

Council



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17 June 2019

A meeting of the **Council** of North Norfolk District Council will be held in the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN on **Tuesday, 25 June 2019 at 6.00 pm.**

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

Members of the public who wish to ask a question or speak on an agenda item 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.

Emma Denny
Democratic Services Manager

To:

All other Members of the Council for information.
Members of the Management Team, appropriate Officers, Press and Public



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

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A G E N D A

1. PRAYER

Led by Reverend Janet Frymann, Roughton Benefice

2. CHAIRMAN'S COMMUNICATIONS

To receive the Chairman's communications, if any.

3. TO RECEIVE DECLARATIONS OF INTEREST FROM MEMBERS

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

4. APOLOGIES FOR ABSENCE

To receive apologies for absence, if any.

5. MINUTES

1 - 18

To confirm the minutes of the meetings of the Council held on 24 April and 15 May 2019

6. 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.

7. PUBLIC QUESTIONS/STATEMENTS

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

8. PORTFOLIO REPORTS

19 - 50

To receive reports from Cabinet Members on their portfolios.

1. Cllr A Brown – Special projects
2. Cllr S Butikofer – Strategy & Corporate Services
3. Cllr A Fitch-Tillett - Coastal
4. Cllr V Gay – Culture & Wellbeing
5. Cllr G Hayman – Commercialisation & Assets
6. Cllr R Kershaw – Economic & Career Development
7. Cllr N Lloyd – Environment
8. Cllr E Seward – Finance
9. Cllr K Ward – Housing & Planning

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

9. RECOMMENDATIONS FROM CABINET 3RD JUNE 2019

51 - 122

Agenda Item 8: Outturn Report (Period 12 Budget Monitoring Report)

Recommendation to Council:

- a) The provisional outturn position for the General Fund revenue account for 2018/19;
- b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2019/20 budget;
- c) Transfer the surplus of £969,666 to the General Fund Reserve (£500,000) and the Asset Management Reserve (£469,666);
- d) The financing of the 2018/19 capital programme as detailed within the report and at Appendix D;
- e) The balance on the General Reserve of £1.956 million;
- f) The updated capital programme for 2019/20 to 2022/23 and scheme financing as outlined within the report and detailed at Appendix E;
- g) The outturn position in respect of the Prudential Indicators for 2018/19 as detailed in Appendix F.

RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 12 JUNE 2019

The Overview & Scrutiny Committee supported the recommendations.

Agenda Item 9: Treasury Management Annual Report 2018/19

Recommendation to Council:

That the Treasury Management Annual Report and Prudential Indicators for 2018/19 are approved.

RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 12 JUNE 2019

The Overview & Scrutiny Committee supported the recommendations.

10. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 12 JUNE 2019

To consider any further recommendations from Overview & Scrutiny Committee to Council

11. RECOMMENDATIONS FROM GOVERNANCE, RISK & AUDIT COMMITTEE 11 JUNE 2019 123 - 128

That Council notes the report and affirms the work of the Governance, Risk and Audit Committee.

12. QUESTIONS RECEIVED FROM MEMBERS

None Received.

13. OPPOSITION BUSINESS

None Received.

14. NOTICE(S) OF MOTION

None Received.

15. EXCLUSION OF PRESS AND PUBLIC

To pass the following resolution – if necessary:

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

16. PRIVATE BUSINESS

COUNCIL

Minutes of a meeting of North Norfolk District Council held on 24 April 2019 at the Council Offices, Holt Road, Cromer at 6.00 pm.

Members Present:

Mrs S Arnold	Mr M Knowles	Mr J Rest
Mr D Baker	Mr J Lee	Mr R Reynolds
Dr P Butikofer	Mr N Lloyd	Mr E Seward
Mrs S Butikofer	Mrs B McGoun	Mr R Shepherd
Mrs A Claussen-Reynolds	Mrs M Millership	Mr B Smith
Mr N Coppack	Mrs A Moore	Mr N Smith
Mrs H Cox	Mrs P W Moore	Mr R Stevens
Mr N Dixon	Mrs J Oliver	Ms K Ward
Ms J English	Mr N Pearce	Mr A Yiasimi
Mrs A Fitch-Tillett	Mr S Penfold	Mr D Young
Mr T FitzPatrick	Mrs G Perry-Warnes	
Ms V R Gay	Mr R Price	
Mrs A Green		
Mrs P Grove-Jones		

Officers in Attendance: The Corporate Directors, the Monitoring Officer, the Head of Finance & Assets, the Communications and PR Manager and the Democratic Services Manager

Press: Present

122. PRAYERS

The Chairman invited Cllr Hilary Cox, Methodist Lay Preacher, to lead prayers

123. CHAIRMAN'S COMMUNICATIONS

The Chairman began by paying tribute to all Members – those retiring and those standing for re-election for their dedication and commitment to the Council. He wished everyone luck for the future.

He then talked about forthcoming events and activities that he had been invited to, including the Break charity golf day on 26th April and reminded members about his upcoming parachute jump for his nominated charity, EACH which was scheduled to take place on 4th May.

The Chairman concluded by saying that he would be holding a thanksgiving service for his year in office at St Andrews Church, Holt on 12th May. He hoped to see as many members there as possible.

124. TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS

None received.

125. APOLOGIES FOR ABSENCE

Apologies were received from Cllrs V FitzPatrick, B Hannah, S Hester, B Palmer, M Prior, D Smith, V Uprichard and L Walker

126. MINUTES

The minutes of the meeting held on 27th February 2019 were approved as a correct record and signed by the Chairman.

127. ITEMS OF URGENT BUSINESS

None

128. PUBLIC QUESTIONS OR STATEMENTS

Dr F Turner asked the following question:

'North Walsham is the largest town in North Norfolk. It is growing rapidly and has been the focus of ongoing concern with its need for regeneration in both economic and cultural terms. Can NNDC now commit to very significant financial resources for the infrastructure of North Walsham? The right time to build quality of life outcomes for its residents is now'.

Cllr E Seward, Portfolio Holder for Finance and local member for North Walsham North said that the Council was facing a very challenging financial situation. North Walsham was earmarked as a growth town and 2000 more new homes were planned. The Town Council and residents were clear that the town needed improved infrastructure to support this growth and to remove some of the through traffic. He said that at the end of March 2019, the Council had submitted a bid to the Government's High Street Fund for the town in conjunction with a Community Interest Company (CIC). In addition, the town had submitted a successful bid to the Council's Market Towns Initiative (MTI) scheme and had received £100,000 of funding in the first round.

He went onto say that the planning application for the improvement of St Nicholas' Precinct had been approved and it that the proposal for an all-weather artificial football pitch was proceeding.

Cllr Seward reminded Members that in 2017, there was a Norfolk County Council Highways Network Initiative which undertook a feasibility study in growth towns. North Walsham was chosen as one of those towns and work had commenced in December 2017. A new bus interchange was being developed and would be ready by May 2019. Also, a new mast which would improve mobile telecommunications was almost ready. He concluded by saying that there was substantial progress being made in the town and this would continue.

The Chairman then invited Elaine Addison to speak.

Ms Addison said that she was speaking on behalf of the local Labour Party. She said that they supported the motion (Agenda Item 12) and that climate change was now the biggest threat to humanity, impacting on the most vulnerable citizens. Climate change would impact on food production and fuel prices would rise. Eventually it would impact on everyone and everything. She said that it was right that the Council should set an example and declare a climate emergency.

Cllr Karen Ward, proposer of the Motion, thanked Ms Addison for her comments and said that she would respond in full when the item was debated.

129. PORTFOLIO REPORTS

The Chairman invited each Portfolio Holder to provide an update on their portfolio:

1. Cllr K Ward, Portfolio Holder for Planning, Planning Policy and Housing began by saying that it had been a very busy time. The Council continued to perform well on appeals and the Local Plan consultation was due to start on 7th May, with sessions being held at venues across the District. She thanked Cllrs Arnold, Gay and Young for their help in proof-reading the consultation document. She then informed Members that a recruitment consultant had been appointed to deliver a shortlist of suitable candidates for the two vacant senior officer posts within the major developments team. Expectation was for shortlisting in mid-May with interviews in the first week of June.

The Corpusty and Saxthorpe Neighbourhood Plan was approved under the Leader's delegated authority. It was to be welcomed as the first "made" neighbourhood plan in North Norfolk.

Cllr Ward then spoke about her housing portfolio, highlighting the following areas;

- A new shared post of Housing Strategy & Delivery Manager had been created, supported by a Community Housing Enabler post.
- Affordable Housing Stock – concerns had been raised about Victory Housing Association's disposal policy which had resulted in a net increase of only 9 dwellings between 2014 and 2018. Flagship had recently acquired VHA and had assured the Council that the policy would change.
- Homelessness – the bid for additional funds had been a success and there would be a new focus on the private rental sector with a more targeted approach on those households most at risk.

Cllr J Lee commented that it would have been beneficial to receive written reports before the meeting to avoid lengthy verbal updates. The Monitoring Officer replied that the decision to go ahead with the meeting was taken quite late due to a lack of substantial business. It was therefore agreed that verbal updates would be sufficient on this occasion.

2. Cllr A Fitch-Tillett, Portfolio Holder for Coast and Health & Wellbeing, then provided a lengthy update on the situation regarding the Sandscaping Scheme and sand martins at Bacton. (attached Minutes Appendix A).
Cllr J Oliver asked for an update on work undertaken to assist veterans over the last 4 months. Cllr Fitch-Tillett said that she would provide a written response.
3. Cllr N Dixon, Portfolio Holder for Economic Development updated members on business support. He said that The Economic Growth Team had engaged 407 business via business events and has had 'meaningful' engagement with a further 284 businesses. Typically, this might include support for businesses in respect of planned projects (e.g. sites/premises/extensions), assisting with recruitment needs (including apprenticeships, skills need etc.), supporting new start-ups and site visits with larger employers. Regarding tourism, he said that the Council had sponsored Visit North Norfolk's (VNN) latest marketing campaign, 'North Norfolk, Naturally'. The campaign had received over half a million film views since it launched in June. The first year of the campaign ends in April and the second year begins in May. VNN has now filmed six new thirty second videos which will feature over the coming months. The Deep History Coast continued to progress well and a marketing campaign commencing this spring, would include innovative local and national publicity, a social media campaign, the development of a new website and the creation of two inspiring experiential films to appeal to all audiences - illustrating all that the Deep History Coast had in store. He then spoke about the business enterprise zone at Egmere, informing members that

following the receipt of the Feasibility Report (provided by the BE Group) discussions have been held about how the site can be developed and promoted, including:-

- a. Dialogue with prospective developers/ investors
- b. Discussions with NALEP with respect to the funding position
- c. Exploration of the potential for a wider range of uses to occupy the site

He concluded his update by telling Members about the next 'Coffee means business' event scheduled for 21st May at Sculthorpe Moor nature reserve.

Cllr J Rest asked about Egmere. He said that Members had been told that there was a high degree of urgency to proceed with Tidal transit tenancy as they were the only tenant. However, he believed that the company had already made arrangements to move to alternative premises. He wondered whether this was the case at the time of the Full Council meeting on 26th September 2018 and whether any member or officer had been aware of the situation. Cllr Dixon replied that two meetings had been held on 4 February 2019 with each of the key partners. Three Cabinet members and the Head of Paid Service (SB) had been in attendance. During one of these meetings it had emerged that Tidal Transit had moved to new premises in Egmere on a two year lease and they had no unmet accommodation needs. The lease arrangements had been agreed before September and there was no urgency to build Unit 1. Regarding timescales, he said that the decision to build could be delayed until July 2019. Cllr Dixon concluded by saying that Members who had pushed for no delay in the project should provide a response outlining their reasons.

4. Cllr S Bütikofer, Leader of the Council, provided an update on her portfolio areas. She referred to the recent issues regarding the netting on the cliffs at Bacton, spoke about the forthcoming District and Parish elections and informed members that the Deep History Coast project was progressing well with a series of ambassador events planned, the refurbishment of the Tourist Information Centre in Cromer and the launch of an app. She then informed members that Eastlaw continued to deliver in line with their predicted income for this year and was exploring new avenues of work with other local authorities. Democratic Services were busy preparing for the new Council in May 2019 and looked forward to welcoming both new and returning members. She concluded with an update on the Benefits service, informing members that following the retirement of the Benefits Manager earlier in the year, two people had been jointly appointed to the role. North Norfolk had almost 8000 claimants and the service was going through a period of change in respect of Universal Credit and the Council was experiencing a high volume of change of circumstances. The service received its Housing Benefit and Council Tax Support Final Audit report (NN1908) on 7th February 2019, which resulted in an overall assessment of a substantial assurance.

A number of business improvements had been identified including automation of the processing system, shared working with the Revenues Service to prevent hand offs, online application forms, and a new 24/7 online self-service tool. There were two major projects coming up in 2020 which will require project teams to form now. These are the Council Tax Support scheme for April 2020, and the procurement of the processing system for October 2020.

5. Cllr N Lloyd, Portfolio Holder for Environmental Services and Property, updated Members on his portfolio areas. He said that the processing of direct debits for garden bin payments had gone well, with 13000 customers signing up so far. Preparation for the 2019 Greenbuild event was underway. Regarding the property portfolio, he said that works on Cromer Pier and Lusher's Passage in Sheringham continued to progress. The roof works at the Council offices were going well as was the installation of PV panels. The Grove Lane site in Holt was now completed. Cllr T FitzPatrick asked whether the

Council was intending to respond to the Met Office survey on Climate Change. Cllr Lloyd said that a written response would be provided.

6. Cllr E Seward, Portfolio Holder for Finance & Revenues informed Members that council tax collection was going well and was currently above target.
7. Cllr H Cox, Portfolio Holder for Leisure and Licensing advised Members that the procurement process for taxi test stations was underway. It was anticipated that there would be additional improvements to the licensing service following the implementation of new software. Regarding the Leisure portfolio, she said that the Council's six sports and leisure facilities continued to perform well, with 546,000 visitors in 2018/19. Sports clubs and hubs currently had 2500 users. She said that work on the skate park in Sheringham was now complete, and park runs continued to be successful with 331 events having taken place since they started. She was pleased to say that the Council had retained all six blue flags on its beaches and all of its green flags. Cllr Cox concluded by saying that it was proposed that there should be a review of the Council's 30 pay and display car parks and that it was hoped that this would be undertaken by an Overview & Scrutiny Committee Task & Finish Group.

The Chairman advised Members that there was some time remaining for questions. Cllr J Oliver asked for an update on progress regarding the proposed Wetherspoon's in North Walsham. She also referred to the IT support offered to the Chamber of Trade in Sheringham and asked whether this would be rolled out to other Chambers of Trade. Cllr Lloyd replied that regarding Wetherspoon's, all outstanding queries had been answered. There had been further queries and the Legal team had been instructed to answer these. The Council had done everything it could to progress the scheme.

130. QUESTIONS FROM MEMBERS

Cllr J Rest asked the Leader whether she could confirm that the earlier issue raised in relation to Egmore would be pursued by the Monitoring Officer. The Leader confirmed that this was the case.

131. OPPOSITION BUSINESS

The following item of Opposition Business had been received:

'When Council agreed the Budget for 2019/20, the following was resolved:

To transfer £1,000,000 from the Property Investment Fund reserve, £500,000 from the Communities reserve and £500,000 from the Benefits reserve to establish a property investment company for the purpose of helping to address local housing need and to create a property portfolio to provide a revenue stream for the Council to help address the financial deficit in future years

We, the Opposition on the District Council, are concerned that to date there has been almost no information or detail supporting this proposal. We consider that:

- (a) given the large sum of money involved, and
- (b) the advantageous tax position of local authorities
- (c) the lack of clarity or detail around the proposed objects and operations of the company;
- (d) the absence of any detail around governance arrangements
- (e) the absence of any information around membership of the company, and
- (f) the absence of a business case to support the proposal,

That Members should have the opportunity to debate the pros and cons of establishing such a property investment company, including an assessment of the need for such a company, the likely profit to be generated and the proposed governance arrangements.

Recommendation:

Council recommends to Cabinet that:

- (1) Members are given the information they require to assess the proposal to establish a property investment company, and to assess whether that proposal represents value for money, particularly bearing in mind the Council's best value duty, and
- (2) If Members, having received the requisite information, agree to the proposal, then subsequent scrutiny of the operation of the property investment company should be through an appropriate body such as the Asset Management Working Party or a Cabinet Working Party specifically established for this purpose.

Cllr J Lee introduced the motion by asking why the Council was intending to establish a property investment fund.

The Leader replied that the Council needed to make money going forward. She said that she was happy to accept the proposed recommendations, however, it would be wrong for Cabinet to assess its own work so she said that the Asset Management Working Party would be more appropriate as it was a sub-committee of Overview & Scrutiny.

The Chairman invited Members to speak:

Cllr A Claussen-Reynolds referred to the business case required for establishing a community fridge scheme and asked whether a business case would be required for the property investment company. The Leader confirmed that it would.

Cllr D Baker made reference to the advantageous tax position of local authorities (section b of the Motion) and asked why this was the case.

It was proposed by Cllr J Lee, seconded by Cllr J Oliver and

RESOLVED to recommend to Cabinet that:

- (1) Members are given the information they require to assess the proposal to establish a property investment company, and to assess whether that proposal represents value for money, particularly bearing in mind the Council's best value duty, and
- (2) If Members, having received the requisite information, agree to the proposal, then subsequent scrutiny of the operation of the property investment company should be through an appropriate body such as the Asset Management Working Party or a Cabinet Working Party specifically established for this purpose.

132. NOTICE OF MOTION

Cllr K Ward introduced the following motion:

This Council acknowledges;

- The devastating impacts that climate change and global temperature increases will have on the lives and livelihoods of people around the world, including on the health, safety and wellbeing of North Norfolk residents;
- The urgent need for action to be taken fast enough for there to be a chance of further climate change being limited to avoid the worst impacts of drought, floods and extreme heat;
- The opportunity for individuals and organisations at all levels to take action on reducing carbon emissions, from both production and consumption;

- The need to enable low carbon living across society through changes to laws, taxation, infrastructure, policies and plans;
- Our responsibility to help secure an environmentally sustainable future for our residents and in relation to the global effects of climate change.

Therefore, this Council resolves to;

1. Declare a Climate Emergency;
2. Engage and work in partnership with our partners in the public, private and community sectors, including central government to facilitate bold action to ensure North Norfolk is able to play its role in helping the UK to deliver against the commitments made nationally and internationally at the 2015 Paris Summit;
3. Prepare an Environmental Sustainability & Climate Change Strategy in line with this pledge, and, with our partners across the community, to develop an action plan and 'route map' to a sustainable, low carbon future for our community;
4. Launch engagement with the public to:
 - Improve "carbon literacy" of all citizens;
 - Encourage and support leadership on this issue in all sectors of society;
 - Obtain meaningful public input into the North Norfolk Environmental Sustainability & Climate
 - Change Strategy and action planning;
 - Facilitate wide community engagement and behavioural change

She referred to the public speakers at the last meeting of Council and said that members of Cabinet had met with them subsequently to discuss their concerns further. They now had a better understanding of the issues being raised and felt that Council should have the opportunity to have a full debate on the matter. She then referred to the alternative motion that had been circulated by Cllr Oliver at the start of the meeting. Cllr N Lloyd, seconder of the motion reserved his right to speak.

The Chairman asked the Monitoring Officer to advise Members on the alternative motion. The Monitoring Officer confirmed that the circulated document was an alternative motion not an amendment to the original motion. The Constitution required that all motions were submitted to Democratic Services 7 clear days before the meeting. It was therefore disallowed.

Cllr J Oliver replied that at a recent meeting of Council at Norfolk County Council, various motions had been put forward and the motion she had placed before Members had been supported unanimously. She said that it made sense to work together and be constructive.

- 1) Cllr D Young said that the alternative motion did not declare a climate emergency. It did however, refer to working with partners – as did the original motion.
- 2) Cllr D Baker said that nothing was gained by having different ideas and approaches. It was time to come together and collaborate.
- 3) Cllr T FitzPatrick commented that the people of North Norfolk expected councillors to work together in a coherent way. He suggested that the original motion was withdrawn, redrafted and brought to the next meeting of Council.
- 4) The Leader said that she could not believe that anyone would support the withdrawal of the motion. Delaying was not acceptable – as reflected by the strength of feeling nationally on this issue.
- 5) Cllr A Claussen-Reynolds said that she was surprised that this issue was considered urgent, when only a couple of months ago it was not supported at a Council meeting.
- 6) Cllr S Penfold commented that it made sense to support bring this forward now. The Administration had listened to the views of the public speakers and now fully understood the urgency of the issue.

The Chairman asked Cllr N Lloyd, seconder of the motion to speak. Cllr Lloyd said that he really hoped Members would be able to pull together on this issue. There were only 12 years left to take action before the damage from climate change became irreversible. He urged Members to support the motion.

Cllr K Ward said that although the alternative motion was disallowed, the Administration fully intended to move forward with this issue on a collaborative basis.

It was proposed by Cllr K Ward, seconded by Cllr N Lloyd and

RESOLVED

1. Declare a Climate Emergency;
2. Engage and work in partnership with our partners in the public, private and community sectors, including central government to facilitate bold action to ensure North Norfolk is able to play its role in helping the UK to deliver against the commitments made nationally and internationally at the 2015 Paris Summit;
3. Prepare an Environmental Sustainability & Climate Change Strategy in line with this pledge, and, with our partners across the community, to develop an action plan and 'route map' to a sustainable, low carbon future for our community;
4. Launch engagement with the public to:
 - Improve "carbon literacy" of all citizens;
 - Encourage and support leadership on this issue in all sectors of society;
 - Obtain meaningful public input into the North Norfolk Environmental Sustainability & Climate
 - Change Strategy and action planning;
 - Facilitate wide community engagement and behavioural change

133. EXCLUSION OF PRESS AND PUBLIC

None

134. PRIVATE BUSINESS

None

Before closing the meeting, the Chairman invited Cllr H Cox to say a few words. Cllr Cox thanked everyone she had worked with at the Council – staff and members for their support, patience, friendship and love. She wished everyone the best.

The meeting concluded at 7.43 pm

Chairman

COUNCIL

Minutes of a meeting of North Norfolk District Council held on 15 May 2019 at the Council Offices, Holt Road, Cromer at 6.00 pm.

Members Present:

Mr T Adams	Mr V FitzPatrick	Mrs G Perry-Warnes
Mr D Baker	Ms W Fredericks	Mr J Punchard
Mrs P Bevan Jones	Ms V R Gay	Mr J Rest
Mr D Birch	Mrs P Grove-Jones	Mr E Seward
Mr H Blathwayt	Mr G Hayman	Ms L Shires
Mr A Brown	Mr C Heinink	Ms E Spagnola
Dr P Butikofer	Mr P Heinrich	Mrs J Stenton
Mrs S Butikofer	Mr N Housden	Dr C Stockton
Mr C Cushing	Mr R Kershaw	Mr J Toye
Mr N Dixon	Mr N Lloyd	Mr A Varley
Mr P Fisher	Mr G Mancini-Boyle	Ms K Ward
Mrs A Fitch-Tillett	Mrs M Millership	Mr A Yiasimi
Mr T FitzPatrick	Mr N Pearce	
	Mr S Penfold	

Officers in Attendance: The Corporate Directors, the Monitoring Officer, the Head of Finance & Assets, the Communications and PR Manager and the Democratic Services Manager

Press: Present

1. PRAYERS

The Chairman invited Reverend William Warren, Interim Minister, Cromer Parish Church to lead prayers

2. OUTGOING CHAIRMAN'S COMMUNICATIONS & ANNOUNCEMENTS

The Chairman began by sending his best wishes to Cllr Brian Hannah who was recovering from an operation. He thanked him for his support as Vice-Chairman throughout the year and wished him a speedy recovery. He then spoke about his year as Chairman which had been thoroughly enjoyable. He outlined the key events that he had attended including Norfolk Day, the Scouting Jamboree, Remembrance Day and his Civic Reception. He said he could not let his final meeting pass without mentioning those colleagues that had sadly passed away. Cllr Northam and former Cllr High continued to be very much missed.

The Chairman said that taking on the role of Chairman was an honour and a privilege and he had undertaken it to the best of his ability. He had broken tradition and opted to have different consorts rather than just one and this had been very successful.

The Chairman then thanked officers for their support throughout the year. Everyone had been very kind and helpful, special mention was made of the Corporate PA Team, the Heads of Paid Service, the Monitoring Officer and Democratic Services.

He then spoke at length about his nominated charity, East Anglian Childrens Hospice (EACH). He had recently undertaken a parachute jump to raise funds for them and was delighted to announce that a total of £3200 had been raised for EACH during his year in office. He invited Carol Plunkett to accept a cheque on behalf of the charity.

The Chairman concluded by thanking Lynda Mcelligott who had provided administrative support to him throughout the year. He said that she had gone 'above and beyond' in her role and had become a good friend who he would remain in touch with.

3. ELECTION OF CHAIRMAN

The Chairman asked for nominations for the office of Chairman of the Council for the ensuing year.

Cllr E Seward nominated Cllr C Stockton. He said that Cllr Stockton had welcomed him to the Council 12 years previously and he was delighted to see him back. Cllr Stockton had a long record in local government, starting with Happisburgh Parish Council and then serving as District Councillor for Waterside ward from 2003 – 2011. He said that Cllr Stockton had been instrumental in establishing the Council's housing exceptions scheme and his work on tackling coastal erosion had led to the setting up of the Pathfinder Scheme in 2009. It was therefore fitting that he was now the member for the new ward of Bacton where the sandscaping scheme was underway.

There being no further nominations, it was proposed by Cllr E Seward, seconded by Cllr V Gay and

RESOLVED that

Cllr C Stockton be elected as Chairman of the Council for the ensuing year.

The outgoing Chairman presented the Chairman's chain of office to the newly elected Chairman.

4. INCOMING CHAIRMAN'S COMMUNICATIONS

The Chairman thanked Members for their support. He said that he was mindful that Cllr Hannah should be Chairman for the forthcoming year. He asked Members to join him in wishing him a speedy recovery. He said that he was proud and privileged to be Chairman and would do his best for North Norfolk. With a new council in place, it was a good opportunity to for Members to come together and serve the District.

Cllr Stockton then presented the consort's medal to his wife, Mrs S Stockton.

5. ELECTION OF VICE-CHAIRMAN

It was proposed by Cllr J Rest, seconded by Cllr S Bütikofer and

RESOLVED that

Cllr J Punchard be elected as Vice-Chairman for the ensuing year.

The Chairman invited Cllr Punchard to join him on the dais and presented him with his chain of office.

6. VOTE OF THANKS TO THE RETIRING CHAIRMAN AND VICE-CHAIRMAN AND CONSORT

The Leader said that she was delighted to propose the vote of thanks. Cllr Hannah was very sorry that he could not be at the meeting. He had provided outstanding support to the Chairman throughout his year in office and had taken great pride in his role. She joined the Chairman in wishing Cllr Hannah a speedy recovery.

The Leader then went onto speak about the outgoing Chairman. He had been a great ambassador for the Council and had recreated the role of Chairman and given it a dignified edge. The readings at his recent service of thanksgiving demonstrated the breadth of his strengths and summed up his character.

Cllr J Rest seconded the vote of thanks. He commended the outgoing Chairman for his commitment, time and effort in raising the profile of the District Council and said that he should be very proud of his time in office.

7. APOLOGIES FOR ABSENCE

Apologies were received from Cllrs B Hannah and G Perry-Warnes.

8. DECLARATIONS OF INTEREST

None received

9. ITEMS OF URGENT BUSINESS

None

10. APPOINTMENT OF LEADER OF THE COUNCIL

The Chairman invited nominations for Leader of the Council.

It was proposed by Cllr E Seward, seconded by Cllr K Ward and

RESOLVED that

Cllr S Bütikofer be appointed as Leader of the Council.

11. ANNOUNCEMENTS FROM THE LEADER

The Leader began by referring to the six blue flags hanging in the Chamber which represented the six blue flag beaches in the District – all retained. North Norfolk was the only council in Norfolk to receive any blue flags.

The Leader thanked Members for their support. She said that she was delighted that the people of North Norfolk had put their trust in the new administration and her group would work collaboratively with the other groups to achieve the best outcomes possible for the District.

12. REPORT ON APPOINTMENT OF MEMBERS OF THE CABINET

The Leader informed Council that the following Members had been appointed to Cabinet with these portfolio responsibilities:

Cllr E Seward, Deputy Leader and Portfolio Holder for Finance
Cllr K Ward, Portfolio Holder for Housing and Planning
Cllr N Lloyd, Portfolio Holder for the Environment,
Cllr A Fitch-Tillett, Portfolio Holder for Coastal
Cllr V Gay, Portfolio Holder for Culture & Wellbeing
Cllr G Hayman, Portfolio Holder for Commercialisation and Assets
Cllr R Kershaw, Portfolio Holder for Economic and Career Development
Cllr A Brown, Portfolio Holder for Special Projects

The Leader would oversee the portfolios of Strategy and Corporate Services.

13. REPORT ON APPOINTMENT OF THE LEADER OF THE OPPOSITION

Cllr D Baker had been appointed as Leader of the Opposition.

14. TO ESTABLISH THE POLITICAL BALANCE OF THE COUNCIL AND ALLOCATION OF SEATS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND PANELS

The Leader said that she had reached an agreement with the Leader of the Independent Group to enable his group to have a seat on each of the three smaller committees.

Cllr Rest thanked the Leader for her offer of additional seats for his group.

It was proposed by Cllr E Seward, seconded by Cllr S Bütikofer and

RESOLVED

- 1. That Council approves the political balance calculation as per section 2.4 of the report**
- 2. That Council approves the allocation of seats to political groups as shown at Appendix A to the report**
- 3. That following the Annual Meeting of Council, any subsequent appointments to Committees be delegated to the Group Leaders.**

15. APPOINTMENT OF MEMBERS AND SUBSTITUTES TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND PANELS

It was proposed by Cllr E Seward, seconded by Cllr J Rest and

RESOLVED

- 1. To appoint Members and substitutes to Committees, sub-committees, working parties and panels for 2019/20 as detailed below:**
- 2. To note the appointment of Members to Executive sub-committees, working parties and Panels**

Scrutiny Committee 12 seats	Liberal Democrat (9)	Conservative (2)	Independent (1)
(politically balanced)	Tim Adams	Nigel Dixon	Nigel Housden
	Harry Blathwayt	Gerard Mancini-Boyle	
	Wendy Fredericks		
	Paul Heinrich		
	Nigel Pearce		
	Lucy Shires		
	Emma Spagnola		
	John Toye		
	Adam Varley		
Substitutes			
	<i>Pierre Bütikofer Saul Penfold Jolanda Stenton</i>		
Development Committee 14 seats	Liberal Democrat (11)	Conservative (2)	Independent (1)
(politically balanced)	Andrew Brown	Gerard Mancini-Boyle	Angie Fitch-Tillett
	Peter Fisher	Duncan Baker	
	Wendy Fredericks		
	Pauline Grove-Jones		
	Paul Heinrich		
	Richard Kershaw		
	Nigel Lloyd		
	Nigel Pearce		
	Clive Stockton		
	Adam Varley		
	Andreas Yiasimi		

Substitutes			
	<i>Tim Adams Emma Spagnola John Toye Karen Ward Pierre Bütikofer Sarah Bütikofer</i>		<i>John Rest Jeremy Punchard Nigel Housden</i>
Governance, Risk and Audit Committee (6 seats)	Liberal Democrat (4)	Conservative (1)	Independent (1)
(politically balanced)	Tim Adams	Christopher Cushing	John Rest
	Saul Penfold		
	Jolanda Stenton		
	John Toye		
Substitutes			
	<i>Harry Blathwayt</i>		<i>Angie Fitch-Tillett</i>
Licensing & Appeals Committee (15 seats)	Liberal Democrat (11)	Conservative (2)	Independent (2)
(politically balanced) (no substitutes)	Tim Adams	Tom FitzPatrick	Nigel Housden
	Don Birch	Duncan Baker	John Rest
	Harry Blathwayt		
	Pierre Bütikofer		
	Peter Fisher		
	Pauline Grove-Jones		
	Nigel Lloyd		
	Marion Millership		
	Georgie Perry-Warnes		
	Emma Spagnola		
	Andreas Yiasimi		
Standards Committee (7 seats)	Liberal Democrats (5)	Conservative (1)	Independent (1)
(politically balanced)	Andrew Brown	Nigel Dixon	John Rest
	Pierre Bütikofer		

	Nigel Pearce		
	Georgie Perry-Warnes		
	Lucy Shires		
Substitutes			
Joint Staff Consultative Committee (5 seats)	Liberal Democrats (3)	Conservative (1)	Independent (1)
(politically balanced)	Sarah Bütikofer	Vincent FitzPatrick	Angie Fitch-Tillett
	Virginia Gay		
	Pauline Grove-Jones		

APPOINTMENT OF MEMBERS ON WORKING PARTIES, FORUMS AND PANELS

Planning Policy and Built Heritage (12) *Executive sub-committee	Liberal Democrat (9)	Conservative (2)	Independent (1)
(politically balanced) <i>No substitutes</i>	Tim Adams	Nigel Dixon	Jeremy Punchard
	Peter Fisher	Duncan Baker	
	Virginia Gay		
	Pauline Grove-Jones		
	Paul Heinrich		
	Marion Millership		
	Nigel Pearce		
	Clive Stockton		
	Karen Ward		
Substitutes			
	<i>Wendy Fredericks Adam Varley</i>		

Member Development Group (6 seats) no substitutes *Executive sub-committee	Liberal Democrat (4)	Conservative (1)	Independent (1)
(politically balanced)	Marion Millership	Duncan Baker	Jeremy Punchard
	Lucy Shires		
	Emma Spagnola		
	John Toye		
Council Tax Support Working Party (5 seats) *Executive sub-committee	Liberal Democrat (3)	Conservative (1)	Independent (1)
(politically balanced)	Sarah Bütikofer	Tom FitzPatrick	John Rest
	Eric Seward		
	Karen Ward		
Big Society Fund Grants Panel (7 seats) *Executive sub-committee	Liberal Democrat (5)	Conservative (1)	Independent (1)
(politically balanced)	Peter Fisher	Tom FitzPatrick	Nigel Housden
	Wendy Fredericks		
	Pauline Grove-Jones		
	Saul Penfold		
	Emma Spagnola		
Substitutes			
	<i>Pierre Bütikofer Nigel Lloyd</i>		
Constitution Working Party (5)	Liberal Democrat (3)	Conservative (1)	Independent (1)
	Tim Adams	Tom FitzPatrick	Nigel Housden
	Virginia Gay		
	Pauline Grove-Jones		
Substitutes			
	<i>Richard Kershaw Eric Seward</i>		

16. APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN TO COMMITTEES

It was proposed by Cllr E Seward, seconded by Cllr J Punchard and

RESOLVED

1. To appoint Chairmen and Vice-Chairmen to Committees for 2019/20 as outlined below
2. To note the appointment of Chairmen and Vice-Chairmen of executive sub-committees and working parties

COMMITTEE	CHAIRMAN	VICE-CHAIRMAN
Overview & Scrutiny Committee	Nigel Dixon	Tim Adams
Development Committee	Pauline Grove-Jones	Paul Heinrich
Governance Risk & Audit Committee	John Rest	Saul Penfold
Licensing & Appeals Committee	Pierre Bütikofer	Harry Blathwayt
Standards Committee	Nigel Pearce	John Rest
Joint Staff Consultative Committee	Sarah Bütikofer	Virginia Gay

WORKING PARTY, FORUM, PANEL	CHAIRMAN	VICE-CHAIRMAN
Planning Policy and Built Heritage Working Party	Karen Ward	Pauline Grove-Jones
Member Development Group	Marion Millership	John Toye
Constitution Working Party	Virginia Gay	Pauline Grove-Jones
Council Tax Support Working Party	Eric Seward	Karen Ward
Big Society Grants Fund Panel	Saul Penfold	Nigel Housden

17. APPOINTMENT OF MEMBERS TO OUTSIDE BODIES

It was proposed by Cllr J Rest, seconded by Cllr S Penfold and

RESOLVED

1. To agree the Council appointments to Outside Bodies
2. To note the Executive appointments to Outside Bodies

(As outlined in Minutes Appendix A)

18. EXCLUSION OF PRESS AND PUBLIC

None

19. PRIVATE BUSINESS

None

The meeting concluded at 6.53 pm

Chairman

CABINET MEMBERS REPORT TO COUNCIL

27 February 2019

COUNCILLOR S BÜTIKOFER - CABINET MEMBER FOR CORPORATE SERVICES & STRATEGY (LEGAL, DEM SERVICES & BENEFITS)

For the period May to June 2019

1 Progress on Portfolio Matters.

Democratic Services

The period following an election is a busy and exciting time for Democratic Services and hopefully Members will have found the induction programme to date useful and enjoyable. The team will ask for feedback formally so that we can further refine what we offer to members but we are always glad to hear how we can support Members better at any time.

In previous terms the induction programme has been confined to the initial period during the election, this term we are taking a different approach, following engagement with the Member Development Group. This will involve moving to a process of continuous skills burst development for Members over the course of the term. Please let the team know if you would like anything in particular to be included or would like any that have already taken place, repeated.

Benefits

Universal Credit (Full Service) has now been rolled out to all Job Centre Plus offices in the North Norfolk area. This means that we can no longer accept Housing Benefit claims from working age residents unless the resident occupies temporary or supported accommodation, or they are entitled to a Severe Disability Premium.

Although the Team are seeing a slight reduction to our overall live caseload for Housing Benefit and Council Tax Support, Universal Credit is causing an increase in the number of change of circumstances coming through for Council Tax Support due to the manner in which Universal Credit treat changes to income. This is a problem which is mirrored nationally.

Households are seeing their Council Tax Support entitlement continually re-assessed, sometimes with multiple assessments in the same month, leaving residents unsure what their Council Tax payments should be, difficulties around budgeting, and subsequently finding themselves in arrears.

We believe we can develop our working practices and will be looking to re-design our Council Tax Support Scheme in order to tackle the increased administration, make the process of claiming simple, easy to understand, fair, cost neutral, and one which supports our most vulnerable residents.

The team in benefits can see opportunities to simplify the claim process, reduce waiting times for the outcome of new claims and changes to circumstances, and prevent hand offs between front office and back office teams. We are working with Policy & Practice who have been commissioned to provide Council Tax Support re-modelling across North Norfolk. The models will be used to examine the social and political impacts of scheme changes. Once a preferred option has been chosen at service level, a Council Tax Support Working Party will convene to examine the proposals. This has been scheduled for August/September 2019.

The team have identified a significant number of service improvements which will support delivery of a new customer service ethos. Over the last couple of months we have started to undertake the following improvements.

- Introduction of shorter claim forms.
- Hybrid Mail solutions.
- Investment in customer self-serve opportunities:
- Development of online claim forms.
- Introduction of online change of circumstances reporting with the ability to upload evidence.
- Roll out of Open Portal (24/7 online self-serve for Council Tax, Business Rates, and Benefits).
- Improvements to web pages to provide up to date information and support.

The Revenues and Benefits service is currently looking at procurement of the main system, Open Revenues which is hosted by Civica. Our current contract with Civica expires in October 2020. A number of site visits are being organised to explore other systems (Northgate and Capita).

Eastlaw

Eastlaw continue to focus on service delivery to internal and external clients and income generation for the Council. A key part of the ethos of the service is to provide opportunities to aspiring solicitors and give them a route to qualification and we currently have 5 trainees within the service. Next month will see two members of the team qualifying as solicitors after several years study.

CABINET MEMBERS REPORT TO COUNCIL

31st May 2019

COUNCILLOR BÜTIKOFER - CABINET MEMBER FOR CUSTOMER SERVICES

For the period 1 April 2019 to 31 May 2019

1 Progress on Portfolio Matters.

Transfer of Tourist Information Service – Holt:

The Tourist Information Service at Holt was successfully transferred to Holt Town Council on 15 April 2019 and is now delivered from their offices at Nelson House throughout the year.

Customer Contacts between 1st April to the 31st May;

Customer Contacts through Customer Services

Calls Answered	7,177
Customer Visits	3,321
Car Park Online Applications Processed	313
Web Chats 188	188
Contact Us Online Forms Processed	<u>675</u>
Total	<u>11,674</u>

Online Customer Contacts

Web forms (Excl. Contact Us Forms)	<u>11,542</u>
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Total Customer Contacts	<u>23,216</u>
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2 Forthcoming Activities and Developments.

The North Norfolk Information Centre in Cromer is to undergo a refurbishment and redevelopment as part of the Deep History Coast project. The planned works to deliver the new information centre and public toilets will run throughout September and October and will require the building to be closed throughout this time. The staff will temporarily relocate to Merchants Place on Church Street, Cromer where they will continue to offer a tourist information service to visitors and residents albeit on a reduced basis until

they are able to return to the refurbished building.

CABINET MEMBERS REPORT TO COUNCIL

25 June 2019

COUNCILLOR BÜTIKOFER - CABINET MEMBER FOR CORPORATE ASSETS

For the period May 2019 to June 2019

1 Progress on Portfolio Matters.

Elections, Local and European

The communications team supported the successful delivery of the Local and European Elections in May. The team ensured the timely publication of statutory information on both the Council's website and in print for both the pre and post-election periods. The team supported both election counts, communicating live time results at the Local Election count using a web-based map detailing outcomes for each ward as they were announced.

Project support

The team has continued to provide communications support including social media, PR, website and design to the following projects. We are looking to build further resilience in this area:

- Sandscaping
- Deep History Coast
- Mammoth Marathon
- Local Plan consultation
- Infrastructure improvements on Cromer Pier
- Greenbuild (prep)

InPhase

Work is continuing to populate 'InPhase', the Council's performance management system which has been introduced to replace 'TEN', a system that is at the very end of its lifespan. InPhase will, in the long-term, allow for automated data collection and reporting from different systems used within the organisation and will offer a more dynamic way of interpreting data and reporting performance.

Antiques Roadshow

Following a visit of the BBC Antiques Roadshow film crew to Cromer and Cromer Pier in May 2018, the second of two episodes of the Sunday evening show aired on 9 June, attracting further positive coverage for the district.

New Members

The Communications and PR Managers met with more than half of the new

Member cohort post-election as part of the Members' Induction programme. The sessions (three held) were designed to introduce Members to the set-up of the communications team, outline its function and what support the team can offer to Members and offered an opportunity for the team to develop effective working relationships with the new cohort.

PR and marketing

In addition to specific project work, a diverse range of reactive and proactive news releases and digital media content has been issued in the last four weeks. This has ranged from opening the nomination process for the Graham Allen Awards, the arrival in Cromer of the Bagot Goats, advice regarding palm oil on the beach, the future of the former Town Council building in North Walsham, 'Open for Business' messaging following the appearance of the sinkhole in Sheringham to the hugely positive news that North Norfolk was awarded no less than six Blue Flags, the only district in the county that has been awarded any Blue Flags this year. Coverage highlights have included features in national publications, Local Authority Building and Maintenance magazine (Cromer Pier) and Country Life magazine (goats).

2 Forthcoming Activities and Developments.

Norfolk Day – 27 July

Work is underway to ensure the work of the Council is showcased appropriately on 27 July.

Deep History Coast launch event – 16 July

Support being given to the DHC project group to help organise a launch event to celebrate the various strands of the project, including the app, Discovery Trail and the forthcoming development of the North Norfolk Information Centre.

Sporting Centre of Excellence presentation evening (endurance running) – 24 June

CABINET MEMBERS REPORT TO COUNCIL

25 June 2019

COUNCILLOR BÜTIKOFER – CORPORATE SERVICES - HR

For the period March 2019 to June 2019

1 Progress on Portfolio Matters.

The new pay scales (including annual pay award) are in place and were implemented on time (1 April 2019), following approval at Full Council on 27 February 2019. This was the product of collaborative working between HR, Payroll and UNISON. The smooth implementation was much helped by the work of the Payroll Officer on not just the new structure itself, but also on providing supporting information for staff and managers.

Each year, Gender Pay Gap figures are published as required by statute. The requirement this year was to publish by 30 March 2019 (regarding figures as at 31 March 2018). The [latest report](#) was published on time and is available on the Council's website. The report shows an improved position compared to last year as well as an action plan for the coming year. Our mean pay gap reduced from 14.60% to 11.1%. Our median pay gap reduced from 27.5% to 15.1%.

Following receipt and circulation of the IIP Assessment report, the Council sought the views of employees across the organisation as to what the key messages from the report were and what action should be taken. This feedback was gained in a number of ways – via our Staff Focus Group (SFG) (including UNISON), a survey which Extended Managers Team (EMT/SFG) members were invited to complete, an HR team workshop, a Corporate Leadership Team (CLT) workshop and an off-site session facilitated by our IIP Assessor in April 2019. That session was attended by 22 employees and looked not just at the IIP Assessment report, but also a report from feedback sessions ran in March where our female colleagues were invited to share their views on their experiences of working at the Council.

The HR Manager has since been working to bring all of the feedback together to inform the revised People Strategy. This is still a work in progress in first draft form and is due to be shared with CLT for discussion and further development on 16 July 2019.

Whilst the HR service is not subject to a wholesale Business Process Review (BPR), a number of our processes are being reviewed and improved, which often involves an element of digital transformation. An online application form is ready for testing, but is just awaiting some final technical input from IT. The

content and functionality of the jobs pages on our website are also being reviewed and work has started to revise our appraisal process, taking into account feedback from the staff focus group, managers and the IIP report.

2 Forthcoming Activities and Developments.

Each year Workforce Profile Statistics are produced, partly to fulfil our responsibilities under the Equality Act. These are currently being finalised and should be published July 2019. The next statutory reporting requirement will be Apprenticeship figures, due in September 2019.

The People Strategy and action plan will need to be finalised and communicated. Work will then commence on the action plan.

3 Meetings attended

Joint Staff Consultative Committee (JSCC) - April 2019. (HR Business Partner attended on behalf of HR Manager who was on annual leave)

CABINET MEMBERS REPORT TO COUNCIL

25 June 2019

CLLR. SARAH BÜTIKOFER - CABINET MEMBER FOR IT

For the period 1 April 2019 to 31 May 2019

1 Progress on Portfolio Matters.

The rollout of IT equipment and services for members has largely been completed and attention will now turn to the commissioning and further development of the ModernGov member support system.

Support for the elections process, including the refresh of the web based results map was completed successfully.

The application of a significant number of software patches and updates to servers, desktops and laptops has taken place to ensure their security and availability. These patches are issued on an ongoing basis by software vendors such as Microsoft, Adobe etc. They range from minor functionality improvements and or “bug” fixes to urgent mandatory updates to address security or reliability problems discovered in their software. The application of these patches is required to retain our connection to the “Public Sector Network (PSN) in order to exchange information securely with other Public Sector partners such as the DWP.

Web forms to support the digitisation of the Building Control process have gone live and a number of forms supporting the Business Process Re-engineering(BPR) in Environmental Health(EH) have been released to users for final testing.

An account management system for the management of Garden Waste services and the payments relating to them has been developed and has gone live. This builds on the work done to transfer the billing from Kier to the Council last year to provide a sustainable Customer Management System allowing for changes to service on an individual customer basis.

Work has continued on the implementation of the new Service software systems “Assure” in EH and “Uni-Form” in Planning.

In the case of the Planning system significant effort has been deployed in cleansing and extracting many years of data from the current system in preparation for importing into the new system.

Additionally, an interactive Planning design guide to support consultation has gone live:

<https://designguide.north-norfolk.gov.uk/>

This model can also be used as the basis for future interactive consultation activities.

The cash receipting system has also had a major upgrade during this period.

2 Forthcoming Activities and Developments.

The wireless network at Cromer and Fakenham will be replaced as the current system is end of life. This will improve the coverage, speed and security of the Council's wireless network.

Work on implementing the scheduled improvements to the data storage infrastructure will be undertaken. This will improve the reliability and resilience of the storage arrangements in Cromer and at the DR site in Fakenham.

Remaining servers will be upgraded to ensure they are on a secure and supported version of the operating system.

Further webforms will be developed and deployed in support of the EH BPR and other service areas.

Work will continue on the implementation of the Management Reporting System : "InPhase" specifically the emerging corporate plan will included.

Work will commence in the IT elements generated by the change of the waste contractor. This will be a significant project which will need to be delivered in line with the Waste Contract procurement process. This will mean that IT resources to support other activities will be limited during the implementation phase between October 2019 and May 2020.

Following the systems outage on the 11th June 2019, a report on which has been submitted to Cabinet, an analysis of the root causes and the resultant service unavailability is under way. This will form the basis of an action plan designed to reduce the risk of such outages in the future and to provide a greater level of resilience to high priority services. Work on any urgent changes to resilience arrangements will be undertaken, immediately with a more comprehensive medium and long term improvement plan to follow. Initial review of Revenues & Benefits business processes will be undertaken, specifically looking to improve the timeliness and effectiveness of handling customer contacts.

CABINET MEMBERS REPORT TO COUNCIL

25 June 2019

COUNCILLOR FITCH-TILLET - CABINET MEMBER FOR COAST

For the period December 2018 to February 2019

1 Progress on Portfolio Matters.

Sandscaping:

Pre-commencement conditions for marine licence and planning consent discharged.

Pre commencement geological baseline complete

Pre commencement archeological survey complete

Works commenced on terminal outfall

Community and fisheries liaison officers appointed

Ongoing maintenance of sea defences:

Revetment repairs at Walcott

Relocation of rock armour at Happisburgh complete

Happisburgh ramp recut complete

East runton ramp improvement complete

Ongoing oversight of recent cliff slips

2 Forthcoming Activities and Developments.

Delivery of sandscaping scheme

Ongoing sea defence maintenance

Refurbishment of navigation markers where required

Design work for replacement storm gates where required

3 Meetings attended

Halvetgate water level management scheme launch

Norfolk coast partnership - elected vice chair

Flood and Coast 2019

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CABINET MEMBERS REPORT TO COUNCIL

June 2019

COUNCILLOR GAY- CABINET MEMBER FOR CULTURE & WELLBEING

For the period March 2019 to May 2019

1 Progress on Portfolio Matters.

Arts & Culture Fund

Annual budget: £33,110. Fourteen grants awarded, amounting to £11,579 (six new grants (totalling £7,129) and eight grants to enhance previously funded successful projects (totalling £4,450)), leaving an unallocated budget for the year of £628.

Community Transport Fund

Budget for 2018/19: £62,559. Grants totalling £54,312 were awarded to six different Community Transport Organisations leaving an underspend for the year of £8,247 (although in this period an additional £45,559 was allocated from the general reserve - normally the budget is £17,000 per annum).

This financial year there is the normal £17,000 and an additional £33,000 from the general reserve (totalling £50,000).

North Norfolk Help Hub

Multi agency support for the North Norfolk Help Hub continues to expand, with thirty-seven statutory and voluntary services now operating as part of the Hub network.

The Living Well Officer post (funded until 3.6.19 by Public Health) has been extended for another year – (with Social Prescribing - community - funding).

Referrals for the Living Well Officers:

- in reporting period: 190
- total for the first year of operation: 591

Pier Management

The 2018 Christmas Show was a massive success with 6.2% more tickets sold compared to 2017; an all-time record. Concert sales and hires are very buoyant this year and both the Folk on the Pier and the Cromer & Sheringham Operatic and Dramatic Society performances were deemed a tremendous success yet again.

This year will see a 'black tie Opening Gala Night' performance for the first time, which will take place on Saturday 29th June.

2 Forthcoming Activities and Developments.
Arts & Culture and Community Transport Fund will close for applications on 28 th June. Fund assessment Panel will meet on 23 rd July. Primary Care Networks are being established and funding will be available in July for Social Prescribing Link Workers. Officers are in discussion with North Norfolk Clinical Commissioning Group (NNCCG) regarding the effective implementation of this across the area. Cycling - British Road Race Championships This prestigious event will be shown live on national TV on Sunday 30 June. A project group has been set up in order to coordinate activities that will showcase North Norfolk alongside this event. Working with a range of partners, including local schools, businesses, Active Norfolk and the voluntary sector a 'village' of health related activities will be set up during the event for the public to engage with. It is intended also to create a human piece of artwork, visible from the air, that it is hoped will be picked up by the TV helicopters, helping to publicise the area, and the active lifestyles it facilitates.
3 Meetings attended

PORTFOLIO REPORT TO COUNCIL

25 June 2019

COUNCILLOR GREG HAYMAN - CABINET MEMBER FOR PROPERTY

For the period April 2019 to June 2019.

1 Progress on Portfolio Matters.

Cromer pier – Pier substructure works are progressing well and we are now looking to progress to the sea bed concrete encasements surrounding the pile legs over the summer months. Theatre roof works programme has been severely impacted due to the weather over the winter. The roof works have however now been completed along with the installation of the new signage.

The high level scaffold is likely to be removed later this week and then works will commence on the lower level. Works here are likely to carry on over the summer and works in some form are likely to be continuing for the remainder of the year.

The original approved budget for the roofing and initial structural works was £675k following the condition survey reports. Following the receipt of the insurance monies relating to the 2013 storm surge a further £469k was allocated to the Asset Management reserve to enable completion of the phase 2 works.

While there have been issues with the weather as highlighted above the roofing works have been completed on time and prior to the commencement of the summer shows. The budget will continue to be monitored as the remaining capital works progress but the scheme is currently within the budget estimate.

Public convenience improvements – The works at Coast Road, Bacton are now complete and the facilities re-opened and Walcott is due to be re-opened in 2 weeks time. Works at Lushers Passage in Sheringham have now commenced and again are due to be completed within the next 2 weeks before the start of the summer holidays. The work programme for the remaining improvements (New Road – North Walsham, Stearmans Yard – Wells-next-the-Sea and Bridge Street – Fakenham) are currently being pulled together and will be advertised shortly. The scheme is currently within the £600k budget originally approved and the tender prices will be monitored against the budget forecasts for the remaining works once received.

Cromer office roof works – the works to the glulam beams and roof glazing at the main administrative office in Cromer are progressing well. The works

are due to run from December with the programme scheduled for approximately 60 weeks and works are currently on time and running in line with the project programme although the weather has impacted again on this scheme. While the scaffolding is in place additional repair works to the facias and guttering are being undertaken. The works are currently within the £692k budget allocated for the scheme and this will continue to be monitored as part of the capital programme for the remainder of the year. If additional works are identified as the scheme progresses there is scope for these to be funded from the Asset Management Reserve if required depending on the value of the works.

The installation of the PV panels on the south facing elevation of the roof has now been completed and the panels are operational. Again the scheme was installed in time to draw down the additional income from the Feed In Tarrifs and within the original budget envelope of £225k.

Holt, Grove Lane – the improvement works undertaken on the building by Fleur Developments have now been completed and the rental payments have now commenced. The scheme has been delivered on time and in line with the capital budget of £232k with a small overspend of £4k.

Promenade and seafront works – works along Sheringham seafront are ongoing with works to some of the shelters in Mundesley currently being programmed. There are no scheduling or budget issues anticipated at the present time, the Sheringham works are to be funded from the promenade repairs and maintenance budget while the Mundesley shelters are to be financed from the Asset Management Reserve.

2 Forthcoming Activities and Developments.

Nothing further to report.

3 Meetings attended (as part of Portfolio responsibilities)

Nothing further to report.

CABINET MEMBERS REPORT TO COUNCIL

May 2019

COUNCILLOR KERSHAW- CABINET MEMBER FOR ECONOMIC & CAREERS DEVELOPMENT

For the period May 2019

1 Progress on Portfolio Matters.

Visitor Economy

The Council has sponsored Visit North Norfolk's (VNN) latest marketing campaign, 'North Norfolk, Naturally'. The campaign has received over half a million film views since it launched in June 2018. The first year of the campaign ended in April and the second year began in May. VNN has now filmed six new thirty second videos which will feature over the coming months.

Deep History Coast

The Deep History Coast (DHC) is progressing well and will begin to be marketed by a campaign developed and delivered in partnership with Visit North Norfolk. The campaign will include innovative local and national publicity, a social media campaign, the development of a new website and the creation of two inspiring experiential films to appeal to all audiences - illustrating all that the Deep History Coast has in store.

Through 22/23/24 May, representatives from the DHC Project Team held a series of DHC 'Ambassador Roadshows' to further promote the opportunities for businesses and individuals to get involved.

Skills and Apprenticeships

On 14 May NNDC delivered its fifth 'Social Recruiting' workshop. These continue to be very popular and well received. The workshop aims to demonstrate how organisations can make use of their websites, social media and their broader market branding to encourage people to apply to them for jobs. There is evidence that people aged 16-34 predominantly look for jobs through social media streams such as Facebook and Instagram (as opposed to the more traditional media), and the workshop provides examples of how organisations have made use of these new media to overcome recruitment barriers.

2 Forthcoming Activities and Developments.

North Norfolk Skills Careers Festival

Preparations continue for the next careers event on 9 July 2019, hosted by Paston College and supported by NNDC. The North Norfolk Skills & Careers Festival is an interactive exhibition for 13-18 year olds in North Norfolk aimed at inspiring young people for their future careers and increasing awareness of local opportunities on their doorstep. Last year's event was a great success with over 50 different organisations exhibiting and over 600 young people attending. This year's festival will again include interactive STEM events.

Coffee Means Business

Commissioned by NNDC, Coffee Means Business is a monthly networking event hosted by Genix. These events, held at various venues across the District, provide the opportunity for local business to meet like-minded people, hear interesting presentations and learn more about local business support activities.

The next event is on **26 July** (9:30am-11:30am) at Scarborough Hill County Inn, Old Yarmouth Road, North Walsham. Details can be found at: www.genix.org.uk or call **0800 096 3013**.

Presentation and Media Skills Conference

June 26 2019 - Northrepps Country Hotel, Cromer NR27 0JN

Supported by NNDC this event will give businesses and individuals the opportunity to learn how to present with confidence and avoid the mistakes of traditional media training.

This event is ideal for small business wanting to gain media attention and is designed to provide a grounding in broadcast media, how it works, what opportunities exist to share business stories and how to engage the wider media.

3 Meetings attended

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CABINET MEMBERS REPORT TO COUNCIL

25th June 2019

COUNCILLOR LLOYD - CABINET MEMBER FOR

For the period May 2019 to June 2019

1 Progress on Portfolio Matters.

Environmental Services

The direct debits for Garden Bin were successfully collected. This is the first time that we have automatically collected the subscription following the introduction of this form of payment last year. Approximately 13,500 customers have signed up for direct debit payment method.

The number of trade waste customers has increased by 34 since the beginning of May, this is partly due to the work undertaken by the team around holiday let properties who received a household collection and in part due to the efforts of the team to attract new businesses to move their waste contract to the Council.

The team has been responding to the reports of Palm Oil being washed up onto beached along the North Norfolk coast. In conjunction with Kier, the Contractor for street and beach cleansing, they have arranged for the speedy removal of reported deposits and proactive monitoring of the beaches to remove material which has washed up on each tide.

Work on developing more community fridges has been taking place with officers working with a group in North Walsham to facilitate a site and management arrangements for a new Community Fridge.

Civil Contingencies

The Palm Oil which has been washing up along the North Norfolk coast is classified as a marine pollution incident and as such the team have been working with other agencies to ensure the messages that are being provided to the public are consistent and appropriate

The large sinkhole which opened up at the bottom end of Sheringham High Street has taken a significant amount of the team's time over recent weeks predominantly in coordinating with partner agencies and making sure the public, local businesses and other stakeholders are informed and looking to the minimising the potential impact on future community events such as the Carnival

The Team provided event planning for the recent local and European elections

Environmental Protection

Interim injunction obtained for persistent ASB

The team have issued two Fixed Penalty Notices for fly-tipping offences both of which have been paid.

The Dogs on Leads and Dogs banned signs have been erected on all the relevant beaches with stencils on the access points.
A number of the Bagot Goats with their kids have been returned to the coastal slope in Cromer for the Summer

Combined Enforcement

The team are currently undertaking a Business Process Review looking at the data flows for Council Tax visits and Long Term Empty Properties
There are several significant planning cases coming towards enforcement action.

Public Protection and Commercial

Several H&S prosecutions ongoing and a food prosecution which is taking lots of team's time in preparation.

2 Forthcoming Activities and Developments.

Subscription renewal letters are going out to all the non-direct debit Garden Bin customers over the coming weeks.

Recruitment process is underway for an Environmental Protection Manager following James Wilson's appointment to the Head of Environmental Services at Great Yarmouth

The signs for other dogs banned and dogs on leads for new and replacement PSPO's will be erected on a rolling programme in combination with an information and education campaign for each area.

A new range of merchandising for Goats on a Slope is being introduced to supplement the successful range that was used last year

Discussions are underway with the National Trust to pilot the use of some of the Bagot goat herd for conservation grazing in Inckleburgh hill in West Runton.

3 Meetings attended

Portfolio holder briefing meetings with Head of Service on regular basis

CABINET MEMBERS REPORT TO COUNCIL

25 June 2019

COUNCILLOR WARD - CABINET MEMBER FOR HOUSING, PLANNING AND PLANNING POLICY

For the period June 2019

1 Progress on Portfolio Matters.

Affordable Homes

There were 107 affordable housing completions in the district In 2018/19. Of these 78 were affordable rent and 29 were shared ownership. The numbers are a little less than anticipated because some sites did not complete before the financial year-end. For half of these homes (53) housing associations delivered without grant on s106 sites and on exception housing sites using cross subsidy from market sale to provide the affordable homes.

We project that there will be 83 new affordable homes completed in 2019/20.

Community Housing Fund (CHF)

The Trimmingham steering group continues the process of becoming a formally constituted organisation. In July the group is interviewing for a prospective housing association partner. There are four other parishes that are actively pursuing community-led housing ideas.

Our existing Community-led housing groups continue to deliver new affordable homes. In 2018/19 the Council used CHF monies to help Holt Housing Society provide four new homes and Homes for Wells provide a new home in Stiffkey. Already in 2019/20 CHF monies have helped Homes for Wells provide 3 new homes and Stable Door to provide an extra home in Sheringham.

The Council has given the first CHF loan for pre-development costs to Homes for Wells to support a new exceptions housing scheme development for 12 homes in Warham.

Exceptions Housing Sites

Broadland Housing Association will complete 26 affordable homes on exceptions housing sites in Binham (14 homes) and Erpingham (12 homes) in 2019/20. These form part of a five site package including Great Ryburgh and Trunch which completed in 2018/19 and Edgefield which will be complete in

2020/21. In total these five schemes will deliver 61 new affordable homes for local people

2 Forthcoming Activities and Developments.

A breaking ground ceremony will take place on 24th July for the new housing with care development in Fakenham. This development due to complete in 2020/21 will provide a mix of 30 affordable rent and 36 shared ownership homes for older people. The development will support independent living and each resident will have a care package tailored to their individual needs.

3 Meetings attended

CABINET MEMBERS REPORT TO COUNCIL

25 June 2019

COUNCILLOR WARD - CABINET MEMBER FOR

For the period April 2019 to June 2019

1 Progress on Portfolio Matters.

Development Management Performance

Our latest figures for speed of decision stand as:

Majors at 92.4% (up by 1.8% National indicators require decisions should exceed 60%)

Non- major applications 94.2% (falling by 1.1%, National indicators require decisions should exceed 70%).

The overall picture for performance remains positive with both sectors significantly exceeding national minimum requirements when viewed over the two-year performance interval.

Our latest figures for quality of decision (as measured by appeal success) stand as:

Majors no appeal decision have been overturned.

Non-major developments 0.9% (rising by 0.3%)

The figure has risen for non-major decisions, with 20 overturned decisions in our total over a 2-year period the figure remains low in the national context. The national performance threshold is for no more that 10% of appeals to be overturned in that qualifying period.

No fees were refunded as a result of requests made following failure to determine the cases in 26 weeks.

Planning Policy

Local Plan Review:

Consultation on the first Draft of the new Local Plan commenced in early May and closed on the 19th of June. The comments received will be compiled into a 'Report of Representations' and the Working Party will shortly commence the process of considering these and amending the Draft Plan. This process is expected to take several months and result in a second draft being produced for consultation in the new year. As part of the consultation exercise the team held twelve staffed drop in

sessions around the District. These were attended by approximately 1,000 people.

Housing Delivery and Supply

This year was the first year when a new Housing Delivery Test(HDT) was applied by government. This test compares housing completions with the requirement for homes over a three-year period and failure to meet the test results in the introduction of various sanctions. Housing completions have remained at reasonably high levels (534 new dwellings in 2018-19) and NNDC passed the new test by some margin, delivering 126% of the housing requirement for the District. A new Five Year Land Supply Statement will be prepared shortly. This looks forward at likely future rates of development and assesses if the supply of sites is sufficient to deliver the required growth. Early indications are that the position may be fairly marginal pending the preparation of the new Local Plan when new development sites will be released.

Neighbourhood Plans

The team expects to be involved in more Neighbourhood Planning work over the coming year with a number of communities either preparing or thinking of preparing a Plan.

Major Developments

The local validation list for planning applications is being reviewed, this will be under consultation prior to expiry of our existing list. The list ensures that planning applications are supported by appropriate plans and reports, and in turn that consultees and decision makers have suitable evidence upon which to make planning decisions.

The process of supporting consultation on Three National Infrastructure off shore wind energy projects has been ongoing. Geoff Lyon and Counsel (Estelle Dehon) have lead this process for NNDC and most recently supplied responses for the Vattenfall / Vanguard to Secretary of State at the end of May.

Work continues on the major housing development proposals for Roughton / Cromer, and also for Beresford Close, Holt. Officers will be pleased to update ward members upon request. The second major housing proposals for Norwich Road Holt is under consultation currently. No committee can be actively targeted until the consultation process has been completed.

The development team will meet with Trinity College and representatives in early July to update and negotiate on outstanding issues for the current planning application proposing circa 950 dwellings at Fakenham. Officers have agreed an extension of time period for the determination of this application with the applicants which runs until the end of July.

Interviews will be held on 27 June with shortlisted candidates to replace the two vacant posts in the Major Developments Team.

Building Control

NNDC Market share for the year was 88% (up slightly from 86% in 2017/18) this compares against a national average of approx. 63%. Applications increased to 1053 (up from 996). Year-end initial budget surplus circa. £30,000.

CIPFA guidelines indicate maintaining a balanced budget between 1 and 5 years max. Current 5-year surplus is approx. £180,000. Considerations include i) reinvesting a proportion back into the service; and or ii) proportionally reduce fees to run at a deficit to bring the surplus down.

The Hackitt Report was released on 6 June, 2019 officers will attend an eastern Region briefing on 25 June and will report back to me on the potential implications for our service at NNDC. Initial consideration remains that the report may well place Local Authority Building Control (LABC) in a more responsible position and potentially increase the market-share of Building Regulations work for NNDC.

Conservation, Design & Landscape

The revised district wide Design Guide has followed the same consultation period as the Local Plan Review running until Wednesday 19 June, responses will then be considered and reported.

The document can be viewed at:

<https://designguide.north-norfolk.gov.uk/>

Officers have now received final drafts from Purcell in relation to the Glaven Ports Conservation Area Appraisals, those details will be reviewed and reported to members via the Planning Policy & Built Heritage Working Party.

Nominations have opened for the Graham Allen Design Awards. The Graham Allen Award for Conservation and Design was inaugurated in 1982 as a memorial to the late Councillor G.S. Allen, first Chairman of North Norfolk District Council. Since then the award has continued to celebrate best practice in design and conservation.

Entering a project into the awards is a great opportunity to seek recognition for schemes which have made a significant contribution to the built environment and local communities.

All types of building project are eligible. Whether it be new build, extension, restoration or conversion, the Conservation and Design Award recognises excellence in all design projects. Nominations can be made via the Council's web page or contacting the Conservation and Design team.

<https://www.north-norfolk.gov.uk/tasks/conservation/nominate-a-building-for-a-conservation-and-design-award-2019/>

Enforcement

Arcady, Cley: Formal investigation has progressed, Appointed Counsel has visited the site, spoken with the investigation team and is reviewing those final formal submissions from the owners / those directly connected to the work on site. The investigation team will be holding a final Case Conference with Counsel before actions are then proposed.

Melton Hall – Officers have been unable to secure attendance of Historic England (HE) at the scheduled site meeting with the owner, this meeting has been deferred pending a secure attendance from HE.

Beeches Farm: Pre application enquiries relating to relocation of businesses from the site have now been completed and issued. First compliance periods will close on 17th July. Three further units have an extended compliance to 17 January 2020. On-going monitoring, liaison and appropriate business support will be given by

officers from Economic Development, Combined Enforcement, Eastlaw and Planning. Officers continue to seek payment of costs made to NNDC in this case from the Planning Inspector.

Software Introduction

Progress within the NNDC commitments for the project remains good with production of an updated project plan. A new project officer has been appointed by IDOX, he attended a site meeting with our project team and is working effectively through weekly conference calls with the NNDC project management team. Deadlines being met and good progress being made with some tasks being well in hand before project plan requirements.

Backfilling resources are to be made available with reallocation of roles for key staff moving forward in July as the project plan requires those additional commitments from existing staff.

“Go Live” date is targeted to be in November 2019.

Recruitment

A recruitment consultant has delivered a shortlist of suitable candidates for the two vacant senior officer posts within the major developments team. Interviews will take place on 27 June.

A successful recruitment campaign has been run to appoint to the vacant post of Planning Officer within the Development management team. Jayne Owens will move over from her consultancy to join the team on 24 June.

Sarah Tudhope, a Senior officer in our Planning Policy team is to be congratulated on her appointment to a role as a Planning Inspector, Sarah has been a member of the team at NNDC for 18 years, it is a pleasure to see that the skills developed at NNDC have enabled Sarah to be successful in her application. The recruitment campaign to fill this role will start with advertisements in the next 10/14 days.

2 Forthcoming Activities and Developments.

Development Committee – 20 June 2019 (visiting Ward member) ?.

Planning Policy & Built Heritage Working Party – 22 July (Provisional).

3 Events Attended.

Development Committee – 6 June 2019 (visiting Ward member)

Local Plan Drop in Session Blakeney – 29 May 2019

Member training (Planning) – 22 & 24 May 2019

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CABINET MEMBERS REPORT TO COUNCIL

25 June 2019

COUNCILLOR ERIC SEWARD - CABINET MEMBER FOR FINANCE, REVENUES & BENEFITS

For the period April 2019 to June 2019

1 Progress on Portfolio Matters.

Final Accounts – the finance team have now completed the 2018/19 draft accounts and these are available on the council's website via the 'accounts' page which can be accessed [here](#).

The Governance, Risk and Audit Committee will be undertaking training on the accounts prior to the review and sign off process at the end of July.

The external audit process is due to commence at the start of July, currently Ernst and Young have some capacity issues in terms of delivering the final audits but we have received confirmation that they will be commencing our audit as per our original timescales.

2 Forthcoming Activities and Developments.

Spending Review, Fair Funding Review and the Local Retention of Business Rates - there is still considerable uncertainty around future years funding forecasts and this position will not improve until the outcome from the Fair Funding Review, which will set new baseline funding allocations and responding to spending pressures and changes in service demand, and the review of the Local Retention of Business Rates, are concluded.

The Comprehensive Spending Review, which sets out the expenditure limits over the coming years, had been scheduled to commence before the summer parliamentary recess. This was conditional on an orderly Brexit being delivered on 29th March 2019 which did not happen. It is therefore possible that the Chancellor will decide to delay the Spending Review, which will have a knock on effect on the Fair Funding Review and any changes to the Business Rates Retention system.

This could result in a one year spending deal being announced based on the current funding system which would at least provide some certainty for a further year and help relieve the immediate budget pressures although

addressing future year's deficits will still need to remain a key priority.

Lobbying is continuing to ensure district council's get a fair deal under any new system and 'prevention precept' is also being discussed which would potentially allow district authority to raise slightly more from council tax to support the health and wellbeing agenda but this has yet to be decided, rather like county councils can currently raise additional precept income for adult social care. The idea being that the prevention element has a beneficial impact on other services and partners, such as the NHS.

2019/20 Business Rates Pilot – the monitoring of the business rates pilot is due to commence from August and this will enable us to see how the pilot is progressing. However as indicated within previous reports this additional one off income will only be taken account of once the final year end position is established.

Medium Term Financial Strategy (MTFS) – The MTFS will be presented to Members later in the autumn and will consider the financial challenges facing the Council over the next 4 years. This work will be used to inform the budget preparation for 2020/21.

Budget training – the finance team are looking to schedule in some further training sessions for Members on the budget process later in the year following the success of the sessions provided last autumn.

3 Meetings attended

Nothing further to report.

2018/19 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)

- Summary:** This report presents the provisional outturn position for the 2018/19 financial year and includes a General Fund underspend of £273,465 and a transfer from the Collection Fund in relation to Business Rates of £696,201 giving an overall General Fund surplus of £969,666. It also provides an update in relation to the Council's capital programme. Details are included within the report of the more significant year-end variances compared to the current budget for 2018/19. The report also makes recommendations for contributions to reserves.
- Options considered:** The report provides a final budget monitoring position for the 2018/19 financial year. Whilst there are options available for earmarking the under spend in the year, the report makes recommendations that provide funding for ongoing commitments and future projects.
- Conclusions:** The revenue outturn position as at 31 March 2019 shows an overall underspend of £969,666. The final position allows for £481,474 from budget and grant underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments for which no budget has been allocated in 2019/20. The position as reported will be used to inform the production of the statutory accounts which will then be subject to audit by the Council's external auditors.
- Recommendations:** **Members are asked to consider the report and recommend the following to Full Council:**
- a) The provisional outturn position for the General Fund revenue account for 2018/19;**
 - b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2019/20 budget;**
 - c) Transfer the surplus of £969,666 to the General Fund Reserve (£500,000) and the Asset Management Reserve (£469,666);**
 - d) The financing of the 2018/19 capital programme as detailed within the report and at Appendix D;**
 - e) The balance on the General Reserve of £1.956 million;**
 - f) The updated capital programme for 2019/20 to 2022/23 and scheme financing as outlined within the report and detailed at Appendix E;**
 - g) The outturn position in respect of the Prudential Indicators for 2018/19 as detailed in Appendix F.**

Reasons for Recommendations: To approve the outturn position on the revenue and capital accounts that will be used to produce the statutory accounts for 2018/19.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(Papers relied on to write the report and which do not contain exempt information)

<i>Budget Monitoring Reports, NNDR returns</i>	
Cabinet Member(s): Cllr Eric Seward	Ward(s) affected All
Contact Officer, telephone number and email: Duncan Ellis, 01263 516330, Duncan.Ellis@north-norfolk.gov.uk	

1. Introduction

- 1.1 This report presents the provisional outturn position for the 2018/19 financial year, this will be used to inform the production of the Council’s statutory accounts which will be subject to audit review ahead of presentation to the Governance, Risk and Audit Committee (GRAC) in July 2019.
- 1.2 Commentary on the more significant year-end variances is included within the report with further supporting information provided within the appendices.
- 1.3 The report also includes a current forecast position statement on the level of reserves along with the outturn and financing position for the 2018/19 capital programme. The capital programme for the period 2019/20 to 2022/23 has been updated to take account of the outturn position and is included within this report and appendices.
- 1.4 All budgets have been monitored during the year by Service and Finance Officers with regular reports being presented to Cabinet and Overview and Scrutiny. The period 10 budget monitoring report was presented to Cabinet in February which covered the first 10 months of the year up to the end of January 2019. At the time this report was forecasting a General Fund underspend of £781,488. Of this underspend £468,954 related to a storm damage insurance payment with the recommendation that this be transferred to the Asset Management reserve. This transfer has already been included in the figures now presented as part of this Outturn position.
- 1.5 The outturn position as now reported shows General Fund surpluses of £273,465 with a further transfer from the Collection Fund in relation to Business Rates of £696,201, giving a final overall underspend of £969,666. This report now presents the final budget monitoring position for the year. The contents of this report will be considered by the Overview and Scrutiny Committee on 12 June 2019.
- 1.6 At the time of preparing this report there are a number of final figures for 2018/19 which have not yet been confirmed and therefore estimates have been made within the provisional outturn position. This is not unusual due to the timing of producing the outturn report, and the lead in time for publication of committee papers. Further details on this are included under the heading ‘Estimates included in the accounts’.

- 1.7 The deadline for the statutory annual accounts is 31 May for the draft statements and 31 July for the published audited version.

2. Revenue Account – Outturn 2018/19

- 2.1 The revenue account position for the year shows a total surplus of £969,666 as detailed at Appendix A. This is after allowing for transfers to Earmarked Reserves for current and known commitments. The transfers to and from reserves in the year are made in line with the Council's policy framework for Earmarked Reserves as approved as part of the annual budget setting process. Earmarked Reserves are typically used to set aside funds for known or specific liabilities. Transfers to Earmarked Reserves have been made for the following:
- a) Where an underspend has occurred within a service, mainly due to the timing of work not being completed as planned (by 31 March 2019), and also where no future budget exists or where there is a one-off commitment that continues into the 2019/20 financial year;
 - b) Where external funding has been received in 2018/19 for which the expenditure has not yet been incurred;
 - c) Where the 2018/19 budget allowed for expenditure to be funded from an Earmarked Reserve, but the spend has not yet been incurred as planned and therefore the funds remain in the Earmarked Reserve until 2019/20.

Estimates Included in the Accounts

- 2.2 The provisional outturn position includes some estimates where final figures are either not confirmed at the time of producing the report or are subject to external audit later in the year. The significant estimates are in relation to Benefit Subsidy, Business Rates Retention and commercial waste disposal and recycling credit income.
- 2.3 **Benefit Subsidy** - The benefit subsidy return was completed and submitted by 30 April 2019 and will be subject to external audit review later in the year. Depending on the outcome from the external audit review there could be an impact on the overall financial position, for example should subsidy be due to the Department for Work and Pensions. It is for this reason that the Council holds a Benefits Earmarked Reserve to mitigate any such impact.
- 2.4 **Business Rates** - Under the current system an element of the business rates is retained locally (split between the County (10%) and Districts (40%)) with the balance (50%) being returned to Central Government. The budget for the year was informed by the baseline funding and the NNDR1 position. The outturn position is based on the National Non Domestic Rates (NNDR3) Return which is submitted annually.

In the same way that council tax operates a 'Collection Fund' which distributes the precepts/shares of council tax collected to the respective authorities, the business rates collection fund distributes the respective shares of business rates based on the NNDR return. Should the actual income collected from business rates exceed or not meet the anticipated amounts there would be a surplus or deficit on the fund. As with the benefits subsidy above, the Council operates a Business Rates Earmarked Reserve to help mitigate against any potentially negative impacts of these arrangements.

Table 1 shows the main variances across the standard expenditure headings. Details of the variances at the service level are provided at section 3.

Table 1 - 2018/19 Subjective Analysis	2018/19 Updated Budget	2018/19 Outturn	Variance	
	£	£	£	%
Employee Costs	11,483,056	12,581,319	1,098,263	9.56
Premises	2,734,055	2,979,741	245,686	8.99
Transport Related Expenditure	302,142	334,714	32,572	10.78
Supplies & Services	10,179,396	10,443,633	264,237	2.60
Transfer Payments	25,896,071	24,734,337	(1,161,734)	-4.49
Support Services - Charges In	10,185,780	11,101,930	916,150	8.99
Support Services - Charges Out	(10,480,877)	(11,377,734)	(896,857)	8.56
Capital Financing Costs	1,344,248	2,388,704	1,044,456	77.70
Income	(36,659,271)	(37,512,673)	(853,402)	2.33
Total cost of services	14,984,600	15,673,970	689,370	4.60

2.5 The reasons for some of the movements included in the summary above are as follows, further details are included at section 3:

- a) **Employee Costs** – of the total variance £1,056,124 relates to pension cost adjustments for current service costs. This adjustment reflects the difference between the cash contributions the Council has made in to the Pension Fund during the year and the value of pensions accumulated in the year calculated by the actuary.

These additional costs are reversed out under net operating expenditure and have no bottom line impact on the revenue outturn position although the increase is reflected in long term liabilities on the Balance Sheet.

Employee budgets assume 2% turnover per annum. Although turnover savings were achieved in a number of service areas, some of these underspends have been offset by overtime and new appointment advertising costs which are not normally budgeted for separately.

- b) **Premises** – additional premises costs of £245,686. The majority of this increase in expenditure relates to repairs and maintenance both programmed and reactive across a number of the Council's key assets including the pier pavilion, parks and open spaces and a number of public conveniences.
- c) **Supplies and Services** – additional supplies and services costs of £264,237. The significant movements against the budgets for supplies includes expenditure relating to consultancy fees, grants and temporary accommodation charges. However in a number of areas this is offset by grant income, client contributions and funding from reserves.

- d) **Transfer Payments** - Reduced payments to benefit claimants. This has been offset by a reduction in subsidy income claimed from the Department for Works and pensions (DWP).
- e) **Capital Financing Costs** – The main variance relates to additional depreciation and amortisation, and payments from the Community Housing Fund which were treated as revenue expenditure funded from capital under statute (REFCUS) above what had been budgeted. Other minor variances relate to slippage and re-profiling of the capital programme.
- f) **Income** – The most significant income variances for the year are represented by the following items.
- Reduced benefits subsidy income, this is offset by reduced benefits payments (included under the transfer payments heading) and recovered benefits overpayments.
 - Payment of an insurance claim reimbursed re damage to the Pier during the storm surge of 2013 highlighted as part of period 10 budget monitoring.
 - Various additional grants were received at the end of the financial year when they could not be allocated to additional service provision these included Homelessness prevention grant and a number of New Burdens grants. These have been rolled forward within the councils earmarked reserves for spend in 2019/20.
 - Fee Income - Planning and Building Control income, additional fee income from bulky, garden and trade waste collections and additional income from recycling credits and sales of recyclable materials.

3. Revenue Account – Detailed Commentary 2018/19

- 3.1 This section of the report highlights the more significant direct cost and income variances compared to the current budget. Further commentary on some of the smaller variances is also included within Appendix B which accompanies this report. Accounting standards require a number of notional charges to be made to service accounts. Notional charges include transactions in relation to capital charges, revenue expenditure funded from capital under statute (REFCUS) and pension costs, and whilst they do not have an impact on the 'bottom line' i.e. the surplus or deficit for the year, they are included for reporting purposes. Appendix A shows the overall revenue position including notional charges; however, to assist reporting and explaining 'real cash' variances, Table 2 provides a summary of the position excluding notional charges.

Table 2 - 2018/19 Revenue Account (Excluding Notional Charges)	Updated Budget	Outturn	Variance
	£	£	£
Service Area:			
Corporate and CLT	325,223	173,784	(151,439)
Community, Economic Development & Leisure	2,625,817	2,351,073	(274,744)
Customer Services and ICT	1,548,234	1,086,999	(461,235)
Democratic and Legal Services	625,531	554,528	(71,003)
Environmental Health	3,567,577	3,121,393	(446,184)
Finance and Assets	2,579,963	2,608,583	28,620
Planning	2,115,982	2,081,534	(34,448)
Net Cost of Services	13,388,327	11,977,894	(1,410,433)
Parish Precepts	2,210,812	2,210,432	(380)
Net Interest Receivable/ Payable	(1,143,884)	(1,283,480)	(139,596)
Capital Financing	1,812,568	1,536,638	(275,930)
Contribution to /(from) Earmarked Reserves	(2,026,651)	(468,130)	1,558,521
Contribution to /(from) General Reserve	(264,224)	(240,840)	23,384
Net Service Expenditure/Income to be met from government Grant & Taxpayers	13,976,948	13,732,514	(244,434)
Government Grants and Council Tax	(14,480,222)	(15,205,454)	(725,232)
Net (Surplus)/Deficit for the year	(503,274)	(1,472,940)	(969,666)

- 3.2 **Service Variances** – The following provides commentary of the more significant variances (over/under £30,000) across the seven service groupings, more detailed variance explanations are provided within the detailed appendices. These figures represent service variances before any additional contributions to/ (from) reserves and revenue contributions to capital.

Service and Details	Net (Under)/Overspend (Direct Cost and Income Only)
Corporate And CLT	
There were no significant variances in this service area.	
Community, Economic Development and Leisure	
Parks & Open Spaces - (£27,344) - Lower costs relating to the Kier services contract. (£16,335) - Section 31 grant in relation to parks improvement from the Ministry of Housing, Communities and Local Government (MHCLG), this is offset by a number of minor variances.	(39,254)
Leisure Complexes - £72,017 costs associated with Leisure management contract support, to be funded from reserves. £64,085 one-off payment to previous contractor for building extension at Victory. £8,930 additional repair and maintenance costs.	147,544

Service and Details	Net (Under)/Overspend (Direct Cost and Income Only)
Pier Pavilion - £34,668 Pier Theatre internal decoration, flooring, pumps and fire alarm alterations. £30,614 - Management fee, payment in advance from prior year.	54,517
Cromer Pier - (£468,954) Insurance claim reimbursed re damage to the Pier during the storm surge of 2013. As part of period 10 budget monitoring it was recommended that this be transferred to the Asset Management reserve (AMR) to support the next phase of the repair works to the pier.	(462,799)
Economic Growth - Uncommitted contributions, budget requested to be rolled forward to match fund projects in 2019/20.	(44,352)
Housing Health and Wellbeing - (£70,498) Surplus Home Improvement Agency fee income transferred to the Housing reserve. (£45,295) Norfolk County Council funding in respect of the social prescribing posts, this has been rolled forward to fund the remainder of the contracts in future years.	(115,833)
Customer Services and ICT	
Benefits Administration – Employee turnover savings of (£25,098) were achieved in year as a result of staff vacancies. (£74,131) relates to various one off grants received from the department for Works and pensions (DWP) to support additional service requirements. Some of which have been offset by additional expenditure in the year. The balance has been earmarked to fund service improvements in 2019/20.	(90,802)
ICT Support services – £22,074 Salaries and on costs and overtime costs higher than anticipated. (£19,304) Computer hardware purchases. (£56,470) Lower cost of computer lines and modems. £25,888 Higher computer maintenance costs.	(36,438)
Homelessness – Additional costs associated with providing temporary accommodation offset by subsidy and client contributions. (£38,426) Rough Sleeping and Homeless Community Funding allocated from County not yet spent. (£30,000) Repossession funding reversed out of receipts in advance (RIA). (£68,548) Additional grants from MHCLG in respect of Flexible Homelessness and New Burdens funding. This has been earmarked within the roll forward process for spend in future financial years.	(136,598)
Democratic and Legal Services	
There were no significant variances in this service area.	

Service and Details	Net (Under)/Overspend (Direct Cost and Income Only)
Environmental Health	
<p>Waste Collection and Disposal – The main reasons for this significant variance are outlined below;</p> <p>£22,781 Norse Environmental Waste Services (NEWS) processing costs; (£218,558) Kier - stepped costs and contract variations.</p> <p>(£193,658) Additional fee income from bulky, garden and trade waste collections; (£26,362) Additional income from recycling credits and sales of recyclable materials.</p> <p>£98,125 of this underspend has been earmarked to fund some in-year capital expenditure (RCCO) relating to the purchase of bins.</p>	(435,555)
<p>Cleansing – (£45,221) Kier accrual from previous year not offset by expenditure, this has not been carried forward. (£18,243) Grant income in respect of High Streets Community Clean Up funding.</p>	(64,152)
<p>Civil Contingencies – The majority of this saving relates to in-year staff vacancies.</p>	(31,559)
Finance and Assets	
<p>Parklands – Additional costs of £11,972 relating to site clear-up costs and £19,359 relates to higher electricity costs.</p>	32,506
<p>Benefits Subsidy – (£33,293) Movement in the provision for bad and doubtful debts. Lower benefit payments, budget based on 2018/19 initial subsidy return. This is offset by reduced subsidy grant.</p> <p>£195,902 Subsidy on benefit payments. £82,583 Movement in the amount of benefit overpayment debt held on the Civica system. (£483,857) Recovered overpayment cash transferred to revenue.</p>	(244,842)
<p>Property Services – The more significant variances include £22,632 additional staffing and travel costs. £16,250 Asset valuations carried out by Norfolk Property Services (NPS). The balance of this variance relates to external professional fees relating to a number of projects.</p>	75,149
<p>Public Conveniences – £28,799 Reactive repair and maintenance works; £26,361 higher business rates and amenities costs due to a busy summer season.</p>	58,279
Planning	
<p>Development Management – £34,822 Enforcement costs relating to “at risk” properties these costs have been offset by a contribution from the Enforcement Board Reserve.</p> <p>£64,985 Reduction in Planning fee income offset by increased income from discharge of conditions (£8,188) and pre-application advice (£39,279).</p>	75,643

Service and Details	Net (Under)/Overspend (Direct Cost and Income Only)
<p>Planning Policy – Slippage in profiled spend associated with the Local Plan, this has been offset by a reduced contribution from the New Homes Bonus Reserve.</p> <p>New Burdens grants received from the Ministry for Housing Communities and Local Government (MHCLG) in relation to maintaining Custom Build and Brown site registers, these have been earmarked as part of the roll forward request process.</p>	(74,311)
<p>Building Control - Additional income from Building Control fees partially offset by increased employee costs. As this service operates on a cost recovery basis the net position will be reflected in a transfer to the earmarked reserve and taken into account in setting future fee levels.</p>	(32,398)
<p>Property Information – (£13,889) New Burdens grant from Ministry for Housing Communities and Local Government (MHCLG) in respect of Land Charges. (£2,980) Income from Street Naming and Numbering. (£23,819) Land Charge fee income. Land charge fee income is set on a cost recovery basis therefore in year surpluses are ring-fenced and reflected in future year fee setting.</p>	(38,896)

Non Service Expenditure and Income

- 3.3 The non-service expenditure and income predominantly relates to investment income.
- 3.4 The original income budget for 2018/19 anticipated £1,158,300 would be earned in interest from an average balance of £35.1m at a rate of 3.3%. A total of £1,295,337 was earned from investments over the year from an average balance of £44.7m at an average rate of interest of 2.89%. This resulted in a favourable variance against the budget of £138,034 in respect of investment income.
- 3.5 Investment balances were consistently higher than anticipated in the budget although the overall rate of interest earned was lower than budget. Uncertainty around timings of payments resulted in some of this cash being kept in shorter term investments, affecting the overall rate of return but positively impacting on the level of income received.
- 3.6 The Council has taken a strategic decision to continue to invest in pooled funds using balances which are not anticipated to be required in the medium to long-term (three to five years). These pooled funds are anticipated to provide a higher income return than alternative financial instruments and achieved an average interest rate of 3.82% in the year.
- 3.7 The Treasury Management Annual Report is included as a separate item on this Agenda and provides more details on the performance of the Treasury Management activity for the year.

Retained Business Rate Income

- 3.8 The total favourable variance for the year under the Business Rate Retention Scheme was £696,201. This sum includes increased amounts receivable in respect of reliefs funded by central government using Section 31 grants; an increased levy payable to Norfolk County Council; additional growth and other minor variances.
- 3.9 The Council is a member of the Norfolk Business Rates Pool which enables growth in the business rates collected in Norfolk to be retained locally, rather than being passed to central government. The growth is paid over in the form of a levy payment to Norfolk County Council as the lead authority for the Pool. The budget for the levy was £575,337 but this has increased by £307,463 to £882,800 at outturn. The increase is due to a higher retained business rate income figure as a result of central government increases in reliefs, as well as growth in the rates base.
- 3.10 The Council can retain all the income from renewable energy schemes, provided it was granted planning permission. It must include each year the amount it anticipates it will receive when completing the NNDR1. Any variation will be carried forward to the following year. The actual income receivable in 2017/18 from renewable energy schemes was £80,034 above the NNDR1 figure for that year, and this increase in income is included in the 2018/19 outturn. Additional income in Designated Areas totalled £287,036.
- 3.11 The Government has provided additional reliefs to business in successive Autumn Statements. These reliefs have been dealt with outside the Business Rate Retention Scheme and funded by Section 31 grants payable to District Councils. The reliefs actually granted to businesses for the year, along with adjustments to compensate for changes in the multiplier cap, have resulted in an increase of £716,628 in grant received.
- 3.12 The business rate income is paid into the Collection Fund and then distributed to Central Government, the County Council and North Norfolk District Council (NNDC) in accordance with the proportionate shares set out in the Scheme. The distribution is based on the NNDR1 return and any variances at outturn will produce a surplus or deficit on the Collection Fund which is then distributed in the following year. A surplus on the Collection Fund had been anticipated for 2018/19 and the Council's share of the overall surplus on the Collection Fund at the time of completing the 2019/20 NNDR1 was £441,501.
- 3.13 The Council applied to be a pilot authority as part of the Norfolk Business Rates Pool for the 2019/20 financial year, as it was forecast that the pilot would bring significant financial benefit to the district. The decision regarding the success of this application was announced alongside the Provisional Settlement and the excellent news was that the Norfolk wide pilot application was successful.

4. Reserves

- 4.1 The Council holds a General Reserve for which the recommended balance for 2019/20 is £1.9 million. The purpose of holding a General Reserve is to provide a working balance to help cushion the impact of uneven cash flows and to provide a contingency to help cushion the impact of unexpected events or emergencies.

- 4.2 In addition to the General Reserve the Council holds a number of Earmarked Reserves that are held to meet known or predicted liabilities. The Earmarked Reserves also provides a means at the year-end for carrying funds forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists.
- 4.3 There are a number of Earmarked Reserves that have balances, yet the timing of the use of the reserve is yet to be agreed. For example the Invest to Save reserve anticipates transfers out of £940k in relation to Digital Transformation phase two, this will be allocated to individual projects and the budget updated when these have been approved by the Digital Transformation Board and Members.
- 4.4 Section 3 of the report has highlighted a number of service areas where an underspend has occurred in the year and a transfer to reserves had been made to ensure funds are available to meet future spending commitments. Unlike capital budgets, underspends on revenue budgets in the year are not automatically rolled forward at the year-end where there is an annual budget provision. Where the underspend represents a grant received which has not yet been fully utilised or there has been a delay in the planned use, the unspent grant has been rolled forward.
- 4.5 The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. This appendix outlines the purpose of each grant and shows the planned use over the current four year budget period. The updated budget projections were forecasting a movement of £2,026,651 out of earmarked reserves. At outturn the final transfer made was £468,130, resulting in a variance of £1,558,521, the most significant of which were as follows;
- Asset Management Reserve – (£436,716) the majority of this variance relates to the pier insurance money received in connection with the 2013 storm surge;
 - Capital Projects Reserve – (£261,259) it was originally anticipated that the pier roofing works would have been completed by the end of the year. However this scheme was rescheduled following the results of the structural survey so that the works underneath the theatre could be completed first which has slightly delayed the timing of the roofing works;
 - Housing – (£277,131) there have been various grants received in the year which have not as yet been spent which have been transferred to the reserve for spend in future years
 - Invest to Save – (£169,745) this variance is largely due to the slippage in original anticipated timescales for the public convenience improvements work programme which was extended to allow for additional consultation with town and parish councils.
- 4.6 The General Reserve balance at 31 March 2019 is £1.956 million. All reserves will be reviewed as part of the upcoming work on the Medium Term Financial Strategy which will be presented to Members later in the year.

5. Summary – Revenue Account 2018/19

- 5.1 The outturn position for the year ending 31 March 2019 is a £969,666 surplus. This is after allowing for a number of underspends identified at the service level which have been rolled forward within reserves to fund one-off commitments in 2019/20 where there is no annual budget. The report is recommending that the 2018/19 surplus of £969,666 is transferred to the General Fund Reserve (£500,000) and the Asset Management Reserve (£469,666).

6. Capital Programme 2018/19

- 6.1 This section of the report presents the capital programme financing for 2018/19, together with the updated programme for the financial years 2019/20 to 2022/23. Appendix D provides the detail of the outturn on the 2018/19 capital programme, together with the financing for all schemes. The updated capital programme for 2019/20 to 2022/23 is attached at Appendix E.
- 6.2 The outturn position for the 2018/19 capital programme at Appendix D highlights where schemes have re-profiled between years. The reasons for re-profiling include where schemes have not progressed as originally planned, and the funding is requested to be carried forward to the new financial year, or where scheme have progressed ahead of schedules and there is a requirement to bring back funding from the 2019/20 budgets.
- 6.3 In total the expenditure on the capital programme for the year was £6,319,913 compared to an updated budget of £11,438,473 which resulted in a variance of (£5,118,560). Most of this variance was as a result of projects not progressing as originally budgeted, this is reflected in the re-profiling tables below.
- 6.4 There has been a requirement to re-profile from the 2019/20 budgets where schemes have either progressed slightly earlier than anticipated or where the level of expenditure has been higher than that profiled to be incurred during the financial year (see Table 3 for significant variances). The updated programme for 2019/20 onward (Appendix E) reflects these adjustments.

Table 3 - Capital Schemes where re-profiling is required from 2019/20 budget over £100,000

Capital Scheme	Re-profiled Amount £
Grove Lane Depot Refurb	116,225
Deep History Coast	216,187
CPO of Long Term Empty Properties	160,654
Bacton to Walcott Coastal Management Scheme	103,965

- 6.5 Schemes completed in 2018/19 – In total there were eleven schemes within the capital programme which were identified as being completed during the financial year. Table 4 provides a summary of the schemes along with any final project variance, and commentary on financing implications where necessary.

Table 4 - Capital Schemes Completed within the 2018/19 Financial Year

Capital Scheme	Variance £ (Under) / Over	Financing Commentary
Management Information Systems	20,279	The capital component of this scheme is complete, with the overspend to be funded from Capital receipts.
Ranger Vehicles 2017-18	19,670	Additional vehicles purchased, funded from Capital receipts.
Purchase of Property Services Vehicle	15,793	Additional staff taken on in year required vehicles above those previously budgeted for. This scheme has been completed and the overspend is to be financed from the use of additional capital receipts.
e-financials system upgrade	54,729	This scheme is now complete; the additional expenditure incurred is to be financed from the use of capital receipts and the capital projects reserve.
Trade Waste Bins	6,584	Additional bin purchases have been made in excess of the original budget. All purchases were made on the basis that the additional expenditure was to be financed from an RCCO.
Customer contact centre	2,149	This scheme is now complete; the additional expenditure incurred is to be financed from the use of capital receipts.
Multi-Functional Devices	2,004	This scheme is complete and the minor overspend is to be financed by capital receipts.
Server Replacement	15,130	This scheme is complete and the overspend is to be financed by capital receipts.
Walsingham Public Convenience	7,900	This scheme is complete and the overspend is to be financed by capital receipts.
Sheringham West Prom	(29,148)	Scheme complete under budget.
Grove Lane Depot Refurb	4,521	This scheme is complete and the overspend is to be financed by capital receipts.

- 6.6 Schemes which did not complete in 2018/19 and underspent their allocation for the year had their budget re-profiled into 2019/20. There were five schemes with slippage in excess of £100,000 at outturn in the 2018/19 financial year as shown within table 5.

Table 5 - Capital Schemes where re-profiling is required from 2018/19 Budget over £100,000

Capital Scheme	Re-profiled Amount £
Egmere Business Zone	235,801
Community Housing Fund	1,781,502
Fakenham Extra Care	215,500
Splash Leisure Centre Reprovision	939,291
North Norfolk Sports Hub	1,365,365

6.7 The outturn position in respect of the Prudential indicators is also included for information within Appendix F.

7. Capital Programme - 2019/20

7.1 Appendix E shows the updated capital programme for the period 2019/20 to 2022/23. The capital programme has been updated to reflect the slippage identified within this report, together with the capital outturn position. It also included those schemes which received formal approval as part of the 2019/20 budget report and P10 monitoring report which went to Full Council in March.

8. 2018/19 Budget Implications and Financial Forecast 2019/20 Onwards

8.1 The budget for 2019/20 was approved in February 2019. At the same time financial projections for the following three years to 2022/23 were also reported. The budget for 2018/19 includes new savings and additional income totalling £710,065 for 2018/19 which is expected to increase to £727,580 in 2019/20 and £744,248 from 2020/21.

8.2 The forward financial projections from 2020/21 onwards make assumptions around the future funding from government support and known commitments and changes to service expenditure. Table 6 below provides a summary of the current reported funding gaps for the next three years.

Table 6 – Current Reported Funding Forecast			
	2020/21 £000	2021/22 £000	2022/23 £000
Current Funding Gap/(surplus) ¹	2,078	2,061	1,945

8.3 The forward projections of expenditure and income will be updated to take account of the outturn position and also other spending/income pressures that have been identified outside of the budget process. These will be reported to Members in the coming months as part of the Financial Strategy update to enable early preparation for the 2020/21 budget process.

¹ As reported in the 2019/20 Budget Report, February 2019

- 8.4 In addition, as part of the work on the financial strategy a review of all reserve balances will be carried out.

9 Financial Implications and Risks

- 9.1 There is still considerable uncertainty around future years funding forecasts and this position will not improve until the outcome from the Fair Funding Review, which will set new baseline funding allocations and responding to spending pressures and changes in service demand, and the review of the Local Retention of Business Rates, are concluded. The Comprehensive Spending Review, which sets out the expenditure limits over the coming years has been delayed due to Brexit and is now expected to commence in the autumn. The more significant risks in relation to the outturn position for 2018/19 and the ongoing financial position are summarised below.
- 9.2 **Under and Overspends** - This outturn report has identified a number of underspends at the service level; some have occurred due to factors outside of the Council's control which has meant that expenditure has not been incurred as planned, for example Waste Collection and Disposal. Where applicable service underspends have been carried forward within Earmarked Reserves to fund one-off costs or where projects have been delayed until the 2019/20 financial year. Similarly there have been some areas of overspending, such as with the running costs of the public conveniences which have increased due to the incredibly busy summer season. Some of the underspends from 2018/19 which are in relation to ongoing savings have already been factored into the 2019/20 base budget and will be further reviewed as part of the production of the Medium Term Financial Strategy later this year along with any pressures on budget increases.
- 9.3 **Housing Benefit Subsidy** – as mentioned earlier in the report the outturn position includes the unaudited benefits subsidy position. Expenditure of £24.662 million has been incurred in the year to be recovered from subsidy payable by the Department for Work and Pensions (DWP). The final position will not be confirmed until the claim has been audited by the Council's external auditors and signed off by the DWP later in the year. Much of the risk around changes to the claim and subsidy recoverable is reduced by the Benefits Earmarked Reserve which is maintained to help mitigate the impact of any claw back from the DWP following the final audited subsidy claim.
- 9.4 **Business Rates Retention Scheme** – Local Authority funding from business rates is open to risks around funding fluctuations due to increases and decreases in the rateable values (RV) of non-domestic properties and successful appeals against the RV. The NNDR 3 return has been submitted and will be subject to external audit review as part of the final accounts audit work. Any changes to the figures included in the outturn position could have an impact on the General Fund balance. Furthermore there is a risk of business rates appeals and whilst the NNDR returns do include assumptions around provisions for appeals and backdating, these elements could be subject to fluctuations. The Valuation Office Agency (VOA), who hear the appeals, currently have a backlog and are slow to clear outstanding appeals increasing the risk of the Council needing to pay out large refunds in rates. There is also an ongoing application from NHS Trusts for mandatory relief for their properties on the basis that they are used for non-profit making services. If this application was granted and the relief backdated, this would result in hundreds of millions of pounds across the country being refunded to the NHS from Councils. NNDC is exposed to this risk through the local pooling of business rates through the Norfolk Business Rates Pool. These risks are again however mitigated by the Business Rates Earmarked Reserve.

- 9.5 **Waste contract** – as highlighted within the 2019/20 budget report the one year extension with Kier is now in place to enable the joint procurement exercise to be undertaken with Breckland District Council and Kings Lynn and West Norfolk Borough Council. No savings have been assumed at this point which may arise as part of the joint procurement being undertaken, although it is hoped that significant economies of scales can be achieved and that ultimately this will result in a lower contract cost. Until the final tender prices are received however the extent of any potential savings will not be known.
- 9.6 **Recycling costs** – The market for recyclate (such as glass and paper) remains very volatile at the current time. To access recyclate markets improvements have had to be made to the quality of the materials being processed which has resulted in increased waste which then has to be disposed of at additional cost. The position continues to be monitored and will be considered as part of the budget monitoring process for 2019/20, the MTFS and future year's budget as we progress through the year.
- 10 **Sustainability** – None as a direct consequence of this report.
- 11 **Equality and Diversity** – None as a direct consequence of this report.
- 12 **Section 17 Crime and Disorder considerations** – None as a direct consequence of this report.

General Fund Summary Outturn 2018/19

	Updated Budget £	Outturn £	Outturn Variance £
Net Cost Of Services			
Clt / Corporate	325,223	295,871	(29,352)
Community, Econ Dev & Coast	3,265,853	3,911,821	645,968
Customer Services & ICT	1,695,620	1,565,102	(130,518)
Environmental Health	3,738,489	3,572,655	(165,834)
Finance & Assets	3,176,271	3,395,066	218,795
Legal & Democratic Services	625,531	625,332	(199)
Planning	2,157,613	2,308,124	150,511
Net Cost Of Services	14,984,600	15,673,970	689,370
Precepts Of Parish Councils	2,210,812	2,210,432	(380)
Capital Charges	(1,344,248)	(2,040,480)	(696,232)
Refcus	0	(348,224)	(348,224)
External Interest Paid	3,500	1,938	(1,562)
Interest Receivable	(1,147,384)	(1,285,418)	(138,034)
Revenue Financing For Capital	1,812,568	1,536,638	(275,930)
Retirement Benefits	251,249	(804,099)	(1,055,348)
Net Operating Expenditure	16,771,097	14,944,758	(1,826,339)
Contributions To/(From) Reserves			
Asset Management	(208,150)	228,566	436,716
Benefits Subsidy	(31,588)	44,951	76,539
Building Control	0	31,645	31,645
Business Rates	(61,843)	(68,241)	(6,398)
Capital Projects Reserve	(1,231,031)	(969,772)	261,259
Coast Protection	(20,000)	(21,921)	(1,921)
Communities	90,533	57,661	(32,872)
Economic Development and Tourism	(20,000)	50,000	70,000
Elections Reserve	40,000	40,000	0

General Fund Summary Outturn 2018/19

	Updated Budget £	Outturn £	Outturn Variance £
Contributions To/(From) Reserves Continued			
Enforcement Board	(23,492)	(59,759)	(36,267)
Environmental Health	(40,000)	28,943	68,943
Grants	(120,805)	1,882	122,687
Housing	(243,417)	33,714	277,131
Invest to Save	(577,389)	(407,644)	169,745
Land Charges	0	15,330	15,330
Legal	(933)	302	1,235
New Homes Bonus	(1,592,217)	(1,494,234)	97,983
Organisational Development	(4,649)	(26,372)	(21,723)
Planning	18,330	53,330	35,000
Property Investment fund	2,000,000	2,000,000	0
Sportshalls	0	(6,511)	(6,511)
Contributions to/From General Reserve	(264,224)	(240,840)	23,384
Amount to be met from Government Grant and Local Taxpayers	14,480,222	14,235,788	(244,434)
Collection Fund Parishes	(2,210,812)	(2,210,812)	0
Collection Fund District	(5,909,655)	(5,909,655)	0
Retained Business Rates	(4,190,773)	(4,886,974)	(696,201)
Revenue Support Grant	(535,619)	(535,619)	0
New Homes Bonus	(1,149,592)	(1,149,592)	0
Rural Services Delivery Grant	(483,771)	(483,771)	0
Non ring fenced grants		(29,031)	(29,031)
Income from Government Grant and Taxpayers	(14,480,222)	(15,205,454)	(725,232)
(Surplus)/Deficit	0	(969,666)	(969,666)

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Health				
Gross Direct Costs	0	4,521	4,521	£4,500 - Match funding of "Pocket Park" projects.
Gross Direct Income	0	(4,521)	(4,521)	
	0	0	0	
Car Parking				
Gross Direct Costs	778,443	820,713	42,270	See Note A below:
Capital Charges	29,485	29,484	(1)	No Major Variances.
Gross Direct Income	(2,645,971)	(2,715,354)	(69,383)	(£73,010) - Car park income higher than expected. £3,876 - Rental income lower than anticipated
Support Service Charges	183,379	162,872	(20,507)	See Note B below:
	(1,654,664)	(1,702,285)	(47,621)	
Note A: £19,653 - Repair and maintenance costs. £10,147 - Professional fees including VAT advice. £3,954 - Higher credit card charges as a result of more income being received via credit card payments. £6,190 - New car park signage. £4,880 - Kier street services. (£25,678) - Lower management fee. £12,000 - Contribution to Better Parking Project. £7,862 - Rental of Clink Road and Gold Road car parks is higher as a result of greater income being received. The balance consists of minor variances.				
Note B: (£25,880) - Reduced charge from Customer Services following review of staff time. (£27,244) - Reduced charge from Property Services following review of staff time. £16,575 - Higher Insurance recharges. £8,331 - Higher recharge from Leisure Services following review of staff time. The balance consists of minor variances.				
Markets				
Gross Direct Costs	53,525	55,156	1,631	£4,463 - Salary and oncosts are higher than anticipated. (£2,709) - Advertising costs lower than expected.
IAS 19 Superannuation Adj	0	1,185	1,185	Pension fund adjustment (current service costs).
Gross Direct Income	(61,800)	(56,505)	5,295	Market rental income lower than expected.
Support Service Charges	34,030	26,910	(7,120)	(£14,233) Lower recharge from Property Services; £5,213 Higher recharge from Leisure Services.
	25,755	26,746	991	
Parks & Open Spaces				
Gross Direct Costs	350,397	326,816	(23,581)	(£27,344) - Lower costs relating to the Kier services contract and provision for 2017/18 variation order not required. £4,049 - Water charges at Runton Road, Cromer.
Capital Charges	48,222	48,223	1	No Major Variances.
Gross Direct Income	(14,590)	(30,263)	(15,673)	£4,988 - Lower income from rent of land. (£16,335) - Section 31 grant in relation to parks improvement from the Ministry of Housing, Communities and Local Government. (£3,016) - Higher interest receipts - this is because the interest rate increased from 2.29% to 2.89%.
Support Service Charges	81,030	142,213	61,183	£9,298 - Higher recharge from Environmental Contracts as a result of higher costs within the service. £29,142 - Higher recharge from Property Services as a result of more staff time spent on Parks and Open Spaces . £11,711 - Higher Insurance recharges. £9,507 - Higher recharges from Leisure Services as a result of more staff time spent on Parks and Open Spaces.
	465,059	486,989	21,930	

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Foreshore				
Gross Direct Costs	186,146	208,614	22,468	(£5,372) - Salaries and oncosts are lower. £12,980 - Transport of Mundesley huts from winter storage. £28,479 - Amenity lighting at Happy Valley and Doctors Steps. (£10,034) - Lower than expected spend on maintenance of Foreshore furniture and fixtures.
IAS 19 Superannuation Adj	0	2,494	2,494	Pension fund adjustment (current service costs).
Capital Charges	7,977	5,485	(2,492)	Depreciation.
Gross Direct Income	(187,362)	(189,809)	(2,447)	(£11,200) - Winter storage fees. (£8,825) - Government grant re Bellwin claim for storm surge. £17,598 - Income from weekly hire of chalets lower than expected.
Support Service Charges	187,250	217,244	29,994	£14,695 - Higher recharge from Property Services. £8,273 - Higher recharge from Exchequer Services. (£11,229) - Lower recharge from Insurances. £16,131 - Higher recharges from Leisure Services.
	194,011	244,028	50,017	
Sports Centres				
Gross Direct Costs	309,067	274,563	(34,504)	£2,868 - Salaries and oncosts higher than anticipated. (£70,207) - Hall hire costs lower than anticipated. £12,708 - Purchase of a trampoline to be funded from an earmarked reserve. £2,540 - Feasibility study for a 3G pitch at North Walsham. £7,317 - Fees re astropitch use, events etc. £9,978 - Cost of repairs to astropitch lighting at Cromer.
IAS 19 Superannuation Adj	0	17,083	17,083	Pension fund adjustment (current service costs)
Capital Charges	12,497	12,496	(1)	No Major Variances.
Gross Direct Income	(142,820)	(131,887)	10,933	£9,492 - Lower sales of food and drink.
Support Service Charges	120,240	164,582	44,342	£12,773 - Higher costs from Computer Services as a result of more staff time. £13,573 - Higher costs from the Communications team as a result of staff dealing with the leisure projects during the year. £6,458 - Higher costs from Property Services reflecting more staff time. £3,131 - Higher costs from Digital Transformation reflecting more staff time. The balance consists of minor variances.
	298,984	336,838	37,854	
Leisure Complexes				
Gross Direct Costs	384,334	532,931	148,597	£72,017 - Leisure management contract support, to be funded from reserves. £64,085 - Compensation payment. £8,930 - Repair and maintenance, mainly water leak costs.
Capital Charges	525,644	525,644	0	No Major Variances.
Gross Direct Income	0	(1,052)	(1,052)	No Major Variances.
Support Service Charges	39,570	59,863	20,293	£7,530 - Higher recharge from Communications Team. £6,182 - Higher recharge from Property Services. £4,763 - Higher recharge from Leisure Services. All of these are as a result of supporting the new leisure projects.
	949,548	1,117,385	167,837	

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Other Sports				
Gross Direct Costs	154,582	131,339	(23,243)	(£4,627) - Salary and oncosts lower than anticipated. £7,669 - Cost of Hubs & Clubs offset by income. £9,684 - Higher grants awarded. (£36,531) - Outdoor leisure strategy funded from New Homes Bonus (part of Local Plan allocation). Costs not incurred in 2018/19 will be returned to earmarked reserves.
IAS 19 Superannuation Adj	0	5,238	5,238	Pension fund adjustment (current service costs).
Gross Direct Income	(24,172)	(30,751)	(6,579)	£8,385 - Grant income lower than expected (£12,781) - Higher than expected fee income relating to Sports Hubs and Clubs projects
Support Service Charges	49,130	62,128	12,998	£9,191 - Higher recharge from Communications Team. £7,811 - Higher recharge from Leisure services. Both of these are as a result of supporting the new leisure projects. The balance consists of minor variances.
	179,540	167,954	(11,586)	
Recreation Grounds				
Gross Direct Costs	8,669	9,258	589	No Major Variances.
Capital Charges	79	79	(0)	No Major Variances.
Gross Direct Income	(1,000)	(1,288)	(288)	No Major Variances.
Support Service Charges	4,530	5,194	664	No Major Variances.
	12,278	13,242	964	
Pier Pavilion				
Gross Direct Costs	49,448	115,352	65,904	£34,668 - Pier Theatre - internal decoration, flooring, pumps and fire alarm alterations. £30,614 - Management fee, payment in advance from prior year.
Gross Direct Income	(20,000)	(31,387)	(11,387)	(£11,387) - Profits higher.
Support Service Charges	17,790	33,479	15,689	£9,549 - Higher recharge from Property Services. £4,265 - Higher recharge from Leisure Services. £2,242 - Higher recharge from Corporate Leadership Team.
	47,238	117,444	70,206	
Foreshore (Community)				
Gross Direct Costs	432,113	424,754	(7,359)	(£3,000) - General grounds maintenance. (£3,809) - Telephone rentals and maintenance. £5,320 - Blue Flag application. (£7,359) - Memorial seats.
Support Service Charges	42,720	65,346	22,626	£4,510 - Higher recharge from Environmental Contracts as a result of higher costs within the service. £17,494 - Higher recharges from Leisure Services as a result of more staff time spent on Foreshore (Community).
	474,833	490,100	15,267	
Woodlands Management				
Gross Direct Costs	152,450	186,598	34,148	£15,647 - Grounds maintenance including tree safety works at Pretty Corner Woods. £2,531 - Equipment purchases. £9,706 - Other fees, mainly event spend. £2,063 - Deer fence at Pretty Corner Woods. £2,164 - Generator repairs and electrical hook-up.
IAS 19 Superannuation Adj	0	10,978	10,978	Pension fund adjustment (current service costs).
Capital Charges	1,346	1,346	(0)	No Major Variances.
Gross Direct Income	(37,650)	(45,932)	(8,282)	(£7,755) - Car parking income.
Support Service Charges	102,750	139,765	37,015	£9,770 - Higher recharge from the Communications Team. £4,430 - Higher recharge from Property Services as a result of more staff time. £20,192 - Higher recharge from Leisure Services as a result of more staff time.
	218,896	292,755	73,859	

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Cromer Pier				
Gross Direct Costs	68,366	75,325	6,959	£7,641 - Premises Insurance - Fire/General.
Capital Charges	8,741	23,716	14,975	Depreciation.
Gross Direct Income	(24,109)	(493,867)	(469,758)	(£468,954) - Insurance claim reimbursed re damage to the Pier during the storm surge of 2013.
Support Service Charges	15,010	83,993	68,983	£7,530 - Higher recharge from the Communications Team. £57,635 - Higher recharge from Property Services. £5,468 - Higher recharge from Coastal Management.
	68,008	(310,833)	(378,841)	
Economic Growth				
Gross Direct Costs	82,408	63,864	(18,544)	Uncommitted contributions budget requested to be rolled forward to match fund projects in 2019/20.
Capital Charges	211	211	0	No Major Variances.
Gross Direct Income	(10)	(25,818)	(25,808)	Grant income from a previous year transferred out of Receipts in Advance (RIA).
Support Service Charges	186,740	337,237	150,497	£137,021 Higher recharge from Business Growth Staffing; £9,574 Higher recharge from CLT; £7,530 Higher recharge from Communications.
	269,349	375,495	106,146	
Tourism				
Gross Direct Costs	68,588	62,768	(5,820)	£13,198 Costs for Orchestras Live offset by grant. (£15,000) Marketing North Norfolk - uncommitted contributions budget requested to be rolled forward to support Visit North Norfolk programme in 2019/20.
Gross Direct Income	0	(23,986)	(23,986)	Grant contributions for Orchestras live programme.
Support Service Charges	53,940	21,080	(32,860)	(£39,529 - Lower recharge from Business Growth Staffing. The balance consists of minor variances.
	122,528	59,862	(62,666)	
Market Town Initiatives				
Gross Direct Costs	274,163	274,163	(0)	No Major Variances.
	274,163	274,163	(0)	
Coast Protection				
Gross Direct Costs	321,275	391,162	69,887	£58,797 Sea Defence projects. The balance relates to costs associated with planning applications and Marine Management Organisation (MMO) licences.
Capital Charges	5,834	537,029	531,195	£507,194 Depreciation and £24,000 Refcus.
Gross Direct Income	0	(42,166)	(42,166)	Funding from Shell UK towards timber revetment repairs at Bacton.
Support Service Charges	275,360	315,777	40,417	Higher recharges of £7,530 from Communications, £8,347 from Property Services, £8,362 from Corporate Leadership Team, £9,314 from Coastal Management and £7,682 from Legal Services.
	602,469	1,201,801	599,332	

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Business Growth Staffing				
Gross Direct Costs	242,944	234,641	(8,303)	£7,504 Staff turnover savings due to vacant post.
IAS 19 Superannuation Adj	0	20,263	20,263	Pension fund adjustment (current service costs).
Gross Direct Income	0	(463)	(463)	No Major Variances.
Support Service Charges	(242,944)	(254,441)	(11,497)	Higher recharge to internal services as a result of higher service costs.
	0	0	0	
Economic & Comm Dev Mgt				
Gross Direct Costs	120,409	128,784	8,375	£7,800 Additional Community Support including top up grant for Museums and contributions re GoGo hares.
IAS 19 Superannuation Adj	0	7,571	7,571	Pension fund adjustment (current service costs).
Gross Direct Income	0	133	133	No Major Variances.
Support Service Charges	23,726	(62,936)	(86,662)	Lower recharge from Business Growth Staffing.
	144,135	73,551	(70,584)	
Leisure				
Gross Direct Costs	202,968	193,474	(9,494)	(£6,238) - Reduced pension costs as a result of staff no longer being in the pension scheme.
IAS 19 Superannuation Adj	0	15,067	15,067	Pension fund adjustment (current service costs).
Gross Direct Income	(700)	0	700	No Major Variances.
Support Service Charges	(205,448)	(208,541)	(3,093)	£59,411 - Higher recharge from Customer Services. £4,822 - Higher recharge from the Communications Team. £20,933 - Higher recharge from Community and Economic Development Management. £3,701 - Higher recharge from Digital Transformation. (£93,364) - Higher recharge to internal customers as a result of higher service costs.
	(3,180)	0	3,180	
Housing (Health & Wellbeing)				
Gross Direct Costs	256,466	256,427	(39)	(£10,566) Temporary staffing budget funded from the Housing reserve not fully utilised in year. £2,169 Additional transport related expenditure. £4,426 Contributions.
IAS 19 Superannuation Adj	0	19,976	19,976	Pension fund adjustment (current service costs).
Gross Direct Income	(41,405)	(157,198)	(115,793)	(£70,498) Surplus Home Improvement Agency fee income, contra with Housing reserve. (£45,295) Norfolk County Council funding in respect of the social prescribing posts - this has been rolled forward to fund the posts in future years.
Support Service Charges	21,759	58,665	36,906	Lower recharge to internal customers as a result of lower service costs.
	236,820	177,870	(58,950)	

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Housing Strategy				
Gross Direct Costs	343,805	289,004	(54,801)	(£16,984) In-year staff turnover savings as a result of vacant posts. (£22,772) Budget allocated from the New Homes Bonus Reserve towards viability work not yet spent. (£6,404) Saving on external consultancy fees.
IAS 19 Superannuation Adj	0	26,683	26,683	Pension fund adjustment (current service costs).
Capital Charges	0	229,260	229,260	Refcus.
Gross Direct Income	(127,084)	(140,564)	(13,480)	(£2,940) Additional VAT shelter receipts from Flagship/Victory Housing Association. (£10,726) Grant income from Norfolk County Council relating to the social prescribing health officer post.
Support Service Charges	34,280	(25,417)	(59,697)	Higher recharge to internal customers as a result of higher service costs.
	251,001	378,966	127,965	
Community And Localism				
Gross Direct Costs	517,453	600,582	83,129	£23,126 - Big Society Fund and Other Second Homes projects - these are funded from the 2nd Homes money passed to the District from the County and this will be funded from the Communities earmarked reserve. £61,021 - Grants awarded as part of the Pocket Parks project - funded from Government Grant.
Gross Direct Income	(454,361)	(522,259)	(67,898)	£16,331 - Lower Second Homes contribution from Norfolk County Council. (£85,679) - Government grant re Pocket Parks.
Support Service Charges	27,040	11,427	(15,613)	Reduced recharge from Business Growth Staffing
	90,132	89,750	(382)	
Coastal Management				
Gross Direct Costs	197,720	254,887	57,167	Staff related costs - partially offset by contribution from the Coastal Partnership East (CPE).
IAS 19 Superannuation Adj	0	18,742	18,742	Pension fund adjustment (current service costs).
Gross Direct Income	0	(36,748)	(36,748)	Contribution from CPE for staffing costs.
Support Service Charges	(198,770)	(236,880)	(38,110)	Higher recharge to internal customers as a result of higher service costs.
	(1,050)	0	1,050	
Total Community, Econ Dev & Coast	3,265,853	3,911,821	645,968	

Service Area Summaries Outturn 2018/19

Corporate Leadership Team and other Corporate Services

	Updated Budget £	Outturn £	Variance £	Explanation For Major Variances
Human Resources & Payroll				
Gross Direct Costs	313,430	316,888	3,458	(£14,687) - Lower Common Training spend (this is largely due to a transition period in management training providers, which led to no ILM 3 being run in 2018/19). £11,549 - Professional fees in connection with the Investors in People triennial review.
IAS 19 Superannuation Adj	0	23,724	23,724	Pension fund adjustment (current service costs).
Gross Direct Income	(21,000)	(2,319)	18,681	£20,000 - No income from selling shared services.
Support Service Charges	(308,620)	(338,293)	(29,673)	(£7,575) - Reduced recharges from Communications Team. (£3,992) - Lower recharges from Central Costs. (£3,160) - Reduced recharges from Corporate Leadership Team (£5,448) - Reduced recharges from Legal Services. (£4,813) - Higher recharge to internal customers as a result of higher service costs.
	(16,190)	0	16,190	

Registration Services

Gross Direct Costs	224,033	241,244	17,211	Direct staffing and Canvasser costs.
IAS 19 Superannuation Adj	0	12,496	12,496	£18,252 Pension Fund adjustment (current service costs).
Gross Direct Income	(44,120)	(59,208)	(15,088)	Additional funding for Individual Electoral Registration (IER).
Support Service Charges	135,950	101,339	(34,611)	(£10,556) Lower recharges from Customer Services; (£14,598) Lower recharges from Postal & Scanning Services; (£5,705) Lower recharges from Corporate Leadership Team; (£6,242) Lower recharges from Reprographics; £4,352 Higher recharge from Communications.
	315,863	295,871	(19,992)	

Service Area Summaries Outturn 2018/19

Corporate Leadership Team and
other Corporate Services

	Updated Budget £	Outturn £	Variance £	Explanation For Major Variances
Corporate Leadership Team				
Gross Direct Costs	443,369	458,543	15,174	£8,623 - Salaries and oncosts are higher as a result of staff regradings. £2,546 - Coaching course. £3,213 - Furniture purchases. £2,514 - Conference expenses.
IAS 19 Superannuation Adj	0	41,684	41,684	Pension fund adjustment (current service costs).
Support Service Charges	(443,369)	(500,227)	(56,858)	£8,397 - Higher recharge from Business Growth. £13,088 - Higher recharge from Legal Services. (£79,893) - Higher recharge to internal customers as a result of higher service costs.
	0	0	0	
Communications				
Gross Direct Costs	321,098	346,991	25,893	£8,077 - Salaries and oncosts are higher than anticipated. £14,685 - Promotional materials. The balance consists of minor variances.
IAS 19 Superannuation Adj	0	24,915	24,915	Pension fund adjustment (current service costs).
Capital Charges	0	19,268	19,268	Intangible Amortisation.
Gross Direct Income	0	(11,875)	(11,875)	Income from filming rights.
Support Service Charges	(295,548)	(379,298)	(83,750)	(£4,098) - Lower recharge from Central Costs (£79,628) - Higher recharge to internal customers as a result of higher service costs.
	25,550	0	(25,550)	
Total Clt / Corporate	325,223	295,871	(29,352)	

Service Area Summaries Outturn 2018/19

Customer Services & ICT

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Benefits Administration				
Gross Direct Costs	880,174	874,408	(5,766)	(£25,098) Employee savings due to in-year staff turnover. £18,977 Civica software costs offset by additional grant income from the Department for Works and Pensions (DWP).
IAS 19 Superannuation Adj	0	75,215	75,215	Pension fund adjustment (current service costs).
Capital Charges	11,500	11,500	0	No Major Variances.
Gross Direct Income	(428,957)	(513,993)	(85,036)	(£74,131) Additional DWP grant income partially offset by additional expenditure. This has been earmarked for future service improvements.
Support Service Charges	550,130	559,942	9,812	No Major Variances.
	1,012,847	1,007,072	(5,775)	
It - Support Services				
Gross Direct Costs	1,233,546	1,196,788	(36,758)	See Note A below:
IAS 19 Superannuation Adj	0	64,631	64,631	Pension fund adjustment (current service costs).
Capital Charges	111,554	97,618	(13,936)	£11,174 - Depreciation. (£25,110) - Intangible Amortisation
Gross Direct Income	(410)	(90)	320	No Major Variances.
Support Service Charges	(1,277,120)	(1,357,373)	(80,253)	£2,785 - Higher recharge from Digital Transformation. (£6,784) - Lower recharge from Central Costs. (£80,514) - Higher recharge to internal customers as a result of higher service costs.
	67,570	1,574	(65,996)	

Note A: £22,074 - Salaries, oncosts and overtime costs higher than anticipated. £8,591 - Professional fees for web development work. (£19,304) - Computer hardware purchases. (£6,744) - Telephone rental and maintenance. (£7,320) - Lower cost of licences. (£56,470) - Lower cost of Computer lines and modems. (£2,893) - Lower cost of Computer consumables. £25,888 - Higher computer maintenance costs.

Tic'S

Gross Direct Costs	129,049	128,010	(1,039)	(£3,159) - Salaries and oncosts lower than expected. £10,521 - Holt TIC refurbishment. (£4,557) - Lower purchases of souvenirs etc. for resale. (£3,086) - Telephone rentals & maintenance.
IAS 19 Superannuation Adj	0	6,143	6,143	Pension fund adjustment (current service costs).
Capital Charges	5,729	100,693	94,964	Refcus.
Gross Direct Income	(29,500)	(29,591)	(91)	Sales of goods & souvenirs.
Support Service Charges	106,820	96,933	(9,887)	(£4,091) - Reduced recharge from Central Costs as a result of reduced staff time. The balance consists of minor variances.
	212,098	302,189	90,091	

Service Area Summaries Outturn 2018/19

Customer Services & ICT

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Homelessness				
Gross Direct Costs	163,586	259,243	95,657	£111,709 Additional Homelessness costs including bed and breakfast costs and rent deposit contributions - the majority of which is offset by recoverable income. £22,508 Your Choice Your Home (YCYH) additional Software costs funded from prior year surplus. (£38,426) Rough Sleeping and Homeless Community Funding allocated from County but not yet spent.
Capital Charges	0	8,836	8,836	Depreciation and intangible amortisation.
Gross Direct Income	(309,266)	(541,521)	(232,255)	(£16,403) Contribution towards YCYH software. (£111,784) Recoverable homelessness costs from benefit and client contributions. (£30,000) Repossession funding reversed out of Receipts in Advance. (£68,548) Additional grants from MHCLG in respect of Flexible Homelessness and New Burdens funding. This has been earmarked within the roll forward process.
Support Service Charges	474,690	527,709	53,019	Higher recharge from Customer Services Housing.
	329,010	254,267	(74,743)	
Customer Services Housing				
Gross Direct Costs	325,412	326,112	700	No Major Variances.
IAS 19 Superannuation Adj	0	29,531	29,531	Pension fund adjustment (current service costs).
Support Service Charges	(310,782)	(355,643)	(44,861)	Higher recharge to internal customers as a result of higher service costs.
	14,630	0	(14,630)	
Digital Transformation				
Gross Direct Costs	244,567	246,842	2,275	No Major Variances.
IAS 19 Superannuation Adj	0	21,704	21,704	Pension fund adjustment (current service costs).
Support Service Charges	(183,442)	(268,546)	(85,104)	Higher recharge to internal customers as a result of higher service costs.
	61,125	0	(61,125)	
Reprographics				
Gross Direct Costs	92,779	78,373	(14,406)	(£4,827) - Operating lease costs for printers lower than expected as a result of lower numbers of copies being required. (£9,524) - Paper costs lower than anticipated. Both of these are as a result of the use of hybrid mailing and the delay in progressing the Local Plan.
IAS 19 Superannuation Adj	0	4,040	4,040	Pension fund adjustment (current service costs).
Capital Charges	18,603	12,603	(6,000)	Depreciation.
Gross Direct Income	(7,500)	(8,076)	(576)	No Major Variances.
Support Service Charges	(105,092)	(86,941)	18,151	Reduced recharge to internal customers as a result of lower service costs.
	(1,210)	0	1,210	

Service Area Summaries Outturn 2018/19

Customer Services & ICT

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Customer Services - Corporate				
Gross Direct Costs	602,787	597,686	(5,101)	£8,450 - Salaries and oncosts higher as a result of low staff turnover. (£3,541) - Lower stationery purchases. (£5,373) - Lower postage costs. (£6,576) - Other professional fees. £5,066 - Purchase of terminal management system.
IAS 19 Superannuation Adj	0	43,610	43,610	Pension fund adjustment (current service costs).
Capital Charges	0	1,978	1,978	Intangible Amortisation.
Gross Direct Income	(22,870)	(16,889)	5,981	£4,537 - Postal charges re envelopes, Business Reply postage and surcharges.
Support Service Charges	(580,367)	(626,386)	(46,019)	(£23,676) - Reduced recharge from Communications Team. (£16,177) - Reduced recharge from Central Costs. (£3,482) - Reduced recharge from Digital Transformation. (£7,470) - Reduced recharge from Corporate Leadership Team. All of these are as a result of reduced staff time. £14,587 - Lower recharge to internal customers as a result of reduced service costs. The balance consists of minor variances.
	(450)	0	450	
Total Customer Services & ICT	1,695,620	1,565,102	(130,518)	

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Service Area Summaries Outturn 2018/19

Environmental Health

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Commercial Services				
Gross Direct Costs	355,778	348,613	(7,165)	(£21,014) Vacant post now filled; £12,757 Testing costs for private water supplies (offset by additional income).
IAS 19 Superannuation Adj	0	30,241	30,241	Pension funding adjustment (current service costs).
Gross Direct Income	(23,685)	(38,225)	(14,540)	Rechargeable income for private water risk assessments and testing recharges.
Support Service Charges	121,450	108,989	(12,461)	(£8,011) Lower recharge from Env. Health following a review of staff time; (£5,143) Lower recharge from Central Costs.
	453,543	449,617	(3,926)	

Internal Drainage Board Levies

Gross Direct Costs	386,274	386,281	7	No Major Variances.
Support Service Charges	200	801	601	No Major Variances.
	386,474	387,082	608	

Travellers

Gross Direct Costs	5,816	16,786	10,970	Repair & maintenance (partially offset by insurance claim) and hire of portable toilets.
Capital Charges	97,800	210,667	112,867	Depreciation.
Gross Direct Income	(4,000)	(6,146)	(2,146)	Reimbursement of Zurich Insurance claim.
Support Service Charges	1,520	2,134	614	No Major Variances.
	101,136	223,441	122,305	

Public Protection

Gross Direct Costs	191,423	214,447	23,024	Legal fees.
IAS 19 Superannuation Adj	0	16,482	16,482	Pension funding adjustment (current service costs).
Gross Direct Income	(189,985)	(207,142)	(17,157)	Additional income for taxis and premises licences where there are cyclical fee structures, some of which will be transferred to the Environmental Health earmarked reserve and considered as part of future fee setting.
Support Service Charges	120,860	100,920	(19,940)	(£10,891) Lower recharge from Env. Health following a review of staff time; (£9,369) Lower recharge from Legal Services.
	122,298	124,707	2,409	

Street Signage

Gross Direct Costs	12,470	12,115	(355)	No Major Variances.
Capital Charges	7,565	7,565	0	No Major Variances.
Support Service Charges	17,350	24,051	6,701	Higher recharge from Environmental Contracts.
	37,385	43,731	6,346	

Service Area Summaries Outturn 2018/19

Environmental Health

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Environmental Protection				
Gross Direct Costs	568,686	589,715	21,029	Additional staffing costs associated with the implementation of the new Environmental Health IT system.
IAS 19 Superannuation Adj	0	48,519	48,519	Pension funding adjustment (current service costs).
Capital Charges	7,112	11,010	3,898	Depreciation.
Gross Direct Income	(14,800)	(17,315)	(2,515)	No Major Variances.
Support Service Charges	177,380	148,685	(28,695)	(£8,011) Lower recharge from Env. Health following a review of staff time; (£7,434) Lower recharge from Central Costs; £8,661 Higher recharge from Legal Services; (£26,657) Capital Salaries.
	738,378	780,613	42,235	
Env Health - Service Mgmt				
Gross Direct Costs	127,373	129,332	1,959	No Major Variances.
IAS 19 Superannuation Adj	0	7,748	7,748	Pension funding adjustment (current service costs).
Capital Charges	0	3,467	3,467	Depreciation.
Support Service Charges	(132,273)	(140,547)	(8,274)	Higher recharges to internal customers as a result of higher service costs.
	(4,900)	0	4,900	
Combined Enforcement Team				
Gross Direct Costs	146,072	153,114	7,042	Staffing and travelling costs.
IAS 19 Superannuation Adj	0	10,844	10,844	Pension funding adjustment (current service costs).
Gross Direct Income	0	(872)	(872)	No Major Variances.
Support Service Charges	(146,072)	(163,086)	(17,014)	Higher recharges to internal customers as a result of higher service costs.
	0	0	0	
Environmental Contracts				
Gross Direct Costs	255,735	267,130	11,395	Additional staffing costs.
IAS 19 Superannuation Adj	0	24,915	24,915	Pension funding adjustment (current service costs).
Capital Charges	0	4,521	4,521	Depreciation.
Support Service Charges	(255,735)	(296,566)	(40,831)	Higher recharges to internal customers as a result of higher service costs.
	0	0	0	

Service Area Summaries Outturn 2018/19

Environmental Health

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Waste Collection And Disposal				
Gross Direct Costs	3,822,661	3,694,313	(128,348)	See Note A below:
IAS 19 Superannuation Adj	0	14	14	Pension funding adjustment (current service costs).
Capital Charges	58,435	65,899	7,464	Depreciation.
Gross Direct Income	(3,095,449)	(3,402,656)	(307,207)	See Note B below:
Support Service Charges	358,280	496,867	138,587	See Note C below:
	1,143,927	854,437	(289,490)	
Note A : (£27,086) Lower commercial disposal costs; £75,965 Procurement costs (offset by rechargeable income); £22,781 Norse Environmental Waste Services (NEWS) processing costs; (£218,558) Kier - stepped costs and contract variations; £12,962 Centralized mailing costs for garden bin customers; £6,850 Management fee for processing of garden bin direct debit payments; £5,620 Bad debts written off; (£3,640) Recycling initiatives not spent; (£4,562) Domestic waste disposal.				
Note B : (£193,658) Additional fee income from bulky, garden and trade waste collections; (£26,362) Additional income from recycling credits and sales of recyclable materials; (£76,663) Recovery of procurement costs from Breckland Council and Borough Council of Kings Lynn and West Norfolk; (£9,876) Recharges for printing and postage.				
Note C : £84,718 Higher recharge from Environmental Contracts; £31,063 Higher recharge from Environmental Health following a review of staff time; (£22,820) Lower recharge from Customer Services; £15,370 Higher recharge from Communications; £54,829 Higher recharge from Exchequer Services; (£16,410) Lower recharges from Corporate Leadership Team.				
Cleansing				
Gross Direct Costs	584,143	544,744	(39,399)	£6,991 Purchase of litter and dog bins; (£45,221) Kier accrual brought forward - no longer required.
Gross Direct Income	(51,263)	(76,016)	(24,753)	(£18,243) Grant income (High Streets Community Clean Up Fund); (£6,510) Additional income from dog and litter bin recharges.
Support Service Charges	44,560	57,162	12,602	Higher recharges from Environmental Contracts.
	577,440	525,890	(51,550)	
Environmental Strategy				
Gross Direct Costs	15,000	32,361	17,361	Additional costs associated with the Green Build event - partly offset by event income.
IAS 19 Superannuation Adj	0	353	353	Pension funding adjustment (current service costs).
Gross Direct Income	(15,000)	(18,255)	(3,255)	Additional income from sponsorship and exhibitors fees for the Green Build event.
Support Service Charges	13,610	25,087	11,477	£8,349 Higher recharges from Environmental Health following a review of staff time; £7,530 Higher recharges from Communications; (£7,660) Lower recharges from Insurances.
	13,610	39,546	25,936	
Community Safety				
Gross Direct Costs	24,598	25,448	850	No Major Variances.
IAS 19 Superannuation Adj	0	2,018	2,018	Pension funding adjustment (current service costs).
Support Service Charges	11,180	10,628	(552)	No Major Variances.
	35,778	38,094	2,316	
Civil Contingencies				
Gross Direct Costs	99,670	68,111	(31,559)	Vacant posts in-year. The balance consists of miscellaneous minor underspends.
IAS 19 Superannuation Adj	0	6,999	6,999	Pension funding adjustment (current service costs).
Support Service Charges	33,750	30,386	(3,364)	No Major Variances.
	133,420	105,497	(27,923)	
Total Environmental Health	3,738,489	3,572,655	(165,834)	

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Service Area Summaries Outturn 2018/19

Finance & Assets

	Updated Budget £	Outturn £	Variance £	Explanation For Major Variances
Industrial Estates				
Gross Direct Costs	18,010	16,794	(1,216)	No Major Variances.
Capital Charges	46,238	46,239	1	No Major Variances.
Gross Direct Income	(132,415)	(132,446)	(31)	No Major Variances.
Support Service Charges	96,850	70,984	(25,866)	(£38,771) Lower recharges from Property Services to reflect a more accurate allocation of staff time; £11,498 Higher recharge from Legal Services.
	28,683	1,572	(27,111)	
Surveyors Allotments				
Gross Direct Income	(50)	(250)	(200)	No Major Variances.
Support Service Charges	7,200	6,454	(746)	No Major Variances.
	7,150	6,204	(946)	
Handy Man				
Gross Direct Costs	41,858	48,548	6,690	Staffing costs and purchase of stock.
IAS 19 Superannuation Adj	0	4,635	4,635	Pension fund adjustment (current service costs).
Capital Charges	2,739	2,739	0	No Major Variances.
Gross Direct Income	(55,911)	(53,034)	2,877	Lower handyman recharges.
Support Service Charges	34,000	79,933	45,933	£39,542 Higher recharge from Property Services offset by minor miscellaneous recharges.
	22,686	82,821	60,135	
Parklands				
Gross Direct Costs	43,651	74,415	30,764	£11,972 Site clear-up costs; £19,359 Higher electricity costs.
Capital Charges	585	432	(153)	Depreciation.
Gross Direct Income	(56,326)	(54,584)	1,742	No Major Variances.
Support Service Charges	51,030	41,608	(9,422)	Lower recharges from Property Services.
	38,940	61,871	22,931	
Revenue Services				
Gross Direct Costs	591,469	606,340	14,871	£4,546 Movement in the bad debt provision not budgeted for at service level. £9,495 Single Person discount review work offset by recoverable income.
IAS 19 Superannuation Adj	0	42,678	42,678	Pension fund adjustment (current service costs).
Gross Direct Income	(427,631)	(422,921)	4,710	£29,851 Court costs awarded to NNDC, offset by rechargeable works.
Support Service Charges	440,770	445,453	4,683	£12,894 Higher recharges from Legal Services; (£7,275) Lower recharges from Central Costs.
	604,608	671,549	66,941	
Benefits Subsidy				
Gross Direct Costs	25,823,841	24,628,511	(1,195,330)	(£33,293) Movement in the provision for bad and doubtful debts. (£1,161,744) Lower benefit payments, budget based on 2018/19 initial Subsidy return. This is offset by reduced subsidy grant.
Gross Direct Income	(25,823,841)	(24,873,353)	950,488	£1,358,040 Subsidy on benefit payments. £82,583 Movement in the amount of overpayment debt held on the Civica system. (£483,857) Recovered overpayment cash transferred to revenue.
	0	(244,842)	(244,842)	
Discretionary Payments				
Gross Direct Costs	65,846	65,846	0	No Major Variances.
Support Service Charges	6,450	3,808	(2,642)	Lower recharge from Exchequer Services.
	72,296	69,654	(2,642)	

Service Area Summaries Outturn 2018/19

Finance & Assets

	Updated Budget £	Outturn £	Variance £	Explanation For Major Variances
Non Distributed costs				
Gross Direct Costs	251,249	252,025	776	No Major Variances.
IAS19 Added Years	(251,249)	(252,025)	(776)	No Major Variances.
	0	0	0	
Administration Buildings Svcs				
Gross Direct Costs	461,203	508,878	47,675	£12,980 Additional staffing costs; £30,314 Repair & Maintenance costs and higher utility costs at the Cromer office.
IAS 19 Superannuation Adj	0	3,782	3,782	Pension fund adjustment (current service costs).
Capital Charges	76,862	74,383	(2,479)	Depreciation.
Gross Direct Income	(170,781)	(189,044)	(18,263)	(£10,467) Contribution to capital costs; (£6,583) Higher service charges.
Support Service Charges	(273,937)	(306,050)	(32,113)	Higher recharge to internal customers as a result of higher service costs.
	93,347	91,949	(1,398)	
Property Services				
Gross Direct Costs	592,037	671,086	79,049	See Note A below:
IAS 19 Superannuation Adj	0	42,086	42,086	Pension fund adjustment (current service costs).
Capital Charges	12,774	18,029	5,255	Depreciation.
Gross Direct Income	0	(3,899)	(3,899)	Insurance recharges.
Support Service Charges	(544,837)	(727,301)	(182,464)	Higher recharge to internal customers as a result of higher service costs.
	59,974	0	(59,974)	
Note A: £22,632 Additional staffing and travelling costs; £6,591 Equipment and materials for maintenance operatives; £7,009 Repair & Maintenance in preparation for BBC filming & New Years Day fireworks; £16,250 Norfolk Property Services - Asset valuations; £7,906 Strategic Development Partnership fees (Gleeds); £6,720 Professional fees; £8,500 Consultancy fees for Service charge report.				
Head Of Finance & Assets				
Gross Direct Costs	100,514	102,114	1,600	No Major Variances.
IAS 19 Superannuation Adj	0	9,854	9,854	Pension fund adjustment (current service costs).
Support Service Charges	(100,514)	(111,968)	(11,454)	Higher recharge to internal customers as a result of higher service costs.
	0	0	0	
Corporate Finance				
Gross Direct Costs	433,642	405,176	(28,466)	Savings from a vacant post. These have been offset by a revenue contribution to capital (RCCO) to support the financing of the Finance system upgrade.
IAS 19 Superannuation Adj	0	36,751	36,751	Pension fund adjustment (current service costs).
Capital Charges	4,491	4,491	0	No Major Variances.
Support Service Charges	(428,828)	(446,418)	(17,590)	Higher recharge to internal customers as a result of higher service costs.
	9,305	0	(9,305)	
Insurance & Risk Management				
Gross Direct Costs	180,506	192,947	12,441	£2,839 - Vehicle insurance. £6,021 - Public liability insurance.
Gross Direct Income	(650)	(47)	603	No Major Variances.
Support Service Charges	(179,856)	(192,900)	(13,044)	(£12,862) - Higher recharge to internal customers as a result of higher service costs.
	0	0	(0)	

Service Area Summaries Outturn 2018/19

Finance & Assets

	Updated Budget £	Outturn £	Variance £	Explanation For Major Variances
Internal Audit				
Gross Direct Costs	75,000	66,269	(8,731)	(£7,161) - Lower than expected number of audit days worked.
Support Service Charges	(75,000)	(66,269)	8,731	£9,199 - Lower recharge to internal customers as a result of reduced service costs.
	0	0	0	
Playgrounds				
Gross Direct Costs	29,950	33,477	3,527	Repair & Maintenance, equipment and play area annual inspections.
Gross Direct Income	0	(1,000)	(1,000)	Contribution.
Support Service Charges	34,880	45,679	10,799	Higher recharge from Property Services.
	64,830	78,156	13,326	
Community Centres				
Gross Direct Costs	7,471	2,527	(4,944)	Repairs and maintenance works not undertaken.
Support Service Charges	13,670	9,303	(4,367)	No Major Variances.
	21,141	11,830	(9,311)	
Public Conveniences				
Gross Direct Costs	486,403	545,059	58,656	£28,799 Repair and maintenance; £26,361 Higher Business rates and increased utility costs higher due to a busy summer season.
Capital Charges	134,495	136,934	2,439	Depreciation.
Gross Direct Income	0	(378)	(378)	No Major Variances.
Support Service Charges	135,977	98,741	(37,236)	(£32,960) Lower recharge from Property Services; (£7,894) Lower recharge from Exchequer Services.
	756,875	780,357	23,482	
Investment Properties				
Gross Direct Costs	94,593	104,493	9,900	(£9,401) Lower business rates; £8,814 Repair and maintenance; £10,339 Running costs.
Capital Charges	66,099	90,825	24,726	Depreciation.
Gross Direct Income	(166,112)	(175,672)	(9,560)	£9,114 Lower rental income; (£18,406) Higher recovery of utility recharges.
Support Service Charges	77,520	210,193	132,673	Higher recharges from Property Services reflecting a more accurate allocation of staff time.
	72,100	229,840	157,740	
Central Costs				
Gross Direct Costs	81,491	89,764	8,273	£4,828 - Higher salaries and oncosts.
IAS 19 Superannuation Adj	0	4,867	4,867	Pension fund adjustment (current service costs).
Support Service Charges	(81,491)	(94,631)	(13,140)	See Note A below:
	0	0	0	

Note A: (£13,035) - Lower recharge from Corporate Enforcement Team. (£84,222) - Lower recharge from Customer Services. (£34,820) - Lower recharges from Property Services. (£9,317) - Lower recharges from Exchequer Services. (£23,518) - Lower recharges from Corporate Leadership Team. (£3,189) - Lower recharges from Internal Audit. £153,079 - Lower recharge to internal customers as a result of reduced service costs.

Service Area Summaries Outturn 2018/19

Finance & Assets

	Updated Budget £	Outturn £	Variance £	Explanation For Major Variances
Corporate & Democratic Core				
Gross Direct Costs	428,486	433,040	4,554	(£13,701) - Lower salaries and oncosts. £8,964 - Enterprise zone costs. £5,593 - Higher bank charges. £4,838 - Infrastructure study.
IAS 19 Superannuation Adj	0	16,508	16,508	Pension fund adjustment (current service costs).
Gross Direct Income	0	(25,587)	(25,587)	Government Grant received to cover additional costs in respect of Brexit.
Support Service Charges	895,850	1,130,144	234,294	See Note A below:
	1,324,336	1,554,105	229,769	

Note A: (£21,536) - Reduced recharges from Environmental Health. £9,372 - Higher recharges from Personnel Services. (£13,790) - Lower recharge from the Communications Team. £113,901 - Increased recharges from Property Services. (£12,362) - Lower recharge from Head of Assets and Finance. £9,607 - Increased recharge from Housing Strategy and Communities. £124,680 - Higher recharge from Corporate Leadership team. £3,240 - Higher recharge from Performance Management. £15,489 - Increased recharge from Legal Services. The balance consists of minor variances.

Total Finance & Assets	3,176,271	3,395,066	218,795
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Service Area Summaries Outturn 2018/19

Legal & Democratic Services

	Updated Budget £	Outturn £	Variance £	Explanation For Major Variances
Members Services				
Gross Direct Costs	564,631	554,009	(10,622)	£10,800 - Salaries and oncosts are higher as a result of staff regrading. (£4,953) - Members' mileage costs are lower than anticipated. (£17,806) - Members Basic Allowance is lower than anticipated because Cabinet membership has reduced from 10 to 7.
IAS 19 Superannuation Adj	0	13,050	13,050	Pension fund adjustment (current service costs).
Capital Charges	0	2,500	2,500	Intangible amortisation.
Gross Direct Income	(400)	(143)	257	No Major Variances.
Support Service Charges	66,050	55,916	(10,134)	(£6,083) - Lower recharge from Customer Services. (£3,903) - Lower recharge from Communications. Both of these are as a result of reduced staff time.
	630,281	625,332	(4,949)	
Legal Services				
Gross Direct Costs	653,067	711,578	58,511	£24,738 - Salaries and oncosts are higher. £9,610 - Higher mileage costs. £8,468 - Staff training. £6,285 - Cost of hiring locum solicitors. All of these will be funded from the Legal reserve. £9,938 - Client disbursements, offset by additional income.
IAS 19 Superannuation Adj	0	55,254	55,254	Pension fund adjustment (current service costs).
Gross Direct Income	(346,946)	(406,019)	(59,073)	(£49,000) - Legal fee income is higher than anticipated mainly relating to contract work, other one-off external client work and court costs awarded. (£9,920) - Recovered client disbursement costs.
Support Service Charges	(310,871)	(360,813)	(49,942)	£5,406 - Higher recharge from Personnel Services. £21,322 - Higher recharge from Computer Services. £5,181 - Higher recharge from Digital Transformation. All of these are as a result of more staff time. (£83,392) - Higher recharge to internal customers as a result of higher service costs.
	(4,750)	0	4,750	
Total Legal & Democratic Services	625,531	625,332	(199)	

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Service Area Summaries Outturn 2018/19

Planning

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Development Management				
Gross Direct Costs	1,017,000	1,075,215	58,215	(£24,256) Net Employee savings as a result of vacant posts. £21,996 Additional costs relating to the new Planning IT system. These have been funded from the Invest to Save Reserve. £34,822 Enforcement costs to be funded from the Enforcement Board Reserve.
IAS 19 Superannuation Adj	0	76,047	76,047	Pension funding adjustment (current service costs).
Capital Charges	41,631	41,038	(593)	Depreciation and intangible amortisation.
Gross Direct Income	(917,030)	(899,601)	17,429	£64,985 Reduction in Planning fee income offset by additional income from the discharge of conditions (£8,188) and pre-application advice (£39,279).
Support Service Charges	660,630	726,247	65,617	£32,507 Higher recharge from the Corporate Enforcement Team; £38,426 Higher recharge from Housing Strategy & Communities; £8,231 Higher recharge from Computer Teams; (£10,826) Lower recharge from Central Costs.
	802,231	1,018,946	216,715	
Planning Policy				
Gross Direct Costs	551,731	511,298	(40,433)	Slippage in the profiled spend associated with the Local Plan - this has been offset by a reduced contribution from the New Homes Bonus Reserve.
IAS 19 Superannuation Adj	0	32,730	32,730	Pension funding adjustment (current service costs).
Gross Direct Income	0	(33,878)	(33,878)	New Burdens grants received from the Ministry for Housing Communities and Local Government (MHCLG) in relation to maintaining Custom Build and Brown site registers.
Support Service Charges	70,866	71,479	613	(£12,780) Lower recharge from Corporate Leadership Team; £8,672 Higher recharge from Computer Team.
	622,597	581,629	(40,968)	
Conservation, Design & Landscape				
Gross Direct Costs	153,542	152,096	(1,446)	(£9,000) Qualification training budget. £22,488 Enforcement works funded from the Enforcement Board reserve offset by other savings in supplies and services. The balance is made up of smaller variances.
IAS 19 Superannuation Adj	0	6,705	6,705	Pension funding adjustment (current service costs).
Support Service Charges	70,220	75,218	4,998	Higher recharge from the Communications team.
	223,762	234,019	10,257	
Major Developments				
Gross Direct Costs	229,098	217,634	(11,464)	(£19,362) Employee turnover savings from vacant posts partially offset by temporary agency support. (£2,344) Transport related expenditure.
IAS 19 Superannuation Adj	0	18,288	18,288	Pension funding adjustment (current service costs).
Gross Direct Income	0	(4,677)	(4,677)	Recoverable costs from past employee.
Support Service Charges	127,650	106,009	(21,641)	£6,570 Higher recharges from Communications offset by lower recharges of (£3,860) from Legal Services, (£5,291) from Central Costs, (£3,935) from Digital Transformation, (£6,289) Computer team, (£3,030) Personnel services - the balance is made up of other minor variances.
	356,748	337,253	(19,495)	

Service Area Summaries Outturn 2018/19

Planning

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Building Control				
Gross Direct Costs	369,872	377,836	7,964	Additional employee costs partially offset by savings in transport related costs.
IAS 19 Superannuation Adj	0	31,860	31,860	Pension funding adjustment (current service costs).
Gross Direct Income	(386,250)	(426,612)	(40,362)	Additional income from Building Control Fees. The net position will be reflected in a transfer to/from the earmarked reserve.
Support Service Charges	121,860	129,160	7,300	£6,849 Higher recharges from Exchequer Services - the balance is made up of minor miscellaneous variances.
	105,482	112,244	6,762	
Head Of Planning				
Gross Direct Costs	190,707	170,210	(20,497)	(£5,759) Employee costs. (£13,714) Various underspends on supplies and services
IAS 19 Superannuation Adj	0	12,457	12,457	Pension funding adjustment (current service costs).
Support Service Charges	(190,707)	(182,667)	8,040	Lower recharges to internal customers as a result of lower service costs.
	0	0	0	
Property Information				
Gross Direct Costs	183,833	185,624	1,791	No Major Variances.
IAS 19 Superannuation Adj	0	7,466	7,466	Pension funding adjustment (current service costs).
Gross Direct Income	(190,000)	(230,688)	(40,688)	(£13,889) New Burdens grant from Ministry for Housing Communities and Local Government (MHCLG) in respect of Land Charges. (£2,980) Income from Street Naming and Numbering. (£23,819) Land Charge fee income.
Support Service Charges	52,960	61,630	8,670	No Major Variances.
	46,793	24,032	(22,761)	
Total Planning	2,157,613	2,308,124	150,511	

Service Area Summaries Outturn 2018/19

Clf / Corporate

Service Area	Updated Budget	Outturn	Outturn Variance
	£	£	£
Human Resources & Payroll	(16,190)	0	16,190
Registration Services	315,863	295,871	(19,992)
Corporate Leadership Team	0	0	0
Communications	25,550	0	(25,550)
	325,223	295,871	(29,352)
<hr/>			
Gross Direct Costs	1,301,930	1,363,665	61,735
IAS 19 Superannuation Adj	0	102,819	102,819
Capital Charges	0	19,268	19,268
Gross Direct Income	(65,120)	(73,402)	(8,282)
Support Service Charges	(911,587)	(1,116,479)	(204,892)
	325,223	295,871	(29,352)

Service Area Summaries Outturn 2018/19

Customer Services & ICT

	Updated Budget	Outturn	Outturn Variance
	£	£	£
Service Area			
Benefits Administration	1,012,847	1,007,072	(5,775)
It - Support Services	67,570	1,574	(65,996)
Tic'S	212,098	302,189	90,091
Homelessness	329,010	254,267	(74,743)
Customer Services Housing	14,630	0	(14,630)
Digital Transformation	61,125	0	(61,125)
Reprographics	(1,210)	0	1,210
Customer Services - Corporate	(450)	0	450
	1,695,620	1,565,102	(130,518)
Gross Direct Costs	3,671,900	3,707,462	35,562
IAS 19 Superannuation Adj	0	244,874	244,874
Capital Charges	147,386	233,229	85,843
Gross Direct Income	(798,503)	(1,110,160)	(311,656)
Support Service Charges	(1,325,163)	(1,510,304)	(185,141)
	1,695,620	1,565,102	(130,518)

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

	Updated Budget	Outturn	Outturn Variance
Service Area	£	£	£
Car Parking	(1,654,664)	(1,702,285)	(47,621)
Markets	25,755	26,746	991
Parks & Open Spaces	465,059	486,989	21,930
Foreshore	194,011	244,028	50,017
Sports Centres	298,984	336,838	37,854
Leisure Complexes	949,548	1,117,385	167,837
Other Sports	179,540	167,954	(11,586)
Recreation Grounds	12,278	13,242	964
Pier Pavilion	47,238	117,444	70,206
Foreshore (Community)	474,833	490,100	15,267
Woodlands Management	218,896	292,755	73,859
Cromer Pier	68,008	(310,833)	(378,841)
Economic Growth	269,349	375,495	106,146
Tourism	122,528	59,862	(62,666)
Market Town Initiatives	274,163	274,163	(0)
Coast Protection	602,469	1,201,801	599,332
Business Growth Staffing	0	0	0
Economic & Comm Dev Mgt	144,135	73,551	(70,584)
Leisure	(3,180)	0	3,180
Housing (Health & Wellbeing)	236,820	177,870	(58,950)
Housing Strategy	251,001	378,966	127,965
Community And Localism	90,132	89,750	(382)
Coastal Management	(1,050)	0	1,050
	3,265,853	3,911,821	645,968
Gross Direct Costs	5,555,739	5,915,693	359,954
IAS 19 Superannuation Adj	0	145,280	145,280
Capital Charges	640,036	1,412,974	772,938
Gross Direct Income	(3,783,034)	(4,681,685)	(898,651)
Support Service Charges	853,112	1,119,560	266,448
	3,265,853	3,911,821	645,968

Service Area Summaries Outturn 2018/19

Environmental Health

	Updated Budget	Outturn	Outturn Variance
Service Area	£	£	£
Commercial Services	453,543	449,617	(3,926)
Internal Drainage Board Levies	386,474	387,082	608
Travellers	101,136	223,441	122,305
Public Protection	122,298	124,707	2,409
Street Signage	37,385	43,731	6,346
Environmental Protection	738,378	780,613	42,235
Env Health - Service Mgmt	(4,900)	0	4,900
Combined Enforcement Team	0	0	0
Environmental Contracts	0	0	0
Waste Collection And Disposal	1,143,927	854,437	(289,490)
Cleansing	577,440	525,890	(51,550)
Environmental Strategy	13,610	39,546	25,936
Community Safety	35,778	38,094	2,316
Civil Contingencies	133,420	105,497	(27,923)
	3,738,489	3,572,655	(165,834)
Gross Direct Costs	6,595,699	6,482,511	(113,188)
IAS 19 Superannuation Adj	0	148,133	148,133
Capital Charges	170,912	303,128	132,216
Gross Direct Income	(3,394,182)	(3,766,628)	(372,446)
Support Service Charges	366,060	405,510	39,450
	3,738,489	3,572,655	(165,834)

Service Area Summaries Outturn 2018/19

Finance & Assets

	Updated Budget	Outturn	Outturn Variance
	£	£	£
Service Area			
Industrial Estates	28,683	1,572	(27,111)
Surveyors Allotments	7,150	6,204	(946)
Handy Man	22,686	82,821	60,135
Parklands	38,940	61,871	22,931
Revenue Services	604,608	671,549	66,941
Benefits Subsidy	0	(244,842)	(244,842)
Discretionary Payments	72,296	69,654	(2,642)
Non Distributed Costs	0	0	0
Administration Buildings Svs	93,347	91,949	(1,398)
Property Services	59,974	0	(59,974)
Head Of Finance & Assets	0	0	0
Corporate Finance	9,305	0	(9,305)
Insurance & Risk Management	0	0	0
Internal Audit	0	0	0
Playgrounds	64,830	78,156	13,326
Community Centres	21,141	11,830	(9,311)
Public Conveniences	756,875	780,357	23,482
Investment Properties	72,100	229,840	157,740
Central Costs	0	0	0
Corporate & Democratic Core	1,324,336	1,554,105	229,769
	3,176,271	3,395,066	218,795
Gross Direct Costs	29,807,220	28,847,308	(959,912)
IAS 19 Superannuation Adj	0	161,161	161,161
IAS19 Added Years	(251,249)	(252,025)	(776)
Capital Charges	344,283	374,073	29,790
Gross Direct Income	(26,833,717)	(25,932,214)	901,503
Support Service Charges	109,734	196,763	87,029
	3,176,271	3,395,066	218,795

Service Area Summaries Outturn 2018/19

Legal & Democratic Svs

	Updated Budget	Outturn	Outturn Variance
	£	£	£
Service Area			
Members Services	630,281	625,332	(4,949)
Legal Services	(4,750)	0	4,750
	625,531	625,332	(199)
Gross Direct Costs	1,217,698	1,265,587	47,889
IAS 19 Superannuation Adj	0	68,304	68,304
Capital Charges	0	2,500	2,500
Gross Direct Income	(347,346)	(406,161)	(58,815)
Support Service Charges	(244,821)	(304,897)	(60,076)
	625,531	625,332	(199)

Service Area Summaries Outturn 2018/19

Planning

	Updated Budget	Outturn	Outturn Variance
Service Area	£	£	£
Development Management	802,231	1,018,946	216,715
Planning Policy	622,597	581,629	(40,968)
Conservation, Design & Landscap	223,762	234,019	10,257
Major Developments	356,748	337,253	(19,495)
Building Control	105,482	112,244	6,762
Head Of Planning	0	0	0
Property Information	46,793	24,032	(22,761)
	2,157,613	2,308,124	150,511
Gross Direct Costs	2,695,783	2,689,913	(5,870)
IAS 19 Superannuation Adj	0	185,553	185,553
Capital Charges	41,631	41,038	(593)
Gross Direct Income	(1,493,280)	(1,595,456)	(102,176)
Support Service Charges	913,479	987,076	73,597
	2,157,613	2,308,124	150,511

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Reserves Statement 2018/19 Outturn

Reserve	Purpose and Use of Reserve	Balance 01/04/18	2018/19 Outturn Transfers In	2018/19 Outturn Transfers Out	2018/19 Total Outturn Movement	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Balance 01/04/22	Budgeted Movement 2022/23	Balance 01/04/23
		£	£	£	£	£	£	£	£	£	£	£	£	£
General Fund - General Reserve	A working balance and contingency, current recommended balance is £1.85 million.	2,196,488	0	(240,840)	(240,840)	1,955,648	197,563	2,153,211	0	2,153,211	0	2,153,211	0	2,153,211
Earmarked Reserves:														
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	3,449,782	94,096	(1,063,868)	(969,773)	2,480,010	(1,426,249)	1,053,761	(373,000)	680,761	0	680,761	0	680,761
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	858,440	489,421	(260,855)	228,566	1,087,006	(92,000)	995,006	0	995,006	0	995,006	0	995,006
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.	1,295,357	58,434	(13,483)	44,951	1,340,308	(12,838)	1,327,470	(12,838)	1,314,632	(12,838)	1,301,794	(12,838)	1,288,956
Broadband	Earmarks £1million for superfast broad band in North Norfolk. (600k was transferred from the BSF reserve and £400k from NHB reserve)	1,000,000	0	0	0	1,000,000	(1,000,000)	0	0	0	0	0	0	0
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	159,783	31,645	0	31,645	191,428	0	191,428	0	191,428	0	191,428	0	191,428
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.	2,506,669	0	(68,241)	(68,241)	2,438,428	(38,241)	2,400,187	(24,747)	2,375,440	(18,000)	2,357,440	(18,000)	2,339,440
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	202,516	0	(21,921)	(21,921)	180,595	(42,302)	138,293	0	138,293	0	138,293	0	138,293
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. Funded by a proportion of NCC element of second homes council tax.	1,594,135	120,529	(62,868)	57,661	1,651,796	(242,000)	1,409,796	(242,000)	1,167,796	(242,000)	925,796	(242,000)	683,796
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	120,621	60,000	(10,000)	50,000	170,621	(10,000)	160,621	(10,000)	150,621	0	150,621	0	150,621
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	83,000	40,000	0	40,000	123,000	(120,000)	3,000	40,000	43,000	40,000	83,000	40,000	123,000
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	197,113	0	(59,759)	(59,759)	137,354	0	137,354	0	137,354	0	137,354	0	137,354
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	294,389	28,943	0	28,943	323,332	(40,000)	283,332	0	283,332	0	283,332	0	283,332
Grants	Revenue Grants received and due to timing issues not used in the year.	534,788	114,172	(112,290)	1,882	536,670	(44,416)	492,254	(14,655)	477,599	(14,655)	462,944	(14,655)	448,289

Reserves Statement 2018/19 Outturn

Reserve	Purpose and Use of Reserve	Balance 01/04/18	2018/19 Outturn Transfers In	2018/19 Outturn Transfers Out	2018/19 Total Outturn Movement	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Balance 01/04/22	Budgeted Movement 2022/23	Balance 01/04/23
		£	£	£	£	£	£	£	£	£	£	£	£	£
Housing	Previously earmarked for stock condition survey and housing needs assessment. The balance of the Housing Community Grant funding received in 2016/17.	2,500,602	341,140	(307,426)	33,714	2,534,316	(97,999)	2,436,317	(111,073)	2,325,244	(21,126)	2,304,118	0	2,304,118
Land Charges	To mitigate the impact of potential income reductions.	273,950	15,330	0	15,330	289,280	0	289,280	0	289,280	0	289,280	0	289,280
Legal	One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus.	128,389	1,235	(933)	302	128,691	0	128,691	0	128,691	0	128,691	0	128,691
LSVT Reserve	To meet the cost of successful warranty claims not covered by bonds and insurance following the housing stock transfer.	435,000	0	0	0	435,000	0	435,000	0	435,000	0	435,000	0	435,000
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	2,006,417	0	(1,494,234)	(1,494,234)	512,183	(596,558)	(84,375)	0	(84,375)	0	(84,375)	0	(84,375)
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	340,847	0	(26,372)	(26,372)	314,475	(78,246)	236,229	(11,078)	225,151	0	225,151	0	225,151
Paraffinder	To help Coastal Communities adapt to coastal changes.	143,168	0	0	0	143,168	(40,076)	103,092	0	103,092	0	103,092	0	103,092
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	56,354	85,000	(31,670)	53,330	109,684	0	109,684	50,000	159,684	50,000	209,684	50,000	259,684
Property Investment Fund	To provide funding for the acquisition and development of new land and property assets	0	2,000,000	0	2,000,000	2,000,000	(1,000,000)	1,000,000	(1,000,000)	0	0	0	0	0
Restructuring & Invest to Save Proposals	To fund one-off redundancy and pension strain costs and invest to save initiatives. Transfers from this reserve will be allocated against business cases as they are approved. Timing of the use of this reserve will depend on when business cases are approved.	2,290,514	843,441	(1,251,085)	(407,644)	1,882,871	(849,072)	1,033,799	(325,000)	708,799	(240,000)	468,799	0	468,799
Sports Hall Equipment & Sports Facilities	To support renewals for sports hall equipment. Amount transferred in the year represents over or under achievement of income target.	12,193	0	(6,511)	(6,511)	5,682	0	5,682	0	5,682	0	5,682	0	5,682
Total Reserves		22,680,514	4,323,386	(5,032,356)	(708,970)	21,971,544	(5,532,434)	16,439,110	(2,034,391)	14,404,719	(458,619)	13,946,100	(197,493)	13,748,607

<u>Scheme</u>	Budget 2018/19	Actual Expenditure 2018/19	Variance
	£	£	£
Jobs and the Economy			
Walsingham Public Convenience	45,373	37,473	(7,900)
Egmere Business Zone	250,000	14,199	(235,801)
Holt Tourist Information Centre	100,000	94,964	(5,036)
Car Park Refurbishment	100,968	140,030	39,062
Purchase of New Car Park Vehicles	0	45,000	45,000
Deep History Coast	100,000	316,187	216,187
Fair Meadow House Improvements	25,000	16,235	(8,765)
Collectors Cabin	0	652	652
Grove Lane Depot Refurb	116,225	236,701	120,476
Lifeguard Hut	25,000	0	(25,000)
Bacton Car Park	30,000	0	(30,000)
Public Convenience Improvements	150,000	45,741	(104,259)
	942,566	947,182	4,616
Housing and Infrastructure			
Disabled Facilities Grants	1,126,532	1,003,901	(122,631)
Parkland Improvements	1,011	0	(1,011)
Compulsory Purchase of Long Term Empty Properties	328,358	489,012	160,654
Shannoeks Hotel	0	(12,114)	(12,114)
Laundry Loke - Victory Housing	80,000	0	(80,000)
Community Housing Fund	2,010,762	229,260	(1,781,502)
Fakenham Extra Care	215,500	0	(215,500)

	3,762,163	1,710,059	(2,052,104)
Coast and Countryside			
Gypsy and Traveller Short Stay Stopping Facilities	40,000	39,151	(849)
Cromer Pier Structural Works - Phase 2	56,219	42,404	(13,815)
Cromer Pier and West Prom Refurbishment Project	30,000	29,494	(506)
Refurbishment Works to the Seaside Shelters	8,202	3,831	(4,371)
Sheringham West Prom	36,978	7,830	(29,148)
Coastal Erosion Assistance	72,797	24,000	(48,797)
Coastal Adaptations	410	0	(410)
Mundesley - Refurbishment of Coastal Defences	1,258	1,258	0
Cromer Pier - External and Roofing Improvements to Pavilion Theatre	671,740	379,609	(292,131)
Beach Access	58,974	40,202	(18,772)
Bacton and Walcott Coastal Management Scheme	250,000	353,965	103,965
Countryside Tractors	29,495	26,895	(2,600)
Ranger Vehicles	26,170	45,840	19,670
	1,282,243	994,479	(287,764)
Health and Well Being			
Steelwork Protection to Victory Pool and Fakenham Gym	27,467	0	(27,467)
Fakenham Gym	62,500	0	(62,500)
North Walsham Artificial Grass Pitch	0	3,018	3,018
Splash Leisure Centre Reprovision	1,988,510	1,049,219	(939,291)
North Norfolk Sports Hub, Cromer	1,700,526	335,162	(1,365,365)

	3,779,003	1,387,399	(2,391,604)
Service Excellence			
e-Financials Financial Management System Software Upgrade	13,425	68,154	54,729
Administrative Buildings	1,063,261	680,438	(382,823)
Planning System (Scanning of Old Files) - Business Transformation Programme	0	66,656	66,656
Council Chamber and Committee Room Improvements	16,142	3,821	(12,321)
Environmental Health IT System Procurement	79,822	44,810	(35,012)
Document and Records Management System	30,493	6,650	(23,843)
Purchase of Bins	91,541	98,125	6,584
Customer Contact Centre	8,168	10,317	2,149
Purchase of Property Service Vehicle	0	15,793	15,793
User IT Hardware Refresh	55,000	59,146	4,146
Multi-Functional Devices	30,000	32,004	2,004
Aerial Photography	15,000	0	(15,000)
Server Replacement	80,000	95,130	15,130
Back Scanning of Files	146,971	56,147	(90,824)
Housing Options System	19,350	0	(19,350)
Management Information Systems	23,325	43,604	20,279
	1,672,498	1,280,794	(391,704)
	11,438,473	6,319,913	(5,118,560)

Capital Programme Financing

Grants	1,336,539	1,092,342
Asset Management Reserve	0	43,154
Capital Project Reserve	1,395,073	1,051,754

Other Reserves	2,184,087	318,605
Capital Receipts	6,522,774	3,690,933
Revenue Contribution to Capital (RCCO)	0	123,125
Internal / External Borrowing	0	0
TOTAL FINANCING	11,438,473	6,319,913

Scheme	Scheme Total Current Estimate	Pre 31/3/19 Actual Expenditure	Updated Budget 2019/20	Updated Budget 2020/21	Updated Budget 2021/22	Updated Budget 2022/23
	£	£	£	£	£	£
Jobs and the Economy						
Rocket House	77,084	37,334	39,750	0	0	0
Egmere Business Zone	2,255,000	175,027	2,079,973	0	0	0
Better Broadband for Norfolk	1,000,000	0	1,000,000	0	0	0
Local Property Investment Fund	1,000,000	0	1,000,000	0	0	0
Property Investment Company	2,000,000	0	1,000,000	1,000,000	0	0
Purchase of New Car Park Vehicles	60,000	45,000	15,000	0	0	0
Deep History Coast	592,973	318,050	274,923	0	0	0
Fair Meadow House Improvements	25,000	16,235	8,765	0	0	0
Fair Meadow House Annexe	55,000	0	55,000	0	0	0
Collectors Cabin	25,000	652	24,348	0	0	0
Cornish Way	170,000	0	170,000	0	0	0
Fakenham Connect	100,000	0	100,000	0	0	0
Lifeguard Hut	25,000	0	25,000	0	0	0
Bacton Car Park	30,000	0	30,000	0	0	0
Holway Road Roundabout	100,000	0	100,000	0	0	0
Public Convenience Improvements	600,000	45,741	554,259	0	0	0
	8,115,057	638,039	6,477,018	1,000,000	0	0
Housing and Infrastructure						
Disabled Facilities Grants	Annual programme,	Annual programme,	1,122,631	1,000,000	1,000,000	1,000,000
Parkland Improvements	100,000	12,996	87,004	0	0	0
Compulsory Purchase of Long Term Empty Properties	630,000	490,654	139,346	0	0	0
Shannoeks Hotel	490,000	51,638	426,249	0	0	0
Laundry Loke - Victory Housing	100,000	0	80,000	20,000	0	0
Community Housing Fund	2,198,262	416,760	1,781,502	0	0	0
Provision of Temporary Accommodation	610,000	0	610,000	0	0	0
Fakenham Extra Care	215,500	0	215,500	0	0	0
	4,128,262	972,047	4,462,232	1,020,000	1,000,000	1,000,000
Coast and Countryside						
Gypsy and Traveller Short Stay Stopping Facilities	1,417,533	1,347,941	40,849	28,743	0	0
Cromer Pier Structural Works - Phase 2	1,378,549	1,364,734	13,815	0	0	0

Cromer Pier and West Prom Refurbishment Project	1,465,000	1,119,299	506	0	0	0
Refurbishment Works to the Seaside Shelters	149,501	145,130	4,371	0	0	0
Cromer Coast Protection Scheme 982 and SEA	8,822,000	5,305,389	3,516,611	0	0	0
Coastal Erosion Assistance	90,000	41,203	48,797	0	0	0
Coastal Adaptations	410	0	410	0	0	0
Mundesley - Refurbishment of Coastal Defences	3,221,000	45,786	3,175,214	0	0	0
Ostend Targeted Rock Placement and Coastal Adaptation	55,000	219	54,781	0	0	0
Cromer Pier - External and Roofing Improvements to Pavilion Theatre	675,000	382,869	292,131	0	0	0
Beach Access	201,514	182,742	18,772	0	0	0
Bacton and Walcott Coastal Management Scheme	500,000	353,965	146,035	0	0	0
Countryside Tractors	29,495	26,895	2,600	0	0	0
	18,005,002	10,316,172	7,314,892	28,743	0	0
Health and Well Being						
Splash Roof Repairs	63,120	9,866	28,254	25,000	0	0
Steelwork Protection to Victory Pool and Fakenham Gym	27,500	33	27,467	0	0	0
Fakenham Gym	62,500	0	62,500	0	0	0
Splash Gym Equipment	1,013,000	0	640,000	373,000	0	0
North Walsham Artificial Grass Pitch	860,000	3,018	856,982	0	0	0
Splash Leisure Centre Reprovision	10,667,000	1,060,709	5,272,791	4,333,500	0	0
North Norfolk Sports Hub, Cromer	3,181,000	350,136	2,830,865	0	0	0
	15,874,120	1,423,762	9,718,858	4,731,500	0	0
Service Excellence						
Administrative Buildings	1,302,570	919,747	382,823	0	0	0
Council Chamber and Committee Room Improvements	89,000	76,679	12,321	0	0	0
Environmental Health IT System Procurement	150,000	114,988	35,012	0	0	0
Document and Records Management System	60,000	36,157	23,843	0	0	0
Purchase of Bins	326,216	292,800	80,000	80,000	80,000	80,000
User IT Hardware Refresh	135,000	59,146	50,854	55,000	55,000	55,000
Storage Hardware	60,000	0	60,000	0	0	0
Members IT	65,000	0	65,000	0	0	0
Aerial Photography	15,000	0	15,000	0	0	0
Back Scanning of Files	200,000	109,176	90,824	0	0	0

Housing Options System	20,000	650	19,350	0	0	0
	2,422,786	1,609,343	835,027	135,000	135,000	135,000
	48,545,227	14,959,363	28,808,027	6,915,243	1,135,000	1,135,000

Capital Programme Financing

Grants		8,615,874	1,028,743	1,000,000	1,000,000
Other Contributions		450,000	0	0	0
Asset Management Reserve		270,000	0	0	0
Capital Project Reserve		1,760,701	373,000	0	0
Other Reserves		5,335,761	1,000,000	0	0
Capital Receipts		11,518,709	180,000	135,000	135,000
Internal / External Borrowing		856,982	4,333,500	0	0
TOTAL FINANCING		28,808,027	6,915,243	1,135,000	1,135,000

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Prudential Indicator Outturn 2018/19

1. Background:

- 1.1 The Local Government Act requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

2. Capital Expenditure:

- 2.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure	2018/19 Estimate £000s	2018/19 Outturn £000s
Total	4,424	6,320

- 2.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2018/19 Estimate £000s	2018/19 Outturn £000s
Capital receipts	3,769	3,691
Government Grants	105	1,092
Revenue contributions and Reserves	550	1,537
Total Financing	4,424	6,320

3. Capital Financing Requirement:

- 3.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Capital Financing Requirement	2018/19 Estimate £000s	2018/19 Outturn £000s
Total CFR	3,230	3,543

The total CFR indicated in the table relates in part to vehicles and equipment used on the Council's refuse and car park management contracts. These are recognised under IFRS accounting regulations which require equipment on an embedded finance lease to be recognised on the balance sheet. In addition to this, the estimated figure also reflects the Council's decision to provide loan advances to Registered providers under the Local Investment Strategy. Although initially this would have increased the CFR, the capital receipts generated by the annual repayments on the loans will be applied to reduce the CFR across subsequent years.

4. Authorised Limit and Operational Boundary for External Debt:

- 4.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council, and not just those arising from capital spending reflected in the CFR.
- 4.2 The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured against all external debt items (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). The indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 4.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- 4.4 The Operational Boundary is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario, and without the additional headroom included within the Authorised Limit for unusual cash movements.

	2018/19 Estimate £000s	2018/19 Outturn £000s
Authorised Limit for Borrowing	23,400	23,400

Authorised Limit for Other Long-term Liabilities	0	0
Authorised Limit for External Debt	23,400	23,400
Operational Boundary for Borrowing	15,030	15,030
Operational Boundary for Other Long-term Liabilities	0	0
Operational Boundary for External Debt	15,030	15,030

5. Ratio of Financing Costs to Net Revenue Stream:

5.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

5.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2018/19 Estimate %	2018/19 Outturn %
Total	(7.93)	(8.58)

The indicator is negative because the Council has interest receivable and minimal financing costs.

6. Adoption of the CIPFA Treasury Management Code:

6.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at Full Council on 28 April 2010.

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Treasury Management Annual Report 2018/19

Summary: This report sets out the Treasury Management activities actually undertaken during 2018/19 compared with the Treasury Management Strategy for the year.

Options Considered: This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.

Conclusions: Treasury activities for the year have been carried out in accordance with the CIPFA Code and the Council’s Treasury Strategy.

Recommendations: That the Council be asked to RESOLVE that The Treasury Management Annual Report and Prudential Indicators for 2018/19 are approved.

Reasons for Recommendation: Approval by Council demonstrates compliance with the Codes.

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

1. Introduction

- 1.1 The Chartered Institute of Public Finance and Accountancy’s Treasury Management Code requires the Council to report on the performance of the treasury management function at least twice a year (mid-year and at the year-end).
- 1.2 Treasury Management activities for 2018/19 have been carried out in accordance with the Council’s Treasury Management Strategy 2018/19 which was approved by Full Council on 21 February 2018.
- 1.1 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. This report covers treasury activity and the associated monitoring and control of risk.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report

fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

- 1.3 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 21 February 2018.

2. Context

- 2.1 With the 29th March 2019, the original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, including shooting down Theresa May's deal for the third time, MPs voted by a majority of one (313 to 312) to force the prime minister to ask for an extension to the Brexit process beyond 12th April in order to avoid a no-deal scenario. Recent talks between the Conservative and Labour parties to try to reach common ground on a deal which may pass a vote by MPs have yet to yield any positive results. The EU must grant any extension and its leaders have been clear that the terms of the deal are not up for further negotiation. The ongoing uncertainty continues to weigh on sterling and UK markets.
- 2.2 While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader based economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with EU. The EU itself appeared to be show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic/populist unrest in France. The International Monetary Fund downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.
- 2.3 In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.
- 2.4 Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. During March the US yield curve inverted (10-year Treasury yields were lower than US 3 month money market rates) and German 10-year Bund yields turned negative. The drivers are a significant shift in global economic growth prospects and subsequent official interest rate expectations given its impact on inflation expectations. Further to this is world trade growth which collapsed at the end of 2018 falling by 1.8% year-on-year. A large proportion of this downturn in trade can be ascribed to the ongoing trade tensions between the US and China which despite some moderation in January does suggest that the International Monetary Fund's (IMF) and Organisation for Economic Co-Operation & Development's (OECD) forecasts for global growth in 2019 of 3.5% might need to be revised downwards.
- 2.5 The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.
- 2.6 Local Context: On 31st March 2019, the Authority had net investments of £35.450m arising from its revenue and capital income and expenditure. The underlying need to

borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

- 2.7 The treasury management position at 31st March 2019 and the change during the year is shown below.

	31.3.18 Balance £m	Movement £m	31.3.19 Balance £m	31.3.19 Rate %
Long-term borrowing	0.0	0.0	0.0	0
Short-term borrowing	0.0	3.0	3.0	0.87%
Total borrowing	0.0	3.0	3.0	0.87%
Long-term investments	30.500	5.750	34.250	3.61%
Short-term investments	3.460	(1.260)	4.200	0.63%
Total investments	33.960		38.450	2.82%
Net investments	33.960		35.450	

3. Borrowing

- 3.1 At 31st March 2019 the Authority held £3m of loans, an increase of £3m over 31st March 2018. Outstanding loans on 31st March are summarised in Table 3 below. The Council is currently free from long-term external debt, although short-term borrowing has been entered into during the year for cash flow purposes. There is an underlying need to borrow assumed within the current three-year Capital Programme for the re-provision of Splash Leisure Centre and the construction of a 3G pitch in North Walsham, and this is covered by the Treasury Management Strategy 2018/19 and 2019/20.

	31.3.18 Balance £m	Net Movement £m	31.3.19 Balance £m	31.3.19 Weighted Average Rate %
Local authorities (short-term)	0.0	3.0	3.0	0.87%
Total borrowing	0.0	3.0	3.0	0.87%

- 3.2 The Authority's chief objective when borrowing will be to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.
- 3.3 With short-term interest rates remaining much lower than long-term rates, the Authority considers it to be more cost effective in the near term to use internal resources or borrowed rolling temporary / short-term loans instead of longer term debt.

4. Investment Activity

4.1 The Ministry of Housing, Communities and Local Government's (MHCLG) guidance on Local Government Investments requires the Council to focus on security and liquidity, rather than yield when undertaking its treasury activities.

4.2 The table below gives Members an appreciation of the investment activity undertaken in 2018/19, showing the position at the start and end of the year, together with the transactions during the year.

	Balance 01/4/2018	Net movement	Balance 31/3/2019	Income return
	£m	£m	£m	%
Short term Investments (call accounts, deposits and CDs with banks & building societies)	0.000	0.000	0.000	n/a
UK Government (DMADF and other local authorities)	0.000	2.000	2.000	0.75%
Money Market Funds	3.460	(1.260)	2.200	0.63%
Cash plus funds	3.000	0.000	3.000	1.11%
Short dated bond funds	3.000	0.000	3.000	0.90%
Strategic bond funds	5.000	0.000	5.000	3.43%
Equity income funds	6.000	2.000	8.000	4.67%
Property funds	5.000	0.000	5.000	5.83%
Multi asset funds	4.000	4.000	8.000	4.33%
Covered Bonds	4.500	(2.250)	2.250	1.09%
All investments	33.960	4.490	38.450	2.82%

4.3 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2018/19.

4.4 In accordance with this strategy, the Council made further investments in pooled funds during 2018/19. During the year, an additional £6m was invested in pooled funds. The Council's existing holdings in M&Gs Global Dividend Fund was increased to £2m from £1m, a further £1m was invested in the CCLA Diversified Income Fund, an additional £1m in the Schroder Income Maximiser Fund and £3m was invested in the Kames Capital Diversified Monthly Income Fund. Pooled Fund Investments generate a large income return for the Council, but their Net Asset Values are subject to fluctuations over time. For this reason, the Council's investment in strategic pooled funds has only been made with funds it anticipates will remain available for investment over the medium to long-term (i.e. 3 to 5 years). This will minimise the risk from incurring any potential capital loss on selling the investment at an unfavourable point in time. As at the end of March 2018, the capital variance on the pooled fund investments was a gain of £1,371,467 to point of purchase, and a gain of £172,129 in year (which would only be realised if the holdings had to be sold).

4.5 With little by way of political clarity as to the exact date or whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly disruptive Brexit (such as last-minute no-deal) on 29th March, the Authority ensured there were enough accounts open at UK domiciled banks and Money Market Funds to hold sufficient liquidity at the year end and that its account with the Debt

Management Account Deposit Facility (DMADF) remained available for use in an emergency.

- 4.5 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating for specified investments is A- across the rating agencies Fitch, Standard & Poors and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

5. Credit Risk

Given the increasing risk and falling returns from short-term unsecured bank investments, the Authority has diversified into more secure and/or higher yielding asset classes. As a result, investment risk was diversified while the average rate of return has increased. The Authority's Treasury advisors, Arlingclose, compile quarterly investment benchmarking across their client base. The table below shows extracts from this, focussing on measures of risk (credit rating and bail-in exposure) and return (Rate of return).

Date	Credit Score	Credit Rating	Bail –in exposure	Rate of Return %
31/03/2018	2.52	AA	43%	0.86%
31/03/2019	3.00	AA	34%	0.92%
Similar LAs	4.20	AA-	53%	0.86%
All LAs	4.13	AA-	55%	0.85%

- 5.1 All investment counterparties are given a credit score. Weighted average scores are then calculated for both value and time. The value weighted average reflects the credit quality of investments compared to the size of the deposit. The time weighted average reflects the credit quality of investments compared to the number of days to maturity of the deposit.
- 5.2 In the Treasury Management Strategy 2018/19 the Council adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. The target credit score has been set at 6 which equates to a long term rating of A (or equivalent).
- 5.3 The table shows how the scores and ratings have changed over the financial year. The more investments the Council has with counterparties with higher credit ratings, the lower the score will be. Over the year, the time weighted average scores have fallen indicating that the credit rating on both a time weighted basis has improved. However, the value weighted average score has increased, indicating that the credit rating on this basis has reduced.

6. Non-Treasury Investments

- 6.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

- 6.2 The Authority also holds £4.423m of such investments in

- directly owned property £0.923m
- loans to housing associations £3.5m

These investments represent a different risk to the Authority, as property investments do not carry the same interest rate or credit risk, but there is the risk of loss of income through voids and other market factors. They also require more staff time to manage than externalised pooled investments.

- 6.3 The Authority does not currently rely on these funds from Non-Treasury investments to balance the budget, but in a climate of reduced Government funding, is likely to do so more in the future. To guard against the risk of reducing levels of income from these investments, they are proactively managed by experienced and qualified individuals within the Authority, with external advice as required.

7. Investment Performance

- 7.1 The income budget for 2018/19 anticipated £1,158,300 would be earned in interest from an average balance of £35.1m at a rate of 3.3%. A total of £1,295,337 was earned from investments over the year from an average balance of £44.7m at an average rate of interest of 2.89%. This resulted in a favourable variance against the budget of £138,034.
- 7.2 Throughout the year, investment balances were consistently higher than anticipated; although overall the rate of interest earned was lower than budget.

8. Compliance with Prudential Indicators

- 8.1 The Council confirms compliance with its Prudential Indicators for 2018/19 which were set on 21 February 2018 as part of the Council's Treasury Management Strategy Statement.

	2018/19 Maximum	31.3.19 Actual	2018/19 Operational Boundary	2018/19 Authorised Limit	Complied?
Borrowing	£3m	£3m	£15.03m	£23.4m	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Non-specified investments ceased to be relevant during the year, so the relevant indicators have been removed.

	2018/19 Maximum	31.3.19 Actual	2018/19 Limit	Complied?
Any single organisation, except the UK Government	Nil	Nil	£3m each	Yes
Any group of organisations under the same ownership	Nil	Nil	£3m per group	Yes
Any group of pooled funds under the same management	Max is £7m with CCLA	Max is £7m with CCLA	£10m per manager	Yes
Negotiable instruments held in a	£2.25m	£2.25m	£10m per	Yes

broker's nominee account	(King and Shaxon)	(King and Shaxon)	broker	
Limit per non-UK country	Nil	Nil	£5m per country	Yes
Registered providers	Nil	Nil	£7.5m in total	Yes
Unsecured investments with building societies	Nil	Nil	£3m in total	Yes
Loans to unrated corporates	Nil	Nil	£3m in total	Yes
Money Market Funds	£19.3m	£2.2m	£20m in total	Yes

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

8.3 Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate exposures, expressed as the proportion of net principal borrowed (i.e. fixed rate debt net of fixed rate investments, will be:

	2018/19	2019/20	2020/21
Upper limit on fixed interest rate exposure	(100%)	(100%)	(100%)
Actual	(100%)		
Upper limit on variable interest rate exposure	(100%)	(100%)	(100%)
Actual	(100%)		

8.4 As the Council's investments exceed its borrowing, these calculations have resulted in a negative figure. The purpose of the limit is to ensure that the Council is not exposed to interest rate rises on any borrowing which could adversely impact the revenue budget. Variable rate borrowing can be used to offset exposure to changes in short term rates on investments. These limits therefore allowed maximum flexibility for fixed or variable rate investments and investment decisions were ultimately made on expectations of interest rate movements as set out in the Strategy. Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

8.5 Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were set as follows.

Maturity structure of fixed rate borrowing	Lower Limit for 2018/19 %	Upper Limit for 2018/19 %	Actual 2018/19
under 12 months	0	100	100
12 months and within 24 months	0	100	0
24 months and within 5 years	0	100	0

5 years and within 10 years	0	100	0
10 years and above	0	100	0

- 8.6 Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£35m	£35m	£35m
Actual	£34.25m		

- 8.7 Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average [credit rating] or [credit score] of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target	Actual
Portfolio average credit score	6.0	3.0

- 8.8 Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling month period, without additional borrowing.

	Target	Actual
Total cash available within 3 months	£3.0m	£4.2m

9. Financial Implications and Risks

The financial impact of implementing the Council's treasury strategy for 2018/19 has been set out in this report.

10. **Sustainability** – None as a direct consequence of this report.

11. **Equality and Diversity** – None as a direct consequence of this report.

12. **Section 17 Crime and Disorder considerations** – None as a direct consequence of this report.

GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL REPORT 2018/19

Summary:	This report arises from the CIPFA self-assessment of good practice undertaken in March 2018. CIPFA (The Chartered Institute of Public Finance and Accountancy) is the professional body for people in public finance. The report aims to give all Members a better understanding of the role of the Governance, Risk and Audit Committee, to provide insight into the work of the Committee in the year 2018/19 and to highlight some of the key issues it has considered.
Conclusions:	The Committee has fulfilled its remit and had a very active year. There have been some changes in membership but attendance has been good. 2019/20 will bring new challenges as the Council undertakes multiple projects and welcomes new Members following the May 2019 election, that could see Members appointed to stand on the Committee for the first time.
Recommendations:	It is recommended that Council notes the report and affirms the work of the Governance, Risk and Audit Committee.
Reasons for Recommendations:	To inform Council of the work of the Governance, Risk and Audit Committee in 2018/19.
Cabinet member(s): All	Ward(s) affected: All
Contact Officer, telephone number, and e-mail:	Matt Stembrowicz, Democratic Services & Governance Officer, 01263 516047, Matthew.Stembrowicz@north-norfolk.gov.uk

1. Introduction

The purpose of the Governance, Risk and Audit Committee is to monitor governance, risk management and internal control arrangements at the Council, to provide independent assurance that these are effective and efficient. This is achieved through key regular items received by the Committee in relation to, but not limited to internal and external audit, key finance items, governance reviews and strategic risk management reporting.

- 1.1. In March 2018, Members of the Committee undertook a CIPFA self-assessment of good practice. CIPFA (The Chartered Institute of Public Finance and Accountancy) is the professional body for people that work in public finance. The self-assessment is a regular exercise against a checklist, undertaken to gain assurance that the Committee is performing effectively. The exercise highlighted the good performance of the Committee, but noted that there was still work to be done to increase Members awareness and understanding of the additional work the Committee undertakes in addition to reviewing the annual statement of accounts. This report has arisen from this observation and seeks to give all Members an improved understanding of the Committee's work.

2. Background

- 2.1. The Committee was originally convened on 21 June 2006 as the Final Accounts Committee. It was established to allow a more robust Member scrutiny/discussion of the final accounts prior to their approval by Full Council. On 16 October 2006, the Committee met for the first time as the Audit Committee. Its remit was more far-reaching than accounts and included scrutiny of external and internal audit, risk management and internal control. On 6 September 2016 the Committee agreed to change its name to the Governance, Risk and Audit Committee to better reflect its function and the range of its oversight.
- 2.2. In 2018/2019 the Committee met in June, July, September, December and March. This allowed for an extra meeting to take place in July at which the Final Statement of Accounts was signed off in accordance with the new CIPFA deadline of 31 July.

3. Membership and Attendance of the Committee in 2018/19

- 3.1. The Committee is composed of 6 Members. There were some Member changes in 2018/19 as a result of changes to the Council's political balance. Committee Membership this year has comprised of:
 - Mr D Baker (Until September 2018)
 - Mr V FitzPatrick
 - Ms V Gay
 - Mr M Knowles
 - Mr N Pearce (From November 2018)
 - Mr J Rest (Chairman)
 - Mr P Rice (From September 2018)
 - Mr D Young (Until November 2018)
- 3.2. Attendance has been good throughout the year with the 6 nominated Members achieving a total of 24 attendances out of a possible 30.

4. Purpose of the Committee

The purpose of the Governance, Risk and Audit Committee is to monitor governance, risk management and internal control arrangements at the Council, to provide independent assurance that these are effective and efficient. This is achieved through key regular items received by the Committee in relation to, but not limited to internal and external audit, key finance items, governance reviews and strategic risk management reporting.

4.1. The Terms of Reference (which have been updated to allow the Committee to sign off the Final Accounts) outline the purpose in more detail:

a) Internal Audit

- To consider and approve annually the Internal Audit plan of work, considering the scope and depth of the work in addressing the Council's significant risks and issues.
- To consider the outcomes of the internal audit plan of work and to monitor management's progress in implementing agreed audit recommendations.
- To consider and approve the Annual Report and Opinion of the Head of Internal Audit, ensuring that the systems of internal control, governance and risk management have been effective and efficient over the course of the year.
- To consider the performance of the internal auditors in relation to the adherence to the Public Sector Internal Audit Standards.

b) External Audit

- To consider annually the External Audit plan of work.
- To consider External Audit reports and letters.

c) Accounts / Finance

- To consider the extent of the Council's compliance with its own and other published financial statements and controls.
- To review and approve the annual Statement of Accounts and the Annual Governance Statement contained therein.

d) Risk Management

- To review the strategic risks that the Council faces and ensure that these are being appropriately managed, monitored and mitigated.

e) Governance

- To review the Council's arrangements for governance, with particular regard to the Local Code of Corporate Governance and the Financial and Contracts Procedure Rules.
- To review the Council's arrangements to counter fraud and corruption, with particular regard to the policies on: Counter Fraud, Whistleblowing and Money Laundering.
- To hold periodic private discussion with the Head of Internal Audit and the External Auditors to review working relationships and discuss any pertinent issues.
- To commission ad-hoc work from internal and external audit.
- To assess the Committee's own effectiveness on an annual basis against best practice.

5. Work of the Committee in 2018/19

- a) Internal Audit
 - Progress report on Internal Audit Activity (every meeting)
 - Follow-up on Internal Audit Recommendations (June, December 2018)
 - Annual report and opinion 2017/18 and review of the effectiveness of Internal Audit (June 2018)
 - Feedback on CIPFA Self-Assessment (June 2018)
 - Strategic and Annual Audit Plans (March 2019)
- b) External Audit
 - Letter of Representation (July 2018)
 - Ernst and Young Annual Audit Letter (September 2018)
 - Ernst and Young Audit Plan (with overview) (March 2019)
 - Annual Grant Certification Report from Ernst Young (March 2019)
- c) Accounts / Finance
 - 2017/18 Statement of Accounts (July 2018)
 - Accounts Closedown Technical Update (March 2019)
- d) Risk Management
 - Civil Contingencies Update (December 2018)
 - Corporate Risk Register (September 2018, March 2019)
 - Risk Management Framework (March 2019)
- e) Governance
 - Local Code of Corporate Governance and Annual Governance Statement 2016/17 (June 2018)
 - Monitoring Officer Annual Report 2017/2018 (June 2018)
 - Anti-Money Laundering Policy (December 2018)
 - CIPFA Self-Assessment (March 2019)
 - Report on the work of the Governance, Risk and Audit Committee (April 2019)

6. Key Issues reviewed during the year

6.1. Feedback from Self-Assessment 2018

The Chartered Institute for Public Finance and Accountancy (CIPFA) document on “Audit Committees - practical guidance for local authorities and police” set out the guidance on the function and operation of audit committees. It represented CIPFA’s view of best practice which included the regular completion of a self-assessment against the checklist.

The assessment in March 2018 highlighted the good performance of the Committee but noted that there was still work to do to improve recognition of the Committee amongst other Members of the Council and the general public. In addition, whilst Members were generally seen as holding the necessary skills and knowledge to sit on the Committee, it was suggested that a record of this knowledge could be established, in order to assist with identifying future training requirements. Members undertook a further Self-Assessment on 26th March 2019 with a summary to be brought to the Committee in June 2019.

Members agreed that, despite some changes in Membership, an effective Audit Committee had been selected and that the Chairman had the appropriate knowledge and skills. They also agreed that, now that the Committee was authorised to sign off the Final Accounts, it brought additional value to the organisation.

6.2. Follow-up on Internal Audit Recommendations and Historical Recommendations

The Committee is pro-active in monitoring outstanding and historical recommendations. When appropriate, relevant managers are invited to the Committee to answer Members' questions. In this respect, the Committee continues to receive updates in relation to section 106 agreements to ensure that they are regularly monitored. Progress on implementation of additional recommendations continues to be reviewed until the Committee is satisfied that issues have been resolved.

6.3. New deadline for Final Accounts

From 2018, because of changes in statutory regulations, the Final Accounts had to be signed off prior to the September meeting. In the past the Statement of Accounts has gone to Full Council with a recommendation from the Governance, Risk and Audit Committee, but this would not have met the new deadline. As a result, it was suggested that the Governance, Risk and Audit Committee's Terms of Reference should be amended so that the Committee could approve the accounts without reference to Full Council. This allowed for the accounts to be signed off by the new deadline, 31 July 2018. To meet this new deadline, many councils were scheduling a dedicated meeting with only the Statement of Accounts, the Audit Results report, and the Letter of Representation on the agenda. Members agreed this in September 2017 and as a result, the meeting took place on 24th July 2018.

The Committee's Terms of Reference were reviewed by the Head of Internal Audit and approved at the December meeting. The amended Terms were approved by Full Council on 21 February 2018.

7. Conclusion

The Committee has fulfilled its remit and had a very active year as demonstrated by the volume of work it has processed and the additional meeting in July. There have been changes in membership but attendance has been good and consistent. The 2018 Self-Assessment demonstrated that the Committee has increased its effectiveness in the last year and remains focused. 2019/20 has brought many new Members with a renewed enthusiasm for the work of the Committee in the year ahead.

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