,900	14,300	14,300	14,300
PL09	Climate and Environment	Greenbuild	Discontinuing a "Greenbuild" style event. event. Engagement would be limited to smaller activities and/or where events are entirely sponsored or paid for by third parties.	S	P	10,000	10,000	10,000	10,000
PL10	Economic Growth	Conference Expenses	Reduction in Conferences attended	S	P	1,000	1,000	1,000	1,000

CONFIDENTIAL - Accepted Savings/Income 2024/25 to 2027/28

Ref.	Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	Permanent (P) /One off (O)	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income	2027/28 Savings /Income
SAVINGS BIDS SUBMITTED BY ASSISTANT DIRECTORS									
PL12	Economic Growth	Marketing General (Deep History Coast).	Reduction in Marketing spend. A core budget needs to be retained for maintaining the Deep History Coast app and general marketing savings are achievable.	S	P	10,000	10,000	10,000	10,000
PL13	Economic Growth	Grants	Reduction of grant award	S	P	10,000	10,000	10,000	10,000
SUB TOTAL PLACE						**224,525**	**210,525**	**240,525**	**270,525**
RESOURCES									
RES01	IT Infrastructure	Personnel Budget Saving	Reduction in resource requirement	S	P	18,876	18,876	18,876	18,876
RES02	IT Web	Replacing Council Workflow System	Workbench, workflow and online forms system needs to be replaced as it will soon no longer be supported by the software provider. The proposal is to work with C3 (providers of contact centre software for Customer Services) to develop this so that it can be rolled out across the council at no extra cost. Also Microsoft software can be used to create any required online forms.	S	P	15,000	15,000	15,000	15,000
RES03	Customer Services	DM/Reprographics Restructure	Deletion of vacant post	S	P	45,456	45,456	45,456	45,456
RES05	Legal	Legal Reserves	A contribution can be made of some of legal reserve fund of £36,000.	S	O	36,000	0	0	0
RES06	Legal	Additional Legal Fee Income	Increase income target by increasing the number of section 106 agreements and income from legal work on beach hut leases.	I	P	5,000	5,000	5,000	5,000
RES07	Democratic Services	Travelling General	Non-formal meetings such as pre-agendas etc to move to a remote format to reduce members travel claims (and also help meet our Net Zero target). More decisions could be taken under delegation..	S	P	4,000	4,000	4,000	4,000
RES08	Democratic Services	Member Training	Reduction in Member Training budget (providing there is capacity to increase in an election year).	S	P	6,000	6,000	6,000	6,000
RES09	Revenues	Second Home additional income	Review of council and business rates discounts and review of second home council tax charging.	S	P	0	18,000	18,000	18,000
RES10	Revenues	Various	Improvements in service delivery	S/I	P	12,500	12,500	12,500	12,500
RES11	Revenues	Council Tax Support Cases	The current benefits scheme awards only 91.5% of Council Tax Support in some cases. It is proposed that 100% is awarded in all cases to remove the unnecessary administration and associated costs.	S	P	5,000	5,000	5,000	5,000
RES12	Estates	Various expenditure Savings	- Catfield Industrial Estates - Fakenham Connect Marketing budget reduction - Chalets and beach huts: Equipment and Marketing - Other lettings: Marketing - Estates -Professional fees, Subscriptions.	S	O	33,272	33,272	33,272	33,272

CONFIDENTIAL - Accepted Savings/Income 2024/25 to 2027/28

Ref.	Service Area	Savings Title	Brief Outline of Saving/Additional Income (where applicable)	Saving(S) /Income(I)	Permanent (P) /One off (O)	2024/25 Savings /Income	2025/26 Savings /Income	2026/27 Savings /Income	2027/28 Savings /Income
SAVINGS BIDS SUBMITTED BY ASSISTANT DIRECTORS									
RES13	Estates	Various Income Generation	- Fakenham Connect: - Other Lettings: Electricity recharge. - Shared Equity Insurance Recharges..	I	P	4,700	4,700	4,700	4,700
RES14	Estates	New Ideas - Income generation	QR codes income donation on pier & other assets in Cromer. Advertising on car parks Concessions/Click and Collect.	I	P	20,000	20,000	20,000	20,000
RES15	Estates	Employee Savings	Deletion of fixed term strategic surveyor post along other efficiencies within the team.	S	O/P	50,755	0	0	0
RES16	Estates	Mileage Claims	Reduction in Mileage Claims	S	P	1,000	1,000	1,000	1,000
RES17	Property Services	Reduction in generic training	Reduction in generic training	S	P	5,000	5,000	5,000	5,000
RES18	Property Services	Travel allowances	Remove the travel allowance general budget.	S	P	3,000	3,000	3,000	3,000
RES20	Property Services	Sale of additional unused temorary facility	Unit purchased for temporary use was not installed.	S	O	8,000	0	0	0
RES33	Property Services	Extension of The Meadow Car Park	Extension of the Car Park into the grassed area in the vacant pitch and putt area. This car park is always busy all year round.	I	P	79,000	99,000	99,000	99,000
RES34	Property Services	Discontinue support for non-NNDC events	Stop the support for non NNDC Events by PS Team. This includes Cromer Carnival / New Years Fire Works and Openwide events	S	P	11,500	11,500	11,500	11,500
SUB TOTAL RESOURCES						**364,059**	**307,304**	**307,304**	**307,304**
Total						**974,864**	**779,859**	**817,159**	**854,359**

Reserves Statement 2024/25 Onwards **APPENDIX B**

Reserve	Purpose and Use of Reserve	Balance 01/04/23 £	Updated Budget Movement 2023/24 £	Balance 01/04/24 £	Budgeted Movement 2024/25 £	Balance 01/04/25 £	Budgeted Movement 2025/26 £	Balance 01/04/26 £	Budgeted Movement 2026/27 £	Balance 01/04/27 £	Budgeted Movement 2027/28 £	Balance 01/04/28 £
General Fund - General Reserve	A working balance and contingency, current recommended balance is £2.1 million.	**2,980,242**	(356,461)	**2,623,781**	(9,844)	**2,613,937**	0	**2,613,937**	0	**2,613,937**	0	**2,613,937**
Earmarked Reserves:												
Capital Projects	To provide funding for capital developments and purchase of major assets.	**555,618**	(400,000)	**155,618**	0	**155,618**	0	**155,618**	0	**155,618**	0	**155,618**
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	**846,107**	(405,564)	**440,543**	(120,000)	**320,543**	0	**320,543**	0	**320,543**	0	**320,543**
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.	**725,822**	(111,305)	**614,517**	(46,622)	**567,895**	0	**567,895**	0	**567,895**	0	**567,895**
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	**224,115**	(89,690)	**134,425**	(122,542)	**11,883**	(11,883)	**0**	0	**0**	0	**0**
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.	**3,661,297**	(1,278,268)	**2,383,029**	(18,000)	**2,365,029**	(18,000)	**2,347,029**	(18,000)	**2,329,029**	(18,000)	**2,311,029**
Coast Protection	To support the ongoing coast protection maintenance programme ands carry forward funding between financial years.	**466,288**	(134,003)	**332,285**	(265,738)	**66,547**	0	**66,547**	0	**66,547**	0	**66,547**
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area.	**406,550**	(275,000)	**131,550**	(131,550)	**0**	0	**0**	0	**0**	0	**0**
Delivery Plan	To help achieve the outputs from the Corporate Plan and Delivery Plan.	**3,124,029**	(2,464,360)	**659,669**	(472,403)	**187,266**	(159,764)	**27,502**	(10,000)	**17,502**	(10,000)	**7,502**
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets.	**232,421**	(44,800)	**187,621**	(157,621)	**30,000**	(10,000)	**20,000**	(10,000)	**10,000**	(10,000)	**0**
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	**186,015**	(133,015)	**53,000**	60,000	**113,000**	60,000	**173,000**	60,000	**233,000**	60,000	**293,000**
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	**60,490**	0	**60,490**	0	**60,490**	0	**60,490**	0	**60,490**	0	**60,490**
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	**494,476**	(34,372)	**460,104**	0	**460,104**	0	**460,104**	0	**460,104**	0	**460,104**
Environment Reserve	To fund expenditure relating to the Council's Green Agenda.	**150,000**	0	**150,000**	0	**150,000**	0	**150,000**	0	**150,000**	0	**150,000**
Grants	Revenue Grants received and due to timing issues not used in the year.	**2,620,356**	(304,784)	**2,315,572**	(343,681)	**1,971,891**	(44,410)	**1,927,481**	(19,780)	**1,907,701**	(9,020)	**1,898,681**
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.	**2,274,036**	(1,257,875)	**1,016,161**	(128,318)	**887,843**	(55,273)	**832,570**	(55,273)	**777,297**	(55,273)	**722,024**
Land Charges	To mitigate the impact of potential income reductions.	**339,152**	0	**339,152**	(89,100)	**250,052**	0	**250,052**	0	**250,052**	0	**250,052**
Legal	One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus.	**93,452**	(31,745)	**61,707**	(36,000)	**25,707**	0	**25,707**	0	**25,707**	0	**25,707**
Major Repairs Reserve	To provide provison for the repair and maintenance of the councils asset portfolio.	**587,979**	(341,223)	**246,756**	(50,000)	**196,756**	0	**196,756**	0	**196,756**	0	**196,756**
Net Zero Initiatives	to support the Councils Net Zero programme	**500,000**	0	**500,000**	0	**500,000**	0	**500,000**	0	**500,000**	0	**500,000**
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	**222,543**	(48,000)	**174,543**	(100,000)	**74,543**	0	**74,543**	0	**74,543**	0	**74,543**
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	**155,224**	(42,742)	**112,482**	(26,123)	**86,359**	0	**86,359**	0	**86,359**	0	**86,359**
Pathfinder	To help Coastal Communities adapt to coastal changes.	**89,566**	0	**89,566**	0	**89,566**	0	**89,566**	0	**89,566**	0	**89,566**
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	**416,891**	(128,965)	**287,926**	(87,300)	**200,626**	50,000	**250,626**	50,000	**300,626**	50,000	**350,626**
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.	**664,008**	0	**664,008**	0	**664,008**	0	**664,008**	0	**664,008**	0	**664,008**
Treasury	To smooth impacts on the Revenue account of movement in fair value changes of the Councils holdings in Pooled Funds	**500,000**	0	**500,000**	0	**500,000**	0	**500,000**	0	**500,000**	0	**500,000**
Total Reserves		**22,576,677**	**(7,882,172)**	**14,694,505**	**(2,144,842)**	**12,549,663**	**(189,330)**	**12,360,333**	**(3,053)**	**12,357,280**	**7,707**	**8,706,995**

Capital Bids 2024/25			
<u>Scheme</u>	Total Funding Requested £	Estimated Carbon Savings £	Officer Comments/Recommendation
Our Greener Future			
Holt Country Park Electricity Improvements	**250,000**	**16 tonnes of CO2e per year**	* There's a current approved bid of £150k, but because there isn't a nearby mains supply the cost if installation will be much higher i.e. c. £400k. * Currently a diesel generator is used to generate the power, which is neither economical, (white diesel has to be used now whereas in the past cheaper red deisel was allowed), nor an environmentally friendly way to supply electricity. The generator is at the end of its useful life and so a decision needs to be made about what the alternative should be. * Electricity is needed for the office, staff room, workshop, visitor centre, current public conveniences and team room. There is no hot water if the generator is not on .The provision of electricity would provide the potential of EV charging points in the future. It would also enable the use of equipment powered by electricity to be used instead of those currently powered by fossil fuels e.g. chainsaws, drills and vehicles. * Continued use of a generator could prevent the park from maintaining its Green Flag status in the future. * An electricity supply would guarantee a supply of power to its tenant which is a contractual obligation in the lease. * Alternative sources of power (solar, wind etc.) but have been considered but the current technology would not provide an adequate supply for daily operation. * Replacing the diesel generator with a mains electricity supply would save 16 tonnes of CO2e per year. However this is likely to lead to an increase the consumption of power at the site once the power is unlimited e.g. to provide hot water all the time and the use of EV charging points. This is indicated by the additional facilities that have already been anticipated by the comments e.g 24/7 hot water in the toilets, public EV charging. Renewable energy supply is an option but only as a supplement supply. There will be a carbon cost to the installation.
Solar PV Panels at Victory Swim and Fitness	**200,000**	**30 tonnes of CO2e**	* This bid is to install a solar panels on the roof of the Victory Swim and Fitness Leisure centre, which would reduce carbon emissions signficantly as leisure centres are high energy consumers. There would also be the added benefit of reducing energy costs in the long-term. * The Council is waiting to hear the outcome of an application for grant funding of £200k (including a £15k contingency) from Sport England for this project. If the funding application is not successful then the project will not go ahead unless Members decide this is a priority and another source of funding can be found. * The net income is thought to be £38k per annum with the panels useful life expected to be 25 years. The payback period based on this level of income is 5 years 4 months. Whilst this will be income that Everyone Active will receive it is expected that the Council and the contractor will negotiate a discount on the leisure management contract which will result in a benefit to both the Council and the Contractor. * It is estimated that the solar panels will save at least 30 tonnes of carbon by reducing the use of electricity from the grid. There will be a carbon cost to the contract.
Public Conveniences Energy Efficiencies	**150,000**	**8 tonnes on CO2e**	* This bid is to carry out energy efficiencies to all of the Council's Public Conveniences. * A similar bid was previous approved as part of the Council's ZBB process, as part of the Public Conveniences Improvements to Fakenham, Wells, Sheringham & North Walsham). However due to extra expenditure on the major construction at these sites, the energy efficiencies aspect was not completed as the previous funding was fully spent. This bid is seeking new funding specifically for energy efficiency separate to other public convenience construction projects. * It is difficult to estimate the carbon savings this project would deliver when the energy efficiencies are not detailed. In total the Council's approx 30 PCs produce 27 tonnes of CO2e but this is not evenly split. High energy using toilets could be targeted but unlikely to provide quick ROI particularly if solar panels were planned as the method of delivery.
Purchase of Waste Bins	**600,000**		* The existing rolling capital budget is £100k per annum. The adequacy of this budget is reviewed every four years to determine if it is sufficient to purchase the number of bins required for delivering both the statutory and non-statutory services. The non-statutory garden waste collection service generates a significant level of income. * With the levels of inflation persisting the budget is no longer sufficient to purchase the number of bins required to replace our stock of bins, many of which are and will reach the end of their useful life over the next few years (15+ years old) and to provide new bins for all new housing developments and the expanding garden waste collection service (which earns income for the Council).
Developing Our Communities			

Capital Bids 2024/25

Scheme	Total Funding Requested £	Estimated Carbon Savings £	Officer Comments/Recommendation
Back Stage Refurbishment - Pier Pavilion Theatre	**331,000**	**Potential for carbon savings, but not currently calculated.**	* The Pier Pavilion Theatre is operated by Openwide Coastal under the current management contract, but as the owner of the buidling NNDC retains the responsibilty to maintain the building. The theatre is seen as an important tourist attraction and is part of the overall cultural and leisure offering that NNDC provide. * The bar area was upgraded in 2022/23. However the rest of the building hasn't been upgraded for 20 years. Their is now a need to update, modernise and improve all of the backstage areas including; changing rooms, toilets & showers, storage rooms, office accommodation. These ares are in a poor state and are no longer fit for purpose. if upgraded there will be savings in energy costs and reductions in carbon emissions e.g. single glazed windows being replaced with doubleor triple glazed windows. * To continue to attract good acts and shows this work needs to be carried out. It is estimated that it will cost £331k including a contingency of £35k. This work would be the second phase of a 3 phase project, with the upgrade of the bar area being the first phase and the third phase being the upgrade of the theatre area which will follow once this work has been completed. * An important part of the works would be to undertake them in a way that minimises waste and uses low carbon building materials.
Holt Country Park Staff Facilities	**93,500**	**0**	* The bid includes a £10k contingency. * The only facilities on site at present to carry out any work or for staff to take a break in or use as an office space is in an old metal workshop that is over 30 years old which is in a delapidated state. It also serves as the wood store. It is in a very poor state of repair and needs to replaced. It is proposed that one larger space could be provided which could be divided up to serve as a workshop area, staff room, drying room and office. There could also be dedicated staff toilets which currently don't exist. Drinking water could also be provided (none currently on site). * The new structure would be a well insulated and energy efficient, with all work done to make the building as carbon neutral as possible. * If a net zero facility is delivered then there is only the carbon cost of the construction
Cromer Church Wall	**50,000**	**0**	* The Council has responsibility for the boundary walls at Cromer Church. These walls are grade I listed with a total length of 183.5 metres. The walls require extensive renovation across all elevations (loose/missing flints, fracturing, cracking and corrosion of metal fittings). * The estimate for the works is £38k, but £50k has been requested to include a £12k contingency. * No carbon savings. Carbon cost of construction contract
Changing Places Access Control	**40,000**	**0**	* This bid is to install an electronic access control system to all changing places facilities. The system would be very effective in reducing any acts of vandalism and anti-social behaviour. The toilets can be locked and opened using remote technology so they can be opened and closed on a routine daily basis or if there is an incident requiring the opening or closure of the toilets. * There would be carbon savings in not requiring anyone to travel to the toilet to open and close them and then also in preventing any need for repair works to be undertaken and thus preventing carbon emissions. Carbon cost of contract.
Investing In Our Local Economy And Infrastructure			
Car Park Refurbishments - 2024/25	**165,000**	**0**	**2024/25:** * Refurbish and update some of the more well-used car parks across the District: - 10 pay and display machines replaced with more up to date versions - **£60,000** - Partial resurfacing of Stearmans Yard in Wells, which has broken down in places due to tree root damage. **£70,000** * Introduce Motorcycling parking barriers at multiple locations to encourage more visitors to use the Council car parks - **£10,000** * Redesign drainage works at Clink Road, Sea Palling as the car park becomes flooded around the pay & display machines and redesign the coach parking areas which cause confusion and generate complaints - **£25,000** * No carbon savings. Carbon cost of construction contracts.
Car Park Refurbishments - 2025/26	**210,000**	**4**	**2025/26:** * Complete resurface and reline at Cadogan Road, Cromer as surface has broken down - **£130,000** * Runton Road, Cromer the cliff side fencing needs to be moved inland by a few metres as the car parking is becoming too close to the cliff edge in places, minor resurfacing works required and introduce barrier controlled parking to prevent overnight camping and anti-social behaviour - **£80,000**. This work would be carried out in 2025/26 after Balfours have finished using their compound for the coastal protection works. There may be an opportunity to negotiate with Balfours to see if they would be willing to accommodate this work as part of their "return to the community" ethos.

Capital Bids 2024/25

Scheme	Total Funding Requested £	Estimated Carbon Savings £	Officer Comments/Recommendation
West Prom Sheringham, Lighting & Cliff Railings	**55,000**	**3**	* Replacement of badly corroded lighting columns and handrails along the cliff path from the Sheringham Golf Club to the end of the Leas gardens. * Both the lighting and hand rails are a health and safety risk and if there is an accident or injury may result in a claim against the Council. * All of the lighting would have LED fittings which would reduce carbon emissions, energy costs and repair costs. * Small carbon savings from LEDs
Cromer Offices Floor Power Boxes	**50,000**	**0**	* Installation of additional floor power boxes in the Cromer Council Offices which would reduce the need to run multiple extension leads with several devices plugged into each extension lead. A recent Fire Risk Assessment undertaken by the Corporate Healthy & Safety Manager highlighted the risk of fire due to excessive use of extension that there currently is. * No carbon savings. May encourage staff to plug in more heaters and fans which we are trying to discourage
A Strong, Responsible And Accountable Council			
New Revenues and Benefits System	**261,720**	**0**	* Essential Software for operation of revenues and benefits service which we have to have in order to continue to provide these servces and comply with legislation. * Prices based on current provider plus a 10% contingency, but procurement exercise will determine provider. * The ongoing revenue implications are £95k per year. This is in line with the current budget for the software. * No carbon savings. Small carbon cost for contract.
Replacement Storage Hardware	**150,000**	**0**	* Replacement of essential Storage Hardware that will soon no longer be supported under warranty. * Replacing with upgrade technology at Cromer and Fakenham Offices. * The new systems should be supported under warranty for five to seven more years before it again run expires. * Alternative options will be considered (such as cloud) so this budget may be used if cloud is deemed more appropriate. * No carbon savings. Small carbon cost for contract.

This page is intentionally left blank

Treasury Management Strategy Report 2023/24	
Executive Summary	This report sets out the Council's Treasury Management Strategy for the year 2024/25. It sets out details of the Council's Treasury Management activities and presents a strategy for the prudent investment of the Council's resources. It also sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives.
Options considered	No other options considered. It is a requirement that the Treasury Management Strategy report must be approved by full Council each year in advance of the new financial year to ensure the Council is compliant with the CIPFA Treasury Management, CIPFA Prudential Codes and guidance issued by the Department of Levelling Up, Housing & Communities (DLUHC).
Consultation(s)	Cabinet Member Section 151 Officer This report has been prepared with the assistance of Link Treasury Services, the Council's Treasury Management advisors.
Recommendations	To recommend to full Council that the Treasury Management Strategy 2024/25 is approved.
Reasons for recommendations	Approval by Full Council demonstrates compliance with the Prudential Codes to ensure; • A flexible investment strategy enabling the Council to respond to changing market conditions. • Ensure compliance with CIPFA and DHLUC guidance. • Confirming capital resources available for delivery of the Council's capital programme. It is a requirement that any proposed changes to the prudential indicators are approved by Full Council.
Background papers	The Council's Treasury Management Strategy 2023/24. CIPFA Prudential Code (Treasury Management in the Public Services: Code of Practice 2021 Edition). CIPFA Prudential Code (Capital Finance in Local Authorities: Code of Practice 2021 Edition).

Wards affected	All
Cabinet member(s)	Cllr. Lucy Shires
Contact Officer	James Moore

Links to key documents:	
Corporate Plan:	This report is required to ensure that the Council can demonstrate it is in a sound financial position and able to deliver the projects in the Capital Programme which support the Corporate Plan Objectives.
Medium Term Financial Strategy (MTFS)	This report supports the MTFS in confirming adequate financing is in place for the Council to operate its regular functions alongside delivering the Council's Capital Programme.
Council Policies & Strategies	N/A

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Not an exempt item.
Details of any previous decision(s) on this matter	N/A

1. Purpose of the report

1.1 It is a requirement that Treasury Management activities and risk management be conducted within the framework of the Chartered Institute of Public Finance (CIPFA) Code (Treasury Management in the Public Services: Code of Practice 2021 Edition).

1.2 Under the provisions of the Local Government Act 2003, Local Authorities are required to comply with the guidance of the Prudential Code with regard to capital decisions.

1.3 It is a requirement that any proposed changes to the 2024/25 prudential indicators are approved by Full Council.

2. Introduction & Background

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

2.2 The strategy (Appendix A) also sets out the Council's approach and deployment of capital resources in meeting the Council's overall aims and objectives.

3. Proposals and Options

3.1 Appendix A shows the Council's full Treasury Management Strategy for the 2024/25 financial year.

4. Corporate Priorities

4.1 Ensuring there is adequate funding in place is essential to delivering the Council's Capital Programme which supports the Corporate Plan and MTFS.

5. Financial and Resource Implications

5.1 This report is financial in nature and financial implications are included within the content of the report.

Comments from the S151 Officer:

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

6. Legal Implications

6.1 None as a direct consequence of this report.

Comments from the Monitoring Officer

The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section*. They will outline any legal advice provided.*

7. Risks

7.1 Any financial risks or implications are included within the content of the report.

8. Net Zero Target

8.1 None as a direct consequence of this report.

9. Equality, Diversity & Inclusion

9.1 None as a direct consequence of this report.

10. Community Safety issues

10.1 None as a direct consequence of this report.

11. Conclusion and Recommendations

11.1 It is recommended that Full Council approves the Treasury Management Strategy 2024/25 to ensure the Council is compliant with the Prudential Codes.

This page is intentionally left blank

North Norfolk District Council

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

English local authorities
2024/25

INDEX

Key Considerations

2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework

CIPFA published the revised Codes on 20th December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Authority, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

The revised Treasury Management Code required all investments and investment income to be attributed to one of the following three purposes: -

Treasury management
Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery
Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return
Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

The revised Treasury Management Code requires an authority to implement the following: -

1. **Adopt a liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;

2. **Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;

3. **Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year;

4. Amendment to the **knowledge and skills register** for officers and members involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each authority;

5. **Reporting to members is to be done quarterly.** Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report

performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring;

6. **Environmental, social and governance (ESG)** issues to be addressed within an authority's treasury management policies and practices (TMP1).

The main requirements of the Prudential Code relating to service and commercial investments are: -

1. The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services;
2. An authority must not borrow to invest for the primary purpose of commercial return;
3. It is not prudent for local authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose;
4. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
5. A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream;
6. Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

An authority's Capital Strategy or Annual Investment Strategy should include: -

1. The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;

2. An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e., whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services);

3. Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;

4. Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);

5. Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information

contained in them will need to be periodically re-evaluated to inform the authority's overall strategy);

6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return.

1.1 Background

The Authority is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management Reporting

The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers: -
   - the capital plans, (including prudential indicators)
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
   - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an Annual Investment Strategy, (the parameters on how investments are to be managed)

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.

c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny
The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Overview & Scrutiny Committee.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (this Council reports the position as at the end of July and as at the end of January) is also required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by the Overview & Scrutiny Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

1.3 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

Capital issues
- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues
- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Authority
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need

- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

Training will be arranged as required for the Council’s Overview & Scrutiny Members.

The training needs of Treasury Management Officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Technical Accountant. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Technical Accountant.

1.5 Treasury Management Consultants

The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Council holds no investments in commercial properties, with the only non-treasury investments being Housing Loans administered by the authority.

2. THE CAPITAL PRUDENTIAL INDICATORS 2024/25 – 2026/27

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Capital expenditure £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Approved Capital Programme	6.862	45.107	3.325	1.630	1.630
Capital Bids to be Reviewed	-	-	2.848	0.523	0.210
Total Capital Expenditure	**6.862**	**45.107**	**6.173**	**2.153**	**1.840**

The 2023/24 estimate is based on any known actuals and commitments at the time of writing this report.

The 2024/25 is based on any known budget approvals and anticipated rolled forward capital budgets. It is worth noting the two large capital schemes (Cromer & Mundesley and Coastwise) are two large new capital budgets that have recently been included. These will be primarily funded by capital grants from the Environment Agency.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Approved Programme					
Capital receipts	2.516	4.994	0.430	0.000	0.000
Capital grants	1.836	30.646	2.595	1.000	1.000
Capital contributions	1.754	2.962	0.300	0.300	0.300
Capital reserves	0.810	3.858	0.000	0	0
Borrowing	-0.054	2.647	0.000	0.330	0.330
Net financing need for the year	**6.862**	**45.107**	**3.325**	**1.630**	**1.630**

Capital Bids to be Reviewed £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital receipts	-	-	0.863	-	-
Capital grants	-	-	0.200	-	-
Capital contributions	-	-	0.000	-	-
Capital reserves	-	-	0.170	-	-
Borrowing	-	-	1.615	0.523	0.210
Net financing need for the year	**-**	**-**	**2.848**	**0.523**	**0.210**
Total Net Financing need for the year	**6.862**	**45.107**	**6.173**	**2.153**	**1.840**

2.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The Authority is asked to approve the CFR projections below:

£m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital Financing Requirement					
CFR	**11.223**	**13.395**	**14.515**	**14.848**	**14.863**
Movement in CFR	**(0.716)**	**2.172**	**1.120**	**0.333**	**0.015**

Movement in CFR represented by					
Net financing need for the year (above)	(0.054)	2.647	1.615	0.853	0.540
Less MRP/VRP and other financing movements	(0.662)	(0.475)	(0.495)	(0.520)	(0.525)
Movement in CFR	**(0.716)**	**2.172**	**1.120**	**0.333**	**0.015**

2.3 Liability Benchmark

To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Loans CFR	11.223	13.395	14.415	14.848	14.863
External (Short-term) Borrowing	(9.000)	(5.000)	(3.000)	0.000	0.000
Internal borrowing	**2.223**	**8.395**	**11.415**	**14.848**	**14.863**
Less: Balance sheet resources	-41.725	-31.725	-31.725	-31.725	-31.725
Investments	**39.502**	**23.330**	**20.310**	**16.877**	**16.862**

Treasury Investments	39.502	23.330	20.310	16.877	16.862
Long-Term Borrowing requirement	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Net investment requirement	**30.502**	**18.330**	**17.310**	**14.848**	**14.863**
Liquidity allowance	-10.000	-10.000	-10.000	-10.000	-10.000
Asset Benchmark	**20.502**	**8.330**	**7.310**	**4.848**	**4.863**

2.4 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

The Authority is recommended to approve the following MRP Statement.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- **4% reducing balance (regulatory method) -** MRP will follow the historical practice outlined in former regulations as 4% of the opening GF CFR balance less adjustment A

From 1 April 2008 for all unsupported borrowing the MRP policy will be*:*

- **Asset life method (annuity)** – MRP will be based on the estimated life of the assets;

Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational.

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Portfolio Position

The overall treasury management portfolio as at 31.3.23 and for the position as at 30.11.23 is shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	actual **31.3.23**	actual **31.3.23**	current **30.11.24**	current **30.11.24**
Treasury investments	£000	%	£000	%
Money Market Funds	2,830	11%	3,830	15%
Total managed in house	**2,830**	**11%**	**3,830**	**15%**
Bond Funds	6,012	24%	6,012	23%
Equity Funds	5,570	22%	5,570	21%
Property Funds	5,000	20%	5,000	19%
Multi-Asset Funds	6,000	24%	6,000	23%
Total managed externally	**22,581**	**89%**	**22,581**	**85%**
Total treasury investments	**25,411**	**100%**	**26,411**	**100%**
Treasury external borrowing				
Local Authorities	9,000	100%	5,000	100%
Total external borrowing	**9,000**	**100%**	**5,000**	**100%**
Net treasury investments / (borrowing)	**16,411**	**0**	**21,411**	**0**

The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
External Debt					
Debt at 1 April	7.000	9.000	5.000	3.000	0.000
Expected change in Debt	2.000	(4.000)	(2.000)	(3.000)	0.000
Other long-term liabilities (OLTL)	0.000	0.000	0.000	0.000	0.000

Expected change in OLTL	0.000	0.000	0.000	0.000	0.000
Actual gross debt at 31 March	**9.000**	**5.000**	**3.000**	**0.000**	**0.000**
The Capital Financing Requirement	**11.223**	**13.395**	**14.415**	**14.848**	**14.863**
Under / (over) borrowing	**2.223**	**8.395**	**11.415**	**14.848**	**14.863**

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary £m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt	15.000	15.000	15,000	15.000
Other long-term liabilities	0.000	0.000	0.000	0.000
Total	15.000	15.000	15.000	15.000

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following Authorised Limit:

Authorised Limit £m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt	15.000	15.000	15.000	15.000
Other long-term liabilities	0.000	0.000	0.000	0.000
Total	15.000	15.000	15.000	15.000

3.3 Prospects for Interest Rates

The Authority has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 07 November 2023. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

Additional notes by Link on this forecast table: -

- Our central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.
- On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

- Gilt yield curve movements have broadened since our last Newsflash. The short part of the curve has not moved far but the longer-end continues to reflect inflation concerns. At the time of writing there is 60 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).

- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.

- **Geopolitical risks,** for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the recent tightening to 5.25%, the **Bank of England proves too timid** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.

- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.

- Longer-term **US treasury yields** rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. (We saw some movements of this type through October although generally reversed in the last week or so.)

- Projected **gilt issuance, inclusive of natural maturities and QT,** could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

We now expect the MPC will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures. We do not think that the MPC will increase Bank Rate above 5.25%, but it is possible.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 06.11.23 p.m.	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	5.02%	3.80%	3.90%
10 years	5.15%	3.80%	3.80%
25 years	5.61%	4.20%	4.10%
50 years	5.38%	4.00%	3.90%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and set out below. You will note that investment earnings have been revised somewhat higher for all years from 2025/26 as Bank Rate remains higher for longer.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.70%	4.70%
2025/26	3.20%	3.00%
2026/27	3.00%	2.80%
2027/28	3.25%	3.05%
Years 6 to 10	3.25%	3.05%
Years 10+	3.25%	3.05%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing Strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure (internal borrowing). This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Director of Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- If there is a significant risk of a sharp fall in borrowing rates, then the forecasted cash flow and CFR positions will be reviewed to determine if long-term borrowing should be taken by the Authority.

- If there is a significant risk of a sharp rise in borrowing rates, then the forecasted cash flow and CFR positions will be reviewed to determine if the Authority should reduce it's long-term investments to avoid additional borrowing costs.

Any decisions will be reported to members body at the next available opportunity.

The Council's current borrowing strategy is to continue with short-term borrowing to manage lows in its current cash flow, avoiding taking any on any long-term liabilities while interest rates are high.

It is anticipated that the Council will have reduced its short-term borrowing from £9m to £5m during the 2023/24 financial year, with intention to reduce it further in the following 2024/25 financial year.

3.5 Policy on Borrowing in Advance of Need

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. At the current time it is felt that holding onto the current investments until capital values recover from the recent economic events is the best course of action to avoid capital losses on the original principle invested.

If rescheduling is to be undertaken, it will be reported to members at the earliest meeting following its action.

3.7 Types of Borrowing

The Council will continue to use short-term borrowing from other Local Authorities/Local Government Bodies when required. This is the cheapest option available with the PWLB Certainty Rate currently set at gilts + 80 basis points.

The Council will continue to monitor the markets should an alternative funding sources become available, or if long-term borrowing is seen as a more cost-effective option for meeting the Council's funding requirements.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Local Authorities	●	●
Internal (capital receipts & revenue balances)	●	●

Please note, the Council no longer has access to a bank overdraft facility from 2022/23 onwards, due to the cessation of this service by the Council's bankers (Barclay's Bank PLC).

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team).
The Authority's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs by primarily investing in MMF (overnight) funds.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps"** and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This Authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix 5.4 under the categories of 'specified' and 'non-specified' investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Authority has determined that it will not set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments. However, the Council's cash flow will be constantly monitored to determine if funds should be re-diversified to allow for a higher level of liquidity in the Authorities portfolio.

6. **Transaction limits** are set for each type of investment in 4.2.

7. This Authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).

8. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).

9. This Authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.

10. All investments will be denominated in **sterling**.

11. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.

However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.
The above criteria are primarily unchanged from last year, however the Counterparty Limits will be amended to be based around the assumed maximum investment portfolio for the upcoming financial year.

4.2 Creditworthiness Policy

This Authority applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

1. "watches" and "outlooks" from credit rating agencies;
2. CDS spreads that may give early warning of changes in credit ratings;
3. sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will, therefore, use counterparties within the following durational bands

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Authority uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored bi-annually. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long-term rating where applicable)	Sector limit	Transaction/ Counterparty limit	Time limit
UK Government/DMADF	n/a	Unlimited	Unlimited	Unlimited
Local authorities	n/a	£5,000,000	£3,200,000	25 years
Other institutions limit	-	£3,200,000	£1,600,000	5 years
Banks	Yellow	Unlimited	£1,600,000	5 yrs
Banks	Purple	Unlimited	£1,600,000	2 yrs
Banks	Orange	Unlimited	£1,600,000	1 yr
Banks – part nationalised	Blue	Unlimited	£1,600,000	1 yr
Banks	Red	Unlimited	£1,600,000	6 mths
Banks	Green	Unlimited	£1,600,000	100 days
Banks	No Colour	Unlimited	£Xm	No investment
Limit 3 category – Authority's banker (where "No Colour")	n/a	Unlimited	£2,000,000	Unlimited
Housing associations	Colour bands	£3,200,000	£3,200,000	As per colour band
	Fund rating	**Sector Limit**	**Transaction/ Counterparty limit**	**Time Limit**
Money Market Funds	AA+	£22,400,000	£3,200,000	liquid
Strategic Pooled Funds	AA+	£25,600,000	£5,000,000	Redemption no more than 7 days
Covered Bonds	AA+	£25,600,000	£5,000,000	Redemption no more than 7 days

Creditworthiness.
Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices
Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

Limits
Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

a. **Non-specified treasury management investment limit.** The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being _% of the total treasury management investment portfolio.

b. **Country limit.** The Authority has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA+** from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.6. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition: -

- limits in place above will apply to a group of companies/institutions;
- sector limits will be monitored regularly for appropriateness.

4.3 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations.
The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to have peaked at 5.25% in Q4 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	5.00%
2025/26	4.00%
2026/27	3.50%
2027/28	3.55%
Years 6 to 10	3.25%
Years 10+	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Against this view the Treasury officers expect an average interest rate of 5% to be earnt on the Council's investment portfolio during the 2024/25 financial year.

For its cash flow generated balances, the Authority will seek to primarily utilise its Money Market Funds in order to maintain liquidity and benefit from the compounding of interest in the current economic environment.

Changes of investment strategy
The Council does not intend to make any major changes to its investment portfolio in 2024/25. With capital values on its long-term pooled fund investments still recovering from the economic downturn, re-diversifying the portfolio would lead to a loss to the Authority on the principle invested unless the whole portfolio is re-arranged.
It is therefore best to balance the additional increase in interest rates on the current investments with the borrowing costs of maintaining an adequate level of liquid cash until the times of high interest rates are over in the following year.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Authority is asked to approve the following treasury indicator and limit: -

Upper limit for principal sums invested for longer than 365 days			
£m	**2024/25**	**2025/26**	**2026/27**
Principal sums invested for longer than 365 days	£m 25.600	£m 25.600	£m 25.600
Current investments in excess of 1 year maturing in each year	22.581	22.581	22.581

4.4 Investment Performance / Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Authority's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- There is a very small historic risk of default when compared to the whole portfolio.

Liquidity – in respect of this area the Authority seeks to maintain: -

- Liquid short-term deposits of at least £1m available with a week's notice.
- Weighted average life benchmark is expected to be 15 years, with a maximum of 30 years.

Yield - local measures of yield benchmarks are *(delete / amend as appropriate): -*

- Investments – internal returns above the 7-day SONIA compounded rate
- Investments – external fund managers returns above the 7 day SONIA compounded rate

4.5 End of Year Investment Report

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

4.6 External Fund Managers

£25.411m of the Authority's funds is externally managed on a pooled basis.

The Authority's external fund manager(s) will comply with the Annual Investment Strategy. The agreement(s) between the Authority and the fund manager(s) additionally stipulate guidelines on duration and other limits in order to contain and control risk.

The Authority fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund manager. In order to aid this assessment, the Authority is provided with a suite of regular reporting from its manager. This includes online reporting portals, monthly statements from fund manager to allow treasury officers to see balances of the Council's investments and a year end portfolio statement.

5 APPENDICES

(These can be appended to the report or omitted as required)

1. Prudential and treasury indicators
2. Interest rate forecasts
3. Economic background
4. Treasury management practice 1 – credit and counterparty risk management (option 1)
5. Treasury management practice 1 – credit and counterparty risk management (option 2)
6. Approved countries for investments
7. Treasury management scheme of delegation
8. The treasury management role of the section 151 officer

5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2026/27

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1.1 Capital Expenditure

Capital expenditure £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital Expenditure – current programme	6.862	45.107	3.325	1.630	1.630
Capital Expenditure – bids to be reviewed	-	-	2.848	0.523	0.210
Total	**6.862**	**45.107**	**6.173**	**2.153**	**1.840**

5.1.2 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators: -

Ratio of Financing Costs to 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 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Ratio of Financing costs to Net Revenue Stream	-7.21%	-8.54%	-8.69%	-8.36%	-8.14%

The estimates of financing costs include current commitments and the proposals in this budget report.

5.2 INTEREST RATE FORECASTS 2023-2026

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

PWLB forecasts are based on PWLB certainty rates.

5.3 ECONOMIC BACKGROUND

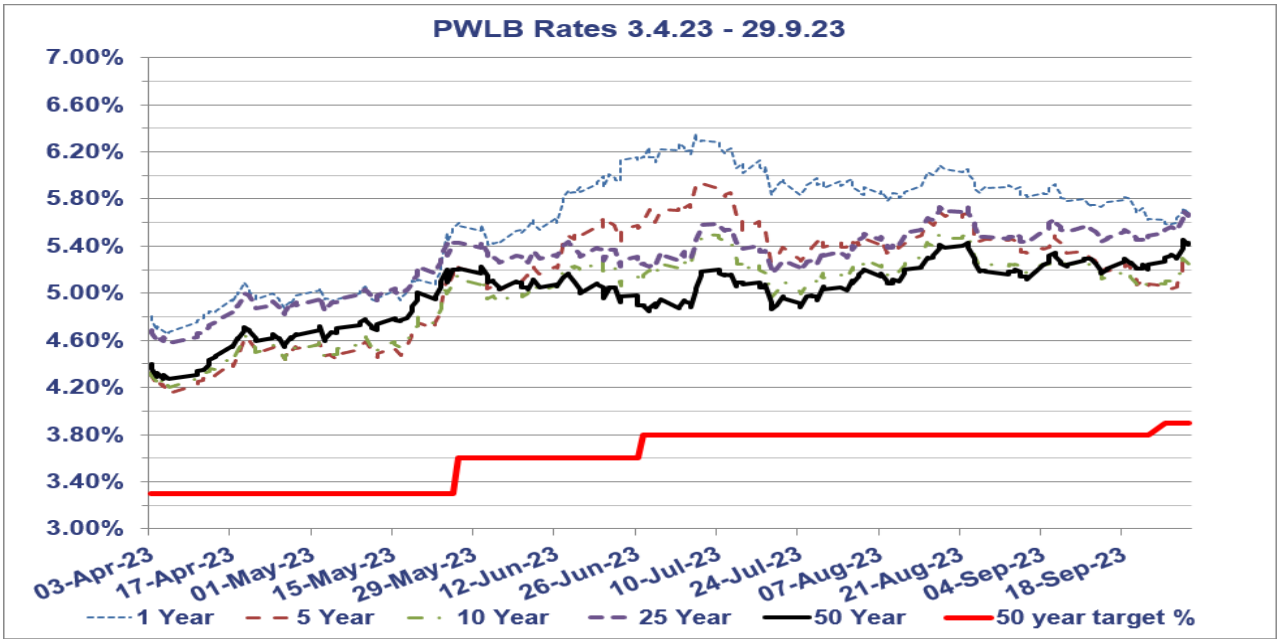
- The first half of 2023/24 saw:
  - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
  - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
  - CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
  - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
  - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).
- The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of- living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK

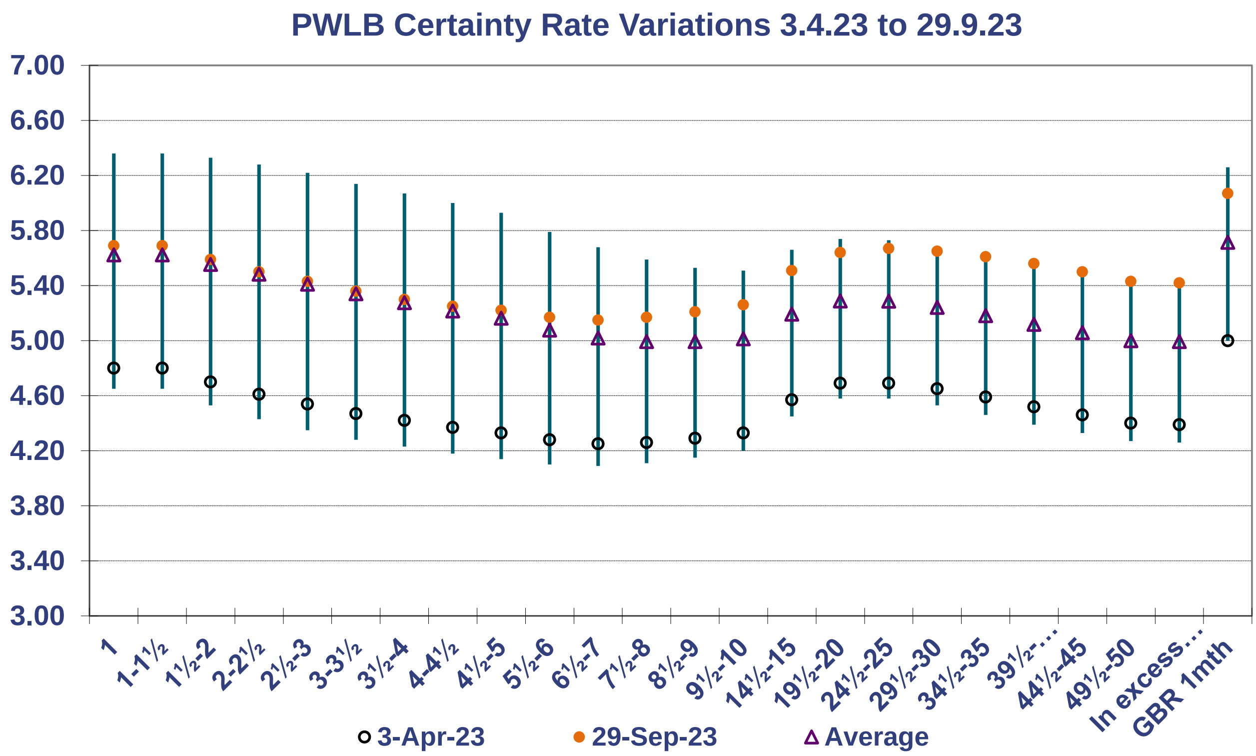
wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.

- CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
- In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23





HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.14%	4.20%	4.58%	4.27%
Date	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.51%	5.73%	5.45%
Date	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
Average	5.62%	5.16%	5.01%	5.29%	5.00%
Spread	1.71%	1.79%	1.31%	1.15%	1.18%

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

CENTRAL BANK CONCERNS

Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

5.4 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- **U.K.**

5.5 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Overview and Scrutiny Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.6 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe.
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above

This page is intentionally left blank

NORTH NORFOLK DISTRICT COUNCIL CORPORATE PEER CHALLENGE – DRAFT ACTION PLAN	
Executive Summary	**The District Council is required to develop an Action Plan in response to recommendations made through the recent Corporate Peer Challenge of the authority. This draft Action Plan seeks to meet this requirement.**
Options considered	**This report and the Corporate Peer Challenge Action Plan details the Council's proposed response to recommendations made within the Peer Challenge Report. Development of the draft Action Plan has involved consideration of potential options / actions in response to the recommendations made.**
Consultation(s)	**Preparation of the draft Action Plan in response to the recommendations made in the Corporate Peer Challenge report has involved consultation with Corporate Leadership Team, Management Team and the Leader of the Council.** **This report and the draft Action Plan is presented to the Overview and Scrutiny Committee for comment as an item of pre-scrutiny business before presentation of the Action Plan for agreement by Cabinet.**
Recommendations	**Cabinet is invited to comment on the draft Action Plan and then agree for adoption.**
Reasons for recommendations	**To ensure the objectives of the Council are achieved and to support the Council is its future development, learning and continuous improvement.**
Background papers	**LGA Corporate Peer Challenge report conducted 12th – 15th September 2023**

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

Links to key documents:

Corporate Plan:	Theme:- A Strong, Responsible & Accountable Council Objective:- 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. Action:- We will:- 1. Produce an Action Plan in response to the recommendations made by the recent LGA Corporate Peer Challenge by end December 2023 and thereafter deliver the Action Plan objectives over the period to June 2025.
Medium Term Financial Strategy (MTFS)	There are a number of comments made within the Corporate Peer Challenge which seek to support and strengthen the Council's MTFS and strategic financial position given the changing context of local government finances and, as appropriate, these are responded to through the Action Plan
Council Policies & Strategies	All – the Corporate Peer Challenge process promotes sector-led improvement and is intended to support the Council in its objectives in the provision of quality services which meet the needs of the district's residents, communities, businesses and visitors and of our ambitions around continuous improvement

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Yes – there is no private or confidential information to be considered by this report.
Details of any previous decision(s) on this matter	N/A

1. Purpose of the report

1.1 This report presents a draft Action Plan and programme of work in response to conclusions drawn and recommendations made as part of the Corporate Peer Challenge process undertake of the authority in September 2023.

1.2 The report and Action Plan was presented to the Overview and Scrutiny Committee as an item of pre-scrutiny business for comment at its meeting of the 24th January (and any comments or recommendations will be reported verbally to Cabinet) and is now presented to Cabinet for agreement and adoption.

2. Introduction & Background

2.1 North Norfolk District Council had a Local Government Association Corporate Peer Challenge undertaken in the week of the 11th September 2023. The Peer Challenge process is a sector-led improvement programme intended to provide a snapshot of the Council's performance and make comments and recommendations drawn from experience elsewhere across the local government sector as to how the Council might look to develop and improve the way it conducts its business and delivers services to its residents, communities, businesses and visitors. The process is voluntary and is not a formal process of inspection such as OFSTED or Care Quality Commission.

2.2 Our Corporate Peer Challenge was undertaken in the second week of September and involved a team of seven "peers" (officers and elected members from other local authorities and the LGA) visit the District Council and conduct meetings with key stakeholders and partners, focus groups of staff and elected members, undertake a document review, observe meetings of the Council and undertake site visits to some key projects – The Reef, Sheringham; Cromer Pier and seafront; and the North Walsham Heritage Action Zone programme and related town centre investments.

2.3 At the end of the four-day visit to the District, the Peer Challenge Team provided a summary presentation of their key findings and conclusions before making four key recommendations to the Council as to where focus should be given moving forward to strengthen the Council's capacity and processes moving forward. The Review Team then provided a written report of their key observations and recommendations and this is attached for the Committee's information as an Appendix to this report.

2.4 The headline findings of the Peer Review team were that North Norfolk District Council *"is a council which performs well, cares for and is delivering for its residents. Officers and elected members have a clear understanding of the needs, wants and challenges in the district and are passionate about delivering for their communities"*.

2.5 The report went on to state that the Council had strong partnership working arrangements, had invested significantly in new facilities such as The Reef, Cromer Pier, North Walsham Heritage Action Zone programme and the public convenience investment programme and had a historically strong financial position, but that this was changing due to the wider context in which local government finances operated, which would present challenges moving forward.

2.6 The report also made four key recommendations to support the Council in its ambition to continually improve, develop and grow and the Peer Challenge process requires the authority to develop and publish an Action Plan detailing how it proposes responding to those recommendations over the next two years. The following section of this report provides more information on the four recommendations and the Council's proposed actions / response.

3. Proposals and Options

3.1 The four recommendations made by the Peer Review report are as follows:-

3.2 Recommendation 1:- The Council needs a stronger focus on strategic finance (given the financial challenges the sector is facing):-

- This recommendation acknowledged the historically strong financial position of the authority (being debt-free, with a healthy level of reserves and lowest quartile Council Tax charge) but recognising recent inflationary pressures; increasing demands for some frontline services such as homelessness services and Temporary Accommodation; and the ambitious Corporate Plan.
- The report therefore proposed the authority develops a more detailed Medium-Term Financial Strategy; develops more robust budget monitoring and reporting and aligns financial capacity with Corporate Plan priorities.

3.3 Recommendation 2:- The Corporate Plan needs to drive the delivery of new priorities alongside the provision of core services:-

- This recommendation recognised the ambitions and aspirations outlined in the recently adopted Corporate Plan 2023-27 but stated that we needed to ensure that finances and staff resources were aligned to deliver on these aspirations;
- and that Service Team Plans and individual personal objectives were aligned to support delivery of the Corporate Plan objectives and maintain the provision of high-quality core services.

3.4 Recommendation 3:- There is a need to develop a comprehensive Organisational Development Plan:-

- The Council has a good level of knowledge in respect of the local labour market and workforce planning and a strong record of support for workforce development but needs to demonstrate this understanding more clearly through a People or Workforce Plan which could assist with the recruitment, development and retention of staff at a time of increasing workforce challenges.

- The Council should undertake a Staff Survey to inform the development of an Organisational Cultural Plan to support the council be more agile and responsive to future service demands.

3.5 Recommendation 4:- To continue to improve the Council needs to re-think the following:-

- Identify who is responsible for leading change and transformation within the authority.
- Provide more clarity around the strategic leadership role of the Corporate Leadership Team and the operational management of services by Management Team.
- Develop a new digital vision and strategy to drive improved outcomes and cost efficiencies

- Use data to inform better decision-making with smarter, more targeted performance measures to drive service improvement and better report writing with clearer recommendations.

3.6 Comment was also made in the Peer Review report that an opportunity existed to articulate more clearly the distinct roles and responsibilities of Cabinet, Overview and Scrutiny Committee and the Governance, Risk and Audit Committee and an externally facilitated workshop will be arranged to explore new ways of working. The outcome of the member/officer workshop will be reported back to a future meeting of the Overview and Scrutiny Committee for agreement and subsequent inclusion within the revised Constitution with the objective of any revised arrangements commencing from the June meeting after the Annual Meeting of Council.

3.7 Cabinet is asked to agree and adopt the Action Plan with responsibility for oversight and reporting of achievement of the actions being reported to Overview and Scrutiny every six months, with the first report being presented to the Committee's July meeting.

4. Corporate Priorities

4.1 The actions arising from this report support the following Corporate Plan priorities and objectives:-

Theme:- A Strong, Responsible & Accountable Council

Objective:- 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.

Action:- We will:-

Produce an Action Plan in response to the recommendations made by the recent LGA Corporate Peer Challenge by end December 2023 and thereafter deliver the Action Plan objectives over the period to June 2025.

5. Financial and Resource Implications

5.1 There are no direct financial implications arising from this report or the development of the Action Plan in response to the Peer Review recommendations.

5.2 A number of the proposed actions will have direct and indirect costs and consideration is being given to those issues currently – for example the Staff Survey will have a financial cost of approximately £8000 which can be met from the Delivery Plan reserve. However, the recommendations are intended to improve processes and outcomes for the authority and should therefore realise greater efficiencies and savings moving forward and will be progressed on that basis.

6. Legal Implications

6.1 It is not considered that there are any significant legal issues raised by this report or the Peer Review Action Plan.

7. Risks

7.1 It is not considered that there are any significant risks to the council raised by this report or the Peer Review Action Plan itself, but the premise of the recommendations is to strengthen the performance of the authority and therefore there are some risks if action isn't taken to consider the recommendations and develop an appropriate response in terms of the council's medium-term financial position, ability to attract and retain staff etc.

8. Net Zero Target

8.1 There are no Net Zero issues arising from this report or Action Plan.

9. Equality, Diversity & Inclusion

9.1 Issues of equality, diversity and inclusion will be considered in the development of the Organisational Cutural Plan, new and revised workforce policies and service delivery improvements as appropriate.

10. Community Safety issues

10.1 There are no community safety issues arising from this report or Action Plan.

11. Conclusion and Recommendations:-

Cabinet is invited to comment on the draft Action Plan and then agree for adoption.

North Norfolk District Council

Local Government Association Corporate Peer Challenge

Action Plan

Peer Challenge Recommendation	**Proposed response**	**Actions being progressed**	**To be completed by**
Recommendation 1 **Stronger focus on strategic finance** a) MTFS – three plus one rolling year to allow better and more accurate considerations and forecasting.	a) New Medium Term Financial Strategy to be prepared as part of the 2024/25 budget process to reflect settlement announced on 18th December 2023. Agree a framework and approach for undertaking a rolling programme of service reviews to inform future savings and efficiencies over the next two years to March 2026.	a) New Medium Term Financial Strategy to be prepared as part of the 2024/25 budget process.	a) End Feb 2024. September 2024
b) More regular monitoring and reporting of the budget and capital programme to better inform decision-making and promptly identify under/over-spending so that issues can be addressed.	b) New financial reporting processes to be agreed in terms of frequency, format of reports, scrutiny arrangements etc. This will be undertaken alongside reviewing and clarifying the relationships and types of business considered by Cabinet, Overview and Scrutiny and	b) Externally facilitated review of relationships between Cabinet, O&S and GRAC to be held in February 2024. New reporting framework for budget issues to be agreed.	b) New report format and reporting cycle be introduced for start of new civic year – ie from the May 2024 cycle of meetings.

	GRAC which is to be externally facilitated. Financial management training has also been provided to elected members and budget holders to inform better budget management moving forward.		
c) Alignment of financial capacity with corporate priorities – Statutory Officers are overloaded. 	c) Review of service areas falling within remit of the two Assistant Directors within the Resources Directorate to bring greater focus, service team alignment and increase capacity for financial oversight and governance. Customer Services moves from this Directorate to be directly managed by Steve Hems, Director of Communities.	c) Informal discussions have been held between the Chief Executive, Director of Resources and current Assistant Director for Finance, Assets and Legal and Director of Community Services around the re-grouping of services to allow re-designation of the second Assistant Director role in the Resources Directorate to have a greater emphasis and focus on finance and asset issues.	c) In progress End of April 2024.
Recommendation 2 **The Corporate Plan needs to drive the delivery of new priorities alongside core services** a) Align the Corporate Plan to the MTFS and properly resourced to make sure there are the funds to deliver aspirations and enough skilled and experienced officers to deliver them.	a) Agree allocation of resources – both staff and finance, to deliver the Council's aspirations as detailed in the 2023 -2027 Corporate Plan and 2024/25 Annual Action Plan, aligned with the updated MTFS.	a) 2024/25 Annual Action Plan agreed by Cabinet at its November 2023 meeting. Consideration now needs to be given to full resourcing of proposed actions in the context of the MTFS and 2024/25 budget.	a) End Feb 2024.

b) Ensure the golden thread through the delivery plan, service plans, team plans and check-ins, so that all staff understands how they contribute and can feel pride in achieving them.	b) Service/Team Plans and individual personal objectives agreed through the Check-in process.	b) Following agreement of the 2024/25 budget at the end of February 2024, service and team plans and then individual personal objectives through the Check-in process need to be prepared and agreed. Preparatory work in this respect can be progressed from January 2024.	b) End of March 2024.
Recommendation 3 **There is a need for a comprehensive Organisational Development Plan which includes:-** a) Labour market analysis and workforce planning to help research future jobs in the local area, understand the skills needed for certain future roles and the demand for future employment working with business partners. b) Talent management / learning and development to attract, identify, develop, engage, retain and employ officers valuable to the Council.	a) The Council has a good level of knowledge in this space but needs to demonstrate this understanding more clearly through a People or Workforce Plan to assist with the recruitment, development and retention of staff at a time of increasing workforce challenges. b) The Council has a strong record of workforce learning and development but could more clearly state and present this through better branding of the support for both existing staff and new recruits to the Council. Articulate our workforce development offer more clearly to existing staff, new recruits	a) Develop a People or Workforce Plan which demonstrates our understanding of our workforce challenges and responds positively to these, promoting the positive attributes of working for the Council. b) Through the People or Workforce Plan promote and celebrate the various initiatives the Council operates in attracting, developing and seeking to retain staff.	a) By end June 2024. b) As above.

	and managers so that we are more agile in the recruitment and development of our staff.		
c) Employee survey and action plan – this is needed and will help to improve organisational culture by delivering on the results.	c) Undertake an Employee Survey to establish some baseline data from which an Organisational Development and Culture Plan can be developed.	c) Discussions have been held with the LGA Workforce Team about undertaking an Employee Survey. Procurement process undertaken and internal project team established by HR Manager to develop and agree survey questions. Survey to be undertaken late January 2024 with results shared with Council in March 2024.	c) Survey to be completed by end February 2024. Results / report to be received by end March 2024.
d) Organisational Culture Plan – to help attitudes shift and make the council more agile to future demands.	d) Development of Organisational Development and Cultural Plan.	d) To follow receipt of results from the Employee Survey in April 2024.	d) By end June 2024.
Recommendation 4 **To continue to improve the Council needs to rethink:-** a) Senior leadership of change and transformation – who is responsible for driving this is the organisation?	a) Articulate more clearly that CLT should lead on the change and transformation agenda for the authority – this being separate to the operational focus on Management Team; with the strategic direction being agreed between CLT and Cabinet and then CLT leading the internal change and transformation agenda as an	a) Discussions have been progressed about what this looks like with a proposed move to each of the three Directors leading a Strategic Board (corporate and cross-cutting) – De-Carbonisation Board, Major Projects Board and a Performance and Transformation Board with	a) New model to be agreed and implemented by end February 2024.

	internal organisational development activity in support of the political aspirations as agreed through the Corporate Plan.	representation from services to be agreed. Proposed also that a more structured approach (Project Boards) be established to improve delivery of specific initiatives and projects so as to ensure more consistent reporting and financial control.	
b) Distributed leadership – ownership, responsibility and accountability – Management Team need to work in sync and provide more operational capacity for transformation and change, compliance with programme and project management governance, creating more space at CLT for strategic planning.	b) See above.	b) See above.	b) New model to be in place by end March 2024 at the latest.
c) Digital vision and strategy to drive improved outcomes and cost efficiencies – need to agree how digital services will enable the delivery of modernised, streamlined delivery of services and priorities.	c) Engage a consultant or EELGA Talent Ban resource to support the Council in the development of a new digital strategy and IT Plan to support further service improvement / transformation.	c) Appoint a consultant by end of May 2024 with report to be delivered by end of October 2024 to inform 2025/26 Annual Action Plan and budget cycle.	c) End October 2024.
d) Use data to inform decision-making, improve performance	d) Develop and agree a new set of key objectives and performance framework	d) Conversations have begun around the target outcomes from the Corporate	d) By end March 2024.

and drive commercial aspiration – smarter, clearer, more targeted performance measures which are effectively used to drive improvements along with more articulated reports, submitted on time and with clear recommendations.	moving forward following decision not to use a proprietary performance management system in the future and develop spreadsheet framework for recording and reporting moving forward.	Plan and Annual Action Plan measures. This work now needs to be formalised and a spreadsheet performance management framework developed which can be presented to Overview and Scrutiny Committee at its February 2024 meeting and be operational from 1st April 2024.	

LGA Corporate Peer Challenge

North Norfolk District Council

12th – 15th September 2023

Feedback report

Contents

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd

1. Executive summary

North Norfolk District Council (NNDC) is one of seven district councils in the county of Norfolk. Covering an area of 360 square miles and serving a resident population of approximately 105,000 people across 120 town and parish councils, the district is predominantly rural in character. It has a 45-mile coastline and one third of the district is within the Norfolk Coast Area of Outstanding Natural Beauty. These factors lead to it having one of the highest percentages of second and holiday homes in the UK and a strong demand for people retiring to the area - the district has one of the oldest age profiles in the UK.

The district's economy is strongly focussed on tourism, local service provision, agriculture and social care, with some manufacturing in food processing, boatbuilding and plastic products. With significant challenges faced in terms of sea level rise, an eroding coastline, and extreme weather events impacting on the agricultural sector – particularly in terms of water scarcity, the district is on the frontline of climate change.

NNDC is a council which performs well, cares for and is delivering for its residents. Officers and elected members have a clear understanding of the needs, wants and challenges in the district and are passionate about delivering for their communities.

Following the elections in May 2023, the administration has quickly translated their aims and ambitions into a new Corporate Plan with five key priorities which include, creating a net zero-carbon future for the district, developing resilient communities, tackling housing challenges, supporting businesses and economic development and ensuring financial stability, accountability and maximisation of external funding and income.

Peers recognise the plan is newly adopted and workshops are due to take place to develop the annual delivery plan. Following these, further work is required to fully embed and communicate the vision and priorities inside and external to the organisation to ensure everyone knows how they can contribute to the successful delivery. Consideration is also required in the organisational capacity and buy-in to deliver the new priorities and their reflection within the council's Medium Term Financial Strategy (MTFS).

Relationships between officers and members are respectful. The Cabinet are working well together, and with the corporate leadership team (CLT) are providing the

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

leadership needed for the council. There is a genuine willingness for all elected members to work together and deliver for NNDC residents - putting aside political differences. There are good member/officer relationships with mutual understanding and respect for the different roles. However, from feedback and peer observations there is a recognition that the Overview and Scrutiny Committee (O&S) is not functioning as effectively as it could be. Peers recommend the relationships between Cabinet, O&S and Governance Risk and Audit Committee (GRAC) are clarified, along with the roles and responsibilities of each. They then need to work together to add value to the council's decision-making processes. Designing an O&S workplan which focusses on the most important strategic issues of the council and its communities would be recommended.

There is real strength in the council's partnership working within the district, Norfolk and beyond and the personal leadership of the chief executive and leader were cited by many external partners as a key strength. Good relationships are in place with local delivery partners including health, the police, parish councils and Bacton Gas Terminal. This also applies at the county level with neighbouring districts with whom shared services arrangements are in place and with Norfolk County Council and at a regional/national level with the Environment Agency, New Anglia Local Enterprise Partnership and the District Councils' Network. Engagement with the business community could be improved through a regular network with the economic development team and this would support the council's thinking around future workforce planning.

Over the past four years the council has invested significantly in the coastal and visitor economy and key facilities. They have delivered a £12.7m new leisure centre, £2m public convenience improvement programme, £4.9m purchase of new refuse vehicles, £1.2m investment in Cromer Pier, £2.5m on the purchase of temporary accommodation and £0.56m on a solar car port all funded from internal borrowing.

Having historically been debt free, with healthy reserves, the council is starting to feel the pinch of austerity and the impact of rising inflation. Officers and elected members are beginning to face up to the strategic financial challenge, but more work is needed to fully understand the implications for NNDC and the changes both culturally and organisationally. Peers recommend the council recognises this changing financial situation and improves its monitoring and regular reporting of the budget and capital

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

programme, providing clearer reports with added narrative to assist members in their decision making and help to embed the new reality for all.

There are pressure points in the organisation's capacity, especially within finance where statutory officers (S151 and MO) are managing a disparate variety of specialist teams. They require additional resources and restructuring in order to provide them space to focus on their corporate governance roles. Elsewhere the organisation needs to review and realign officer resources and clearly understand the impact of fixed-term contracts to deliver on the council's new corporate plan priorities. Using the internal processes available – delivery plan, service plans, team plans and check-ins to filter information, all staff should be able to clearly identify how they contribute to the delivery.

There are opportunities to further harness the full potential of the organisation to prioritise and deliver core services and new cross cutting priorities through distributed leadership and adoption of agile and effective decision making. Peers recommend the council considers how projects and programmes governance is further improved, perhaps via one or more governance boards led by directors with new projects needing to demonstrate sound business cases, report progress and demonstrate realisation of benefits. Any issues can be picked up by the board and a collaborative approach can be used to resolve them. Highlight reports can be used to keep members informed of progress and to escalate issues for their consideration.

Peers read committee reports and observed a number of meetings during their visit to North Norfolk. As a result, they strongly advise officers to improve the quality and timeliness of information given to members. There were examples of reports arriving on the day of meetings, in the wrong report template, without consideration of the implication's sections and generally poorly written. This is unhelpful to the members; it also doesn't allow for good governance and needs to be addressed. Better use of the forward plan and regular communication between CLT, MT and Cabinet would also help prevent this.

To continue to improve, the council needs to re-evaluate its capacity for change and transformation to meet the future challenges in technology, workforce, planning and culture. Better use of data and performance information with a clearer dashboard to inform and drive decision making will support elected members in their roles and

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

encourage good governance. Peers also recommend production of an Organisational Development Plan which includes the views of staff, analysis of skills and knowledge, the labour market situation, talent management and cultural expectations to provide a comprehensive plan for the council to enact change.

The council needs a common understanding of the term “commercial” and to agree the boundaries of their risk appetite if they want to enter the commercial markets. There are further opportunities to drive efficiencies and generate income through the assets already owned but additional skills and capacity is required to support this.

Culturally the organisation needs to understand that climate and net zero ambitions are everyone’s responsibility, whatever service area or role. It needs consideration within all policies and decisions the council makes and needs to be adequately resourced. There are opportunities to increase budgets through external funding, partnerships, and grants, but the council needs to plan ahead and prepare for these.

Peers thoroughly enjoyed their time in North Norfolk and the opportunity to see some of the work/projects the council is delivering. Nationally significant work is being trialled in the management of coastal erosion, the results of which will help coastal communities around the country. The reflections and recommendations from peers are intended to help the council on its improvement journey.

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

2.1 Recommendation 1 - You need a stronger focus on strategic finance (given the financial challenges the sector is facing);

- MTFS – three plus one rolling year to allow better and more accurate considerations and forecasting.
- More regular monitoring and reporting of the budget and capital programme - To better inform decision making and promptly identify under/overspending so that issues can be addressed.
- Alignment of financial capacity with corporate priorities – Statutory officers are overloaded.

2.2 Recommendation 2 - The Corporate Plan needs to drive the delivery of new priorities alongside key core services which are:

- Aligned to the MTFS and properly resourced – To make sure there are the funds to deliver aspirations and enough skilled and experienced officers to deliver them.
- The golden thread through the delivery plan, service plans, team plans and check ins – so everyone knows how they contribute and can feel pride in achieving them.

2.3 Recommendation 3 - There is a need for a comprehensive Organisational Development Plan which includes:

- Labour market analysis and workforce planning - To help research future jobs in the local area, understand the skills needed for certain roles and the demand for future employment working with business partners.
- Talent management/learning and development - To attract, identify, develop, engage, retain, and employ officer's valuable to the council.
- Employee survey and action plan – This is needed and will help to

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

improve organisational culture by delivering on the results.

- Organisational Cultural Plan – To help attitudes shift and make the council more agile to future demands.

2.4 Recommendation 4 - To continue to improve the council needs to rethink:

- Senior leadership of change and transformation – who is responsible for driving this in the organisation?
- Distributed leadership – ownership, responsibility, and accountability – MT need to work in sync and provide more operational capacity for transformation and change, and compliance with programme and project management governance creating more space at CLT for strategic planning.
- Digital vision and strategy to drive improved outcomes and cost efficiencies – Agree how digital services will enable the delivery of modernised, streamlined delivery of services and priorities.
- Use data to inform decision-making, improve performance and drive commercial aspirations – smarter, clearer, more targeted performance measures which are effectively used to drive improvements along with more articulated reports, submitted on time and with clear recommendations.

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

3. Summary of the peer challenge approach

3.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- Member Peer - Lib Dem – Dave Hodgson (former Mayor of Bedford)
- Member Peer - Con – Duncan McGinty (former Leader of Sedgemoor)
- Chief Executive Peer - Andy Bates – CEX – South Hams District Council and West Devon Borough Council
- Officer Peer - Chris Bradley – Executive Head of Commercial - Havant Borough Council
- Officer Peer- Alex Snelling-Day – Waste Policy, Climate and Environment Team Manager - South Cambridgeshire District Council
- Officer Peer - Sorcha Kenway Jennings – Regional Programme Adviser - LGA/OPE
- LGA Peer Challenge Manager - Kirsty Human
- LGA Project Support Officer – Onyekachi Abajingin

3.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?

4. **Financial planning and management** - Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** - Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In addition to these questions, the council asked the peer team to pay particular focus to commercialisation and Net Zero ambitions and opportunities.

3.3 The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. The team then spent four days onsite at North Norfolk District Council, during which they:

- Gathered information and views from more than 55 meetings, in addition to further research and reading.
- Spoke to more than 200 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

4. Feedback

4.1 Local priorities and outcomes

It was clear to peers that the council, its officers and elected members really know their communities, the characteristics of the district and the opportunities and challenges it faces. This is accurately translated into its vision for place which identifies the needs of NNDC and its communities, *"members are passionate, motivated and engaged".*

The council has a strong track record of delivery, evidenced by performance against the previous Corporate Plan. Key projects including the planting of over 110,000 trees, development of North Walsham High Street Heritage Action Zone (HSHAZ), the completion of the £12.7m Reef leisure centre and investment in Cromer Pier were all delivered despite the challenges of the COVID pandemic and subsequent recovery.

NNDC has just approved a new Corporate Plan 2023-2027 which sets out its priorities for the next four years. These include, creating a zero-carbon future for the district, developing resilient communities, tackling housing challenges, supporting businesses and economic development, and ensuring financial stability, accountability and maximisation of external funding and income. The priorities have been driven by the demands and needs of its communities, highlighted during the pandemic years, cost of living crisis and those of local, national and global importance, peers heard the phrase *"we want to be a people focussed council"*. Peers recognise the plan is newly adopted and workshops are due to take place to develop the annual delivery plan. Following these, further work is required to fully embed and communicate the vision and priorities inside and external to the organisation to ensure everyone knows how they can contribute to the successful delivery of the plan.

In addition to communicating and engaging with staff on the new Corporate Plan and priorities, peers recommend NNDC considers the organisational capacity and buy in to deliver them. It was not clear to the peer team that the council's finances had been aligned to the new priorities identified in the Corporate Plan. Capacity also appeared imbalanced and required a review to ensure the right people are in the right place with the right skills and experience to deliver. For example, one of the council's key

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

priorities is to deliver “Our Greener Future”; We think there is a common understanding that tackling the climate and environmental emergencies will require changes to the way the council delivers services, makes decisions and creates communities. Achieving net zero is not just delivery of projects/programmes by one officer or team, it is an operating model/mindset to deliver lasting sustainability. Officers and members throughout the organisation will need the right competencies for project delivery and behavioural change.

A performance management system and framework are in place, allowing for the collection of data and monitoring. However, the volume and presentation of measures produced in management reports is obscuring issues and making it difficult to track progress or underperformance. Peers suggest a smaller basket of performance measures (some targets, some performance indicators), which are aligned to the new priorities and core services, be agreed. These should be visible at all levels in the organisation and used to drive improvement within services creating a golden thread from the top to bottom through annual delivery plans, service plans and check-ins.

Providing a clearer streamlined performance dashboard for Cabinet, Scrutiny and CLT will enable senior officers and elected members to quickly see where the council is performing well and achieving its ambitions as well as those where performance is slipping, where action needs to be taken and where intervention is making a difference. This collective oversight will support individual performance measures to drive wider corporate objectives and outcomes.

With regard to [headline performance measures](), NNDC compares well with its CIPFA near neighbours. There are positive outliers in terms of council tax and non-domestic rate collection levels. Above average performance in planning and just under average in the delivery of affordable housing. This, peers noted has historically been well above average but has fallen due to issues with nutrient neutrality. The council’s new Local Plan was submitted to the Planning Inspectorate in May 2023 and is awaiting examination. Areas for improvement include reducing the housing waiting list, reducing the volume of waste collected and increasing recycling. The most noticeable outlier is the time taken to process housing benefit and new claims. NNDC are the highest in the group, taking six days, compared to the group average of three and best performing at one day. These areas for improvement align with the council

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

priorities. Responsibility and accountability within the services needs to be acknowledged and owned by assistant directors, with plans put in place to drive improvement overseen by officer and political leadership.

The approach to equality, diversity, and inclusion (EDI) within the council varies. There have been excellent examples of projects within the community to support those with additional needs, with a commitment to provide a Changing Place facility in each of the district's principal settlements supported by a grant of £0.3m from the Government's Changing Places Fund – one of the largest allocations in the country. The success of beach wheelchairs is also to be commended.

However, the council recognises there is further work required and internally, a newly established Equality, Diversity and Inclusion group is meeting and redrafting the council's EDI strategy, incorporating feedback from a recent survey. Training for staff and managers is available via the councils online training and development platform "skillgate". To strengthen the council's approach, equality objectives should be integrated into service planning and equality impact assessments should be used more consistently across the organisation to improve services and mitigate any negative impact for protected groups.

4.2 Organisational and place leadership

It was clear to peers that strong partnership working relationships exist in North Norfolk. The compelling personal leadership of the chief executive, leader and cabinet members was reflected in every conversation with key partners, *"they are great advocates for the council"*. It was evident the council has a good reputation and is considered a positive system leader. The leader and chief executive work across Norfolk with their counterparts on the Norfolk Leaders Group and Norfolk Chief Executives Group, progressing county wide issues including devolution and nutrient neutrality. The chief executive takes a leading role on the Norfolk One Public Estate Programme and Climate Change Partnership. The leader and portfolio holders work closely with parish councils, partners, and communities to understand local needs and deliver improvements.

However, within the organisation there appeared to be a significant expectation on the leader and chief executive to drive and lead. Whilst, collectively and individually, CLT provides strong leadership, greater clarity would be helpful around the

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

distributed leadership model at levels below that. Management Team (MT), being the group of managers operating at assistant director level, recognised that collectively they could play a greater role in the corporate management of the organisation and that a review of their role and purpose (as a Team) should be undertaken. This will help ensure that senior officers make well-informed decisions at appropriate levels. In addition, through MT or other mechanisms (e.g. via directorate meetings or thematic board structures), to collectively develop and communicate identified corporate policies and decisions and then to ensure and be accountable for consistent implementation.

A partnership approach is delivering the provision of the council's leisure services and operation of Cromer Pier and Pavilion Theatre, North Walsham High Street Heritage Action Zone (HSHAZ), The £1.2m UK Shared Prosperity Fund (UKSPF) the £1.4m Rural England Prosperity Fund (REPF) business and community support programmes. The strength of the council's partnership arrangements and community leadership was also evident in its strong local response to the COVID pandemic with some of the lowest cumulative rates of infection of all local authorities in the UK despite an aged demographic and large numbers of staycation visitors.

Peers were impressed by the council's leadership of the challenging tripartite waste contract with Breckland Council and King's Lynn & West Norfolk Borough Council. The £230 million joint collections contract with Serco represents the first time three Norfolk councils have jointly tendered for waste collection and associated services contracts. In doing so they saved on the process by sharing legal fees and procurement costs, rather than incurring three sets of costs for seeking a provider separately. NNDC have tackled these issues with commendable professionalism and diplomacy to maintain relationships with the contractor and deliver services to residents.

The council's coastal team are leaders in their field, delivering nationally significant projects. Peers considered the management of highly complex technical projects with challenging and multiple partners to be notable. Of particular note is the current £15 million Coastwise project in partnership with DEFRA and the EA as was the £21M Sandscaping project at Bacton Gas Terminal. The multi-partner project was led by NNDC in collaboration with Shell UK Ltd, Perenco UK Ltd and the Environment Agency. These partners funded the scheme alongside Norfolk County Council,

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

Regional Flood and Coast Committee, New Anglia Local Enterprise Partnership, Bacton Terminal Operators and the local community. It was developed following the 2013 North Sea Surge which flooded homes in Bacton and Walcott and saw the loss of up to 10 metres of cliff at the Gas Terminal. The council placed approximately 1.8 million cubic metres of sand on the beaches between Bacton Gas Terminal, Bacton and Walcott to provide natural protection by improving beach levels that absorb the sea forces before they reach the cliff and defences.

The scheme protects Bacton Gas Terminal, which processes up to one-third of the UK gas demand alongside improved erosion and flood protection to Bacton and Walcott. Other benefits include:

- Economic Benefits (excluding Gas Terminal) £32M.
- 298 homes better protected from erosion.
- 101 homes better protected from flooding.
- Highways protected.
- Community and economic benefits including time for communities to prepare to adapt for coastal change.
- Research opportunities.

The dedication of NNDC's housing team to overcome the challenges of providing additional homes in North Norfolk was also clear to peers. They showed determination in delivering affordable homes, exception sites and temporary accommodation working particularly well with Broadland Housing Association. Facing the challenges of having one of the highest percentages of second and holiday homes in the UK, with a local housing market also driven by strong demand for people retiring to the area, the team have done well to maximise delivery. The difficulties associated with nutrient neutrality have had a significant impact on this, but a pipeline of projects is ready to be delivered with registered providers, assisted by the new enabling officer, when issues have been overcome.

Equally as impressive, environmental and people services have been putting the council's friendly face into communities throughout the pandemic and beyond. Firstly, as covid support officers and now as community connectors. This jointly funded project with health partners is taking the council's services out into the community

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

and through engagement with them, bringing valuable information back into the organisation to feed into priorities and actions. The creation of the [Help Hub](), linking up health, social care and public service partners is an example of best practice. Investing in a financial inclusion team, energy officer and social prescribing programmes is providing communities with a holistic, one stop shop approach to their needs and is a valuable part of the prevention agenda. The short-term funding provision that has been used to deliver these projects provide challenges of continuing the excellent work and retaining those on fixed terms contracts who deliver them but it was clear, officers are proactively looking at options, including working with partner councils on a joint bid for Coastal Communities Research Funding.

There is evidently lots of operational involvement with external partners and organisations who recognised the positive role played by the chief executive and leader. The missing link appeared to be a gap in strategic partnerships, particularly with businesses. One solution would be to create a business forum to support the council's economic priorities. A regular forum where they could come together to engage with the council, to be listened to, discuss specific issues, potential joint ventures (for example Holt Vision) and to understand the priorities of the council as well as its challenges. Stakeholders want to be engaged and they provide additional capacity and skills to deliver – NNDC doesn't have to do everything itself.

The council recently reviewed its approach to communications and engagement, investing in this area has had a visible impact, especially with external and digital communications. Peers were impressed with the use of videos, social media, and radio to deliver corporate messages and engage with communities on a range of local and national issues. In addition to the use of digital communications NNDC also makes effective use of traditional print media by delivering a free council magazine to every household twice a year. Led by the Health and Communities team, over 30 topics have been discussed on "Poppyland Radio" and turned into podcasts.

The council now needs to engage all staff and members to deliver the council's plans and ambitions. NNDC should make the most of its internal communications methods including all staff briefings, away days, team meetings, digital communications, and engagement to expand knowledge and create excitement, but also to clarify expectations and accountability.

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

4.3 Governance and culture

Through the many conversations with officers and members, peers were satisfied the council has overcome past governance issues providing a stable platform from which to move forward. Comments such as *"well run and tight council"* further confirmed this. The Cabinet are working collaboratively to deliver their portfolios and there is a genuine willingness for all elected members to work together and deliver for NNDC residents - putting aside political differences. There are good member/officer relationships with mutual understanding and respect for the different roles. The peers heard from members that *"officer support for members ward work is good"*. Members interact with officers at all levels on casework and in the community and a member/officer protocol is in place and used where necessary to remind of the behaviour and attitude expected.

The three statutory officers, chief executive, section 151 officer (S151) and monitoring officer (MO) have a good relationship and meet regularly to discuss actions to address governance and risk. Whilst not a member of CLT, the MO is invited as and when required. Both the S151 and MO are responsible for a broad range of services at the council. They have limited resources within their teams and in the case of finance the S151 is the only CIPFA qualified accountant at present. Peers were concerned these officers are overstretched and their opportunity to provide strategic oversight may be compromised. Considering some interim capacity whilst resources and responsibilities are realigned would enable both officers to focus on their statutory roles and play an active role in supporting the council's governance.

Following the elections in May 2023 the democratic services team has delivered a comprehensive member induction programme for all councillors, not just the 15 new ones. This was well-received by members and helped them to understand the breadth of services delivered by the council and introduced them to many officers. In discussions with councillors, they did suggest extending the training on planning to everyone, not just the committee members would be helpful. This was echoed by the parish councils too, who wished to have more experience in responding to planning applications. In recognition of this the council should consider how the existing member development group is able to shape future training and development plans.

The council's constitution is currently being reviewed with a view to completion by March 2024. This is long overdue – the last being completed in 2010. It seeks to modernise the council's governance framework making it fit for the future. Within this review, peers suggest thought is given to delegation and decision-making powers. Some current decision-making processes were described as *"clunky"* with some operational decisions needing to be signed off collectively by MT, reflecting a lack consistency of organisational approach and missed opportunities to align with Corporate Plan objectives. This is not congruent with the council's aspirations to make the most of opportunities and be more commercial. To be agile and compete in different markets, there is a need to streamline processes. Peers recommend the scheme of delegation is reviewed to provide managers with the appropriate autonomy to make decisions within their services, with the adequate checks and balances in place to assure the leadership.

Peers read committee reports and observed a number of meetings during their visit to North Norfolk. As a result, they strongly advise officers to improve the quality and timeliness of information given to members. There were examples of reports arriving on the day of meetings, in the wrong report template, without consideration of the implication's sections and generally poorly written. Whilst in some circumstances late reports can be forgiven, this was becoming a regular occurrence. Reports need to be clear about what decision they are asking members to make, provide all the options, risks and implications and be succinctly explained by an officer in the meeting. Peers witnessed many reports were "to note" without that being explicit in the report and some reports were so lengthy, it would be impossible for members to read and digest all the information ahead of meetings. This is unhelpful to the members; it also doesn't allow for good governance and needs to be addressed. Better use of the forward plan and regular communication between CLT, MT and Cabinet would also help prevent this.

The council is part of a well-established internal audit partnership across all seven Norfolk district councils led by South Norfolk District Council. The Governance, Risk and Audit Committee (GRAC) oversee the work programme and receive reports from internal and external audits. Peers had concerns over two outstanding internal audit recommendations which had been reviewed by GRAC on seven occasions (planning) and five occasions (business continuity). They were assured these would be resolved imminently but it raised questions around capacity and how audit is viewed across the council.

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

There is a recognition in the council that the Overview and Scrutiny Committee (O&S) is not functioning as effectively as it could be. The principal power of a scrutiny committee is to influence the policies and decisions made by the council and other organisations involved in delivering public services. The scrutiny committee gathers evidence on issues affecting local people and makes recommendations based on its findings. At NNDC there appears to be a view that scrutiny has a focus on criticism and blame, which is not helpful and is reducing the effectiveness of O&S as Cabinet sees it as overly critical, leading to defensive behaviour making it difficult for scrutiny to influence change. Peers recommend the relationships between Cabinet, O&S and GRAC are clarified, along with the roles and responsibilities of each. They then need to work together to add value to the council's decision-making processes. Designing an O&S workplan which focusses on the most important strategic issues of the council and its communities is needed.

Project and programme management had been a recent focus of internal audit. Concerns were raised over the ways in which projects were initiated, often without clear thought of future implications, risks, and ongoing costs/responsibilities. An example given was that of the solar car ports, where an opportunity was seized upon to meet the council's climate ambitions and to save energy costs. What didn't appear to be as thought through was the way in which the council will recover its costs on this project with the leisure provider.

A new project management procedure has been put in place following the audit, but this is not well understood or consistently adhered to within the organisation and has not yet had a chance to be road tested on a new project. Peers recommend the council considers how oversight of projects and programmes is improved are governed, perhaps via one or more officer governance boards, sponsored by a member of CLT with new projects needing to demonstrate sound business cases, report progress and demonstrate realisation of benefits. Any issues can be picked up by the board and a collaborative approach can be used to resolve them. Highlight reports can be used to keep members informed of progress and to escalate issues for their consideration.

The Council has recently launched an Equality, Diversity and Inclusion group, in addition to the established Health and Wellbeing Staff group and Staff Forum. These staff led networks are providing spaces for staff to discuss work-related issues. They

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

are also providing a programme of events and activities across the organisation to promote national celebration days and further educate staff on protected characteristics and health. The Staff Forum has been less active since the newer groups were formed. It would be beneficial to clarify the roles of all staff groups to prevent duplication of effort whilst maintaining choice.

Approximately a third of the workforce are members of Unison. The chief executive and HR manager meets regularly with Unison officers and there is a good relationship in place. The chair of Unison, two administration members, two opposition members, the chief executive and HR manager attend a Joint Staff Consultative Committee (JSCC) to discuss and review staff related policies and performance. As with peers' previous observations about committee reports, it would benefit this committee to have reports in advance of the meeting, to enable participants the opportunity to read the papers and come prepared for the meeting.

4.4 Financial planning and management

NNDC has a historically sound financial position. It is debt free and has a healthy level of reserves for a district of its size - £23.1m as of March 2023. Prior to 2022/23 the council had always set a balanced budget resulting in a year end surplus. The councils outturn for 2022/23 was a General Fund overspend of £0.782m as a result of £0.261m revenues services overspend and a £0.561m income shortfall in retained business rates. Market conditions, inflation, contracts and wage costs combined to create the deficit which was resolved through one off organisational savings.

The budget for 2023/24 appears to be sustainable. It is based on having taken £2.6m of savings out of the base budget and the use of £0.064m of General Fund Reserve. It also includes £3.871m of earmarked reserves being used to fund the expenditure in the 2023/24 budget. For a council not used to finding base budget revenue savings this may present an organisational challenge where savings need to be identified to balance future years budgets and will require a collective and corporate response owned across Cabinet and CLT."

Only £6.9m of the £16.3m capital programme was spent in 2022/23, representing slippage of £9.4m across all five priority areas. There is a history of underspending on the capital programme, largely due to external factors including Nutrient Neutrality, contractor availability and in respect of coastal schemes significantly rising

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

costs and required additional grant funds and in discussion with officers and members it was recognised that this needed more scrutiny and oversight and the Capital Projects Working Group have begun monitoring this more closely.

The MTFS is a four-year plan. Peers and the new S151 were more used to a three-year plan with a rolling year. This allows for more accurate forecasting and inclusion of external factors. Financial monitoring reports are currently shared with members in periods four, six, ten and 12 (outturn). Again, peers were used to more frequent reporting and recommend the council adopts a more regular monitoring and reporting regime with improved financial forecasting for CLT and Cabinet. Peers suggest financial reports could contain more narrative to explain the story behind the numbers. The use of this data will also better inform management decisions.

Over the past four years the council has invested significantly in the coastal and visitor economy and key facilities. They have delivered a £12.7m new leisure centre, £2m public convenience improvement programme, £4.9m purchase of new refuse vehicles, £1.2m investment in Cromer Pier, £2.5m on the purchase of temporary accommodation and £0.56m on a solar car port all without external borrowing. Peers were impressed with this delivery but cautioned the ongoing revenue considerations (cost/income) associated with them. It wasn't clear that these were accurately reflected in the business cases.

However, the challenges of a new operating environment affecting the local government sector as a whole, both financial and workforce related, will result in NNDC having to consider how it delivers its priorities in the future. In light of this peers recommend the council takes a stronger focus on strategic finance. Mindsets will need to shift as the council looks to make efficiencies and savings, considers external borrowing, and becomes more commercially focussed on income generation. Peers heard reference to zero based budgeting but when pressed, it appeared this was not widely understood or consistently applied across all services. The organisational understanding and transformation required in relation to the current structure and culture around finance should not be underestimated.

CLT recognise the need for more responsibility within the council for finance beyond the finance team. Members have received and officers are due to receive external training on financial matters to ensure a much wider appreciation of the budget

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

context and pressures with greater responsibility for budget management and realising efficiencies across the council. This is an area where significant improvements need to be made so that officers and members have a full appreciation of the council's overall financial position and the cost-of-service delivery.

Although not without teething problems, the council has successfully implemented a new financial management system which will support the supply of data for monitoring and management. There are also effective systems and reporting mechanisms for providing oversight and reporting of corporate risks. Project and service risks are managed at the operational level. A wider oversight of these identifying any interdependencies could be picked up if the council implements programme boards to oversee corporate projects.

The council's MTFS has not yet been aligned with the new corporate priorities. During the upcoming workshops to develop the annual delivery plan, Cabinet and CLT need to make this connection to ensure there is the financial capacity to deliver and to jointly own responsibility for corporate finance.

The council was unsuccessful in its Levelling Up Funding bids to the Department for Levelling up Housing and Communities (DLUHC). Having read the feedback from DLUHC and from experience of successful bids in other areas, peers felt that making use of the capacity available from other partners, including Norfolk County Council, who will have experienced bid writing officers, would be beneficial for future bids. Furthermore, joint bids with other organisations and partners are often considered more favourable as they have a wider reach and deliver benefits to more communities.

The capacity within the finance team did concern peers who identified this as a risk to the organisation. The current officer team is working incredibly hard and has focused on delivering a balanced budget, but this has led to problems in completing the accounts for 2022/23. The director of resources in addition to their S151 officer responsibilities has a wide remit, managing two assistant directors, one of whom has been absent from the organisation for some months, leaving her to directly manage the teams below and another who is the MO, another statutory role with a wide-ranging remit. There are vacancies in the team, interim staffing arrangements and being the only qualified accountant, the S151 officer is over stretched and unable to

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

focus give the optimal time to her statutory role. Similar pressures exist for the MO. Peers recommend an urgent review of this situation, to increase capacity for both statutory officers to fulfil their roles, support delivery of the corporate priorities and provide the council with the governance and oversight it needs.

Recruitment and retention in this and other professional roles are a national issue for local government which requires innovative thinking to address. As a coastal council there is the additional challenge of only accessing half the employment market, or as peers heard, *"50% of our boundary is fishes and crabs".* Peers encourage the council to think creatively about how to address this challenge and work with the LGA to support the actions outlined in the [Local government finance – capacity and capability study].

4.5 Capacity for improvement

NNDC is fortunate to have a loyal and dedicated workforce who care about delivering good services to their communities. Peers heard comments including, "*we are a family" "I love it, I feel extremely privileged to work here*" and many staff have worked for the organisation for over two decades. The "grow your own" apprenticeship scheme is well regarded and producing skilled and dedicated officers throughout the council. Unlike a growing number of councils, NNDC pays the professional fees for officers in specialist roles. There is also an emphasis on personal development with training budgets allocated to each service and a central budget accessed through human resources (HR). Consideration needs to be given to the organisation's awareness of the new priorities and how they cut across all services. Peers identified the need for training and understanding, in particular to climate/net zero ambitions, economic and commercial aspirations.

Peers saw examples of collaborative working within and across services. This was especially evident in People Services, which had transformed the way it worked over the past two years. Breaking down barriers between teams, looking for joint solutions to complex problems, sharing resources across teams and spending time as a directorate to get to know each other. Officers in other services talked of *"silos"* and insular working practices - they were also very envious of the "away day". The organisation has much to learn from this model and if collective ownership and delivery of the council's priorities is to be front and centre, other services will need to

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

adapt and change accordingly.

The council is working across Norfolk and the wider geography to deliver joint partnership projects, bringing in additional funding to the district and maximising its reach to communities. These include the Section 113 structure with Coastal Partnership East, Community Connectors and Social Prescribing Programmes with Norfolk Health and Wellbeing Partnership and delivery of the UKSPF projects. Shared services are in place for waste (King's Lynn and West Norfolk and Breckland), Internal audit (all seven Norfolk districts) and Nutrient Neutrality Joint Venture (a joint venture with four districts and Anglian Water) providing all with greater buying power, efficiencies through standardisation and avoidance of duplication and the ability to scale up or down as required.

In March 2022, the council's O&S committee supported the production of a Planning Service Improvement Plan (PSIP), aimed at addressing key issues, namely:

- Speed of decision making.
- Communication with stakeholders and members.
- The provision of and access to information, and
- Alignment of planning and sustainable growth interests.

The service is making good progress against this but there is more to do. Comments including *"planners are not on the same page as the Corporate Plan"* were repeated across internal and external meetings. To deliver the Corporate Plan and its priorities, all services, especially planning which has a fundamental role in place shaping need to recognise this. Peers propose the council uses the PSIP to further drive corporate objectives for housing, climate, economy, and other cross cutting priorities.

CLT have recently started work on an Organisational Improvement Plan, outlining areas where the council needs to improve in order to be an agile council which is fit for the future. This is really positive, and peers recommend the work that has been done so far, is built upon, and developed into an all-encompassing Organisational Development Plan. They recommend the council undertakes an employee survey to understand the views, needs and culture of the organisation. The results of this can populate an action plan which should look to capture hearts and minds by

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

demonstrating “you said, we did” and bring staff along on the cultural transformation journey.

In addition, peers recommend a labour market analysis is completed to reinforce the council’s workforce planning objectives. This data will also help underpin the approach to talent management, learning and development and recruitment and retention. Linked to this it is important the council reviews the skills, knowledge and expertise in the organisation to ensure there is enough capacity in the right places to deliver the council’s priorities. Training can then be targeted in the most needed areas.

Another strand of the plan should be the enabling role ICT and digital services play in driving the organisational outcomes and efficiencies. Peers recommend the council agrees a digital vision and develops a strategy and roadmap to outline how digital will support the efficient and effective running of the business, how it can save money without compromising outcomes and how it can make services simpler, easier to access and more straightforward to use. Without a plan for digital transformation the council will struggle to deliver against its Corporate Plan priorities.

Overall, organisational health is good. Staff turnover is at 14.4 percent (9.89 percent when fixed term contracts and retirements are excluded) compared to the national average of 15 percent and an East of England comparator of between 14-20 percent. Days lost to sickness are at 6.1 days compared to a national average of 8 days and an East of England comparator of between 6.1 – 13.2, the average being 8.8 days. Peers did hear that capacity is stretched and some officers in high demand services are particularly overwhelmed. The latest report to JSCC in September showed that between April – June 2023 the top three reasons for absence were, work related stress, anxiety/stress, and stress.

There is an opportunity, for CLT to look at how they distribute the leadership capability, through introducing a mechanism for directors and their direct reports to work across thematic boards to focus on the Corporate Plan delivery, build corporate capacity, and provide assistant directors with an active and constructive role in driving the modernisation/transformation agenda.

This will allow CLT to evaluate and reassess its workload, individual responsibilities and statutory functions, providing the space needed to strategically plan for the future

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

and to develop external partnerships.

To move the council from good to great, peers recommend CLT consider the leadership and capacity to lead further improvement and transformation in the organisation, allocating a lead/sponsor and considering themed programme boards to deliver the council's priorities and digital vision. NNDC is on a journey, there is more to be done but sound foundations are in place.

4.6 Commercialisation

Peers were asked to comment on the council's ambitions and opportunities to become more commercial - these are their thoughts.

NNDC is starting to feel the pinch of austerity and the impact of rising inflation. As part of its wider strategy, officers and elected members are beginning to explore ambitions and opportunities to become more commercial.

Views on what 'being more commercial' means to NNDC vary greatly. With current commercial skills limited to existing assets and contract management of the council's major waste and leisure contracts.

To enable and support its ambitions and opportunities, the council may wish to consider how it might better channel and enable its existing commercial capabilities to be more focussed and agile in their respective markets. Pursuit of new markets may require the acquisition of additional commercial skills.

Consideration may also be given to operational oversight of profit share arrangements, the costing and pricing of fees and charges and maximising returns from existing assets such as beach huts, potentially through alternative delivery models options, one of which may be a Local Authority Trading Company (LATC).

What does "Commercial" mean to NNDC?

There is an opportunity for officers and members to work together to define what 'being more commercial' means to NNDC. Peers observed a wide range of views, from a strong, clear view that commercial is about maximising profit, to a more contextual 'enterprise' view of the need to balance financial, social, and environmental returns; Enabling the application of commercial tools and techniques to deliver a broader set of outcomes over and above financial efficiencies and

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

improved revenues.

Fees and Charges

During discussions Peers observed that annual fees and charge increases are often based on a simple percentage basis. While this approach offers a quick and simple solution, there is a risk that fees and charges become misaligned with actual costs, particularly during a protracted period of salary, fuel, and materials inflation, when these hidden costs can accumulate to a material level.

Officers and members recognise the need to conduct a detailed costing and pricing exercise but believe this to be a large, time consuming and difficult task, or that this is a job for the finance team, or that the council will apply the percentage approach anyway.

The value in a costing and pricing exercise is not simply in the production of the final output but in the insight and depth of understanding gained by the service during the process; helping to ensure statutory compliance, fair pricing, and fiscal prudence, while promoting ownership of and operational innovation within the service.

The council should consider reviewing its approach and the skills required to undertake efficient, effective, and ethical costing and pricing of NNDC's Fees and Charges.

Contract Management

Peer interviews established NNDC's waste contract with Serco as a sound commercial model. With a fixed service fee for the defined volume services, fixed unit prices for variable volume services and a profit share for commercial work. Annual indexation models for inflation are applied to both fixed and variable models. While contract management is sound there are two areas worthy of consideration.

Management and condition of the council owned vehicles is the responsibility of the contractor, with the council responsible for replacements. There is a risk that over time, poor fleet management could result in reduced availability and the need for early replacement of vehicles. The council could mitigate this risk to its assets by introducing a more rigorous vehicle condition monitoring regime.

Secondly, while NNDC has a positive and trusted relationship with its suppliers, as an intelligent partner in a profit share scheme, the council should consider developing

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

the knowledge and skills to interrogate an income and expenditure account in detail. Along with an annual programme of constructive challenge for those areas where profit share applies. This approach could be applied to all of the council's profit share schemes.

Business Planning

The innovative solar car port at The Reef Leisure Centre in Sheringham will generate renewable electricity to help supply the leisure centre and assist the council's transition to Net Zero. Peers established that the energy supply contract with Everyone Active has yet to be signed. Everyone Active is a large organisation which uses its scale to reduce its costs by hedging it energy requirements. There is therefore a risk of a misalignment between the market-based business case model and final price agreed with the customer. Early engagement with customers, market analysis and scenario planning for sales volume and price variations are vital skills in the development of robust business cases.

Return from Assets

NNDC recognises the need to work its current property portfolio to achieve a return, but the current property portfolio has a limited number of assets available for revenue or capital returns. The current risk appetite for new investment property is low to medium. The council does have interest in a significant number of seafront-based assets such as beach huts, public toilets, and car parks. These assets are not being worked as hard as they could be.

Talking to services, the roles and responsibilities of the beach huts, car parks and public toilets appears disjointed. The property team does not feel they have the time, experience, or a mandate to manage these assets as a business and maximise the financial, social, and environmental returns.

The council has an opportunity to bring scale, focus and drive to the management of the sea-front assets; to deliver a greater return and improve its seafront offering to residents, local businesses, and visitors alike.

Consideration could be given to the use of an alternative model of deliver, for example a Local Authority Trading Company (LATC) or outsource the management of the seafront to take full advantage of these assets. The establishment of a LATC

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

would require a blend of commercial acumen and public sector values. Should the council consider a LATC, it is strongly advised that NNDC seek operational experience and legal advice on the establishment, governance, and management of LATCs at an early stage.

Risk appetite

When exploring property opportunities and challenges with officers and members the peers heard three key concerns around risk, reputation, and capacity.

Several challenging legacy property issues were highlighted, requiring difficult conversations with external parties to reach a resolution. Officers expressed frustration with having to negotiate with risk profiles that change. Members raised concerns over risk to the council's reputation when negotiations proved contentious. There is a need to agree the council's risk appetite and create the structures that enable its effective and consistent implementation. As one individual put it "we need to decide the level of bravery we are all going to adopt…and stick to it", understanding that whatever the council does there is a risk to its reputation, even if it does nothing.

In terms of effective and consistent implementation of an agreed risk profile, consideration could be given to setting up an Investment Board, consisting of members, officers, and invited market experts, with the delegated powers to enable agile decision-making to meet market timelines.

Concerns were also raised by several parties over the capacity of the Legal team and timely availability of specialist skills to support services in the agile, response way they need to operate in the open market. Consideration could be given to strengthening the Legal team or empowering them to access external specialist legal and market expertise in a timely manner.

4.7 Net Zero

Peers were asked to comment on the council's ambitions and opportunities to become Net Zero. These are their thoughts.

Budget planning

Peers felt a clear budget plan is required to meet the level of ambition – revenue and

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

capital for the central team and all service areas. There are three areas which the council should consider to

support this.

Firstly, NNDC has swiftly aligned its budget to support delivery of the council's climate ambitions by allocating £0.5m to the portfolio, however it wasn't clear whether this can be used for capital expenditure, revenue or both. Providing clarity on this will enable a clearer articulation of forecasting spend and profile.

Secondly, the council has a track record in successfully securing partnership funding. To support the level of ambition, the council should consider opportunities to match fund/leverage external funding, for example, capitalising on local partnerships (Bacton consortiums) to collectively broker discussions with non-public sector organisations. Harnessing the knowledge and experience of partners, for example, within the coastal team on the Sandscaping project to maximise resources in the delivery of priorities.

Finally, the council's procurement strategy needs to be reviewed with consideration of its core values. Ideally climate and the environment should be at its heart as this strategy is vital for realising carbon reduction in Scope 3 GHG emissions.

Collective ownership - golden thread of climate

There needs to be a common understanding that tackling the climate and environmental emergencies requires a change to the way NNDC deliver services, make decisions and create communities. Peers found the awareness of the NNDC Environment Charter was low across several focus groups. For climate action to be at the forefront of officer's minds there needs to be more engagement on the subject across all services. If the vision is for *"all council staff to implement this charter and respond to the climate emergency in the performance of their roles"* – there needs to be further education to shift the culture more in line with collective ownership. The climate team cannot deliver the ambition on their own. Building upon staff briefings, expanding training to all-staff and made mandatory as part of staff induction will help to embed its importance.

Consider whether staff have the competencies for project delivery and behavioural

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

change. For example, are plans for net zero being given the visibility and resources needed within planning, or is it an additional ask?

This education and awareness will also help officers to understand and complete new climate considerations in committee reports. Members will also need to play their role here in questioning and challenging the implications, mitigations, and offsetting proposals if the council is to meet the climate targets it aspires to.

The council appears focussed on the output/capital delivery of net zero projects. For example, the solar car port and tree planting. These are good examples of focused delivery albeit with some room for improvement but there needs to be a similar focus on behavioural change, a paradigm shift - both internal and external.

Preparedness vs retrofit

The Environment Charter sets out very clearly the council's commitment to achieving net zero carbon emissions by 2030. Consideration now needs to be given to a policy review through the lens of climate and environment for all policies and strategies to fall in line with the charters principles and targets. Establishing a process for new policy development that considers the impact of climate and environment at the creation/planning stage will also prevent too much retrofit, for example, the Asset Management Plan.

There is an opportunity to address carbon reduction and renewable energy generation through asset management. This will require a discussion with members and officers about what this means for the acquisition and disposal strategy and links to the commercial point regarding being clear what commercial means. The solar carport is now an asset and should be considered within the Asset Management Plan. In line with the charter the council should discuss its appetite for further acquisition or installation of energy assets either alone or with partners.

How to support partners, communities to achieve NZ

Officers expressed difficulty in 'landing' messages about climate change with communities that then translate into positive action. Consider doing this by strengthening the articulation of co-benefits. For example, the main driver and communications message for a project doesn't have to be climate change, it can be health/wellbeing/pride of place/cost of living/economic development with a strong

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

secondary driver of carbon reduction/addressing climate and biodiversity emergencies.

Given the prominent role NNDC plays within the Norfolk Climate Partnership, the council should maximise the value of this to articulate the carbon reduction challenges through a data-led approach, how collectively these will be overcome and profile this work over the next 5-10 years. Understanding the housing stock condition (private not council), the local carbon flows across Norfolk and key local decarbonisation challenges will enable the Partnership to secure external funding for example, Innovate UK and Department for Energy Security and Net Zero (DESNZ).

5. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in session, which provides space for the council's senior leadership to update peers on its progress against the action plan and discuss next steps.

In the meantime, Rachel Litherland, Principal Adviser for the East of England, is the main contact between your authority and the Local Government Association. Rachel is available to discuss any further support the council requires. rachel.litherland@local.gov.uk, 07795 076834.

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

6. Additional information

6.1 Commercialisation

The term 'Commercial' is loaded and difficult for some in local government to reconcile. NNDC could consider using 'Enterprising' instead.

To assist NNDC's thinking in this area, we suggest this further reading https://www.local.gov.uk/publications/profit-purpose-delivering-social-value-through-commercial-activity

The LGA Advanced Commercialism Group is now closed. However, with LGA support, an informal network of over 60 councils has been established. 'Enterprising Councils Group' meet on MS Teams every quarter. Point of Contact angela.redman@westsussex.gov.uk Consider being added to this network.

6.2 Staff Survey

The LGA provides a workforce offer for councils. To discuss a staff survey please contact: Nigel.Carruthers@local.gov.uk

6.3 ICT

The LGA has a Cyber, Digital and Technology offer for councils. This includes access to a free cyber 360 service and advice and guidance from experts. For more information or to discuss bespoke requests contact: jamie.cross@local.gov.uk

6.4 Transformation

The LGA's Transformation Experts programme offers bespoke advice and support to local authorities to help them deliver transformation activities. We have a cohort of transformation experts who have delivered transformation programmes in their own councils. The experts also cover a wide range of service specific expertise including but not limited to:

- service transformation
- data and digital
- adult social care
- children's services

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

- council culture
- organisational change
- partnership-working
- economic growth and business intelligence
- behavioural insights
- governance
- commissioning

Our Transformation Experts will be linked up with councils who request ad hoc support to provide expert advice. This could range from reviewing their council plans and projects, to offering constructive challenge based on their own experience and knowledge. The type of support will be led and determined by the needs of the recipient council. The support will be available for a maximum of 10 days until March 2024.

Contact: Olivia.Lancaster@local.gov.uk or Michael.Balls@local.gov.uk

18 Smith Square, London, SW1P 3HZ www.local.gov.uk **Telephone** 020 7664 3000 **Email** info@local.gov.uk **Chief Executive:** Mark Lloyd
Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

Cabbell Park	
Executive Summary	Cabbell Park is situated on Mill Road in Cromer and was previously the home of Cromer Town Football Club. Ownership of Cabbell Park was taken on by NNDC in 2015, with a section at the front of the site sold to make way for a new medical practice. The capital sum from this sale (approx. £360k) is held for the purpose of providing/improving football facilities in the town. Cromer Youth Football Club (CYFC) have for many years been seeking a home for their club. Since the late 80s they have been playing matches at various satellite sites across the district, including Fearns Field, Northrepps, Southrepps, Bodham, East Runton and more. A project is currently underway to build a 3G football facility on the adjacent Academy/Sports Centre site, for which the youth football club are a partner club. It is proposed that Cabbell Park could become the home of CYFC.
Options considered	1. The necessary improvements are made, and additional facilities added, to Cabbell Park to enable CYFC to lease the ground and have a home for all of their football operations. The car parking area would be leased to the NHS from 6am-6pm Monday to Friday. 2. Do not follow option one and investigate further options for the site.
Consultation(s)	This proposal has been loosely discussed with CYFC, Norfolk FA, The Local Member and senior officers prior to the report being brought forward.
Recommendations	1. That Cabinet supports in principle the necessary improvements and provision of additional facilities to Cabbell Park to enable Cromer Youth Football Club to lease the ground and have a home for all of their football operations. 2. Officers are instructed to undertake further work to develop the scope of improvements, design of additional facilities and appropriate permissions and costings and present these in a paper to a future Cabinet meeting for consideration.
Reasons for recommendations	This is the first time in 30 years that a tangible option exists to provide a home for CYFC, a solution which will also maximise the use of Cabbell Park. A permanent home in Cromer for the club would enable them to grow and secure football in the town for a number of years to come. Football clubs for many are the heart of the community and this is an

	opportunity to bring this back to the town.
Background papers	NA

Wards affected	Cromer Town & Suffield Park
Cabinet member(s)	Cllr Liz Withington
Contact Officer	Colin Brown, Leisure and Locality Services Manager

Links to key documents:	
Corporate Plan:	Developing our Communities
Medium Term Financial Strategy (MTFS)	The proposal as a whole could generate a small amount of additional income
Council Policies & Strategies	List here which existing council policies and strategies the proposals are linked to

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Is the item exempt, if so, state why.
Details of any previous decision(s) on this matter	Provide the dates of any previous decisions relating to this

1. Purpose of the report

1.1 This report outlines a proposal for future use of Cabbell Park Football Ground in Cromer.

2. Introduction & Background

2.1 Cabbell Park is situated on Mill Road in Cromer and was previously the home of Cromer Town Football Club.

2.2 Ownership of Cabbell Park was taken on by NNDC in 2015, with a section at the front of the site sold to make way for a new medical practice. The capital sum from this sale (approx. £360k) is held for the purpose of providing/improving football facilities in the town.

2.3 The rest of the site remained as a football facility with priority access afforded to Cromer Town FC, with other clubs able to hire the pitch on an ad-hoc basis.

2.4 Eventually, with Cromer Town FC struggling to run the club the pitch was returned to pay and play status in its entirety and bookings for this are currently handled by the Council's Leisure operator Everyone Active as part of the operation of Cromer Sports Centre.

2.5 Costs for the maintenance of this site sit with the Council as per the dual use agreement.

2.6 Since 2020 the car parking area situated alongside the football pitch has been leased to the NHS, originally for workers who were building on the hospital site and then subsequently as an overflow for hospital workers

2.7 Discussions are currently ongoing to formalise this agreement for another 10 years. A 6am – 6pm agreement Monday to Friday is being finalised, generating the Council some income from the site.

2.8 Cromer Youth Football Club (CYFC) have for many years been seeking a home for their club. Since the late 80s they have been playing matches at various satellite sites across the district, including Fearns Field, Northrepps, Southrepps, Bodham, East Runton and more.

2.9 There is a perception within the club that the Council has not done enough to help the club to find a home. However there has not been land available to provide a home.

2.10 The club are able to train within the town through the use of the All Weather Pitch situated at the Sports Centre. However, these facilities are reaching the end of their life.

2.11 A project is currently underway to install a 3G football pitch (which would be the first in North Norfolk) on the sports centre site in place of the current All Weather Pitch. The youth club would be a partner club in this project meaning that they would receive preferential booking and hire fees.

3. Proposals and Options

3.1 A covenant exists on Cabbell Park requiring it to continue to be used for sport and recreation.

3.2 It is proposed that Cabbell Park could become the home of CYFC with the capital sum remaining used to build a basic clubhouse with kitchen and toilets and to ensure that the pitch and floodlights are in good condition.

3.3 With the introduction of the 3G pitch, and the additional grass pitches available to hire on the Academy site, the club would be able to run all their activity from here – training, matches and all subsidiary activities required to keep the club going. Something they have been seeking for over 30 years.

3.4 This proposal is supported by Norfolk FA who we are working alongside as part of the 3G pitch project.

3.5 The proposal would see the Cabbell Park site leased to the club, so they have full control of the management of the pitch and associated facilities.

3.6 The club would continue to hire the 3G pitch and extra grass pitches (on the Academy Site) as they do currently when required.

3.7 The NHS can continue to lease the car park area without affecting the potential club operations.

Options:

1. The necessary improvements are made, and additional facilities added, to Cabbell Park to enable CYFC to lease the ground and have a home for all of their football operations. The car parking area would be leased to the NHS from 6am-6pm Monday to Friday.
2. Do not follow option one and investigate further options for the site.

4. Corporate Priorities

4.1 This proposal would support the *Developing our Communities* priority, in particular the following areas:

- *Working with partners to promote healthy lifestyles and address the health inequalities faced by our communities.*
- *Creating active environments for all ages and abilities*
- *Championing North Norfolk as a place where residents and visitors can enjoy inclusive cultural opportunities and healthy leisure and sports activities*
- *Working with partners to support and develop participatory and community sports and cultural events*
- *Developing further the leisure facilities provided across the District*

5. Financial and Resource Implications

5.1 It is proposed that the capital sum held from the sale of land at the eastern end of the site to enable the building of a new medical centre should be used to complete the works required to deliver the proposed outcomes.

5.2 The actual cost of these works is not yet known but it is believed that the project could be delivered without requiring any additional funding, subject to the normal ‘unknowns’.

5.3 The Council would generate an income from leasing the car park area to the NHS and the football facility to CYFC (both amounts TBC), and would make a saving on grounds maintenance for the site of around £4k. This does not include costs associated with current infrastructure such as the floodlights as it is unclear currently where responsibility for these would lie.

6. Legal Implications

6.1 The transfer of this site to NNDC in 2015 did generate some legal challenges and difficulties. Therefore it would be prudent to re-visit the legal considerations surrounding the covenant ahead of pursuing the proposal.

7. Risks

7.1 There is a risk that the 3G pitch application on the adjacent Academy site does not get approved, which would mean that the overall concept of providing a ‘home’ for CYFC would be diminished somewhat. A 3G in this location has been identified as a strategic priority and funding set aside for it, therefore it would only likely be rejected based on issues with planning or similar. With a pitch and infrastructure already in place this risk is even further reduced.

7.2 Not pursuing this proposal could also provide some reputational risk to the Council. CYFC have felt that the Council has not previously done enough for football in the town, particularly the youth football, and therefore not carrying this forward could cause further reputational damage.

8. Net ZeroTarget

8.1 Construction of a new facility on this site would be carried out with the Net-Zero Targets in mind ensuring that it includes all possible energy efficient technology and systems available.

8.2 It is possible to argue also that by providing the Youth Football Club with a home the Council would be helping to reduce the Club’s carbon footprint by decreasing travel to the satellite sites in surrounding villages which are currently being used.

9. Equality, Diversity & Inclusion

NA

10. Community Safety issues

NA

11. Conclusion and Recommendations

11.1 CYFC have long sought a home within the town, having not had a facility of their own for over 30 years. The club currently run 20 teams catering for over 250 players aged 4-18, and have ambitions to grow even further.

11.2 The development of the club is dependent on quality facilities and a home to call their own. With the 3G pitch project in progress an opportunity exists to create a home for CYFC by providing clubhouse facilities and grass pitch provision on Cabbell Park Football Ground. A combination of the facilities on the adjacent sites would provide everything the club requires.

11.3 This is the first time in 30 years that a tangible option exists to provide a home for CYFC, a solution which will also maximise the use of Cabbell Park.

Recommendation:

1. **That Cabinet supports in principle the necessary improvements and provision of additional facilities to Cabbell Park to enable Cromer Youth Football Club to lease the ground and have a home for all of their football operations.**

2. **Officers are instructed to undertake further work to develop the scope of improvements, design of additional facilities and appropriate permissions and costings and present these in a paper to a future Cabinet meeting for consideration.**

Site Maps

Map 1 – Shows the locations of the relevant facilities to this proposal.

Map 2 – Shows the locations of Cabbell Park, the car park, the Med Centre Land and the hospital

Map 3 – Shows the proposed new home of Cromer Youth FC.

- The green area is the current All Weather Pitch which will hopefully become the 3G football facility operated as part of the Sports Centre. CYFC would have priority booking and hire fees
- The blue area is Cabbell Park and the overflow car park which is not currently leased to the NHS
- The yellow area is the area currently used by the NHS and proposed to be leased to them for a further 10 years
- The red area is the space suggested for a new clubhouse and associated facilities for CYFC

& Squash Club
A149
Cromer Sports Centre
Cromer
Sports Centre
Nintai Karate Club
Cromer Academy Gym
Award Winning
Swimming Lessons
Cabell Park
Doctors
Surgery
Cromer Hospital
Mill Rd
All Weather Pitch
Clare Rd
East Grove
Mill Road Reinvented
Norwich Rd
Cromer Academy
Grass Football Pitches
Connaught Rd
Cromer Suffield Park
Infants & Nursery
Harmony Hair
& Beauty Salon


Cromer Town F.C
Cabell Park
Cromer Pharmacy
Mill Rd
Mill Rd
Cromer and District Hospital
Muriel Thoms Procedure Unit
Key
Blue: Cabell Park
Yellow: Car Park leased to NHS
Green: Land sold to Med Centres
Purple: Hospital


Additional
Grass Pitches
Cromer Sports Centre
Cromer Town F.C
Cromer Pharmacy
Mill Rd
East Grove
Google

This page is intentionally left blank

Proposed disposal of Highfield Road Car park for Affordable Housing	
Executive Summary	This report sets out a proposal to dispose of the NNDC owned car park at Highfield Road, Fakenham to Flagship Housing for the development of affordable housing.
Options considered	- Retain site as a car park - Exchange site for Fakenham Town Council owned land elsewhere in Fakenham
Consultation(s)	Fakenham Town Council District Councillors for Lancaster South & North Portfolio Holder for Housing and Peoples' Services Estates and Property Services
Recommendations	It is recommended that Cabinet: - Agree that Highfield Road is surplus to requirements - That NNDC enter into an option agreement with Flagship Housing (subject to Planning Permission) for sale of the Highfield Road car park to be developed for affordable housing. - That demolition of the existing toilet block on the site is undertaken as soon as is possible
Reasons for recommendations	The development of the Highfield Car park offers the opportunity to make better use of an under-used car park, to deliver badly needed affordable homes, to generate a capital receipt and to reduce the current revenue liabilities at the site.
Background papers	None

Wards affected	Lancaster South
Cabinet member(s)	Cllr Fredericks, Portfolio Holder for Housing and Peoples' Services
Contact Officer	Nicky Debbage, Housing Strategy & Delivery Manager, nicky.debbage@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Meeting our Housing Need.
Medium Term Financial Strategy (MTFS)	New affordable homes will help the council tackle housing need and potentially reduce the cost of temporary accommodation for homeless households the Council has a duty to accommodate
Council Policies & Strategies	NNDC Housing Strategy 2021-2025

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Appendix A is exempt as it contains commercial information that may prejudice future asset sales
Details of any previous decision(s) on this matter	NA

1. Purpose of the report

1.1 This report sets out a proposal to dispose of the NNDC owned car park at Highfield Road, Fakenham to Flagship Housing for the development of affordable housing.

2. Introduction & Background

2.1 Highfield Road car park is owned by NNDC and has been considered for development previously. The site was originally part of the package of sites to be sold to Broadland Housing, but was withdrawn due to opposition to development – leaving the five exception sites to be developed (Great Ryburgh, Binham, Erpingham, Edgefield & Trunch – now all completed). Proposals for development of the site from a private developer for older persons housing have also been considered previously.

2.2 There is a residents parking area to the East of the car park, for residents living on Church Lane. This piece of land is not included in any proposals and would be retained as residents parking. It is only the public car park area that is being considered for disposal.

2.3 The car park is not well used. The review of car parks in 2020 showed that Highfield Road was the least well used car park in the District. The table below shows the income for Highfield and other Fakenham car parks 2017 – 2020.

Town	Car park	Income 2017-20	% of total car park income
Fakenham	Bridge Street	£233,116	2.91%
Fakenham	Community Centre	£30,906	0.39%
Fakenham	Highfield Road	£6,730	0.08%
Fakenham	Queens Road	£123,094	1.54%
Fakenham	Limes	£41,633	0.52%

2.4 The income shown above does not include season ticket holders and for some of this period part of the car park was used as a Covid testing station or was undergoing resurfacing works. However, the lack of use is backed up by more recent information - income from Highfield car park for 2022/23 was only £3,862. Additionally, over the last 18-months officers have carried out monitoring, with 23 visits on different days and times, to see how many cars were in the car park. An average of eight cars were parked there, but often only four and at most 17 on a Thursday evening – the capacity of the car park is 75 spaces.

2.5 NNDC owns four other car parks with a total capacity of 371 spaces in Fakenham (Queen's Road – which includes electric vehicle charging points, Bridge Street, The Limes – which includes two coach bays and The Community Centre). Additionally, there are several private car parks near the centre of town (e.g. Miller's Walk, Tesco, Aldi). Whilst these car parks are all more used than the Highfield Road car park, there is capacity for additional parking across these sites and Fakenham remains the best-served town for car parking in the District.

2.5 There is a small public toilet block on the site, which is dated and in need of upgrading if it were to be retained. The 2020 Public Convenience Review stated the condition of the toilets were poor and the 2021 Strategy stated that the Council should aim for one high standard public provision within the Town. The Council has since delivered new facilities at Queen's Road. Highfield Road is outside of the town centre and away from any public spaces so the loss of the provision would not be deemed detrimental.

3. Proposals and Options

3.1 The two main developing Registered Providers in North Norfolk (Flagship and Broadland) were both asked if they would be interested in Highfield Road as a development site. Broadland were not, but Flagship were and provided an initial site layout for developing the site. This proposal shows that 12-16 affordable homes, a mix of 1, 2 and 3-bed homes, could be built – the proposal retains the area of the car park that is currently used for residents parking. Flagship have also indicated they would be able to provide a capital receipt for the site, estimated at £300k.

3.2 Housing need across the District, including Fakenham is acutely high. Figures on housing need were shared with the Town Council at their meeting in October. These showed that of the 2,516 households on the Housing List, 1,115 said they wanted to live in Fakenham and 260 had a local connection to Fakenham. Of the 1,115 households that wanted to live in Fakenham, 219 were in most urgent housing needs bands, including 82 households who were homeless or threatened with homelessness. Only 37 affordable homes were let in Fakenham in the previous year.

3.3 Whilst the Town Council recognise the acute need for affordable housing, they believe that retention of Highfield Road as a car park is important to the future economic prosperity of the town. The Town Council therefore asked officers to consider a possible land swap, with the Town Council taking ownership of the Highfield Road car park and NNDC taking land at the Trap Lane sports facility to be used for affordable housing.

3.4 To explore this option, the Council's Enabling Officer and Flagship were asked to consider Trap Lane as an alternative site for an affordable housing development. At this point the status of the Levelling Up Round 3 bid to enhance sports facilities at Trap Lane was unknown, but we highlighted that any plans would need to consider future use of the site. The Council's Enabling Officer highlighted concerns regarding pedestrian access and Highways requirements for the site. Flagship echoed these concerns identifying that development would require significant off-site Highway improvements and felt that the site was slightly detached from the main town and that Highfield Road offered a more secure route to planning permission.

3.5 The success of the Levelling Up bid for a swimming pool and improved sports facilities at Trap Lane make the development of any affordable housing on the site very challenging and would further complicate delivery of an important facility for the town. It is therefore recommended that the land swap proposal is rejected.

3.6 As stated above, the residents parking area to the East of the car park is not included in the proposed disposal. It is highly unlikely this area could be incorporated into any future development due to likely challenges from residents regarding prescriptive rights. If the remainder of the car park is disposed of for affordable housing, options will be explored for the future of this area, including offering the land to Fakenham Town Council to retain for parking, gifting the land to residents, or normalising arrangements for the residents' parking.

3.7 It is also recommended that demolition of the existing toilet block on Highfield is undertaken as soon as possible. This will help prepare the site for development, help reduce the costs of servicing and maintaining the toilet facilities and help avoid the site becoming a target for more anti-social behaviour.

4. Corporate Priorities

The development of the Highfield Road car park has the potential to deliver new affordable homes helping the council deliver its key corporate priority – Meeting our Housing Need.

5. Financial and Resource Implications

5.1 This sale of Highfield Road car park has the potential to generate a capital receipt, whereas retention of the car park is likely to raise very limited revenue income whilst leaving the Council with future maintenance liability for both the car park and the toilet block on the site.

5.2 The current asset valuation of Highfield Road for account purposes is £21k, which is based on the income generated from the car park. To ensure best value an independent valuation of the site has been obtained – both of the unfettered open market value of the site and the value if use were restricted to affordable housing. The Council can sell an asset a at less than open market value, if the Council formally considers the social, environmental and economic wellbeing to doing so are a contributing factor, and there is a difference of no greater than £2m in value.

5.3 The social value of affordable housing can be clearly demonstrated, especially with current acute levels of housing need. The independent valuation information is contained in Appendix A and demonstrates that the difference between open market value and the value of the site for affordable housing is not greater than £2m.

6. Legal Implications

The Council can offer the site for sale to Flagship subject to planning consent with an option agreement allowing them time to gain planning consent. Legal support will be required to provide the option agreement and identify any known constraints to sale for development of the site.

7. Risks

There are reputational risks to taking forward development of the car park with potential local and Town Council opposition.

8. Net ZeroTarget

No direct implications

9. Equality, Diversity & Inclusion

No direct implications

10. Community Safety issues

The Highfield Road car park toilet block is currently subject to some incidents of anti-social behavior. Removal of the bloc and development of the site will help to manage this.

11. Conclusion and Recommendations

The development of the Highfield Car park offers the opportunity to deliver badly needed affordable homes, to generate a considerable capital receipt and to reduce revenue liabilities at the site. It is therefore recommended that Cabinet:

- Agree that Highfield Road car park is surplus to requirements.
- Agree that NNDC enter into an option agreement with Flagship Housing for sale of the car park, subject to Planning Permission, to be developed for affordable housing.
- Agree that demolition of the existing toilet block on the site is undertaken as soon as is possible.

Appendix A – Independent Valuation

Not yet available

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank