

Council



Please contact: Emma Denny

Please email: Emma.Denny@north-norfolk.gov.uk

Please Direct Dial on: 01263 516010

18 February 2020

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 **Wednesday, 26 February 2020 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: Mr T Adams, Mr D Baker, Ms P Bevan Jones, Mr D Birch, Mr H Blathwayt, Mr A Brown, Dr P Bütikofer, Mrs S Bütikofer, Mr C Cushing, Mr N Dixon, Mr P Fisher, Mrs A Fitch-Tillett, Mr T FitzPatrick, Mr V FitzPatrick, Mrs W Fredericks, Ms V Gay, Mrs P Grove-Jones, Mr G Hayman, Mr C Heinink, Mr P Heinrich, Mr N Housden, Mr R Kershaw, Mr N Lloyd, Mr G Mancini-Boyle, Mrs M Millership, Mr N Pearce, Mr S Penfold, Mrs G Perry-Warnes, Mr J Punchard, Mr J Rest, Mr E Seward, Miss L Shires, Mrs E Spagnola, Mrs J Stenton, Dr C Stockton, Mr J Toye, Mr A Varley, Ms K Ward, Ms L Withington and Mr A Yiasimi

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

A G E N D A

1. PRAYER

Led by Reverend Andrew Jones, Rector, the Trunch Group of Parishes.

2. PRESENTATION TO MARK THE COMPLETION OF THE SANDSCAPING PROJECT

To receive a commemorative plate from Paul Hesk, Regional Manager, Van Oord UK, to mark the successful completion of the Sandscaping Project.

3. CHAIRMAN'S COMMUNICATIONS

To receive the Chairman's communications, if any.

4. LEADER'S ANNOUNCEMENTS

To receive announcements from the Leader, if any.

5. TO RECEIVE DECLARATIONS OF INTERESTS 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.

6. APOLOGIES FOR ABSENCE

To receive apologies for absence, if any.

7. MINUTES

1 - 16

To confirm the minutes of the meeting of the Council held on 17th December 2019 and the minutes of the Extraordinary meeting held on 15 January 2020.

8. 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.

9. PUBLIC QUESTIONS/STATEMENTS

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

10. BUDGET & COUNCIL TAX 2020-2021

17 - 48

Summary: This report presents for approval the budget for 2020/21 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2020/21. The

report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.

Options considered:

It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 3 February 2020.

Conclusions:

It is the opinion of the Council's Chief Financial Officer that the budget for 2020/21 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.

Recommendations:

That having considered the Chief Financial Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves, the following be approved:

- 1) The 2020/21 revenue budget as outlined at Appendix A within this report;
- 2) The surplus of £2,379,266 be transferred to the Delivery Plan Reserve;
- 3) An additional £50,000 to be released from the Communities Reserve to support the North Norfolk Sustainable Communities Fund;
- 4) An additional £33,000 to be released from the Communities Reserve to support the Community Transport Fund;
- 5) The transfer of £150,000 from the Environmental Health Reserve to the newly created Environment Reserve;
- 6) A sum of £9,000 is released from the General Fund Reserve to fund the purchase of beach wheelchairs;
- 7) The statement of and movement on the reserves as detailed at Appendix C within this report;
- 8) The updated Capital Programme and financing for 2019/20 to 2022/23 (as detailed at Appendix E1 within the 2020/21 Budget Report - February 2020 Cabinet Agenda);
- 9) The new capital bids recommended for approval (as detailed within appendix E2 within the 2020/21 Budget Report - February 2020 Cabinet Agenda);
- 10) That Members note the current financial projections for the period 2021/22 to 2023/24;
- 11) The Policy Framework for the Earmarked

- Reserves and the Optimum Level of the General Reserve 2020/21 to 2023/24 (Appendix B within this report);
- 12) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2020/21;
 - 13) The demand on the Collection Fund for 2020/21 is as follows:
 - a. £6,305,671 for District purposes
 - b. £2,520,143 for Parish/Town Precepts;

This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property;
 - 14) It is recommended to Full Council that the Rate Relief Policy is revised to include these new reliefs as set out at section 4.10 and;
 - 15) It is recommended that the Council continues with the current Local Council Tax Support (LCTS) scheme for 2020/21 as outlined within the 2020/21 Budget Report - February 2020 Cabinet Agenda whereby those of working age previously entitled to 100% maximum council tax benefit are required to pay a minimum of 8.5% of their council tax liability.

Reasons for Recommendations: To approve the 2020/21 budget for revenue and capital and to make the statutory calculations in respect of the 2020/21 Council Tax.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

Cabinet Member(s): All Ward(s) affected: All
 Contact Officer, telephone number and email:
 Duncan Ellis, 01263 516330, duncan.ellis@north-norfolk.gov.uk

11. RECOMMENDATIONS FROM CABINET 03 FEBRUARY 2020

49 - 88

a) Agenda item 7: Executive / Scrutiny Protocol

To recommend that Council receives the Executive / Scrutiny Protocol and agrees to its inclusion within the Constitution.

b) Agenda item 09: Capital Strategy 2020/21

Recommendation to Council

That the Capital Strategy and Prudential Indicators for 2020/21 are approved.

RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 12 FEBRUARY 2020

The Overview & Scrutiny Committee supported the recommendations.

c) Agenda item 10: Investment Strategy 2020/21

Recommendation to Council:

To approve the Investment Strategy 2020/21

RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 12 FEBRUARY 2020

The Overview & Scrutiny Committee supported the recommendations.

d) Agenda Item 11: Treasury Management Strategy Statement 2019/2020

Recommendation to Council:

To RESOLVE that The Treasury Management Strategy Statement is approved.

RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 12 FEBRUARY 2020

The Overview & Scrutiny Committee supported the recommendations.

12. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 12 FEBRUARY 2020

There were no further recommendations from the Overview & Scrutiny Committee meeting held on 12 February 2020.

13. PAY POLICY STATEMENT 2020/21

89 - 100

Summary: Section 38 of the Localism Act 2011 ("the Act") requires the Council to produce an annual pay policy statement ("the statement") for the start of each financial year. The attached statement is drawn up in compliance with the Act to cover the period 2019/20. It is a legal requirement that Full Council formally signs off this statement and the responsibility cannot be devolved to any other person or committee.

Options considered: There are no options to consider as part of this paper.

Conclusions: The attached statement sets out current remuneration arrangements for officers.

Recommendations: **To adopt the attached Pay Policy Statement and to publish the statement for 2020/21 on the Council's website.**

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

Cabinet Member(s) Cllr S Bütikofer
Ward Member(s) All

14. REPORT OF THE INDEPENDENT REMUNERATION PANEL 2020 101 - 110

Summary: The purpose of this report is to recommend to Council the allowances and expenses to be paid to Members to take effect from May 2020. In accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council set up an Independent Remuneration Panel as agreed at the meeting of Council held on 17 December 2019. The terms of reference for the Panel were also agreed at the December meeting of Council.

Conclusions: The Council is required to observe, as part of the legislation, the following; 'before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel'. The findings and recommendations of the Panel are detailed in this report.

Recommendations: That Members consider the recommendations of the Independent Remuneration Panel, adopt a scheme of allowances and amend the Constitution accordingly. Specifically, it is recommended that:

- a) the Basic Allowance should increase to £5,750 pa (to include £180 Broadband Allowance);
- b) the Scheme should remain index linked to officers' pay awards
- c) the broadband allowance should be included in the Basic Allowance (see Recommendation a)
- d) the Special Responsibility Allowance (SRA) for the Leader of the Council should remain calculated by way of a multiplier of x2 the basic allowance;
- e) the SRA for Cabinet Members with Portfolio should remain calculated by way of a multiplier of x1.33 the basic allowance;

- f) the SRA for Chairmen of Committees of the Council (except Development Committee and Standards Committee) should remain calculated by way of a multiplier of x0.67 the basic allowance;
- g) the SRA for the Chairman of Development Committee to remain at x0.75 of the basic allowance, with the SRA for the Vice-chairman of Development Committee remaining at x0.25 of the basic allowance.
- h) the SRA for the Chairman of Standards Committee should be removed due to the infrequency of meetings and replaced with a per meeting payment of 2% of the Basic Allowance
- i) a new payment for Chairmen of Working Parties to be introduced on a per meeting basis of 2% of the Basic Allowance
- j) a new SRA of x0.25 the basic allowance for the Vice-Chairman of the Council be introduced to reflect the workload and demands of the role.
- k) the SRA for the Leaders of the opposition group should be calculated by way of a multiplier of x3% of the basic allowance times number of members in the group;
- l) payment of 2% of the basic allowance per meeting attended should be made to co-opted members of committees.
- m) the carers' allowance should remain at £10 per hour wage for child care and £20 per hour wage for specialist care (per carer).
- n) the existing travelling expenses scheme should be maintained, and it should be subject to amendment in accordance with prevailing national agreements;
- o) the subsistence expenses scheme should remain the same with the allowance for lunch at £8.00 and the allowance for dinner at £20. Breakfast will only be payable when an overnight stay is required
- p) the changes proposed by the Panel are not backdated, but should take effect from the beginning of the municipal year, in May 2020;

Cabinet member(s):

All

Contact Officer:

Ward(s) affected:

All

Emma Denny, Democratic Services Manager

Emma.denny@north-norfolk.gov.uk

15. TEMPORARY APPOINTMENTS TO WITTON & RIDLINGTON PARISH COUNCIL 111 - 114

This report recommends that temporary appointments are made by the District Council to Witton and Ridlington Parish Council to ensure that the Parish Council is able to lawfully function until such time as the requisite number of vacancies are filled.

Recommendations:

That Council:-

- i) Proposes that District Councillor Clive Stockton (local ward member) and County Councillor Eric Seward (local county councillor) plus one other district councillor be appointed to serve as temporary members of Witton & Ridlington Parish Council until such a time that an election or co-option can be held and those elected or co-opted have taken up office.
- ii) That the Norfolk Association of Local Councils be contacted and asked to provide advice and interim clerking support to the Parish Council pending recruitment of a permanent Clerk.
- iii) The Monitoring Officer be authorised to make the necessary order to give effect to the temporary appointments.

Cabinet Member: Cllr S Butikofer

Wards affected: Bacton

Contact Officer: Rob Henry, Electoral Services Officer,
rob.henry@north-norfolk.gov.uk

16. PORTFOLIO REPORTS 115 - 140

To receive reports from Cabinet Members on their portfolios.

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.

17. QUESTIONS RECEIVED FROM MEMBERS

None Received.

18. OPPOSITION BUSINESS

None Received.

19. NOTICE(S) OF MOTION

None Received.

20. 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.”

21. PRIVATE BUSINESS

This page is intentionally left blank

COUNCIL

Minutes of the meeting of the Council held on Tuesday, 17 December 2019 in the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN at 6.00 pm

Members Present:

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

Also in attendance: The Democratic Services Manager, The Monitoring Officer/Head of Legal Services, The Head of Finance & Asset Management/S151 Officer, the heads of Paid Service, The Head of Environmental Health

20 PRAYER

The Chairman invited Reverend Canon Paul Thomas OBE, Chaplain to the Royal Norfolk Agricultural Association, to lead prayers.

21 CHRISTMAS CAROLS BY 'PLAYING FOR CAKE'

Cllr Gay, Portfolio Holder for Arts & Culture, introduced 'Playing for Cake'. She explained that Playing for Cake was a not-for-profit social enterprise based in Sheringham. They provided fun, community, participatory music-making workshops that promoted better health and wellbeing. Playing for Cake worked in community-based settings, day-care centres and residential care homes alongside health care professionals to help achieve specific health goals for service users. The Group had been awarded funding by NNDC, via an Arts & Culture grant.

A member of the group thanked Cllr Gay for her comments and said that they were moving towards social prescribing next year. Attendance for participants at any of their workshops was free and funding was fundamental to ensuring viability. They then played two carols.

22 PRESENTATION OF AWARD FOR LIFE-SAVING ACTIONS AT A LOCAL LEISURE CENTRE

The Chairman introduced Lady Agnew, High Sheriff of Norfolk, who was in attendance to present certificates to Fiona Wolstenhome, Charlotte Wolstenholme and Sonia Jaggard, in recognition of their actions in rescuing a young man who had become unconscious whilst swimming at a local leisure centre.

23 CHAIRMAN'S COMMUNICATIONS

The Chairman began by congratulating Cllr D Baker on becoming the Member of Parliament for North Norfolk. He also congratulated Cllr Liz Withington on her recent election as member for Sheringham North.

He then spoke with sadness about the recent death of former councillor, Henry Cordeaux. Mr Cordeaux, who had died on 30 October 2019, had been an elected member of the Council for over 20 years. During that time he had sat on 25 committees and 9 outside bodies. He asked that members observe a minutes silence in memory of Mr Cordeaux.

The Chairman then informed Members of his attendance at recent events:

20th November - memorial service at Templewood, Northrepps

25th November - National tree week launch

1st December - civic celebration and carol service at Cromer Parish Church

2nd December - service of Reflection at Norwich Cathedral

5th December – ‘at home’ reception at Kings Lynn Town Hall with the Mayor and his wife

6th December – first of several Norfolk Wildlife Trust, Chairman’s charity school events at Neatishead CE Primary School. Local ward member, Cllr Mancini-Boyle also attended this event and said that it was very enjoyable. The Chairman encouraged members to attend similar events that were being planned in schools across the District.

7th December – Mayor of Wisbech – port, cheese and wine evening.

9th December – civic carol concert and presentation of honorary freedom of the borough at Great Yarmouth Minster.

The Chairman concluded by reminding Members of the Council’s carol service on 19th December in the reception area.

24 LEADER'S ANNOUNCEMENTS

The Leader began by saying that she would like to thank all of the staff who had been involved in supporting the recent parliamentary election. Their hard work and professionalism was much appreciated. She then thanked the catering team for hosting the annual Christmas lunch. They had been ably assisted by the Property Services team and it had been a very enjoyable occasion.

The Leader then spoke about the capability review which had been commissioned earlier on in the year. It had been the subject of recent press reports and a Freedom of Information request and she said that she had been very disappointed that there had been a leak of information to the media whilst an investigation had been ongoing. The investigation had found that there had been no wrongdoing by staff and the Constitution Working Party and the Governance, Risk & Audit Committee

would be working with officers to review the procurement process going forward. She concluded by saying that the review had been commissioned to make sure that the new administration was able to act on their ambitions for the Council. Cabinet would not place on 6th January but there would be a special meeting of Council on 15th January 2020.

25 TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS

Cllr T Adams declared an interest in relation to agenda item 19: Notice of Motion – Public Fireworks Displays, stating that he served on the Fireworks Committee for Cromer Town Council.

26 APOLOGIES FOR ABSENCE

Apologies had been received from Cllrs D Baker, P Butikofer, N Dixon and K Ward.

27 MINUTES

The minutes of the meeting held on 20 November 2019 were agreed as a correct record and signed by the Chairman.

Cllr G Hayman referred to page 4 of the minutes and asked Cllr V FitzPatrick to confirm whether he had now received a response to his question. Cllr Fitzpatrick replied that he had but that it had not answered his query.

28 ITEMS OF URGENT BUSINESS

None.

29 PUBLIC QUESTIONS/STATEMENTS

Mr D Russell read out the following statement:

‘May I thank you Chairman for joining those at Templewood at Northrepps to remember the three young RAF Volunteer Reserve Airmen from 44 Squadron RAF Waddington who lost their lives in the service of this nation in the early hours of the morning 20 November 1940. Might I respectfully request that this Council send the relevant parts of the Chairman's report/ pictures to the families of the young men who lost their lives on that day. I know that it would mean so much to them to know that their loved ones are not forgotten. May I remind this Council that next year 2020 the 80th anniversary a special service of commemoration to mark this.

30 PORTFOLIO REPORTS

1. Cllr A Brown, Portfolio Holder for Planning, Planning Policy and Housing drew members' attention to the Local Plan Review consultation, which had received 900 responses from 400 consultees. However, only 15 parish councils had responded which was disappointing. He said that the responses would be collated and a summary document would be prepared for members.

Cllr Brown then spoke about the annual review of brownfield sites, with 10 being identified. These could potentially provide over 200 properties which could be fast-tracked.

Fifteen homes were being built in conjunction with Broadland Housing Association.

Regarding homelessness, Cllr Brown said that the Council was working with charities to try and identify triggers and potential causes to prevent it before it occurred.

He concluded by commending the Council's Housing team for setting up an Integrated Adaptations team.

2. The Leader, Cllr S Butikofer, said that she had two updates. Work was progressing well on the North Norfolk Information Centre in Cromer with a new visitor centre for the Deep History Coast Project being developed and new public toilet facilities. A soft launch was planned for early January. She then said that a recent Public Services Network (PSN) health check of the Council's IT systems, had resulted in positive comments from the inspection team.
3. Cllr A Fitch-Tillett, Portfolio Holder for Coast, said that the coastal team was working with local representatives and the Environment Agency to improve the ramp at Sea Palling to overcome issues with the launching of fishing vessels and the lifeboat. She then referred to recent seal deaths and thanked the Friends of Horsey Seals for their support in educating people about how to behave around seals and their pups. Cllr Fitch-Tillett concluded by reminding Members that there was no funding for coastal adaptation and she said that she hoped the newly elected MP for North Norfolk would campaign for this.
4. Cllr V Gay, Portfolio Holder for Arts & Culture, said that a full update on her portfolio had been circulated and that details of arts and community grants had been shared with Members. She added that there had been an attempt to spread grant funding geographically across the District.
5. Cllr G Hayman, Portfolio Holder for Commercialisation & Assets informed members that the tender documentation for the electric vehicle charging points (EVCP) had been issued on 29 November. The timescale was tight as the deadline for completion was March 2020. He went onto say that a condition survey was being undertaken on the Council's chalets. Cllr V FitzPatrick commented that there was no single standard for EVCP and asked whether the Council intended to provide a mix of different types. The Head of Paid Service (NB) replied that there was no common standard but that in order to 'future proof' the Council would be using the version recommended by the Government and they would all be the same.
6. Cllr R Kershaw, Portfolio Holder for Economic and Career Development, informed Members that a consultant had been appointed to undertake the work relating to the North Norfolk Growth Sites Delivery Strategy. He referred to the North Walsham High Street Heritage Action Zone Working Party and thanked officers for working to such a tight timescale.
7. Cllr N Lloyd, Portfolio Holder for Environment, updated members on funding for the installation of EV charging points. He said that the grant had been received and installation would be complete by the end of March 2020. He then informed members of the disbandment of the Norfolk Civil Protection Volunteers. He said that arrangements were being made to move the storage of rest centre equipment. He thanked all of the volunteers who had supported the Council and other organisations for so many years. Cllr J Rest asked when members would be informed about the new contractor for waste collection. He was advised that the successful bidder would be announced once the contract was signed.

8. Cllr E Seward, Portfolio Holder for Finance, informed Members that the business rates NHS appeal had been rejected by the High Court. This meant that 45 local authorities had been spared associated costs. He added that the Business Rates Pool would be reviewing the situation and the impact on the Pool as soon as possible.

31 RECOMMENDATIONS FROM CABINET 6TH DECEMBER 2019

Agenda Item 9: Fees and Charges 2020-2021

The Portfolio Holder for Finance, Cllr Seward, introduced this item. He recommended its approval to Members.

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

RESOLVED

- a) To approve the fees and charges from 1 April 2020 as included in Appendix A.
- b) That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required as outlined within the report

Agenda item 10: Treasury Management Half Yearly Report 2019 -2020

The Portfolio Holder for Finance, Cllr Seward, introduced this item. He recommended its approval to Members.

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

RESOLVED

1. That The Treasury Management Half Yearly Report 2019/20 is approved.
2. That the Council be asked to APPROVE changes to the Counterparty Limits.

Agenda Item 11: Medium term Financial Strategy

The Portfolio Holder for Finance, Cllr Seward, introduced this item. He explained that the strategy was the first stage in the budget setting process and had been through Cabinet and Overview & Scrutiny Committee.

It was proposed by Cllr E Seward, seconded by Cllr R Kershaw and

RESOLVED

To approve the revised reserves statement as included at Appendix 2 to the financial strategy.

32 RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 11TH DECEMBER 2019

The Vice-Chairman of the Overview & Scrutiny Committee, Cllr T Adams, informed Members that there were no recommendations to report.

33 NNDC RESPONSE TO NORFOLK COUNTY COUNCIL BOUNDARY REVIEW

Cllr E Seward, Deputy Leader, introduced this item. He explained that the Council had been invited to respond to the Local Government Boundary Commission for England's (LGBCE) review of Norfolk County Council divisions. It was proposed that the number of county councillors would remain at 84, but that there would be a reduction from 11 to 10 councillors within the North Norfolk district boundary. Where possible, County Council divisions would be made up of District Council wards.

Cllr Seward said that there were two proposals before Members – an officer proposal and a Cabinet proposal. For five divisions, Cabinet agreed with the officer proposals. However, there were some differences regarding the remaining divisions, which were outlined on pages 136 -137 of the report.

It was proposed by Cllr E Seward, seconded by Cllr R Kershaw and

RESOLVED

- a) That the District Council submits comments and proposals to the LGBCE at the initial stage in the process of developing new divisional boundaries as it relates to the North Norfolk District Council area of Norfolk County Council
- b) To support the submission of the Cabinet proposals (as outlined in the report) to the LGBCE.

Four members voted against the proposals, 1 Member abstained.

34 FORMATION OF THE INDEPENDENT REMUNERATION PANEL TO REVIEW THE MEMBERS' SCHEME OF ALLOWANCES

The Leader, Cllr S Butikofer, introduced this item. She explained that the Members' Scheme of Allowances needed to be reviewed in accordance with the requirements of the Local Authorities (Members Allowances) Regulations 2003. An independent panel must be convened to undertake the review and report its findings and recommendations to Full Council. Members were requested to make any representations to the Group Leaders by 10th January and the Democratic Services Manager would report them to the Panel. The Panel would report its findings and recommendations to the February meeting of Full Council.

It was proposed by Cllr S Butikofer, seconded by Cllr P Grove-Jones and

RESOLVED that

- (1) Members approve the convening of the Independent Remuneration Panel.
- (2) Members approve the Terms of Reference for the Independent Remuneration Panel.
- (3) Any representations that Members wish the Independent Remuneration Panel to take into consideration should be made in writing through the Group Leaders, to the Democratic Services Manager, by 10th January 2020.

(4) The Independent Remuneration Panel reports its findings and recommendations for consideration by Full Council at its meeting in February 2020.

(5) Members resolve to delegate to the Democratic Services Manager the appointment of the individual members to the Independent Remuneration Panel.

35 DRAFT PROGRAMME OF MEETINGS 2020-2021

Cllr S Butikofer, Leader of the Council, introduced this item. She explained that the schedule of meetings was approved on an annual basis and several factors had been taken into consideration before finalising dates of meetings.

RESOLVED

To adopt the Programme of Meetings for 2020-21.

36 QUESTIONS RECEIVED FROM MEMBERS

The following question had been submitted by Cllr N Housden:

To Cllr Rest - Chairman of GRAC.

'Are there any updates on the Audit Reports being prepared on Sheringham Splash and aborted proposals at Egmere?'

Cllr Rest thanked Cllr Housden for his question. He said that the draft report for the Sheringham Leisure Centre project (Splash) been prepared and shared with the Strategic Leadership Team (SLT). The final report would go to Full Council in March having been to Governance, Risk & Audit Committee first.

Regarding the Egmere Business Zone, due to the complexity of this project, the process had been more challenging, however, Cllr Rest has been assured that the report would be ready by the end of March 2020.

37 OPPOSITION BUSINESS

None

38 NOTICE(S) OF MOTION

The following Notices of Motion had been received:

1. Public Firework Displays

Proposed by Cllr John Rest, seconded by Cllr Nigel Housden

This Council resolves:

- To require all public firework displays within the local authority boundaries to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people.
- To actively promote a public awareness campaign about the impact of fireworks on animal welfare and vulnerable people-including the precautions

- that can be taken to mitigate risks.
- To encourage local suppliers of fireworks to stock 'quieter' fireworks for public display (as currently used in Italy and France)

Fireworks are used by people throughout the year to mark different events. While they can bring much enjoyment to some people, they can cause significant problems and fear for other people and animals.

They can be a source of fear and distress for many animals (including pet animals, farm livestock and wildlife). Animals affected not only suffer psychological distress but can also cause themselves injuries, sometimes very serious ones, as they attempt to run away or hide from the noise

The unpredictable loud and high intensity noises that many fireworks make can cause fear. For example studies have found fireworks to be the most common causes of fear in dogs according to the (Applied Animals Behaviour Science) 45% of dogs show signs of fear when they hear fireworks.

Debris produced by fireworks, if found on the ground, can also pose a hazard to animals such as horses, farm animals and wildlife.

The short lived nature of firework noise can make it difficult for the police or local authority officers to pinpoint locations and take action. In fact the RSPCA believes that a licensing system would help with better enforcement by allowing enforcement bodies to know where licensed events are being held.

There is a real need to raise awareness amongst owners of animals and the general public about firework phobia. This phobia can be treated (in dogs at least) in the long term, if owners prepare themselves and their pets sooner rather than just before the fireworks are let off.

This motion is NOT intended to deter properly authorised public firework displays from going ahead. We would like to thank the RSPCA for some of the content in this motion.

Cllr Rest introduced the motion and explained that it was supported by the RSPCA and Grove Veterinary Clinic in Fakenham.

The Chairman invited Members to comment:

1. Cllr A Fitch-Tillett said that she wholeheartedly supported the motion. She had previously been involved in the successful campaign to ban balloons and Chinese lanterns. The use of fireworks should be limited to 5th November, public holidays and New Year. In addition to the distress caused to animals there was also significant damage to the environment through litter.
2. Cllr T Adams said that he understood the reasons behind the motion, however, he felt that he could not support it. He said that he had looked into it and had been advised by officers that it was not something that could be regulated and there were no resources available to monitor firework displays. In addition, there were no powers to act if any requirements were not abided by. He said that he accepted that more could be done to limit the impact of firework displays – particularly on animals, in the same way that the plastic beach rings and Frisbees could

be reduced. He concluded by saying that he suggested the use of social media to encourage friendly firework displays.

3. Cllr G Perry-Warnes proposed that the first resolution should be amended to read 'require to *advise* all public firework displays to be advertised' and that the word 'actively' should be removed from the second resolution.

The Monitoring Officer advised Members that they could refer the motion to the Licensing & Appeals Committee for consideration. The Committee could then explore the options available for monitoring and overseeing firework displays.

It was proposed by Cllr T Adams, seconded by Cllr A Fitch-Tillett and

RESOLVED

To refer the above motion to the Licensing & Appeals committee for consideration and reporting back to Full Council with findings and recommendations.

Cllr J Rest abstained.

2. Adoption of the International Holocaust Remembrance Alliance

Proposed by Cllr G Mancini-Boyle, seconded by Cllr T FitzPatrick

'That this council accepts the request from the Ministry of Housing and Local Government (letter attached) to adopt the following non legally binding working definition of anti-semitism:'

'Anti-semitism is a certain perception of Jews, which may be expressed as hatred towards Jews. Rhetorical and physical manifestations of anti-semitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities'.

Cllr Mancini-Boyle proposed that the motion was adopted as stated. Cllr Fitzpatrick reserved hi right to speak.

The Chairman invited Members to comment:

1. Cllr E Seward thanked Cllr Mancini-Boyle for bring the motion forward. He said that as we approached the 75th anniversary of the second world war ending and the discovery of the concentration camps, it was shocking that Members were even debating anti-semitism. He said that a climate of aggressive behaviour and loose remarks led to abuse and it was not surprising that this ultimately led to hatred because of religion. Cllr Seward said that the Council's Diversity & Equality Policy had not been reviewed since 2006 and he proposed that the Overview & Scrutiny Committee considered the motion, together with the policy so that it could be updated and reviewed accordingly. He concluded by saying that it was easy to point fingers and ignore challenging decisions and now was the time to stand firm.
2. Cllr S Butikofer said that she supported the motion but felt that it needed to go further. It was not just about Jewish people but anyone affected by hatred and aggression due to their beliefs. She said that she seconded Cllr Seward's proposal to refer the motion to Overview & Scrutiny

Committee for further work to be undertaken. She concluded by saying that she was appalled by the recent comments by some parliamentary candidates about refugees.

3. Cllr T FitzPatrick said that he accepted the points about wider issues, however, the motion as it stood had been adopted by local authorities and other organisations across the country. He said that anti-semitism was the oldest form of racism and that this was not just about religion but about race. He said that the Council was being asked to adopt the non-binding definition at the current meeting. It was important that Members showed leadership in this. He was supportive of the Overview & Scrutiny Committee reviewing the Diversity & Equality Policy but this should not prevent the motion from being supported now.

Cllr Mancini-Boyle agreed to accept the amendment.

It was proposed by Cllr G Mancini-Boyle, seconded by Cllr T FitzPatrick and

RESOLVED

1. To adopt the definition as outlined in the motion
2. To request that the Overview & Scrutiny Committee reviews the Council's Diversity and Equality Policy

3. Support for the Local Electricity Bill and community-scale renewable energy

Proposed by Cllr N Lloyd, seconded by Cllr S Butikofer:

That North Norfolk District Council

(i) acknowledges the efforts that this council has made to reduce greenhouse gas emissions and promote renewable energy;

(ii) recognises that councils can play a central role in creating sustainable communities, particularly through the provision of locally generated renewable electricity;

(iii) further recognises

- that very large financial setup and running costs involved in selling locally generated renewable electricity to local customers result in it being impossible for local renewable electricity generators to do so,
- that making these financial costs proportionate to the scale of a renewable electricity supplier's operation would create significant opportunities for councils to be providers of locally generated renewable electricity directly to local people, businesses and organisations, and
- that revenues received by councils that became local renewable electricity providers could be used to help fund local greenhouse gas emissions reduction measures and to help improve local services and facilities;

(iv) accordingly resolves to support the Local Electricity Bill, currently supported

by a cross-party group of 115 MPs, and which, if made law, would make the setup and running costs of selling renewable electricity to local customers proportionate by establishing a Right to Local Supply; and

(v) further resolves to

- inform the local media of this decision,
- write to local MPs, asking them to support the Bill, and
- write to the organisers of the campaign for the Bill, Power for People, (at [8 Delancey Passage, Camden, London NW1 7NN](https://www.powerforpeople.org.uk) or info@powerforpeople.org.uk) expressing its support.

Cllr Lloyd said that one of the most significant causes of climate change was mankind's reliance on fossil fuels. The Council understood this and believed the science behind climate change and was working towards a carbon neutral position by 2030. An important tool in combating increasing CO2 levels was by replacing fossil fuels with renewable energy sources.

However, community-scale renewable energy was being blocked by unfair regulations and hugely disproportionate costs. So lots of renewables that could and should be being built were not. He concluded by saying that if the Local Electricity Bill was made law it would give community-scale renewable energy a massive boost by enabling local generators to sell their energy to local people.

Cllr S Butikofer, in seconding the motion, said that there was wide cross-party support from a number of MPs for the Bill and support for the motion would help lobby for change and push for regulation.

It was proposed by Cllr N Lloyd, seconded by Cllr S Butikofer and

RESOLVED

(i) To acknowledge the efforts that this council has made to reduce greenhouse gas emissions and promote renewable energy;

(ii) to recognise that councils can play a central role in creating sustainable communities, particularly through the provision of locally generated renewable electricity;

(iii) to further recognise

- that very large financial setup and running costs involved in selling locally generated renewable electricity to local customers result in it being impossible for local renewable electricity generators to do so,
- that making these financial costs proportionate to the scale of a renewable electricity supplier's operation would create significant opportunities for councils to be providers of locally generated renewable electricity directly to local people, businesses and organisations, and
- that revenues received by councils that became local renewable electricity

providers could be used to help fund local greenhouse gas emissions reduction measures and to help improve local services and facilities;

(iv) accordingly resolves to support the Local Electricity Bill, currently supported by a cross-party group of 115 MPs, and which, if made law, would make the setup and running costs of selling renewable electricity to local customers proportionate by establishing a Right to Local Supply; and

(v) further resolves to

- inform the local media of this decision,
- write to local MPs, asking them to support the Bill, and
- write to the organisers of the campaign for the Bill, Power for People, (at [8 Delancey Passage, Camden, London NW1 7NN](https://www.powerforpeople.org.uk) or info@powerforpeople.org.uk) expressing its support.

39 EXCLUSION OF PRESS AND PUBLIC

40 PRIVATE BUSINESS

The meeting ended at 7.25 pm.

Chairman

Council
RECORDED VOTE

15 January 2020 – Extraordinary Meeting

Agenda item:

Name	Signature	Name	Signature
ADAMS, T	✓	HOUSDEN, N	✓
BAKER, D	X	KERSHAW, R	✓
BEVAN JONES, P	✓	LLOYD, N	✓
BIRCH, D	✓	MANCINI-BOYLE, G	X
BLATHWAYT, H	✓	MILLERSHIP, M	✓
BROWN, A	✓	PEARCE, N	✓
BUTIKOFER, P	✓	PENFOLD, S	APOLOGIES
BUTIKOFER, S	✓	PERRY-WARNES, G	✓
CUSHING, C	X	PUNCHARD, J	APOLOGIES
DIXON, N	X	REST, J	✓
FISHER, P	✓	SEWARD, E	✓
FITCH-TILLET, A	✓	SHIRES, L	✓
FITZPATRICK, T	X	SPAGNOLA, E	✓
FITZPATRICK, V	X	STENTON, J	Not present
FREDERICKS, W	✓	STOCKTON, C	✓
GAY, V	✓	TOYE, J	APOLOGIES
GROVE-JONES, P	✓	VARLEY, A	✓
HAYMAN, G	APOLOGIES	WARD, K	✓
HEININK, C	✓	WITHINGTON, E	✓
HEINRICH, P	✓	YIASIMI, A	Not present

This page is intentionally left blank

Council
RECORDED VOTE

15 January 2020 – Extraordinary Meeting

Agenda item:

Name	Signature	Name	Signature
ADAMS, T	✓	HOUSDEN, N	✓
BAKER, D	X	KERSHAW, R	✓
BEVAN JONES, P	✓	LLOYD, N	✓
BIRCH, D	✓	MANCINI-BOYLE, G	X
BLATHWAYT, H	✓	MILLERSHIP, M	✓
BROWN, A	✓	PEARCE, N	✓
BUTIKOFER, P	✓	PENFOLD, S	APOLOGIES
BUTIKOFER, S	✓	PERRY-WARNES, G	✓
CUSHING, C	X	PUNCHARD, J	APOLOGIES
DIXON, N	X	REST, J	✓
FISHER, P	✓	SEWARD, E	✓
FITCH-TILLET, A	✓	SHIRES, L	✓
FITZPATRICK, T	X	SPAGNOLA, E	✓
FITZPATRICK, V	X	STENTON, J	Not present
FREDERICKS, W	✓	STOCKTON, C	✓
GAY, V	✓	TOYE, J	APOLOGIES
GROVE-JONES, P	✓	VARLEY, A	✓
HAYMAN, G	APOLOGIES	WARD, K	✓
HEININK, C	✓	WITHINGTON, E	✓
HEINRICH, P	✓	YIASIMI, A	Not present

This page is intentionally left blank

BUDGET AND COUNCIL TAX 2020/21

- Summary: This report presents for approval the budget for 2020/21 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2020/21. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.
- Options considered: It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 3 February 2020.
- Conclusions: It is the opinion of the Council's Chief Financial Officer that the budget for 2020/21 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.
- Recommendations: That having considered the Chief Financial Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves, the following be approved:
- 1) The 2020/21 revenue budget as outlined at Appendix A within this report;
 - 2) The surplus of £2,379,266 be transferred to the Delivery Plan Reserve;
 - 3) An additional £50,000 to be released from the Communities Reserve to support the North Norfolk Sustainable Communities Fund;
 - 4) An additional £33,000 to be released from the Communities Reserve to support the Community Transport Fund;
 - 5) The transfer of £150,000 from the Environmental Health Reserve to the newly created Environment Reserve;
 - 6) A sum of £9,000 is released from the General Fund Reserve to fund the purchase of beach wheelchairs;
 - 7) The statement of and movement on the reserves as detailed at Appendix C within this report;
 - 8) The updated Capital Programme and financing for 2019/20 to 2022/23 (as detailed at Appendix E1 within the 2020/21 Budget Report - February 2020 Cabinet Agenda);
 - 9) The new capital bids recommended for approval (as detailed within appendix E2 within the 2020/21 Budget Report - February 2020 Cabinet Agenda);
 - 10) That Members note the current financial projections for the period 2021/22 to 2023/24;

- 11) The Policy Framework for the Earmarked Reserves and the Optimum Level of the General Reserve 2020/21 to 2023/24 (Appendix B within this report);
- 12) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2020/21;
- 13) The demand on the Collection Fund for 2020/21 is as follows:
 - a. £6,305,671 for District purposes
 - b. £2,520,143 for Parish/Town Precepts;
 This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property;
- 14) It is recommended to Full Council that the Rate Relief Policy is revised to include these new reliefs as set out at section 4.10 and;
- 15) It is recommended that the Council continues with the current Local Council Tax Support (LCTS) scheme for 2020/21 as outlined within the 2020/21 Budget Report - February 2020 Cabinet Agenda whereby those of working age previously entitled to 100% maximum council tax benefit are required to pay a minimum of 8.5% of their council tax liability.

Reasons for Recommendations:

To approve the 2020/21 budget for revenue and capital and to make the statutory calculations in respect of the 2020/21 Council Tax.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

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

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

1. Introduction

- 1.1 This report presents for approval the General Fund revenue and capital budgets along with the Council Tax for 2020/21. It also presents for information only the current budget projections for the following three years 2021/22 to 2023/24.
- 1.2 A draft 2020/21 budget review report was provided to the Overview and Scrutiny Committee for pre-scrutiny at their meeting of 15 January. Following this the budget for 2020/21, along with detailed projections for the following three financial years, were recommended by Cabinet on 3 February 2020. For clarification, the recommendations within this report make reference to those included with the Cabinet agenda and amended as applicable.
- 1.3 This report includes the updated position for the 2020/21 budget and future projections. The new Corporate Plan and Delivery Plan have now been approved and a new 'Delivery Plan' reserve established to help finance some of this additional work. Work is ongoing to align budgets with the Corporate Plan vision and outcomes and this will feed in to the next update of the Medium Term Financial Strategy (MTFS) and future year's budget forecasts.

2. 2020/21 Budget

- 2.1 The provisional local government finance settlement was announced on 20 December 2019. The final settlement announcement made on 6 February 2020 and confirmed the details contained within the provisional settlement as included within the Cabinet report.
- 2.2 The budget has been updated to reflect the final parish precepts received. The amount of all precepts has now been confirmed, with the exception of that for Witton and Ridlington Parish Council, which is currently an estimate.
- 2.3 It should be noted that as the billing authority, the setting of the parish precepts will have an impact on the total billed amount although not on the element which represents the District Council. This means the total District amount billed for an average Band D for 2020/21 will be £215.66 (see para 4.6), comprising District element £153.72 and parish element of £61.94.
- 2.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the following matters:
 - the robustness of the estimates made for the purpose of the budget calculations and
 - the adequacy of the proposed financial reserves.
- 2.5 This is provided in section 3 of the report.
- 2.6 This year as a countywide initiative we have been trying to maximise the benefit of the business rates pilot which sees our share increase from 40% to 42.5% and Norfolk County Council's share increase from 10% to 32.5%, with the central government share reducing from 50% to 25% to compensate as shown below;

50% Scheme 75% Scheme (Pilot)

Central Government	50%	25.0%
Districts	40%	42.5%
County	10%	32.5%

- 2.7 One area which we agreed to explore collectively was that of provisions within the Collection Fund relating to Business Rates. Every year we all set aside a certain amount to cover potential appeals against both the 2010 and 2017 rating lists which effectively ties up a proportion of business rates income in order to cover future potential losses. We agreed countywide to try and come up with a consistent approach and methodology to calculating the level of this provision.
- 2.8 When setting aside income to cover losses against the 2017 rating list, problems have been created given the lack of information regarding this list and the low numbers of appeals actually being received. As a result, many Councils are overproviding; meaning less income is making its way into the Council's budget and more is remaining caught in the provision.
- 2.9 This is an issue that has been highlighted nationally as part of the initial consultation on the new Business Rates system as there is recognition that all of these individually held provisions are tying up billions of pounds nationally, leading for calls for a centrally held provision for business rates appeals.
- 2.10 The decision was therefore taken to standardise processes across Norfolk, with the assistance of LG Futures, with a view to releasing some of this income and developing a more robust method of calculating this provision. As Norfolk is currently a 75% retention pilot area, this has resulted in extra gain coming to the District and County Council to reflect the current increased share retained locally.
- 2.11 The final report was completed by LG Futures at the beginning of February and the finance team completed our individual impact and assessment calculations on 14 February. The reasons for the timing are a result of;
- Needing to wait until the forecast figures for the NNDR1 were available at the end of January 2020;
 - Identifying and engaging a suitable consultant to support;
 - Creating a new model for consideration;
 - Gaining agreement from all parties on the new model;
 - Understanding the impact of the new model both individually and collectively.
- 2.12 Under the old method of calculation we used to set aside 4.8% of Gross Rates Payable, the new method uses 3% of Net Rates Payable. This is the methodology recommended to us by LG Futures, we would not have been able to estimate the effect on the Collection Fund until we had seen their model and all parties in Norfolk agreed they were happy with it.
- 2.13 This change has seen extra **one-off** income released into the General Fund for NNDC of £1.9m in total (£1.3m gain with an additional £0.6m due to being part of the pilot). There is also a further c£0.2m due to the redistribution of the surplus on the Collection Fund and some additional growth **which results in the additional one-off release of £2.1m**. Due to this being a change to a provision the Council will only benefit from this additional income once and will not be able to rely on this as base funding in future years.

- 2.14 The total benefit of this change to District Councils across the area amounts to £8.5m, £2.8m of which is a direct result of being part of the pilot. This does not include any extra rates we expect to retain from the pilot scheme, this is all new additional benefit.
- 2.15 There were significantly different impacts across the district, with some authorities not benefitting at all from the changes (in the main due to having far smaller provisions in the first place) to gains of over c£3m, so trying to estimate any potential impact before the work was completed would have been incredibly difficult.
- 2.16 This change will still leave an appeals provision within the Collection Fund of c£1.6m and c£1.8m within the Business Rates reserve which continues to provide adequate cover in terms of potential appeals.
- 2.17 It is therefore recommended that this additional one-off income is allocated to the Delivery Plan reserve to support the new Corporate Plan objectives.

3. Chief Financial Officer's Report

The Robustness of the Estimates

- 3.1 This section of the report provides a commentary on the robustness of the estimates now presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2020/21.
- 3.2 The framework within which the budget for 2020/21 has been constructed is similar to that of previous years and takes into account the following:
- a) Previous financial year out-turn position (2018/19) (3.3)
 - b) Financial Strategy 2020/21 to 2023/24 (3.4)
 - c) In-year budget monitoring and associated reports (3.10)
 - d) Cash flow monitoring (3.13)
- 3.3 The outturn position for 2018/19 was reported to Members in June 2019. The outturn position is used to update the financial planning process and establishes the baseline for the current estimates by reflecting significant movements against the current position and those which will have an on-going impact on the future financial position of the Council.
- 3.4 The financial planning process is well established and starts each year with the production of the updated Financial Strategy, which includes high level financial projections for the medium term. The Financial Strategy was presented to and recommended by Members in December 2019.
- 3.5 This planning process includes the critical examination and challenge of the expenditure and income on existing services and seeks to identify changed priorities in service delivery and planned future developments, in line with the Corporate Plan and in response to both local and national pressures. It also identifies changes to spending plans and income projections as a result of local and national factors for example legislative changes, local economic factors and changes in demand. These are also informed by the previous year's outturn position and the current year's budget monitoring projections.
- 3.6 As the devolution deal was rejected locally no further work is ongoing in respect of this and no changes have been factored into the budget or future year projections as a

result. The Unitary issue will undoubtedly be discussed further again in the future now that devolution is no longer on the agenda and officers will keep a watching brief in respect of this but at present no budgetary impact is being assumed.

- 3.7 It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves should any issues arise. While the UK technically left the EU on 31 January 2020 the transition period will now run until 31 December 2020 during which time the UK will continue to negotiate with the EU regarding future relationships. A 'no deal' Brexit is however still a possibility at this point in time.
- 3.8 The financial forecast highlights the more significant budget movements in preparation for producing the full detailed budget for the forthcoming year. At the same time the anticipated level of future external Government funding is reviewed along with the latest forecast of Council Tax income and New Homes Bonus funding based on current tax base and planning data.
- 3.9 By consolidating the financial forecasts, the Financial Strategy seeks to identify future estimated budget requirements and funding shortfalls at an early stage of the annual budget process to enable preparation and planning beyond the short term. It also highlights work streams that will commence prior to the start of the following financial year that will support delivery of a sustainable budget for the Council in the medium term.
- 3.10 In Year Budget Monitoring – The budget monitoring process is carried out throughout the year with all expenditure and income being monitored on a monthly basis. Not only does this provide an essential tool for ensuring that the current year's budget is achievable, but it is also fundamental in ensuring that the most up to date information is incorporated into the future budget and projections taking into account where budget pressures and additional income/ savings are highlighted during the year.
- 3.11 The regular budget monitoring is used to inform the annual financial planning and budget process of changes that will have an on-going financial impact in future years, as opposed to having only a one-off implication in the current financial year.
- 3.12 As part of the budget monitoring process, monthly variance reports are provided to budget managers and regular reports presented to Cabinet and Overview and Scrutiny Committee detailing the latest projected outturn position for the current year. Regular reviews of expenditure and commitments to date, along with income streams, are carried out to ensure that overspends or shortfalls in income are identified at the earliest opportunity and reported to the Strategic Leadership Team (SLT) and Members along with recommended action plans to ensure that the Council's overall budget can be met.
- 3.13 Cash Flow Monitoring – there have been no cashflow issues during the year, borrowing requirements will need to be reviewed and assessed as the new Splash leisure pool in Sheringham continues to be developed and in terms of financing the purchase of the new waste contract vehicles. External borrowing of £13.5m (£9m Splash and £4.5m waste vehicles) is currently anticipated over the next two years (£11.9m 20/21 and £1.6m 21/22) in relation to these schemes. However, no borrowing in relation to these projects has yet been undertaken, this will be a treasury decision taken at the time the funding is required and will be based on maximising best value for council tax payers. Sufficient liquidity is generally maintained to cover day to day cash requirements. The

cash flow position of the Council is monitored on a daily basis and managed within the Treasury Management Strategy which is approved alongside the budget each year. Monitoring of the treasury position is included within the in-year budget monitoring reports in addition to the half-yearly Treasury Management report.

- 3.14 Budgets are prepared using the best information that is available to the Council from its own sources ie budget holders and service managers and from external advisors for example the Council's treasury advisors, Arlingclose. However, many budgets are related to factors that fall outside the control of the Council, for example pay awards, demand led income levels, inflation and interest rates, and all can have a significant impact on the Council's overall budget and financial position both in the current and future years. Forecasting for these areas requires an examination of recent trends as well as assimilating future projections from known factors.
- 3.15 There are a number of financial risks facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, a number of key areas within the budget need to be closely monitored in the coming financial year, these include:
- a) **Car park income** –This area generates income for the Council which in turn supports the delivery of other services across the Council. With being a demand led service which is influenced by external factors this service is regularly monitored. The 2020/21 budget assumes gross income of £2.7m from all car parking related fees and charges.
 - b) **Planning and building control fees** – The 2020/21 base budget includes income totalling approximately £1.2m from planning and building control fees, this too is subject to external demands and is monitored regularly to highlight any significant fluctuations against the budget.
 - c) **Waste fee income and recycling credits** – This is a significant source of income to the Council and reflects the activity across the District in recycling domestic refuse and commercial waste. A total of £3.4m is included in the 2020/21 base budget.
 - d) **Planned Savings and Additional Income** – The Council is continuing to deliver against a number of workstreams that are continuing to deliver service improvements and cashable savings over the short to medium term. Achievement of the savings are monitored during the year as part of the budget monitoring process. Savings and additional income of £577k have been included in the budget for 2020/21 onwards.
 - e) **Council Tax Support** – The Local Council Tax Support Scheme (LCTSS) was implemented from April 2013; whilst there have been no changes to the Council's scheme for 2020/21, there still remains a risk of increases in the number of those eligible for Council Tax Support and the ability to collect Council Tax.
 - f) **Future Funding** – There is a continued shift from central government support from Revenue Support Grant to local funding from retained business rate (Baseline Funding), and Council Tax. Revenue Support Grant was anticipated to be completely removed from 2020/21, however due to the ongoing Brexit negotiations a one-year settlement was announced which saw this, along with a number of other funding streams, inflated and rolled forward for a further year which was good news in terms of achieving a balanced budget position for the next financial year but still provides no certainty about future year's resource

allocations. Due to this delay the outcome of the Fair Funding Review and Localisation of Business Rates are as yet still unknown and will undoubtedly have a significant impact on future funding, the full extent of which is not clear at the present time. Further consultation regarding these areas is expected early this year.

- g) **Spending Review (SR)** - The Spending Review is undertaken by HM Treasury to set Government department expenditure limits. Spending reviews ensure that departmental plans fit within the total spending limits that Government can afford while also setting out the vision for the country and the policies which will support it. The review represents the choices available between the different priorities and helps to allocate resources in the most appropriate way. Spending Reviews normally cover a four year period, however as mentioned above, the impact of Brexit has resulted in a one year settlement announcement and the review covering the 2021/22 financial year is now expected to be undertaken later this year and should cover the period through until 2024/25. This process will impact on the amount of funding available to the local government sector and it turn to the Council.
- h) **Business Rates Retention** – The implications of this system of funding are that the income from the Council's share of the business rates will fluctuate in-year and between years. The budget has been informed by the shares of the income as specified in the National Non Domestic Rate 1 (NNDR) return submitted for 2020/21. The actuals for 2020/21 will not be confirmed until the annual NNDR3 return is completed by the end of April 2020. The extension and increase of the small business rate relief and reintroduction of pub relief continues to be funded by a section 31 grant for the amount of income foregone by providing the reliefs; the actual income will fluctuate in the year as changes in eligibility change. In terms of appeals against the previous 2010 list and also the new 2017 list, the Valuation Office Agency (VOA) have undertaken a revaluation exercise to review the previous 2010 ratings list. The new rateable values were introduced from April 2017 but unfortunately there are still outstanding appeals against the 2010 list and there will now be a new set of appeals against the new 2017 list. The VOA have introduced a new appeals system from 2017 and due to this and a back log of work the Council still has very little information about the level of appeals against the new list which represents a financial risk to the Council. The initial ruling in respect of the NHS case has been found in favour of Local Government which is extremely good news, the claimants have until 24 February 2020 to appeal the decision but at present things are looking positive.
- i) **New Homes Bonus (NHB)** – The one-year settlement confirmed the continuing allocation of the 2020/21 New Homes Bonus grant at £892k. This is very positive news as the 2019/20 budget projections had assumed that we would lose all of this funding. The current projections also assume that we will still receive legacy payments for NHB whereas we'd previously been working on the assumption that the payments would all cease at the end of 2019/20. The payments are now forecast to end in 2022/23 which means nearly £2m of funding which we weren't expecting.

A part of the settlement announcement this month central government have confirmed that consultation on a replacement for the NHB funding will commence later this Spring.

- j) **Investment Returns** – In recent years investment income has been significantly reduced as a consequence of the prolonged period of low interest rates which look likely to continue well into 2020 and beyond. The Treasury Management Strategy for 2020/21, as reported to Cabinet in February 2020, anticipates a return of 3.3% will be achieved in 2020/21. The investment income budget includes interest on loans made to housing associations, investments in various pooled funds (including the Local Authorities Mutual Investment Trust (LAMIT) pooled property fund), covered bonds and term deposits.
 - k) **Waste contract** – The new waste contract has been successfully procured and will commence from April 2020. The budget has therefore been updated to reflect the new contract prices for all waste, cleansing and grounds maintenance services.
 - l) **Employee budgets** – The budget has been updated to take account of the national pay review and annual increments and assumes a 2% pay award. As a guide a 0.5% sensitivity to the pay award equates to approximately £54k per annum. An allowance has been made to reflect vacancy savings of 2% as in previous years.
 - m) **Brexit/world politics** – It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves.
- 3.16 Looking beyond 2020/21, the financial projections included in the budget report indicate that further savings will have to be made; this is based on the assumptions about the future level of funding as included in the finance settlement. The financial projections show a budget deficit of around £2m in future years.
- 3.17 The capital programme continues to be funded from a number of external and internal resources, for example, capital receipts from the sale of assets, preserved right to buy receipts, the VAT shelter arrangements and where applicable future capital schemes from borrowing. In both cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme.
- 3.18 Budget monitoring throughout the financial year is critical to the robustness of the estimates and maintaining a sound financial position. It is through the ability to manage and control the spending within the approved budgets and, where appropriate, identify and recommend appropriate actions, which serves to mitigate the Council's level of financial risk.
- 3.19 Throughout the process of preparing the Council's budget there is involvement of the Elected Members through Officer/Member meetings and reports to Cabinet and Overview and Scrutiny Committee. This includes both budget monitoring reports during the year and the Medium Term Financial Strategy (MTFS) report.
- 3.20 The Council also takes advice from third party organisations concerning a number of more technical factors that impact on the budget process, for example external advice in relation to treasury management, VAT and insurance. By doing so the Council is able to monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

Adequacy of the Reserves

- 3.21 An assessment of the adequacy of the reserves, estimated to be available to the Council throughout 2020/21 is based on the possible commitments falling to be discharged against the following categories of reserves:
- General Reserve
 - Earmarked Reserves.
- 3.22 Where there is budgeted expenditure to be funded from a reserve (earmarked or general) these will be allowed for within the reserves statement.
- 3.23 There are three main reasons for holding reserves:
- a) as a contingency to cushion the impact of unexpected events or emergencies;
 - b) to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
 - c) as a means of building up funds to meet known or predicted liabilities (earmarked reserves).
- 3.24 Reviewing the reserves is well established within the financial planning and budget setting process and is informed by the framework as set out in Appendix B to this report. An updated reserve statement is included at Appendix C to this report.
- 3.25 When assessing the level of reserves the Council should take account of strategic, operational and financial risks facing them.
- 3.26 In particular, the risks associated with the Local Government funding mechanisms, for example the Fair Funding Review and the retention of business rates, continue to be a risk for Local Authorities. The system now means there will be fluctuations of income in year and between years, an element of this risk is mitigated by the earmarked reserve which was established for this purpose. It is also anticipated that there will be a number of appeals against the new rating list introduced from April 2017 following the national revaluation process as outlined above. Consultation in relation to how the new revised scheme will operate is ongoing.
- 3.27 Other income streams from demand led services remain vulnerable both from economic factors and seasonal factors including weather that can influence for example car parking income. Steps have been taken to set prudent estimates of income from these services as appropriate but the activity that drives the income remains difficult to predict.
- 3.28 The programme of savings identified as part of previous years financial planning and budget processes are set to continue throughout 2020/21 along with a number of new savings.
- 3.29 The revised assessment of the General Reserve for 2020/21 and forward years, is only marginally different from the current minimum balance so the recommendation is to maintain the provision at £1.9m (£1.9m 2019/20) for 2020/21. This represents 10.1% (10.3% 2019/20) of the net budgeted operating expenditure (excluding parish precepts). The actual level of the General Reserve at the end of the 2020/21 financial year is estimated to be just under £2.2m (£1.9m 2019/20).
- 3.30 Earmarked reserves are estimated to total around £9.5m by the end of the 2020/21 financial year (£13m 2019/20). The main components of this total are the Capital Projects reserve, Benefits reserve, Broadband reserve, Business Rates reserve, Communities reserve, Housing reserve, Property Investment Fund reserve and the Restructuring/Invest to Save reserve. These reserves, along with all the other

earmarked reserves have been reviewed against the framework in Appendix B, as decisions are made on the utilisation of these reserve, the overall reserves position and projections will be updated accordingly.

- 3.31 A new 'Delivery Plan' reserve has been established to help support the achievement of the objectives contained within the new Corporate Plan and the Delivery Plan and this could be further supplemented from any additional business rates pilot gain which might be achieved at the end of the 2019/20 financial year as this has not yet been taken account of as (assuming that there is a positive gain) but this will be considered further as part of the outturn report in June. Work is ongoing to align budgets with the Corporate Plan vision and outcomes and this will feed in to the next update of the Medium Term Financial Strategy (MTFS) and future year's budget forecasts.
- 3.32 The Capital Projects reserve provides the funds for major asset purchases or other capital developments. It is supported by the VAT shelter receipts following the Large Scale Voluntary Transfer (LSVT) of the councils housing stock in 2006.
- 3.33 The Council holds an Earmarked reserve for Benefits. The council has budgeted to spend just under £22m on housing benefits in 2020/21, although one hundred percent of this is budgeted to be recovered through subsidy claims to the Department for Works and Pensions (DWP). These claims are subject to external audit, as a result of which adjustments may be required. Due to the significant value of the claims as little as a 2% adjustment would require a claw back of £440k. Any adjustments would be mitigated by a transfer from this reserve.
- 3.34 The Restructuring/Invest to Save reserve is held to provide one-off funding for projects and schemes that will deliver longer-term savings and efficiencies to the Council, for example the Business Transformation projects.
- 3.35 All of the earmarked reserves follow the protocol at paragraph 2.2 of the Policy Framework at Appendix B to this report.

Summary

- 3.36 In the opinion of the Chief Financial Officer the overall budgeted level of both the General Reserve and the Earmarked Reserves shown in Appendix C are considered adequate in the short term. The General Reserve balance (£2.2m) is forecast to be over that of the recommended balance (£1.9m), all reserves will be subject to further annual review in 2020/21.
- 3.37 When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and also the identified risks in relation to the revenue and capital budgets presented for approval.

4. COUNCIL TAX SETTING FOR 2020/21

- 4.1 The following pages represent the information required for Members to set the Council Tax for the year commencing 1 April 2020.
- 4.2 Norfolk County Council met on the 17th February 2020 and agreed to increase the Council Tax by 3.99%. The Norfolk Police and Crime Panel met on the 4th February 2020 and agreed the Norfolk Police and Crime Commissioner's proposals for a 3.95% increase in Council Tax. The figures used in this report are based on the assumption

that there will be a £4.95 increase for North Norfolk District Council (excluding town and parish council precepts), £54.27 for Norfolk County Council, and a £9.99 increase for the Norfolk Police & Crime Commissioner.

- 4.3 The Localism Act 2011 makes provision for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State. These excessiveness principles are set each year and the Secretary of State has decided that for 2020/21 an increase above the amount for 2019/20 will be excessive, and a referendum must be held, in the following circumstances; for Norfolk County Council if the increase is 2% or more with a further 2% precept for adult social care); for the Norfolk Police and Crime Commissioner if the increase is more than £10 or 2%; and for North Norfolk District Council if the increase is both 2% or more, and more than £5.
- 4.4 The excessiveness principles apply in 2020/21 to billing authorities and major precepting authorities, but not to local precepting authorities (town and parish councils).
- 4.5 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 contain rules for the calculation of the Council Tax Base, which is an amount required by the Local Government Finance Act 1992 to be used in the calculation of the tax by the Council as the billing authority, and Norfolk County Council and the Norfolk Police and Crime Commissioner as major precepting authorities, and in the calculation of the precept payable by the Council to the County Council and Norfolk Police and Crime Commissioner. The Council Tax Base was calculated as follows for the year 2020/2021.

The number of dwellings in each Council Tax band taking into account the multipliers, discounts, exemptions, rate of collection and Council Tax Support:-

- a) for the whole Council area as 40,687 (Item T in the formula in Section 31B of the Local Government Finance Act 1992) being calculated by the Council, in accordance with Regulation 3 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax base for the year;
- b)

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Alby With Thwaite	96.63	Little Barningham	50.09
Aldborough and Thurgarton	237.59	Little Snoring	231.52
Antingham	120.45	Ludham	498.77
Ashmanhaugh	66.22	Matlaske	64.45
Aylmerton	209.22	Melton Constable	202.74
Baconsthorpe	89.02	Morston	57.17
Bacton	523.59	Mundesley	1,187.29
Barsham	99.48	Neatishead	237.37
Barton Turf	236.98	North Walsham	4,100.70
Beckham East/West	116.90	Northrepps	393.58
Beeston Regis	393.11	Overstrand	461.56
Binham	181.36	Paston	94.34
Blakeney	548.08	Plumstead	48.81
Bodham	174.14	Potter Heigham	413.38

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Briningham	64.45	Pudding Norton	75.37
Brinton	121.82	Raynham	159.80
Briston	862.66	Roughton	345.43
Brumstead	24.70	Runton (East & West)	716.88
Catfield	319.41	Ryburgh	235.86
Cley	329.31	Salthouse	118.05
Colby	190.97	Scottow	295.79
Corpusty and Saxthorpe	283.02	Sculthorpe	280.63
Cromer	3,027.87	Sea Palling	207.10
Dilham	147.30	Sheringham	3,155.80
Dunton	54.12	Sidestrand	45.69
East Ruston	190.80	Skeyton	90.92
Edgefield	195.62	Sloley	93.87
Erpingham	249.38	Smallburgh	192.02
Fakenham	2,595.06	Southrepps	330.67
Felbrigg	75.60	Stalham	1,160.53
Felmingham	193.13	Stibbard	139.83
Field Dalling	139.53	Stiffkey	132.50
Fulmodeston	181.71	Stody	91.32
Gimingham	148.58	Suffield	57.28
Great Snoring	85.48	Sustead	89.35
Gresham	167.97	Sutton	386.26
Gunthorpe	145.34	Swafield	112.37
Hanworth	96.76	Swanton Abbott	147.50
Happisburgh	305.65	Swanton Novers	83.74
Helhoughton	149.89	Tattersett	278.08
Hempstead	77.87	Thornage	93.68
Hempton	186.96	Thorpe Market	116.71
Hickling	415.64	Thurning	32.47
High Kelling	297.41	Thursford	109.03
Hindolveston	209.65	Trimingham	139.41
Hindringham	234.86	Trunch	363.56
Holkham	84.16	Tunstead	256.82
Holt	1,705.69	Upper Sheringham	107.82
Honing	120.81	Walcott	218.17
Horning	614.66	Walsingham	351.40
Horsey	31.98	Warham	89.03
Hoveton	824.09	Wells-Next-The-Sea	1,153.03
Ingham	153.21	Westwick	31.19
Ingworth	39.46	Weybourne	342.36
Itteringham	59.02	Wickmere	58.29
Kelling	97.51	Wighton	112.06
Kettlestone	94.96	Witton	130.08
Knapton	148.84	Wiveton	82.36
Langham	218.93	Wood Norton	105.68
Lessingham	228.26	Worstead	317.08

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Letheringsett With Glandford	129.49		

being the amounts calculated by the Council, in accordance with Regulation 6 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which special items (parish precepts) may relate.

4.6 That the following amounts be now **CALCULATED** by the Council for the year 2020/21 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 and the relevant regulations and directions as follows:-

- a) £59,825,396 being the aggregate of the amounts which the Council estimates for the expenditure items set out in Section 31A(2) of the Act.
- b) £51,050,848 being the aggregate of the amounts which the Council estimates for the income items set out in Section 31A(3) of the Act.
- c) £8,774,548 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
- d) £215.66 being the amount at (c) above divided by the amount at 4.5(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £2,520,143 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- f) £153.72 being the amount at (d) above less the result given by dividing the amount at (e) above by the amount at 4.5 (a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.

g)

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Alby with Thwaite	184.76	Little Barningham	170.68
Aldborough and Thurgarton	192.86	Little Snoring	193.02
Antingham	180.70	Ludham	173.24
Ashmanhaugh	212.61	Matlaske	161.47
Aylmerton	187.65	Melton Constable	219.14
Baconsthorpe	217.18	Mundesley	198.35
Bacton	185.23	Neatishead	188.07
Barsham	172.81	North Walsham	255.41
Barton Turf	181.65	Northrepps	196.37
Beckham East/West	181.52	Overstrand	216.55
Beeston Regis	185.51	Paston	222.23

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Binham	184.04	Plumstead	210.06
Blakeney	228.52	Potter Heigham	187.58
Bodham	202.53	Pudding Norton	220.05
Brinton	174.24	Raynham	189.91
Briston	214.70	Roughton	181.07
Catfield	191.28	Runton (East & West)	175.06
Cley	188.03	Ryburgh	193.78
Colby	237.68	Salthouse	196.92
Corpusty and Saxthorpe	216.31	Scottow	201.05
Cromer	248.64	Sculthorpe	182.53
Dilham	187.66	Sea Palling	220.87
East Ruston	186.47	Sheringham	264.89
Edgefield	183.43	Sidestrand	186.54
Erpingham	193.41	Skeyton	165.81
Fakenham	233.96	Sloley	186.23
Felbrigg	197.37	Smallburgh	183.50
Felmingham	161.48	Southrepps	203.61
Field Dalling	179.80	Stalham	234.43
Fulmodeston	197.22	Stibbard	193.92
Gimingham	209.58	Stiffkey	192.28
Great Snoring	206.36	Stody	202.99
Gresham	197.47	Suffield	178.52
Gunthorpe	167.48	Sustead	184.27
Hanworth	177.49	Sutton	193.84
Happisburgh	168.15	Swafield	202.66
Helhoughton	190.21	Swanton Abbott	199.48
Hempstead	183.25	Swanton Novers	253.13
Hempton	260.69	Tattersett	165.20
Hickling	175.49	Thornage	170.87
High Kelling	174.90	Thorpe Market	205.12
Hindolveston	213.34	Thursford	185.82
Hindringham	186.50	Trimingham	222.05
Holkham	189.36	Trunch	209.16
Holt	226.73	Tunstead	177.08
Honing	171.93	Upper Sheringham	200.84
Horning	185.06	Walcott	191.69
Horse	185.92	Walsingham	220.02
Hoveton	219.42	Warham	221.11
Ingham	170.69	Wells-next-the-Sea	221.36
Ingworth	223.28	Weybourne	206.29

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Itteringham	197.77	Wickmere	213.76
Kelling	189.61	Wighton	189.41
Kettlestone	194.78	Witton	180.79
Knapton	182.27	Wiveton	202.28
Langham	197.11	Wood Norton	182.43
Lessingham	171.24	Worstead	179.93
Letheringsett with Glandford	169.16		

being the amounts given by adding to the amount at 4.6(f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 4.5(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

h)

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Alby with Thwaite	123.17	143.70	164.23	184.76	225.82	266.88	307.94	369.53
Aldborough and Thurgarton	128.57	150.00	171.43	192.86	235.72	278.57	321.43	385.72
Antingham	120.46	140.54	160.62	180.70	220.85	261.01	301.17	361.40
Ashmanhaugh	141.74	165.36	188.99	212.61	259.86	307.10	354.35	425.22
Aylmerton	125.10	145.95	166.80	187.65	229.35	271.05	312.75	375.31
Baconsthorpe	144.79	168.92	193.05	217.18	265.45	313.71	361.98	434.37
Bacton	123.48	144.07	164.65	185.23	226.39	267.55	308.72	370.46
Barsham	115.21	134.41	153.61	172.81	211.22	249.62	288.03	345.63
Barton Turf	121.10	141.28	161.47	181.65	222.02	262.39	302.75	363.30
Beckham East/West	121.01	141.18	161.35	181.52	221.85	262.19	302.53	363.04
Beeston Regis	123.67	144.29	164.90	185.51	226.74	267.97	309.19	371.03
Binham	122.69	143.14	163.59	184.04	224.94	265.84	306.74	368.09
Blakeney	152.35	177.74	203.13	228.52	279.31	330.09	380.87	457.05
Bodham	135.02	157.52	180.02	202.53	247.53	292.54	337.55	405.06
Brinton	116.16	135.52	154.88	174.24	212.96	251.68	290.40	348.48
Briston	143.13	166.99	190.85	214.70	262.42	310.13	357.84	429.41
Catfield	127.52	148.78	170.03	191.28	233.79	276.30	318.81	382.57
Cley	125.35	146.24	167.14	188.03	229.81	271.60	313.39	376.06
Colby	158.45	184.86	211.27	237.68	290.49	343.31	396.13	475.36
Corpusty and Saxthorpe	144.21	168.24	192.28	216.31	264.38	312.45	360.52	432.63
Cromer	165.76	193.39	221.01	248.64	303.89	359.15	414.40	497.29
Dilham	125.10	145.96	166.81	187.66	229.36	271.07	312.77	375.32

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
East Ruston	124.31	145.03	165.75	186.47	227.91	269.35	310.79	372.95
Edgefield	122.28	142.66	163.04	183.43	224.19	264.95	305.71	366.86
Erpingham	128.94	150.43	171.92	193.41	236.40	279.38	322.36	386.83
Fakenham	155.97	181.96	207.96	233.96	285.95	337.94	389.93	467.92
Felbrigg	131.58	153.51	175.44	197.37	241.23	285.09	328.95	394.74
Felmingham	107.65	125.60	143.54	161.48	197.37	233.25	269.14	322.97
Field Dalling	119.87	139.85	159.82	179.80	219.76	259.72	299.67	359.61
Fulmodeston	131.48	153.40	175.31	197.22	241.05	284.88	328.71	394.45
Gimingham	139.72	163.00	186.29	209.58	256.15	302.72	349.30	419.16
Great Snoring	137.57	160.50	183.43	206.36	252.22	298.08	343.93	412.72
Gresham	131.65	153.59	175.53	197.47	241.36	285.24	329.12	394.95
Gunthorpe	111.65	130.26	148.87	167.48	204.69	241.91	279.13	334.96
Hanworth	118.32	138.04	157.76	177.49	216.93	256.37	295.81	354.98
Happisburgh	112.10	130.78	149.47	168.15	205.52	242.89	280.25	336.30
Helhoughton	126.80	147.94	169.07	190.21	232.48	274.75	317.02	380.42
Hempstead	122.17	142.53	162.89	183.25	223.98	264.70	305.42	366.51
Hempton	173.79	202.76	231.72	260.69	318.62	376.55	434.49	521.38
Hickling	116.99	136.49	155.99	175.49	214.48	253.48	292.48	350.98
High Kelling	116.60	136.03	155.46	174.90	213.77	252.63	291.50	349.80
Hindolveston	142.22	165.93	189.63	213.34	260.75	308.16	355.57	426.68
Hindringham	124.33	145.05	165.78	186.50	227.95	269.39	310.84	373.01
Holkham	126.24	147.28	168.32	189.36	231.44	273.52	315.61	378.73
Holt	151.15	176.35	201.54	226.73	277.12	327.51	377.89	453.47
Honing	114.62	133.72	152.82	171.93	210.13	248.34	286.55	343.86
Horning	123.37	143.93	164.50	185.06	226.18	267.31	308.43	370.12
Horsey	123.95	144.61	165.26	185.92	227.24	268.56	309.87	371.85
Hoveton	146.28	170.66	195.04	219.42	268.18	316.94	365.71	438.85
Ingham	113.79	132.75	151.72	170.69	208.62	246.55	284.48	341.38
Ingworth	148.85	173.66	198.47	223.28	272.90	322.52	372.14	446.56
Itteringham	131.84	153.82	175.79	197.77	241.72	285.67	329.62	395.54
Kelling	126.40	147.47	168.54	189.61	231.75	273.88	316.02	379.22
Kettlestone	129.85	151.50	173.14	194.78	238.07	281.36	324.64	389.57
Knapton	121.51	141.76	162.02	182.27	222.77	263.28	303.79	364.54
Langham	131.40	153.30	175.21	197.11	240.91	284.71	328.52	394.22
Lessingham	114.16	133.18	152.21	171.24	209.29	247.35	285.40	342.48
Letheringsett with Glandford	112.77	131.57	150.36	169.16	206.75	244.34	281.94	338.33
Little Barningham	113.79	132.75	151.72	170.68	208.62	246.55	284.48	341.37
Little Snoring	128.68	150.13	171.57	193.02	235.91	278.81	321.70	386.05
Ludham	115.49	134.74	153.99	173.24	211.74	250.24	288.74	346.49
Matlaske	107.65	125.59	143.53	161.47	197.36	233.24	269.12	322.95
Melton Constable	146.09	170.44	194.79	219.14	267.84	316.54	365.24	438.29
Mundesley	132.23	154.27	176.31	198.35	242.43	286.51	330.59	396.71

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Neatishead	125.38	146.27	167.17	188.07	229.86	271.65	313.45	376.14
North Walsham	170.27	198.65	227.03	255.41	312.17	368.93	425.69	510.83
Northrepps	130.91	152.73	174.55	196.37	240.01	283.64	327.28	392.74
Overstrand	144.36	168.42	192.48	216.55	264.67	312.79	360.91	433.10
Paston	148.15	172.85	197.54	222.23	271.62	321.01	370.39	444.47
Plumstead	140.04	163.38	186.72	210.06	256.74	303.42	350.10	420.12
Potter Heigham	125.05	145.90	166.74	187.58	229.27	270.95	312.64	375.17
Pudding Norton	146.70	171.15	195.60	220.05	268.96	317.86	366.76	440.11
Raynham	126.61	147.71	168.81	189.91	232.11	274.32	316.52	379.83
Roughton	120.71	140.83	160.95	181.07	221.31	261.55	301.79	362.15
Runtun	116.70	136.15	155.61	175.06	213.96	252.86	291.77	350.12
Ryburgh	129.19	150.72	172.25	193.78	236.84	279.91	322.97	387.57
Salthouse	131.28	153.16	175.04	196.92	240.68	284.44	328.20	393.84
Scottow	134.03	156.37	178.71	201.05	245.72	290.40	335.08	402.10
Sculthorpe	121.68	141.96	162.24	182.53	223.09	263.65	304.21	365.06
Sea Palling	147.25	171.79	196.33	220.87	269.95	319.04	368.12	441.75
Sheringham	176.59	206.02	235.46	264.89	323.76	382.62	441.49	529.79
Sidestrand	124.36	145.09	165.82	186.54	228.00	269.46	310.91	373.09
Skeyton	110.54	128.96	147.39	165.81	202.66	239.51	276.36	331.63
Sloley	124.15	144.84	165.54	186.23	227.61	269.00	310.38	372.46
Smallburgh	122.33	142.72	163.11	183.50	224.28	265.06	305.84	367.01
Southrepps	135.74	158.37	180.99	203.61	248.86	294.11	339.36	407.23
Stalham	156.28	182.33	208.38	234.43	286.52	338.62	390.72	468.86
Stibbard	129.28	150.83	172.37	193.92	237.02	280.11	323.20	387.85
Stiffkey	128.19	149.55	170.92	192.28	235.01	277.74	320.47	384.57
Stody	135.33	157.88	180.44	202.99	248.10	293.21	338.32	405.99
Suffield	119.01	138.85	158.69	178.52	218.20	257.87	297.54	357.05
Sustead	122.84	143.32	163.79	184.27	225.22	266.17	307.12	368.54
Sutton	129.23	150.77	172.30	193.84	236.92	280.00	323.08	387.69
Swafield	135.11	157.62	180.14	202.66	247.70	292.73	337.77	405.33
Swanton Abbott	132.98	155.15	177.31	199.48	243.81	288.14	332.47	398.96
Swanton Novers	168.75	196.88	225.00	253.13	309.38	365.63	421.89	506.26
Tattersett	110.13	128.49	146.84	165.20	201.91	238.63	275.34	330.41
Thornage	113.91	132.90	151.88	170.87	208.84	246.81	284.79	341.74
Thorpe Market	136.75	159.54	182.33	205.12	250.71	296.29	341.88	410.25
Thursford	123.88	144.52	165.17	185.82	227.11	268.40	309.70	371.64
Trimingham	148.03	172.70	197.37	222.05	271.39	320.74	370.08	444.10
Trunch	139.44	162.68	185.92	209.16	255.64	302.12	348.60	418.32
Tunstead	118.05	137.73	157.40	177.08	216.43	255.78	295.13	354.16
Upper Sheringham	133.89	156.21	178.52	200.84	245.47	290.10	334.74	401.68
Walcott	127.79	149.09	170.39	191.69	234.29	276.89	319.49	383.38
Walsingham	146.68	171.13	195.57	220.02	268.92	317.81	366.71	440.05

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Warham	147.40	171.97	196.54	221.11	270.24	319.38	368.52	442.22
Wells-next-the-Sea	147.57	172.17	196.77	221.36	270.56	319.75	368.94	442.73
Weybourne	137.53	160.45	183.37	206.29	252.13	297.98	343.82	412.59
Wickmere	142.50	166.26	190.01	213.76	261.26	308.77	356.27	427.52
Wighton	126.27	147.32	168.36	189.41	231.50	273.59	315.69	378.83
Witton	120.53	140.61	160.70	180.79	220.97	261.14	301.32	361.59
Wiveton	134.85	157.33	179.81	202.28	247.23	292.19	337.14	404.57
Wood Norton	121.62	141.89	162.16	182.43	222.98	263.52	304.06	364.87
Worstead	119.95	139.94	159.93	179.93	219.91	259.90	299.88	359.86
All Other Parts of the Council's Area	102.48	119.56	136.64	153.72	187.88	222.04	256.20	307.44

being the amounts given by multiplying (as appropriate) the amounts at 4.6(f) or 4.6(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 4.7 That it be **NOTED** that for the year 2020/21 the Norfolk County Council and the Office of the Police & Crime Commissioner for Norfolk have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Norfolk County Council	944.34	1,101.73	1,259.12	1,416.51	1,731.29	2,046.07	2,360.85	2,833.02
Norfolk Police and Crime Commissioner	175.38	204.61	233.84	263.07	321.53	379.99	438.45	526.14

- 4.8 That, having calculated the aggregate in each case of the amounts at 4.6(h) and 4.7 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, **HEREBY SETS** the following amounts as the amounts of Council Tax for the year 2020/21 for each of the categories of dwellings shown below:-

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Alby with Thwaite	1,242.89	1,450.04	1,657.19	1,864.34	2,278.64	2,692.94	3,107.24	3,728.69

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Aldborough and Thurgarton	1,248.29	1,456.34	1,664.39	1,872.44	2,288.54	2,704.63	3,120.73	3,744.88
Antingham	1,240.18	1,446.88	1,653.58	1,860.28	2,273.67	2,687.07	3,100.47	3,720.56
Ashmanhaugh	1,261.46	1,471.70	1,681.95	1,892.19	2,312.68	2,733.16	3,153.65	3,784.38
Aylmerton	1,244.82	1,452.29	1,659.76	1,867.23	2,282.17	2,697.11	3,112.05	3,734.47
Baconsthorpe	1,264.51	1,475.26	1,686.01	1,896.76	2,318.27	2,739.77	3,161.28	3,793.53
Bacton	1,243.20	1,450.41	1,657.61	1,864.81	2,279.21	2,693.61	3,108.02	3,729.62
Barsham	1,234.93	1,440.75	1,646.57	1,852.39	2,264.04	2,675.68	3,087.33	3,704.79
Barton Turf	1,240.82	1,447.62	1,654.43	1,861.23	2,274.84	2,688.45	3,102.05	3,722.46
Beckham East/West	1,240.73	1,447.52	1,654.31	1,861.10	2,274.67	2,688.25	3,101.83	3,722.20
Beeston Regis	1,243.39	1,450.63	1,657.86	1,865.09	2,279.56	2,694.03	3,108.49	3,730.19
Binham	1,242.41	1,449.48	1,656.55	1,863.62	2,277.76	2,691.90	3,106.04	3,727.25
Blakeney	1,272.07	1,484.08	1,696.09	1,908.10	2,332.13	2,756.15	3,180.17	3,816.21
Bodham	1,254.74	1,463.86	1,672.98	1,882.11	2,300.35	2,718.60	3,136.85	3,764.22
Brinton	1,235.88	1,441.86	1,647.84	1,853.82	2,265.78	2,677.74	3,089.70	3,707.64
Briston	1,262.85	1,473.33	1,683.81	1,894.28	2,315.24	2,736.19	3,157.14	3,788.57
Catfield	1,247.24	1,455.12	1,662.99	1,870.86	2,286.61	2,702.36	3,118.11	3,741.73
Cley	1,245.07	1,452.58	1,660.10	1,867.61	2,282.63	2,697.66	3,112.69	3,735.22
Colby	1,278.17	1,491.20	1,704.23	1,917.26	2,343.31	2,769.37	3,195.43	3,834.52
Corpusty and Saxthorpe	1,263.93	1,474.58	1,685.24	1,895.89	2,317.20	2,738.51	3,159.82	3,791.79
Cromer	1,285.48	1,499.73	1,713.97	1,928.22	2,356.71	2,785.21	3,213.70	3,856.45
Dilham	1,244.82	1,452.30	1,659.77	1,867.24	2,282.18	2,697.13	3,112.07	3,734.48
East Ruston	1,244.03	1,451.37	1,658.71	1,866.05	2,280.73	2,695.41	3,110.09	3,732.11
Edgefield	1,242.00	1,449.00	1,656.00	1,863.01	2,277.01	2,691.01	3,105.01	3,726.02
Erpingham	1,248.66	1,456.77	1,664.88	1,872.99	2,289.22	2,705.44	3,121.66	3,745.99
Fakenham	1,275.69	1,488.30	1,700.92	1,913.54	2,338.77	2,764.00	3,189.23	3,827.08
Felbrigg	1,251.30	1,459.85	1,668.40	1,876.95	2,294.05	2,711.15	3,128.25	3,753.90
Felmingham	1,227.37	1,431.94	1,636.50	1,841.06	2,250.19	2,659.31	3,068.44	3,682.13
Field Dalling	1,239.59	1,446.19	1,652.78	1,859.38	2,272.58	2,685.78	3,098.97	3,718.77
Fulmodeston	1,251.20	1,459.74	1,668.27	1,876.80	2,293.87	2,710.94	3,128.01	3,753.61
Gimingham	1,259.44	1,469.34	1,679.25	1,889.16	2,308.97	2,728.78	3,148.60	3,778.32
Great Snoring	1,257.29	1,466.84	1,676.39	1,885.94	2,305.04	2,724.14	3,143.23	3,771.88
Gresham	1,251.37	1,459.93	1,668.49	1,877.05	2,294.18	2,711.30	3,128.42	3,754.11
Gunthorpe	1,231.37	1,436.60	1,641.83	1,847.06	2,257.51	2,667.97	3,078.43	3,694.12
Hanworth	1,238.04	1,444.38	1,650.72	1,857.07	2,269.75	2,682.43	3,095.11	3,714.14
Happisburgh	1,231.82	1,437.12	1,642.43	1,847.73	2,258.34	2,668.95	3,079.55	3,695.46
Helhoughton	1,246.52	1,454.28	1,662.03	1,869.79	2,285.30	2,700.81	3,116.32	3,739.58
Hempstead	1,241.89	1,448.87	1,655.85	1,862.83	2,276.80	2,690.76	3,104.72	3,725.67
Hempton	1,293.51	1,509.10	1,724.68	1,940.27	2,371.44	2,802.61	3,233.79	3,880.54

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Hickling	1,236.71	1,442.83	1,648.95	1,855.07	2,267.30	2,679.54	3,091.78	3,710.14
High Kelling	1,236.32	1,442.37	1,648.42	1,854.48	2,266.59	2,678.69	3,090.80	3,708.96
Hindolveston	1,261.94	1,472.27	1,682.59	1,892.92	2,313.57	2,734.22	3,154.87	3,785.84
Hindringham	1,244.05	1,451.39	1,658.74	1,866.08	2,280.77	2,695.45	3,110.14	3,732.17
Holkham	1,245.96	1,453.62	1,661.28	1,868.94	2,284.26	2,699.58	3,114.91	3,737.89
Holt	1,270.87	1,482.69	1,694.50	1,906.31	2,329.94	2,753.57	3,177.19	3,812.63
Honing	1,234.34	1,440.06	1,645.78	1,851.51	2,262.95	2,674.40	3,085.85	3,703.02
Horning	1,243.09	1,450.27	1,657.46	1,864.64	2,279.00	2,693.37	3,107.73	3,729.28
Horsey	1,243.67	1,450.95	1,658.22	1,865.50	2,280.06	2,694.62	3,109.17	3,731.01
Hoveton	1,266.00	1,477.00	1,688.00	1,899.00	2,321.00	2,743.00	3,165.01	3,798.01
Ingham	1,233.51	1,439.09	1,644.68	1,850.27	2,261.44	2,672.61	3,083.78	3,700.54
Ingworth	1,268.57	1,480.00	1,691.43	1,902.86	2,325.72	2,748.58	3,171.44	3,805.72
Itteringham	1,251.56	1,460.16	1,668.75	1,877.35	2,294.54	2,711.73	3,128.92	3,754.70
Kelling	1,246.12	1,453.81	1,661.50	1,869.19	2,284.57	2,699.94	3,115.32	3,738.38
Kettlestone	1,249.57	1,457.84	1,666.10	1,874.36	2,290.89	2,707.42	3,123.94	3,748.73
Knapton	1,241.23	1,448.10	1,654.98	1,861.85	2,275.59	2,689.34	3,103.09	3,723.70
Langham	1,251.12	1,459.64	1,668.17	1,876.69	2,293.73	2,710.77	3,127.82	3,753.38
Lessingham	1,233.88	1,439.52	1,645.17	1,850.82	2,262.11	2,673.41	3,084.70	3,701.64
Letheringsett with Glandford	1,232.49	1,437.91	1,643.32	1,848.74	2,259.57	2,670.40	3,081.24	3,697.49
Little Barningham	1,233.51	1,439.09	1,644.68	1,850.26	2,261.44	2,672.61	3,083.78	3,700.53
Little Snoring	1,248.40	1,456.47	1,664.53	1,872.60	2,288.73	2,704.87	3,121.00	3,745.21
Ludham	1,235.21	1,441.08	1,646.95	1,852.82	2,264.56	2,676.30	3,088.04	3,705.65
Matlaske	1,227.37	1,431.93	1,636.49	1,841.05	2,250.18	2,659.30	3,068.42	3,682.11
Melton Constable	1,265.81	1,476.78	1,687.75	1,898.72	2,320.66	2,742.60	3,164.54	3,797.45
Mundesley	1,251.95	1,460.61	1,669.27	1,877.93	2,295.25	2,712.57	3,129.89	3,755.87
Neatishead	1,245.10	1,452.61	1,660.13	1,867.65	2,282.68	2,697.71	3,112.75	3,735.30
North Walsham	1,289.99	1,504.99	1,719.99	1,934.99	2,364.99	2,794.99	3,224.99	3,869.99
Northrepps	1,250.63	1,459.07	1,667.51	1,875.95	2,292.83	2,709.70	3,126.58	3,751.90
Overstrand	1,264.08	1,474.76	1,685.44	1,896.13	2,317.49	2,738.85	3,160.21	3,792.26
Paston	1,267.87	1,479.19	1,690.50	1,901.81	2,324.44	2,747.07	3,169.69	3,803.63
Plumstead	1,259.76	1,469.72	1,679.68	1,889.64	2,309.56	2,729.48	3,149.40	3,779.28
Potter Heigham	1,244.77	1,452.24	1,659.70	1,867.16	2,282.09	2,697.01	3,111.94	3,734.33
Pudding Norton	1,266.42	1,477.49	1,688.56	1,899.63	2,321.78	2,743.92	3,166.06	3,799.27
Raynham	1,246.33	1,454.05	1,661.77	1,869.49	2,284.93	2,700.38	3,115.82	3,738.99
Roughton	1,240.43	1,447.17	1,653.91	1,860.65	2,274.13	2,687.61	3,101.09	3,721.31
Runton	1,236.42	1,442.49	1,648.57	1,854.64	2,266.78	2,678.92	3,091.07	3,709.28
Ryburgh	1,248.91	1,457.06	1,665.21	1,873.36	2,289.66	2,705.97	3,122.27	3,746.73

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Salthouse	1,251.00	1,459.50	1,668.00	1,876.50	2,293.50	2,710.50	3,127.50	3,753.00
Scottow	1,253.75	1,462.71	1,671.67	1,880.63	2,298.54	2,716.46	3,134.38	3,761.26
Sculthorpe	1,241.40	1,448.30	1,655.20	1,862.11	2,275.91	2,689.71	3,103.51	3,724.22
Sea Palling	1,266.97	1,478.13	1,689.29	1,900.45	2,322.77	2,745.10	3,167.42	3,800.91
Sheringham	1,296.31	1,512.36	1,728.42	1,944.47	2,376.58	2,808.68	3,240.79	3,888.95
Sidestrand	1,244.08	1,451.43	1,658.78	1,866.12	2,280.82	2,695.52	3,110.21	3,732.25
Skeyton	1,230.26	1,435.30	1,640.35	1,845.39	2,255.48	2,665.57	3,075.66	3,690.79
Sloley	1,243.87	1,451.18	1,658.50	1,865.81	2,280.43	2,695.06	3,109.68	3,731.62
Smallburgh	1,242.05	1,449.06	1,656.07	1,863.08	2,277.10	2,691.12	3,105.14	3,726.17
Southrepps	1,255.46	1,464.71	1,673.95	1,883.19	2,301.68	2,720.17	3,138.66	3,766.39
Stalham	1,276.00	1,488.67	1,701.34	1,914.01	2,339.34	2,764.68	3,190.02	3,828.02
Stibbard	1,249.00	1,457.17	1,665.33	1,873.50	2,289.84	2,706.17	3,122.50	3,747.01
Stiffkey	1,247.91	1,455.89	1,663.88	1,871.86	2,287.83	2,703.80	3,119.77	3,743.73
Stody	1,255.05	1,464.22	1,673.40	1,882.57	2,300.92	2,719.27	3,137.62	3,765.15
Suffield	1,238.73	1,445.19	1,651.65	1,858.10	2,271.02	2,683.93	3,096.84	3,716.21
Sustead	1,242.56	1,449.66	1,656.75	1,863.85	2,278.04	2,692.23	3,106.42	3,727.70
Sutton	1,248.95	1,457.11	1,665.26	1,873.42	2,289.74	2,706.06	3,122.38	3,746.85
Swafield	1,254.83	1,463.96	1,673.10	1,882.24	2,300.52	2,718.79	3,137.07	3,764.49
Swanton Abbott	1,252.70	1,461.49	1,670.27	1,879.06	2,296.63	2,714.20	3,131.77	3,758.12
Swanton Novers	1,288.47	1,503.22	1,717.96	1,932.71	2,362.20	2,791.69	3,221.19	3,865.42
Tattersett	1,229.85	1,434.83	1,639.80	1,844.78	2,254.73	2,664.69	3,074.64	3,689.57
Thornage	1,233.63	1,439.24	1,644.84	1,850.45	2,261.66	2,672.87	3,084.09	3,700.90
Thorpe Market	1,256.47	1,465.88	1,675.29	1,884.70	2,303.53	2,722.35	3,141.18	3,769.41
Thursford	1,243.60	1,450.86	1,658.13	1,865.40	2,279.93	2,694.46	3,109.00	3,730.80
Trimingham	1,267.75	1,479.04	1,690.33	1,901.63	2,324.21	2,746.80	3,169.38	3,803.26
Trunch	1,259.16	1,469.02	1,678.88	1,888.74	2,308.46	2,728.18	3,147.90	3,777.48
Tunstead	1,237.77	1,444.07	1,650.36	1,856.66	2,269.25	2,681.84	3,094.43	3,713.32
Upper Sheringham	1,253.61	1,462.55	1,671.48	1,880.42	2,298.29	2,716.16	3,134.04	3,760.84
Walcott	1,247.51	1,455.43	1,663.35	1,871.27	2,287.11	2,702.95	3,118.79	3,742.54
Walsingham	1,266.40	1,477.47	1,688.53	1,899.60	2,321.74	2,743.87	3,166.01	3,799.21
Warham	1,267.12	1,478.31	1,689.50	1,900.69	2,323.06	2,745.44	3,167.82	3,801.38
Wells-next-the-Sea	1,267.29	1,478.51	1,689.73	1,900.94	2,323.38	2,745.81	3,168.24	3,801.89
Weybourne	1,257.25	1,466.79	1,676.33	1,885.87	2,304.95	2,724.04	3,143.12	3,771.75
Wickmere	1,262.22	1,472.60	1,682.97	1,893.34	2,314.08	2,734.83	3,155.57	3,786.68
Wighton	1,245.99	1,453.66	1,661.32	1,868.99	2,284.32	2,699.65	3,114.99	3,737.99
Witton	1,240.25	1,446.95	1,653.66	1,860.37	2,273.79	2,687.20	3,100.62	3,720.75
Wiveton	1,254.57	1,463.67	1,672.77	1,881.86	2,300.05	2,718.25	3,136.44	3,763.73
Wood Norton	1,241.34	1,448.23	1,655.12	1,862.01	2,275.80	2,689.58	3,103.36	3,724.03

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Worstead	1,239.67	1,446.28	1,652.89	1,859.51	2,272.73	2,685.96	3,099.18	3,719.02
All Other Parts of the Council's Area	1,222.20	1,425.90	1,629.60	1,833.30	2,240.70	2,648.10	3,055.50	3,666.60

4.9 Excessiveness Determination

4.9.1 The Council's basic amount of council tax as calculated in paragraph 4.6 (f) above is 3.3% above the relevant basic amount of council tax for 2019/20, which equates to £4.95 and less than the £5.00 increase which would require a referendum to be held.

4.9.2 The Council has determined that its relevant basic amount of Council Tax for 2020/21 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2020/21 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

4.10 Changes to Rate Reliefs and Discounts for 2020/21

4.10.1 On Monday 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020.

4.10.2 The Government will increase the retail discount from one-third to 50 per cent, extend that discount to cinemas and music venues, extend the duration of the £1,500 local newspapers office space discount for an additional 5 years and introduce an additional £1,000 discount for pubs.

4.10.3 The Government confirms that it will fully fund local authorities for awarding these reliefs and expects local authorities to ensure these changes are applied for the start of the 2020/21 billing period.

4.10.4 **The Council's Discretionary Rate Relief Policy has been revised to reflect these changes and can be found [here](#).**

4.10.5 In conclusion the policy has been updated to reflect the extended schemes announced and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.

5 Financial Implications and Risks

5.1 The Council is required to set the Council Tax each year in accordance with the legislation set out above in this report. If this is not done, there is a risk that the council will be unable to bill in a timely manner with a consequential loss of revenue, and this may prevent the prudent management of the Council's financial affairs. The Council will be required to hold a referendum if it decides to increase its council tax by more

than 2.0% or more than £5.00 (for lower quartile Band D authorities) above the 2019/20 amount.

- 5.2 The overall budget for 2020/21 is balanced and delivers a surplus which has been transferred to the Invest to Save. Section 3 of the report presents the Chief Financial Officers statement on the robustness of the estimates and the adequacy of reserves. This statement is informed by a number of risks that are facing the authority, in particular those detailed at 3.15. It is recommended that the level of the General Reserve remains at £1.9m.
- 5.3 The Head of Finance and Assets is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure. In addition, duties under section 25 of the Local Government Act 2003 establish a requirement to report on the robustness of the estimates made for the purposes of agreeing the Council's budget.
- 5.4 These duties therefore require a professional judgement to be made by the Head of Finance and Assets as the officer ultimately responsible for the authority's finances. As a result, the officer takes a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy and this is reported to Members as part of the budget setting process. In view of this duty, and the considerable uncertainty about funding levels after the end of the current settlement, the Council will need to make plans for substantial, sustainable savings in 2021/22 in order to establish a solid platform for the development of a robust budget in future years.

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

7 Equality and Diversity

- 7.1 The Council is legally required to consider the equality duty in its decision-making and this includes the budget process. As part of any savings or investments the Council must consider how it can:
- Eliminate unlawful discrimination, harassment and victimisation;
 - Advance equality of opportunity between different groups; and
 - Foster good relations between different groups by tackling prejudice and promoting understanding.
- 7.2 Following the savings exercise undertaken as part of the 2016/17 budget process there have been no further submissions for 2020/21 and therefore no equality issues potentially affecting the proposals.
- 8 Section 17 Crime and Disorder considerations** – None as a direct consequence of the report.

General Fund Summary 2020/21 Base Budget

2018/19 Actuals	Service Area	2019/20 Base Budget	2019/20 Updated Base Budget	2020/21 Base Budget	2021/22 Projection	2022/23 Projection	2023/24 Projection
£		£	£	£	£	£	£
295,871	Corporate Leadership Team/Corporate	440,608	440,608	314,973	324,491	333,658	494,023
3,911,821	Community & Economic Development	3,811,316	4,114,350	4,456,448	4,484,423	4,435,399	3,567,086
685,120	Customer Services & ICT	772,005	573,327	769,811	1,013,892	999,219	1,011,903
3,572,655	Environmental Health	4,536,023	4,536,023	3,902,129	4,025,579	4,145,530	4,232,178
3,395,066	Finance and Assets	4,305,907	4,392,665	3,883,103	3,437,857	3,500,273	3,468,785
1,505,314	Legal and Democratic Services	1,511,556	1,522,056	1,606,069	1,666,182	1,726,837	1,751,569
2,308,124	Planning	2,234,605	2,143,188	2,379,017	2,341,545	2,377,153	2,427,989
0	Service Savings to be Identified (DT)	(83,750)	(83,750)	0	0	0	0
15,673,971	Net Cost of Services	17,528,270	17,638,467	17,311,550	17,293,969	17,518,069	16,953,533
2,210,432	Parish Precepts (Estimate from 2020/21 onwards)	2,390,634	2,390,634	2,520,143	2,523,481	2,630,456	2,630,456
(2,040,480)	Capital Charges	(1,308,233)	(1,308,233)	(1,819,204)	(2,262,450)	(2,211,070)	(1,990,760)
(348,224)	Refocus	(1,425,000)	(1,425,000)	(842,667)	(527,167)	(527,167)	0
(1,285,418)	Interest Receivable	(1,330,685)	(1,330,685)	(1,310,977)	(1,310,159)	(1,286,611)	(1,290,263)
1,938	External Interest Paid	10,000	10,000	358,100	387,800	364,600	341,400
1,536,638	Revenue Financing for Capital:	4,643,249	4,233,455	4,892,728	767,167	627,167	0
0	Minimum Revenue Provision	0	0	0	144,000	144,000	144,000
	MRP - Waste Contract	0	0	0	600,000	600,000	600,000
(804,099)	IAS 19 Pension Adjustment	252,210	252,210	260,290	265,496	270,806	276,222
14,944,758	Net Operating Expenditure	20,760,445	20,460,848	21,369,963	17,882,137	18,130,250	17,664,588
2018/19	Contributions to/(from) Earmarked Reserves:	2019/20 Base Budget	2019/20 Updated Base Budget	2020/21 Base Budget	2021/22 Projection	2022/23 Projection	2023/24 Projection
(969,772)	Capital Projects Reserve	(1,426,249)	(1,606,353)	(636,302)	0	0	0
698,232	Asset Management	(92,000)	(56,502)	(27,000)	(5,000)	(15,000)	(5,000)
44,951	Benefits	(12,838)	(512,838)	(253,801)	0	0	0
0	Broadband	(1,000,000)	(1,000,000)	0	0	0	0
31,645	Building Control	0	0	(44,441)	(44,441)	(44,441)	(44,441)
(68,241)	Business Rates Reserve	(38,241)	(562,166)	(27,068)	(18,000)	(18,000)	(18,000)
(21,921)	Coast Protection	(42,302)	(42,302)	(37,958)	0	0	0
57,661	Communities	(242,000)	(785,563)	(242,000)	(242,000)	(242,000)	0
50,000	Economic Development & Tourism	(10,000)	(10,000)	(10,000)	0	0	0
40,000	Elections	(120,000)	(120,000)	40,000	40,000	40,000	(120,000)
(59,759)	Enforcement Board	0	0	0	0	0	0
28,943	Environmental Health	(40,000)	(40,000)	0	0	0	0
1,882	Grants	(44,416)	(14,655)	(57,066)	(14,655)	(14,655)	(14,655)
33,714	Housing	(97,999)	(71,253)	(488,585)	(611,672)	(548,293)	0
15,330	Land Charges	0	0	0	0	0	0
302	Legal	0	0	(25,446)	(16,964)	0	0
0	LSVT	0	(435,000)	0	0	0	0
(1,494,234)	New Homes Bonus Reserve	(596,558)	(286,723)	(225,460)	0	0	0
(26,372)	Organisational Development	(78,246)	(78,246)	(97,885)	(23,083)	(18,629)	0
0	Pathfinder	(40,076)	(40,076)	(20,500)	(20,500)	(3,417)	0
53,330	Planning Revenue	0	50,000	50,000	50,000	50,000	50,000
2,000,000	Property Investment Fund	(1,000,000)	1,000,000	(3,000,000)	0	0	0
(407,644)	Restructuring/Invest to save	(624,819)	(561,541)	(732,950)	(240,000)	(100,000)	0
(6,511)	Sports Facilities						
259,160	Contribution to/(from) the General Reserve	(26,690)	(59,619)	(116,528)	(69,109)	(50,000)	(50,000)
15,205,454	Amount to be met from Government Grant and Local Taxpayers	15,228,011	15,228,011	15,416,973	16,666,713	17,165,815	17,462,492
2018/19	Actuals	2019/20 Base Budget	2019/20 Updated Base Budget	2020/21 Base Budget	2021/22 Projection	2022/23 Projection	2023/24 Projection
(2,210,812)	Collection Fund – Parishes	(2,390,634)	(2,390,634)	(2,520,143)	(2,523,481)	(2,630,456)	(2,630,456)
(5,909,655)	Collection Fund – District	(6,240,604)	(6,240,604)	(6,305,671)	(6,751,054)	(7,126,515)	(7,126,515)
(4,886,974)	Retained Business Rates	(5,385,617)	(5,385,617)	(7,504,661)	(4,958,845)	(5,028,223)	(5,028,223)
(535,619)	Revenue Support Grant	0	0	(89,799)	0	0	0
(1,149,592)	New Homes bonus	(1,211,156)	(1,211,156)	(892,194)	(586,071)	(468,536)	(468,536)
(483,771)	Rural Services Delivery Grant	0	0	(483,771)	0	0	0
(29,031)	Non ring fenced Government Grants	0	0	0	0	0	0
(15,205,454)	Income from Government Grant and Taxpayers	(15,228,011)	(15,228,011)	(17,796,239)	(14,819,451)	(15,253,730)	(15,253,730)
(0)	(Surplus)/Deficit	0	0	(2,379,266)	1,847,262	1,912,085	2,208,762

This page is intentionally left blank

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2020/21 to 2023/24

1 Background

- 1.1 In accordance with statute (principally the Local Government Finance Act 2002) and following the Guidance Note on Local Authority Reserves and Balances (LAAP Bulletin No. 77 – November 2008), North Norfolk District Council maintains a range of reserves.
- 1.2 Two types of reserves are discussed in this policy framework:
- Earmarked Reserves
 - The General Reserve
- 1.3 There are also a number of other reserves which local authorities hold in relation to legislation and proper accounting practices, these are not resource-backed reserves and therefore are not considered as part of this policy framework.
- 1.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the adequacy of the proposed financial reserves.
- 1.5 This Policy framework has been informed by both the LAAP Bulletin No. 77 and the Audit Commissions report published in December 2012 ‘Striking a Balance’ Improving Councils’ Decision Making on Reserves’.

2 Earmarked Reserves

2.1 Purpose

- 2.1.1 Earmarked reserves are a means of building up funds to meet known or predicted liabilities.
- 2.1.2 Typically earmarked reserves are used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund reorganisations and restructurings. Reserves can also be held for trading and business units built up from surpluses to cover potential losses in future years, or to finance capital expenditure. In certain circumstances, if expenditure is delayed on specific budgets, it may be agreed that the underspending at a year end is carried forward for future use in an earmarked reserve.

2.2 Earmarked Reserves Protocol

- 2.2.1 For each reserve the following arrangements have been established:
- the reasons for / purpose of the reserve
 - how and when the reserve can be used
 - procedures for the reserve’s management and control
 - a process and timetable for review of the reserve to ensure continuing relevance and adequacy.
- 2.2.2 In North Norfolk, the establishment and use of earmarked reserves is reviewed at the time of budget setting and then controlled through the year as part of the regular budget monitoring processes.

2.3 Review of Earmarked Reserves

- 2.3.1 The Reserves Statement in Appendix C gives full details of the earmarked reserves. Each earmarked reserve has been assessed by the Chief Financial Officer whose

judgement is that they are properly established in accordance with the protocol and that their level and proposed use is appropriate.

- 2.3.2 It is considered that sufficient provision for the Council's capital programme (as recommended) has been included in the capital estimates and capital reserves, and that nothing further is required at the current time.
- 2.3.3 Where in-year expenditure is being funded by earmarked reserves, the relevant transfers from the reserves have been allowed for within the reserves statements at Appendix C.

3 The General Reserve

3.1 Purpose

- 3.1.1 The general reserve is held for two main purposes:
- a working balance to help cushion the impact of uneven cashflows and avoid temporary borrowing;
 - a contingency to help cushion the impact of unexpected events or emergencies.

3.2 The Optimum Level of the General Reserve

- 3.2.1 There are two recommended approaches for deciding the optimum level of the general reserve:
- A risk assessment of the budget which takes full account of the context within which the budget has been prepared. The budget report itself provides this contextual information;
 - To set the reserve at a percentage of expenditure. Too low a level puts the council at unacceptable risk of failing to meet its obligations, too high a level unnecessarily ties up resources.
- 3.2.2 This appendix sets out the framework for considering a risk assessment approach and validating the result against a percentage calculation. At the end of the day, the level of reserves is a matter of opinion informed by the judgement of the Council's Chief Financial Officer.

3.3 Assessment Framework

- 3.3.1 The issues to be considered include the following:
- The Council continues to operate on an ongoing basis;
 - The robustness of the budget process including recognition of the linkages with the corporate plan, the strategic risk register and the financial plan update;
 - The adequacy of the earmarked reserves and the movements on the general reserves both in the past and planned;
 - The extent to which savings and planned service reductions are required and can be relied upon to support corporate plan targets;
 - The risk of major litigation and legal claims, both currently and in the future;
 - The impact of future Government funding reductions (Fair Funding Review, Spending Assessment etc);
 - Implications of changes to Local Council Tax Support Schemes and increase in the demand for support;
 - Fluctuations in retained business rate income and funding from the government for the extensions to reliefs for example retail relief and small business rates along with the impact of appeals;

- Fluctuations around certain income streams and grants, for example demand led services such as planning, building control income, land charges and car parking and fluctuations in investment income;
- Future changes to the funding for Local Authorities, for example the New Homes Bonus and business rates;
- Unplanned volume increases in major demand led budgets, particularly in the context of the current economic climate for example housing benefits, council tax support and homelessness;
- The need to retain a general contingency to provide for any unforeseen circumstances that may arise including inadequately funded Government initiatives;
- The move in local authorities to do less by direct service provision (either through the Localism Agenda or through third parties, including outsourcing) is increasing the risks borne by authorities. There is a risk that these arrangements fail and there are many circumstances when a statutory liability remains with the local authority. Such risks may not be insurable at an economic level and demand rigorous risk minimisation strategies and this is an area that will be considered in more detail if the Council pursues these arrangements in future years;
- Potential unknown impact of the decision to leave the European Union (Brexit) and potential wider implications of current world politics;
- The need to retain reserves for general day to day cash flow requirements.

3.3.2 All these issues interlink and any one incident is likely to span across many of the issues. Risks change over time and the general reserve needs to be considered across the Medium Term Financial Strategy (MTFS). What might be an adequate level of reserves now could be inadequate in year's two to four.

3.4 The Assessment of the General Fund Reserve

3.4.1 When undertaking the assessment, it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.

3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2020/21.

Item	2020/21	2021/22	2022/23	2023/24
1 Pay and Price Inflation (0.5% above budget assumption)	90,000	92,000	94,000	96,000
2 Interest Rates (0.25% below budget prediction on non-fixed investments)	93,000	91,000	90,000	91,000
3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (based on 15% of current targets) (to ensure core services are maintained)	87,000	87,000	87,000	87,000
4 Major Litigation and Legal Claims (to provide additional comfort above earmarked reserves)	100,000	100,000	100,000	100,000
5 Emergencies and Other Unknowns (to recognise the risks associated with unpredictable events)	600,000	600,000	600,000	600,000

Appendix B

Item	2020/21	2021/22	2022/23	2023/24
6 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	241,000	247,000	253,000	259,000
7 Cash Flow (to mitigate the impact of timing of cash flow including the profiling of expenditure)	16,000	16,000	16,000	16,000
8 Future Funding Fluctuations (an allowance to reflect the increased risk around local funding, i.e. business rates and new homes bonus to mitigate the impact within and between financial years)	675,000	693,000	611,000	534,000
Total Indicated General Fund Reserve Recommended	1,902,000	1,926,000	1,851,000	1,783,000
% of Net Budgeted Operating Expenditure (excluding parish precepts)	10.1%	12.5%	11.9%	11.9%
Budgeted General Fund Reserve (at year-end, after taking account of planned use)	2,184,608	2,115,499	2,065,499	2,015,499
% of Net Budgeted Operating Expenditure (excluding parish precepts)	11.6%	13.8%	13.3%	13.4%

4 Chief Financial Officer's Opinion

- 4.1 The Earmarked Reserves detailed in Appendix C are proper and appropriate with regard to purpose, level and proposed use.
- 4.2 Based on the assessment detailed above the recommended level of the general reserve for 2020/21 should be increased to maintained at the present level of £1.9million for 2020/21. The budgeted General Fund Reserve shown in Appendix C is considered adequate for the period 2020/21 to 2023/24; however the level of the General Reserve should be reviewed during the year as part of the financial planning process taking into account where applicable items identified within the assessment framework at 3.3.

Reserve	Purpose and Use of Reserve	Balance 01/04/19	Updated 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	Budgeted Movement 2023/24	Balance 01/04/24
		£	£	£	£	£	£	£	£	£	£	£
General Fund - General Reserve	A working balance and contingency, current recommended balance is £1.9 million.	2,360,755	(59,619)	2,301,136	(116,528)	2,184,608	(69,109)	2,115,499	(50,000)	2,065,499	(50,000)	2,015,499
Earmarked Reserves:												
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	2,480,010	(1,606,353)	873,657	(636,302)	237,355	0	237,355	0	237,355	0	237,355
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	1,556,673	(56,502)	1,500,171	(27,000)	1,473,171	(5,000)	1,468,171	(15,000)	1,453,171	(5,000)	1,448,171
Benefits	To be used to mitigate any claw back by the Department of Works and Pensions following final subsidy determination. Timing of the use will depend on audited subsidy claims. Also included in this allocation are service specific grants for service improvements that have not yet been offset by expenditure.	1,340,308	(512,838)	827,470	(253,801)	573,669	0	573,669	0	573,669	0	573,669
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	(1,000,000)	0	0	0	0	0	0	0	0	0
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	191,428	0	191,428	(44,441)	146,987	(44,441)	102,546	(44,441)	58,105	(44,441)	13,664
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.	2,438,428	(562,166)	1,876,262	(27,068)	1,849,194	(18,000)	1,831,194	(18,000)	1,813,194	(18,000)	1,795,194
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	180,595	(42,302)	138,293	(37,958)	100,335	0	100,335	0	100,335	0	100,335
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.	1,651,796	(785,563)	866,233	(242,000)	624,233	(242,000)	382,233	(242,000)	140,233	0	140,233
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	170,621	(10,000)	160,621	(10,000)	150,621	0	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.	123,000	(120,000)	3,000	40,000	43,000	40,000	83,000	40,000	123,000	(120,000)	3,000

Reserves Statement 2020-21 Onwards

Appendix C

Reserve	Purpose and Use of Reserve	Balance	Updated	Balance	Budgeted	Balance	Budgeted	Balance	Budgeted	Balance	Budgeted	Balance
		01/04/19	Budgeted Movement 2019/20	01/04/20	Movement 2020/21	01/04/21	Movement 2021/22	01/04/22	Movement 2022/23	01/04/23	Movement 2023/24	01/04/24
		£	£	£	£	£	£	£	£	£	£	£
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	137,354	0	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.	323,332	(40,000)	283,332	0	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.	536,670	(14,655)	522,015	(57,066)	464,949	(14,655)	450,294	(14,655)	435,639	(14,655)	420,984
Housing	The balance of the Housing Community Grant funding received in 2016/17. It also includes Central Government Grants for Homelessness Prevention initiatives, this is drawn down across financial years.	2,534,316	(71,253)	2,463,063	(488,585)	1,974,478	(611,672)	1,362,806	(548,293)	814,513	0	814,513
Land Charges	To mitigate the impact of potential income reductions.	289,280	0	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.	128,691	0	128,691	(25,446)	103,245	(16,964)	86,281	0	86,281	0	86,281
LSVT Reserve	To meet the cost of successful warranty claims not covered by bonds and insurance following the housing stock transfer.	435,000	(435,000)	0	0	0	0	0	0	0	0	0
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	512,183	(286,723)	225,460	(225,460)	0	0	0	0	0	0	0
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	314,475	(78,246)	236,229	(97,885)	138,344	(23,083)	115,261	(18,629)	96,632	0	96,632
Pathfinder	To help Coastal Communities adapt to coastal changes.	143,168	(40,076)	103,092	(20,500)	82,592	(20,500)	62,092	(3,417)	58,675	0	58,675
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	109,684	50,000	159,684	50,000	209,684	50,000	259,684	50,000	309,684	50,000	359,684
Property Investment Fund	To provide funding for the acquisition and development of new land and property assets	2,000,000	1,000,000	3,000,000	(3,000,000)	0	0	0	0	0	0	0
Restructuring & Invest to Save Proposals	To fund one-off redundancy and pension strain costs and invest to save initiatives. Transfers from this reserve will be allocated against business cases as they are approved. Timing of the use of this reserve will depend on when business cases are approved.	1,882,870	(561,541)	1,321,329	(732,950)	588,379	(240,000)	348,379	(100,000)	248,379	0	248,379
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.	5,682	0	5,682	0	5,682	0	5,682	0	5,682	0	5,682
Total Reserves		22,846,317	(5,232,837)	17,613,480	(5,952,990)	11,660,490	(1,215,424)	10,445,066	(964,435)	9,480,631	(202,096)	9,278,535

NORTH NORFOLK DISTRICT CCOUNCIL: EXECUTIVE-SCRUTINY PROTOCOL

Summary: This report seeks to establish and agree a protocol to clearly define the working relationship between the Executive and the Overview & Scrutiny Committee. This comes as a result of the Statutory Guidance on Overview & Scrutiny in Local and Combined Authorities (released May 2019), from the Ministry of Housing Communities and Local Government.

Options considered: To approve the attached protocol or maintain the status-quo of an undefined relationship.

Conclusions: The Protocol offers clear guidance on the expected working relationship, and the expectations of both the Executive and the Overview & Scrutiny Committee. It also clarifies purpose of the Scrutiny Committee as stated in the Local Government Act 2000, and the Scrutiny Committee's 'Call-in' procedure as outlined in the Constitution.

Recommendations: **1. That the Committee review the protocol and recommend it for approval by Cabinet and Council.**

Reasons for Recommendations: To establish and clarify a clear working relationship between the Executive and the Overview & Scrutiny Committee.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

Cabinet Member(s)	Ward(s) affected
Sarah Bütikofer	N/a

Contact Officer, telephone number and email:
Matt Stembrowicz, 01263 516047, matthew.stembrowicz@north-norfolk.gov.uk

This page is intentionally left blank

Overview & Scrutiny Committee

Executive-Scrutiny Protocol



1. Aims

- 1.1 The aim of the Protocol is to clarify the relationship between the Executive (Cabinet) and the Overview & Scrutiny Committee, in order to ensure the smooth conduct of business and maintain effective communication between Scrutiny and Executive Members. This will promote an effective role for Scrutiny and foster a good working relationship between the Committee and the Executive that will ensure the Committee makes a valuable contribution to the effective running of the Council.

2. Foundation & Principles

- 2.1 Under Section 9F of the Local Government Act 2000; paragraph 1 of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009, Overview and Scrutiny Committees have statutory powers to scrutinise decisions of the Executive. These decisions can include those the Executive is planning to make, those it plans to implement, and those that have already been taken/implemented.
- 2.2 It remains the ambition of North Norfolk District Council to maintain an amicable working relationship between Scrutiny and the Executive, in order to effectively realise the role of the 'critical friend', and avoid becoming the 'de facto' opposition.
- 2.3 Both Scrutiny and Executive Members are reminded that where effective pre-decision scrutiny has taken place, the Committee will have been party to the policy development process, negating the need for call-in and highlighting the added value that Scrutiny can bring to the authority.

3. Overview & Scrutiny Work Programme

- 3.1 The Overview & Scrutiny Annual Work Programme will be set by the Chairman and Members of the Committee with the assistance of the Scrutiny Officer. Some reports are required under the Committee's terms of reference such as the Treasury management strategy and policies, regular updates on crime & disorder in the District and the O&S Annual Report
- 3.2 Where a Member of the Executive or a senior officer wishes to add an item to the Work Programme, a request must be made to the Scrutiny Officer, who will notify the Chairman of the request for consideration.
- 3.3 Standing items for inclusion in the Annual Work Programme;
- The Draft Budget and Budget Monitoring Reports
 - The Medium Term Financial Strategy
 - Treasury/Investment/Capital Strategies
 - The Overview & Scrutiny Annual Report
 - The Treasury Management Annual Report/Treasury Management Half-Yearly Report
 - The Debt Management Annual Report
 - Determination of Council Tax Discounts
 - The Annual Action Plan
 - Performance Management reports

4. Access to Information & Information Sharing

- 4.1. In addition to the individual rights of Members, Overview & Scrutiny Members have rights to see documents relating to any business that has been transacted at a public or private meeting of the Executive, or its Committees, and any decision taken by an individual Member of the Executive or by an Officer in accordance with Executive arrangements.
- 4.2. It is expected that when the Scrutiny Committee makes a formal request for information, it be delivered in a timely manner within seven working days of the request (where possible) to the Scrutiny Officer or Democratic Services, to be shared with the Committee or wider Members.

5. Overview & Scrutiny's Expectations of the Executive

- 5.1. An expectation that Cabinet Portfolio Holders will attend meetings of the Overview & Scrutiny Committee, when requested, in order to present reports relevant to their portfolio and answer any subsequent/relevant questions.
- 5.2. In order to notify Scrutiny Members of upcoming business and potential items to be added to the Committee's Work Programme, the Democratic Services Manager will ensure that the Scrutiny Officer is kept updated of all new items that are added to the Cabinet Work Programme
- 5.3. If necessary, the Leader will meet with the Scrutiny Officer, Democratic Services Manager and the Overview & Scrutiny Committee Chairman to consider the best way to deal with any forthcoming items of business

6. Expectations of the Overview & Scrutiny Committee

- 6.1. That the Committee will provide constructive 'critical friend' challenge to the Executive's proposals and decisions.
- 6.2. That the Committee will remain non-political and be effectively led by Members who take responsibility in their role to drive service improvements and voice the concerns of the public.
- 6.3. That the Committee will maintain appropriate oversight of crime and disorder, and other external organisations whose services affect residents within the district.
- 6.4. The Executive's response to Scrutiny's recommendations will be published in the agenda of the next scheduled Committee meeting
- 6.5. To monitor the effectiveness of services and undertake regular review of performance in relation to the Council's services

7. Call-in

- 7.1 Call-in is the exercise of the Overview & Scrutiny Committee's statutory power in section 21(3) of the Local Government Act 2000, to review a Cabinet decision that has been made but not yet implemented.
- 7.2 Once made, Cabinet decisions must be published by the Democratic Services Team within two working days of the meeting, with date of publication included. Five clear working days are given before the decision can be implemented, in which time the Call-in must be made.
- 7.3 Requests for Call-in can be made by:

- An individual Member where a decision has a particular significance for the Member's ward
- The Chairman of the Overview & Scrutiny Committee
- Any two Members of the Overview & Scrutiny Committee
- Any three non-executive Members of the Council
- Ten Members of the public living, working or studying within North Norfolk District Council area

7.4 The relevant Overview & Scrutiny Committee cannot overturn the decision that has been called in. It may either concur with the decision (in which case it will take immediate effect) or refer it back to the Executive for further consideration, including any recommendations from Scrutiny Members.

7.5 It remains the aim of the Council that call-ins should only be used as a last resort for resolution, and that other less-confrontational means should always be pursued prior to this option.

This page is intentionally left blank

Capital Strategy 2020-21

Summary:	This report sets out the Council's Capital Strategy for the year 2020-21. It sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.
Options Considered:	This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
Conclusions:	The Council is required to approve a Capital Strategy to demonstrate compliance with the Codes and establishes the strategic framework for the management of the capital programme.
Recommendations:	That Cabinet recommends to Full Council that; (a) The Capital Strategy and Prudential Indicators for 2020-21 are approved.
Reasons for Recommendation:	Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

Cabinet Member(s) Cllr E 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 CIPFA *Prudential Code for Capital Finance in Local Authorities 2017* and

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

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

2 Capital Expenditure

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

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

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

- 2.2 All capital projects are considered and prioritised as part of the Council's overall budget process, with affordability in relation to the Medium Term Financial Strategy (MTFS) being a key issue. The revenue implications and funding of any approved bids are included within the Council's revenue budget forecasts to identify the resultant effects on future Council Tax levels.
- 2.3 The business case and options appraisal methodology is applied to all significant projects (those with a capital cost of over £50,000). The options appraisal should be undertaken by the relevant manager (project leader) initially.
- 2.4 The business case considers the full options appraisal as evidence to support the recommended option as required. The options analysis will cover elements such as risk, sensitivity and cost benefit analysis and will seek to identify the option that delivers maximum benefit at the lowest or most appropriate cost.
- 2.5 Projects that generate future income streams for the Council, for example industrial estates and other Commercialisation projects are also viewed

positively within the evaluation process. The Asset Management Plan framework helps to identify these assets in order to ensure the revenue implications are again fully accounted for in the decision-making process for the disposal of assets.

- 2.6 The Current approved Capital Programme (as at December 2019) can be found as part of the Council's draft Budget papers (Appendix E).

3 Medium and Long Term Funding Strategy

- 3.1 There are a number of sources of funding available to the Council for capital schemes (capital grants/contributions, capital receipts, borrowing etc). Revenue funding is also available via a Revenue Contribution to Capital Outlay (RCCO), however it should be noted that the scope for using revenue resources for capital purposes is limited.
- 3.2 Funding from capital receipts is forecast for the next three years to ensure a level of internal resources is maintained and can support future projects. It should however be noted that these are only forecasts at the present time and anticipated balances at the end of the period are based on the current approved capital budget.
- 3.3 The current Capital Programme is funded from grants and contributions, capital receipts from the disposal of assets and from the Council's own reserves, internal and external borrowing. Whilst capital funding is available to invest in new assets or in improving existing assets, the impact on the revenue account due to the loss of investment income is always a key consideration.
- 3.4 The Council has access to short or long term borrowing if required to finance capital expenditure. Although business cases for new capital projects are modelled on the assumption that borrowing will be required (to reflect a 'worst case scenario' in terms of cost), the decision to borrow externally is ultimately a treasury one, and is made closer to the time when expenditure is actually incurred, taking into account available cash balances, the opportunity cost of investments, and the exposure to interest rate and credit risks.
- 3.5 Currently, the Council is expecting to borrow in future years to part fund the re-provision of Splash Leisure and Fitness Centre in Sheringham, and to provide waste collection vehicles for the new waste contract. It is anticipated that there will be external borrowing for these project in the region of £12m, with £1.6m forecasted to be required in 2021/22.
- 3.6 It is a requirement of the new CIPFA code that the Council consider alternative means of financing if required. The Council is aware of the opportunities that may be realisable through a Private Finance Initiative (PFI). The Procurement Strategy includes guidance on appraising Private Public Partnerships in the context of service delivery, and emphasises that obtaining 'value for money' means choosing the optimum combination of whole life costs and benefits to

meet the customer's requirements. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue/resource implications as well as initial capital investment.

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

4 Asset Management and Commercial Activities

- 4.1 The Council has a diverse range of land and property held to meet its Corporate Objectives and values as outlined in the Council's Corporate Plan. Land and property assets can play a key role in reducing Council budget deficits and generating both capital and revenue income. The Council can use its assets more effectively to meet tough financial targets both through reducing costs and generating income.
- 4.2 In the main the Council will adopt a "buy and hold" strategy for property investments. This is where the Council purchases an asset and lets it to generate revenue income, whilst retaining it for the long term. A long term investment is considered to be of 10 years and over. Whilst it cannot be guaranteed, in the long term a good overall rate of return is anticipated allowing for a cyclical property market.
- 4.3 In terms of development opportunities, the Council may seek to "buy and hold" assets for the medium term where it sees a strategic advantage of doing so, for example land assembly for town center regeneration or acquiring land to develop in a phased approach to minimise risk of oversupply and for cash flow purposes.
- 4.4 The Council may also seek to "buy and sell on" an asset in the short to medium term of between 1 – 5 years. For example, where there is opportunity to secure good terms or a low price enabling a surplus to be made from a sale or redevelopment.
- 4.5 Further information can be found in the Council's Land and Property Acquisition Policy.
- 4.6 The Council seeks to achieve a spread of risk across a greater number of assets and by acquiring properties across the range of commercial property types, including: retail, leisure/tourism, office and industrial assets.
- 4.7 The Council has a small portfolio of commercial assets to rent within the district. These are identified within the Asset Management Plan as being held by the Council primarily for the purpose of generating income to support the Councils, revenue and capital budgets. Whilst generating income, returns and financial independence to support the delivery of services, there are a number of benefits to the Council, the community, tourist and business sector from the Council

commercial portfolio including promoting strategic regeneration, increasing business rate and council tax income and supporting tourism.

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

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

4.10 Asset management undertaken includes:

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

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

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

5 Debt Management and MRP Statement

5.1 Where a local authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision

(MRP). There has been no statutory minimum amount to be applied since 2008, although the Local Government Act 2003 does require authorities to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision 2012, which is currently undergoing a revision, subject to consultation.

- 5.2 The Guidance requires that the Council approve an Annual MRP Statement in advance of each financial year, and identifies a number of options for calculation of a prudent provision for MRP. Whilst there are four alternative methods available for this calculation, only two apply to new borrowing under the Prudential system for which no Government support is being given, i.e. borrowing which is intended to be self-financed.
- 5.3 All Council decisions made in relation to capital expenditure will be reviewed on their own merits and the most equitable treatment will be introduced in respect of the financing of these schemes. For the purposes of existing schemes and those proposed for the coming financial years where borrowing has been assumed, the Council will be applying the Asset Life Basis (Option 3 under the DCLG Guidance). This allows MRP to be charged to the revenue account across the estimated life of the assets that are being funded, in accordance with the regulations.
- 5.4 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

5 Prudential Indicators

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

5.2 *Authorised Limit for External Debt*

The Council has an integrated Treasury Management Strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council, and not just those arising from capital spending reflected in the CFR. The Council is required to set for the coming year and the following two financial years an authorised limit for its total gross external debt, separately identifying borrowing from other long term liabilities. The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured against all external debt items (i.e. long and short

term borrowing, overdrawn bank balances and long term liabilities). The indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved Treasury Management policy statement and practices. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Authorised limit for borrowing	27.400	28.400	28.400	28.400
Authorised limit for other long-term liabilities	0.000	0.000	0.000	0.000
Authorised limit for external debt	27.400	28.400	28.400	28.400

5.3 *Operational Boundary for External Debt*

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

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Operational boundary for borrowing	22.680	23.530	23.530	23.530
Operational boundary for other long-term liabilities	0.000	0.000	0.000	0.000
Operational boundary for external debt	22.680	23.530	23.530	23.530

5.4 *Capital Expenditure*

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

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Estimated Capital Expenditure	26.320	6.608	1.662	1.662

5.5 *Capital Financing Requirement*

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

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
CFR	14.467	15.130	14.110	13.090
Less: Other Debt Liabilities	0.000	0.000	0.000	0.000
Estimated Capital Financing Requirement	14.467	15.130	14.110	13.090

5.6 *Proportion of Financing Costs to Net Revenue Stream*

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

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Financing cost (net)	(0.953)	(0.922)	(0.922)	(0.949)
Net Revenue Stream	15.475	14.819	15.254	15.254
Ratio	-6.16%	-6.22%	-6.04%	-6.22%

6 Links to other Strategies and Plans

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

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

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

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

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

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

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

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

This page is intentionally left blank

North Norfolk District Council Investment Strategy 2020/21

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

Cabinet Member(s) Cllr E Seward	Ward(s) affected: All
Contact Officer, telephone number and email: Lucy Hume, 01263 516246	

Introduction

The Authority invests its money for three broad purposes:

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

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

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

- Local Homes for Local Need

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

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

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £36.9m and £46.6m during the 2020/21 financial year.

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

Further details: Full details of the Authority's policies and its plan for 2020/21 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council may lend money to its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth. The Council is currently lending to Broadland Housing Association at a commercial rate of interest to support the provision of affordable housing within North Norfolk. The income forms part of the Council's interest budget for the year and supports the delivery of Council services. In the 2016/17 financial year, the Council received a grant from Central Government to support community housing. It is the intention that part of this fund will form a loans fund to allow community initiative around housing to be supported and the income to be recycled. The rates of interest are likely to be below commercial rates and so represent soft loans. To date, no loans of this nature have been made from the fund.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure

that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2019 actual			2020/21
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Housing associations	3.096	0.003	3.093	£10m
TOTAL	3.096	0.003	3.093	£10m

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

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

Service Investments: Shares

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

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

Table 2: Shares held for service purposes in £ millions

	31.3.2019 actual	2020/21

Category of company	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	Nil	Nil	Nil	£5m
Suppliers	Nil	Nil	Nil	£5m
Local businesses	Nil	Nil	Nil	£5m
TOTAL	Nil	Nil	Nil	£15m

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

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

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

Commercial Investments: Property

Contribution: The Council invests directly in local commercial property with the intention of making a profit that will be spent on local public services. The Council currently holds two main investment properties. The depot building at Grove Lane, which is rented out to a private sector developer and Fair Meadow House, a property used for short term holiday let accommodation. Fair Meadow House provides rental income for the Council, but also supports the tourist offer within North Norfolk.

Table 3: Property held for investment purposes in £ millions

Property	Actual	31.3.2019 actual	31.3.2020 expected
----------	--------	------------------	--------------------

	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Grove Lane Depot		0.018	0.343	-	0.343
Fair Meadow House	0.582	0.030	0.580	-	0.580
TOTAL	0.582	0.030	0.923	-	0.923

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

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2019/20 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

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

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

Loan Commitments and Financial Guarantees

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

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

Proportionality

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

Table 4: Proportionality of Investments

	2018/19 Actual	2019/20 Forecast	2020/21 Budget	2021/22 Budget	2022/23 Budget
Gross service expenditure	65.419	62.052	60.715	60.552	60.852
Investment income	1.295	1.372	1.323	1.323	1.299
Proportion	1.98%	2.21%	2.18%	2.18%	2.13%

Borrowing in Advance of Need

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

Capacity, Skills and Culture

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

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

Corporate governance: Budgets for investment purchases are agreed by Full Council in line with corporate objectives. A £2m property investment fund was agreed in February 2018, after being subject to scrutiny by Members. Business Cases will either come forward to Cabinet (if not time sensitive) or an Asset Management Working Party, which is a cross-party subsection of the Overview and Scrutiny Committee. Treasury Investments are subject to governance checks through the agreement of the Treasury Strategy for the year, as well as half-yearly updates.

Investment Indicators

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

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

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2019 Actual	31.03.2020 Forecast	31.03.2021 Forecast
Treasury management investment	44.749	41.962	40.100
Service investments: Loans	3.096	2.827	2.558
Commercial investments: Property	0.923	0.923	0.923
TOTAL INVESTMENTS	48.768	45.712	43.581
Commitments to lend	0.00	0.00	0.00
Guarantees issued on loans	0.00	0.00	0.00
TOTAL EXPOSURE	48.768	45.712	43.581

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2019 Actual	31.03.2020 Forecast	31.03.2021 Forecast
Treasury management investments	Nil	Nil	Nil
Service investments: Loans	Nil	Nil	Nil
Commercial investments: Property	Nil	Nil	Nil
TOTAL FUNDED BY BORROWING	Nil	Nil	Nil

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

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
Treasury management investments	2.89%	3.27%	3.3%
Service investments: Loans	3.8%	3.8%	3.8%
Commercial investments: Property	-2.18%	4.58%	4.8%

Table 8: Other investment indicators

Indicator	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
Debt to net service expenditure ratio	Nil	Nil	Nil
Net Commercial income to net service expenditure ratio	-0.12%	0.24%	0.26%

North Norfolk District Council Treasury Management Strategy Statement 2020/21

Summary:	This report sets out details of the Council's treasury management activities and presents a strategy for the prudent investment of the Council's surplus funds, as well as external borrowing.
Options Considered:	Alternative investment and debt options are continuously appraised by the Council's treasury advisors, Arlingclose and all appropriate options are included within this Strategy.
Conclusions:	The preparation of this Strategy Statement is necessary to comply with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services.
Recommendations:	That the Council be asked to RESOLVE that The Treasury Management Strategy Statement is approved.
Reasons for Recommendation:	The Strategy provides the Council with a flexible treasury strategy enabling it to respond to changing market conditions and ensure the security of its funds, as well as secure borrowing at the best value.

Cabinet Member(s) Cllr E Seward	Ward(s) affected: All
Contact Officer, telephone number and email: Lucy Hume, 01263 516246	

Introduction

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

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial

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

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

External Context

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21.

UK Consumer Price Inflation (CPI) for September registered 1.7% year on year, unchanged from the previous month. Core inflation, which excludes the more volatile components, rose to 1.7% from 1.5% in August.

GDP growth rose by 0.3% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.0% from 1.2%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

Credit outlook: Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the upcoming general election, the need for greater clarity on Brexit and the continuing global

economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

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

For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 3.3%, and that new long-term loans will be borrowed at an average rate of 2.74%.

Local Context

On 31st December 2019, the Authority held £7.5m of borrowing and £37.7m of treasury investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.19 Actual £m	31.3.20 Estimate £m	31.3.21 Forecast £m	31.3.22 Forecast £m	31.3.23 Forecast £m
General Fund CFR	3.110	2.841	14.467	15.130	14.110
Less: External borrowing **	0.000	0.000	-11.198	-12.077	-11.326
Internal borrowing	3.110	2.841	3.269	3.053	2.784
Less: Usable reserves	-29.909	-24.581	-19.029	-17.617	-16.649
Less: Working capital	-14.358	-14.358	-14.358	-14.358	-14.358
Treasury investments	41.156	36.098	30.118	28.922	28.222

* leases and PFI liabilities that form part of the Authority's total debt

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

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

The Authority is currently debt free although its capital expenditure plans do currently imply a need to borrow over the forecast period. Investments are forecast to fall as capital receipts are used to finance capital expenditure.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2020/21.

Borrowing Strategy

The Authority currently holds £7.5m of short-term loans, an increase of £4.5 million on the previous year, as part of its strategy for funding temporary shortfalls in cash flow.

The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £11.198m in 2020/21. The Authority may also borrow additional sums to pre-fund future capital years' requirements, providing this does not exceed the authorised limit for borrowing.

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

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

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority has previously raised long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive options. The Authority will now look to borrow any long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility

of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

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

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

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

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

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

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

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

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

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

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £32.030 and £46.985 million, and similar levels are expected to be maintained in the forthcoming year.

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

Negative interest rates: If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2020/21. A dwindling proportion of the Authority's surplus cash remains invested in short-term unsecured bank deposits, and money market funds. This diversification will represent a continuation of the current strategy.

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

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£2m 5 years	£4m 20 years	£4m 50 years	£2m 20 years	£2m 20 years
AA+	£2m 5 years	£4m 10 years	£4m 25 years	£2m 10 years	£2m 10 years
AA	£2m 4 years	£4m 5 years	£4m 15 years	£2m 5 years	£2m 10 years
AA-	£2m 3 years	£4m 4 years	£4m 10 years	£2m 4 years	£2m 10 years
A+	£2m 2 years	£4m 3 years	£4m 5 years	£2m 3 years	£2m 5 years
A	£2m 13 months	£4m 2 years	£4m 5 years	£2m 2 years	£2m 5 years
A-	£2m 6 months	£4m 13 months	£4m 5 years	£2m 13 months	£2m 5 years
None	£1m 6 months	n/a	£3m 25 years	£500,000 5 years	£3m 5 years
Pooled funds and real estate investment trusts		£10m per fund or trust			

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

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

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment

specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

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

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment and as part of a diversified pool in order to spread the risk widely.

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

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

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

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

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

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

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

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

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

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury

bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

Investment limits: The Authority has revenue reserves available to cover investment losses. In order that only an acceptable level of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£6m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£6m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£5m in total
Money market funds	£16m in total
Real estate investment trusts	£10m in total

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

Treasury Management Indicators

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

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

Credit risk indicator	Target
Portfolio average credit score	6.0

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

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

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

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

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

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

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

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

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

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£50m	£50m	£50m

Related Matters

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

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

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

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

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

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

Financial Implications

The budget for investment income in 2020/21 is £1.3 million, based on an average investment portfolio of £40.1 million at an interest rate of 3.3%. The budget for debt interest paid in 2020/21 is £0.4 million, based on an average debt portfolio of £13.9 million at an average interest rate of 2.58%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

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

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast November 2019

Underlying assumptions:

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.
- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.

- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.21
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
3-month money market rate														
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.25
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
1yr money market rate														
Upside risk	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.30	-0.50	-0.55	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.60
5yr gilt yield														
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45	0.37
Arlingclose Central Case	0.50	0.50	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
Downside risk	-0.35	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.56
10yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.00	0.88
Downside risk	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.45
20yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45
50yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B - Existing Investment & Debt Portfolio Position at 31/12/2019

	Actual Portfolio £m	Average Rate %
External borrowing:		
Local authorities short-term	7.5	0.76%
Total gross external debt	7.5	0.76%
Treasury investments:		
Money Market Funds	5.655	0.74%
Pooled funds	32.000	3.38%
Total treasury investments	37.655	2.98%
Net debt	30.155	

PAY POLICY STATEMENT 2020/21

- Summary: Section 38 of the Localism Act 2011 (“the Act”) requires the Council to produce an annual pay policy statement (“the statement”) for the start of each financial year. The attached statement is drawn up in compliance with the Act to cover the period 2020/21. It is a legal requirement that Full Council formally signs off this statement and the responsibility cannot be devolved to any other person or committee.
- Options considered: There are no options to consider as part of this paper.
- Conclusions: The attached statement sets out current remuneration arrangements for officers.
- Recommendations: **To adopt the attached Pay Policy Statement and to publish the statement for 2020/21 on the Council’s website.**
- Reasons for Recommendations: To comply with the requirements of the Localism Act.

Cabinet Member(s) Cllr Sarah Bütikofer	Ward(s) affected
Contact Officer, telephone number and email: Lauren Trotter, Hr Business Partner lauren.trotter@north-norfolk.gov.uk (01263) 516192	

1. Introduction

1.1 Section 38 (1) of the Localism Act 2011 (“the Act”) requires English and Welsh local authorities to produce a pay policy statement (“the statement”) for each financial year. The statement is signed off by Full Council immediately before the commencement of the year to which it relates.

2. The Statement

2.1 The statement must set out:

- A local authority’s policy on the level and elements of remuneration for each Chief Officer

- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition)
- A local authority's policy on the relationship between the remuneration of its chief officers and other officers
- A local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments, and transparency.

2.2 With regard to the process for approving the statement, it must:

- Be approved formally by Full Council and cannot be delegated to any sub-committee. This includes any amendments in each financial year
- Be approved by the end of March each year
- Be published on the authority's website and in any other manner that the Council thinks appropriate as soon as it is reasonably practicable after it is approved or amended
- Be complied with when the authority sets the terms and conditions for a Chief Officer.

2.3 For the purpose of the statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989 as:

- The Head of Paid Service
- The Monitoring Officer
- A statutory Chief Officer and non-statutory Chief Officer (section 2 of that Act)
- A deputy Chief Officer (section 2 of that Act)

2.4 This definition of Chief Officer is wider than that contained within the Constitution where the term 'chief officer' indicates the senior posts which sit on Corporate Leadership Team i.e. the Joint Heads of Paid Service and Heads of Service.

3. Living Wage Supplement

3.1 The Council has paid a Living Wage as a supplement to affected posts since 1st January 2015 and the Joint Staff Consultative Committee recommended reviewing this payment on an annual basis. The supplement currently paid reflects the latest published rate for the 'real' living wage.

4. Travel Policy

4.1. The Travel Policy is attached at Appendix D. No changes have been made since the last update, which was effective from 1 April 2017.

5. Conclusion

The statement meets the statutory requirements of the Localism Act and it is therefore recommended that the statement be approved.

6. Financial Implications and Risks

- 6.1. There are no increased risks as a result of setting and publishing the Pay Policy Statement. The report and the statement outline arrangements for 2019/20 on the basis of the proposed assimilation to the new national spinal column points, covered in a separate agenda item.

7. Sustainability

There are no environmental sustainability implications arising from the report.

8. Equality and Diversity

The Equality act 2010 places requirements upon all public sector bodies to ensure that its policies and procedures promote equality, this document supports that requirement.

9. Section 17 Crime and Disorder considerations

There are no Section 17 implications arising from the report.

This page is intentionally left blank

Pay Policy Statement 2020/21

1. Context

1.1 This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 ("the Act"), which, from 2012 onwards, requires all local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The remuneration of their most senior employees, which the Act defines as:
 - The Head of Paid Service (Chief Executive),
 - The Monitoring Officer,
 - The Chief Officers (or Directors), and
 - The Deputy Chief Officers (i.e. managers who report directly to a Chief Officer);
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of their most senior employees and that of other employees.

1.2 The Secretary of State has produced guidance on the provisions in the Act relating to transparency and accountability in local pay, which local authorities must have regard to in preparing and approving their annual pay policy statements. This Pay Policy Statement takes full account of this guidance as well as the provisions of the Act.

1.3 The policy statement also refers to information which the Council already publishes under other legislation:

- Information on the level of remuneration paid to senior managers, as required by the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817).
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government Pension Scheme, as required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as required by Regulation 7 of those regulations.

1.4 This Pay Policy Statement must be reviewed on an annual basis and a new version of the policy will be submitted to Full Council for approval by 31 March immediately preceding the financial year to which it relates.

1.5 The Pay Policy statement can also be amended during the course of the financial year, but only by a resolution of the Full Council. If it is amended during the year to which it relates, the revised version of the statement must be published as soon as possible after the amendment is approved by Full Council.

1.6 This policy statement was considered by Full Council on 26 February 2020. It is available on the Council's website. The Council's website also includes separately published data on salary information relating to Senior Officers and this can be viewed on our website.

1.7 For the purpose of the pay policy statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989:

- a) The Head of Paid Service (i.e. the Chief Executive) as designated under section 4 of that Act;
- b) The Monitoring Officer designated under section 5(1) of that Act;
- c) A statutory Chief Officer and non-statutory Chief Officer under section 2 of that Act;
- d) A deputy Chief Officer mentioned in section 2 of that Act.

2. Remunerating Chief Officers/Deputy Chief Officers

2.1 The remuneration for Chief Officers/Deputy Chief Officers within the Council can be found at Appendices A and B.

3. Remunerating the Lowest Paid in the Workforce

3.1 The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Council decisions, these are then incorporated into contracts of employment. The lowest pay point in use by the Council for employees on the council's pay scale is spinal column point (SCP) 1. This relates to an annual salary of £17,364 (full time equivalent (FTE) and can be expressed as an hourly rate of pay of £9.00. This rate was effective from 1 April 2019 and remains in place at the date of this statement, as the national negotiations on Local Government pay scales are ongoing. Employees on this pay point are defined as our lowest paid employees. This pay point and salary has been determined by the National Joint Council (NJC). Full Council agreed to pay a Living Wage supplement where rates of pay were below the 'real living wage'. The 'real living wage' is currently £9.30 per hour and should any employee be paid below this rate, the supplement would be received. See Appendix C for pay scales for staff on grades 5-12. Continuation of the Living Wage supplement will be reviewed and determined annually.

3.2 The Council employs a number of apprentices and the salary for these staff complies with the National Minimum Wage.

4. The Relationship between Chief Officer Remuneration and that of other employees

4.1 The highest paid salary point in the Council is that of the two Corporate Directors and Head of Paid Service at £102,605 as at 1 April 2019 (inclusive of the Head of Paid Service supplement). Again, this rate is subject to change as the pay negotiations are ongoing at a national level. The median for Chief Officers is £58,515 and for non-Chief Officers is £27,905. This gives a ratio of 1:2.10. The Council does not have a policy on maintaining, reaching or applying a specific pay multiple. However the Council is conscious that remuneration at all levels needs to be adequate to secure and retain high quality employees but not be seen as excessive.

5. Other Aspects of Chief Officer Remuneration

5.1 Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement. These other aspects are defined as remuneration on recruitment, pay

increases, additions to pay, performance related pay, earn back, enhancements of pension entitlements and termination payments. These elements are shown in Appendix A.

6. Pay Awards

6.1 Pay awards are determined nationally in accordance with the Joint Negotiating Committee (JNC) for Chief Executives, the Joint Negotiating Committee (JNC) for Chief/Deputy Chief Officers and the National Joint Committee (NJC) for staff paid under the national spinal column points covered by internal grades 5-12.

7. Tax Avoidance

7.1 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council will utilise the procurement policy and the Employment Status for Tax guidelines to ensure that the correct employment status is identified before being engaged. When a need arises for an 'interim' appointment, the Council may consider the use of an agency.

8. Re-engagement of ex North Norfolk District Council staff within the scope of this policy

8.1 All permanent / fixed term posts are advertised in accordance with the Council's recruitment practices and procedures and appointment is made on merit. Interim management appointments are made in accordance with the Council's procurement policy.

9. Review

9.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. The next statement will be submitted to Full Council for approval by 31 March 2021.

9.2 As necessary, the Council may by resolution amend the pay policy statement at times other than that of the prescribed annual statement.

Post	Salary grade	Expenses / car allowances	Bonuses / PRP / Earn Back	Honoraria / Acting Up	Market/Salary Supplements	Election Fees	Severance Arrangements
Corporate Directors x 2 Head of Paid Service (jointly held)	2	Travel and other expenses are reimbursed through normal Council procedures. Car allowances are paid in accordance with the rates set out in Council's Travel Policy (see Appendix D)	The current terms and conditions of employment do not provide for any of the above elements	Honoraria and acting up payments do not apply	Joint Head of Paid Service supplement of £16,540 per annum, pro rata	Returning Officer fees for national elections are set by Central Government. Local election fees are paid in accordance with a scale of fees which is based on national election rates and agreed locally. Election fees are paid separately.	The Council's normal policies regarding redundancy and early/flexible retirement apply to the postholder
Head of Finance/s151 Officer	3	As above	As above	Could be applied where appropriate on authorisation of Corporate Leadership Team	£4,832 per annum, pro rata (s151 responsibilities)	As above (where applicable)	As above
Monitoring Officer	3	As above	As above	As above	£4,832 per annum, pro rata (Monitoring Officer responsibilities)	As above (where applicable)	As above
Head of Planning	4	As above	As above	As above	£4,832 per annum, pro rata (specialist delegated responsibilities)	As above (where applicable)	As above

Aspect of Chief Officer Remuneration	Council Policy
Recruitment and Retention	<p>All posts in the Council are evaluated using the Council's job evaluation scheme. Each grade comprises a range of pay points (spinal column points). Employees will receive an annual increment (and in some cases, 6 months after starting work with the Council), subject to the top of their grade not being exceeded.</p> <p>The post will be advertised and appointed to at the appropriate approved salary for the post in question and individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to.</p> <p>Where the Council is unable to recruit to a post at its designated grade, it will consider the use of temporary market supplements or 'Golden Hello's'. Golden Hello's are re-payable in whole or in part in certain circumstances should the officer leave before an agreed period has been served.</p> <p>In areas of skills shortages (locally or nationally) the Council will consider the use of retention payments. Access to appropriate elements of the Council's relocation scheme may also be granted in line with the policy when new starters move to the area.</p> <p>All staff are covered by the Council's appraisal scheme.</p> <p>The above applies to all employees.</p> <p>The rules regarding appointment to a Chief Officer role are set out in the Constitution.</p>
Pay Increases	<p>The Council will apply any pay increases that are agreed by the relevant national negotiating bodies. The Council will also apply any pay increases that are as a result of Council decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.</p> <p>This applies to all employees.</p>
Additions to Pay	<p>The Council would not make additional payments beyond those specified in the terms and conditions of employment and this policy statement.</p> <p>This applies to all employees.</p>
Professional Subscriptions	<p>These are payable where they are required for the post and should be limited to one subscription per Officer.</p> <p>This applies to all employees.</p>
Employee Assistance Programme (EAP)	<p>Access to the EAP scheme is available to all employees and elected Members.</p>
Contract for Services	<p>Where the Council remains unable to appoint Chief Officers on recruitment, or there is a need to provide interim support to cover for a vacant substantive Chief Officer post, the Council may, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate value for money from competition in securing the relevant service.</p>
Redundancy and payments on termination	<p>The Council has a single policy statement on discretionary payments which applies to all employees. Where termination of employment is subject to a settlement agreement, that agreement may include a negotiated payment in exchange for which the employee undertakes not to pursue claims against the Council. This is always subject to the completion of a business case and appropriate authorisation as laid out in the above policy.</p>
Pension contribution rates	<p>Staff who opt to join the Local Government Pension Scheme (LGPS) pay current contribution rates between 5.5% to 12.5%. The employer contribution rate is currently 14.5% and this is the same rate for all staff.</p>

Appendix B

Salary grades for Chief Officers and Deputy Chief Officers (1 April 2019) *

Grade	SCP	Annual Salary	Monthly Amount	Hrly Rate	Wkly Rate
4	331	£50,234.00	£4,186.17	£26.0376	£963.39
	332	£51,544.00	£4,295.33	£26.7166	£988.51
	333	£52,862.00	£4,405.17	£27.3998	£1,013.79
	334	£57,165.00	£4,763.75	£29.6301	£1,096.31
	335	£58,515.00	£4,876.25	£30.3299	£1,122.21

3	321	£60,318.00	£5,026.50	£31.2644	£1,156.78
	322	£61,997.00	£5,166.42	£32.1347	£1,188.98
	323	£68,056.00	£5,671.33	£35.2752	£1,305.18
	324	£69,591.00	£5,799.25	£36.0709	£1,334.62
	325	£72,005.00	£6,000.42	£37.3221	£1,380.92

2	311	£73,819.00	£6,151.58	£38.2623	£1,415.71
	312	£79,362.00	£6,613.50	£41.1354	£1,522.01
	313	£81,399.00	£6,783.25	£42.1913	£1,561.08
	314	£83,688.00	£6,974.00	£43.3777	£1,604.97
	315	£86,065.00	£7,172.08	£44.6098	£1,650.56

1	300	£105,742.00	£8,811.83	£54.8089	£2,027.93
	301	£108,006.00	£9,000.50	£55.9824	£2,071.35

*Subject to change following completion of national pay negotiations. Until negotiations are complete these rates will continue to be effective.

Appendix C
Salary grades 5-12 (1 November 2019)*

Grade	SCP	Salary	Hrly Rate	Wkly Rate
Grade 12	1	17,364	9.0002	333.01
	2	17,711	9.1801	339.66
	3	18,065	9.3636	346.45
	4	18,426	9.5507	353.38
Grade 11	5	18,795	9.7419	360.45
	6	19,171	9.9368	367.66
	7	19,554	10.1354	375.01
	8	19,945	10.3380	382.51
Grade 10	9	20,344	10.5448	390.16
	10	20,751	10.7558	397.96
	11	21,166	10.9709	405.92
	12	21,589	11.1902	414.04
	13	22,021	11.4141	422.32
Grade 9	14	22,462	11.6427	430.78
	15	22,911	11.8754	439.39
	16	Not used		
	17	23,836		
	18	Not used		
	19	24,799	12.8540	475.60
	20	25,295	13.1111	485.11
Grade 8	21	Not used		
	22	Not used		
	23	26,999	13.9943	517.79
	24	27,905	14.4639	535.16
	25	28,785	14.9200	552.04
	26	29,636	15.3611	568.36
	27	30,507	15.8126	585.07
Grade 7	28	Not used		
	29	32,029		
	30	32,878	17.0415	630.54
	31	33,799	17.5189	648.20
	32	34,788	18.0315	667.17
	33	35,934	18.6255	689.14
Grade 6	34	36,876	19.1138	707.21
	35	37,849	19.6181	725.87
	36	38,813	20.1178	744.36
	37	39,782	20.6201	762.94
	38	40,760	21.1270	781.70
Grade 5	39	Not used		
	40	42,683	22.1237	818.58
	41	43,662	22.6312	837.35
	42	44,632	23.1340	855.96
	43	Not used		
	44	46,553	24.1297	892.8
	45	47,596	24.6703	912.8

REAL LIVING WAGE
£9.30 per hour
No SCP's currently below this rate

APPRENTICE RATES	
Under 18's	£8,393.00
18 - 20	£11,866.00
21 - 24	£14,856.00
25 +	£15,840.00

*Subject to change following completion of national pay negotiations.
Until negotiations are complete these rates will continue to be effective.

This page is intentionally left blank

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON THE MEMBERS' SCHEME OF ALLOWANCES - FEBRUARY 2020

Summary:

The purpose of this report is to recommend to Council the allowances and expenses to be paid to Members to take effect from May 2020. In accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council set up an Independent Remuneration Panel as agreed at the meeting of Council held on 17 December 2019. The terms of reference for the Panel were also agreed at the December meeting of Council.

Conclusions:

The Council is required to observe, as part of the legislation, the following; 'before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel'. The findings and recommendations of the Panel are detailed in this report.

Recommendations:

That Members consider the recommendations of the Independent Remuneration Panel, adopt a scheme of allowances and amend the Constitution accordingly. Specifically, it is recommended that:

- a) the Basic Allowance should increase to £5,750 pa (to include £180 Broadband Allowance);
- b) the Scheme should remain index linked to officers' pay awards
- c) the broadband allowance should be included in the Basic Allowance (see Recommendation a)
- d) the Special Responsibility Allowance (SRA) for the Leader of the Council should remain calculated by way of a multiplier of x2 the basic allowance;
- e) the SRA for Cabinet Members with Portfolio should remain calculated by way of a multiplier of x1.33 the basic allowance;
- f) the SRA for Chairmen of Committees of the Council (except Development Committee and Standards Committee) should remain calculated by way of a multiplier of x0.67 the basic allowance;
- g) the SRA for the Chairman of Development Committee to remain at x0.75 of the basic allowance, with the SRA for the Vice-chairman of Development Committee remaining at x0.25 of the basic allowance.
- h) the SRA for the Chairman of Standards Committee should be removed due to the infrequency of meetings and replaced with a per meeting payment of 2% of the Basic Allowance
- i) a new payment for Chairmen of Working Parties to be introduced on a per meeting basis of 2% of the Basic Allowance
- j) a new SRA of x0.25 the basic allowance for the Vice-Chairman of the Council be introduced to reflect the workload and demands of the role.

- k) the SRA for the Leaders of the opposition group should be calculated by way of a multiplier of x3% of the basic allowance times number of members in the group;
- l) payment of 2% of the basic allowance per meeting attended should be made to co-opted members of committees.
- m) the carers' allowance should remain at £10 per hour wage for child care and £20 per hour wage for specialist care (per carer).
- n) the existing travelling expenses scheme should be maintained, and it should be subject to amendment in accordance with prevailing national agreements;
- o) the subsistence expenses scheme should remain the same with the allowance for lunch at £8.00 and the allowance for dinner at £20. Breakfast will only be payable when an overnight stay is required
- p) the changes proposed by the Panel are not backdated, but should take effect from the beginning of the municipal year, in May 2020;

Cabinet member(s):

All

Contact Officer:

Ward(s) affected:

All

Emma Denny, Democratic Services Manager

Emma.denny@north-norfolk.gov.uk

1. Introduction

- 1.1 The Independent Remuneration Panel (IRP), was appointed for a 4 year term with effect from 17 December 2019 and consists of 3 members;

Ivor Holden, Karen Forster and Sandra Cox.

The Chair of the Panel was selected by its members at the start of the first meeting where it was agreed that Ivor Holden would be the Chairman.

- 1.2 The IRP met on 20 January 2020 and 31 January 2020 to consider the available evidence before making the recommendations being put to the Council and was assisted by the Democratic Services Manager.
- 1.3 The Panel agreed the Terms of Reference as outlined below in section 2 of this report and were appraised of the full range of roles covered by Members in carrying out their duties as District Councillors in relation to the current Scheme of Members' Allowances.
- 1.4 Consideration was given to the Terms of Reference of the Council's Committees and the frequency they meet as per the published Programme of Meetings.
- 1.5 Comparative data on Members' Allowances Schemes throughout Suffolk and Norfolk were also studied to help set a contextual benchmark for the North Norfolk Scheme.
- 1.6 Consideration was given to the views of the Group Leaders regarding the workload, ward duties, meeting attendance and any additional duties of their Members.

2. Terms of Reference

- 2.1 The Regulations provide that the IRP can make recommendations to the Council on the following matters:
- i) The amount of basic allowance which should be payable equally to each elected Member.
 - ii) The roles and responsibilities for which a special responsibility allowance should be payable and the amount of each such allowance.
 - iii) Travelling and subsistence.
 - iv) Co-optees' allowance.
 - v) The amount of in respect of expenses of arranging for the care of children and, and the means by which it is determined.
 - vi) Backdating of allowances to the beginning of a financial year in which the scheme is amended.
 - vii) Annual adjustments of allowances.

3. Issues Considered and the Panel's Conclusions

The issues under consideration and the Panel's conclusions were as follows:-

3.1 Basic Allowance

- 3.1.1 The current scheme provides for a payment of a basic allowance which was set at £5,000 pa in 2016 and which has risen to £5,254 (in line with officer annual pay awards). The Basic Allowance is intended to reflect time commitment for all councillors for ward work, meetings with officers and attendance at committee meetings and outside bodies.
- 3.1.2 Members were asked to submit comments and evidence for consideration by the Panel. Two of the Group Leaders met with the Panel, with the other submitting comments by email.
- 3.1.3 The Panel highlighted the separate payment of £180 pa for broadband and suggested that it was incorporated into the basic allowance. This would reflect the statutory requirements that did not allow for a separate payment for broadband, bringing the Council in line with other local authorities. This change would increase the basic allowance to £5,434.
- 3.1.4 After receiving evidence in respect of both committee and ward roles and reviewing comparative schemes across Norfolk and Suffolk, and being mindful that there had been a change to the ward boundaries resulting in a reduction from 48 to 40 councillors, the Panel felt that it was appropriate to suggest a further small increase. This would reflect the additional work placed on councillors following the boundary review which had resulted as well as ensuring that North Norfolk was placed at a similar level to neighbouring local authorities. The Panel agreed that an increase of £316 pa (6%) would be proportionate.

Recommendations

- To recommend that the broadband allowance of £180 pa should be incorporated into the basic allowance.
- To recommend that the basic allowance be increased to a **total** of £5750 pa
- To recommend that the Scheme should remain index linked to officers' pay awards.

3.2 Special Responsibility Allowances

- 3.2.1 Special responsibility allowances (SRAs) are calculated as a multiplier of the basic allowance. The Panel considered this to be an appropriate way to calculate SRAs and concluded that it should continue.
- 3.2.2 SRAs can be paid to those members of the Council who have significant additional responsibilities over and above the generally accepted duties of a councillor.
- 3.2.3 The Panel considered the full range of responsibilities that could attract the payment of an SRA under executive arrangements.

3.3 Leader of the Council

- 3.3.1 The Panel noted the role of the Leader and the importance of the role. The Panel considered that due to the proposed increase in the basic allowance the SRA would increase accordingly and agreed to maintain the current SRA of x2 the basic allowance.

Recommendation

To recommend that the SRA for the Leader of the Council should remain calculated by way of a multiplier of x2 the basic allowance, resulting in a special responsibility allowance of £11,500 (total allowance - £17,250)

3.4 Cabinet Members with Portfolio

- 3.4.1 Cabinet members currently receive a special responsibility allowance of £6,987.82 – based on a multiplier of x1.33 of the basic allowance. The Panel had regard to the roles and responsibilities of Cabinet Members and was satisfied that the multiplier should remain unchanged, as the SRA would rise due to an increase in the basic allowance.
- 3.4.2 The Panel also agreed that, in line with other local authorities, the role of Deputy Leader should attract an SRA to reflect the demands of the role – specifically covering the role of the Leader in their absence. It was agreed that this would be in line with Cabinet members at a multiplier of x1.33. As Members can only receive one SRA, there would be no cost implication and the Deputy Leader is automatically a Cabinet Member.

Recommendation

To recommend that the SRA for Cabinet Members with Portfolio and the Deputy Leader should remain calculated by way of a multiplier of x1.33 the basic allowance, resulting in a special responsibility allowance of £7,648 (total allowance - £13,398)

3.5 Chairmanship of Committees and Working Parties

- 3.5.1 Currently, these Members receive a special responsibility allowance of £3,520.18 which is calculated on a multiplier of x0.67. The Panel considered that the commitment required to chair the Council's main committees was considerable. They acknowledged

that although the Governance, Risk and Audit Committee met less frequently than other committees, the time commitment required by the Chairman for meeting preparation and undergoing development and training was high. The Panel acknowledged that the Chairman of Development Committee continued to have a heavier workload than other chairmen due to the meeting schedule which included pre-meetings and site visits. The length of the meetings together with the amount of time that the Chairman spent on reading documents and liaising with planning officers also contributed. It was therefore agreed that the multiplier for this committee should remain at x0.75, with the Vice-Chairman of Development Committee continuing to receive a multiplier of x0.25. The Panel felt that although the multipliers remained the same as before, those involved would receive a slight increase due to the rise in the Basic Allowance.

Recommendations

- a. That the SRA for the Chairmanship of the Committees of the Council (with the exception of Standards Committee – see below) should remain calculated by way of a multiplier of x0.67 the basic allowance, resulting in a special responsibility allowance of £3,852.50 (total allowance - £9602.50)
- b. That the Chairman of Development Committee should continue to receive x0.75 of the basic allowance, resulting in a special responsibility allowance of £4313.00 (total allowance - £10,063)
- c. That the Vice-chairman of Development Committee should continue to receive x0.25 of the basic allowance, resulting in a special responsibility allowance of £1,438.00 (total allowance - £7,188)

Standards Committee

- 3.5.2 This committee has met infrequently over recent years and the Panel felt that the special responsibility allowance should be removed. It was considered that it would be more appropriate for the Chairman to receive a payment per meeting.

Recommendation

To remove the SRA for the Chairmanship of the Standards Committee and make a payment on a per meeting basis at 2% of the basic allowance (£115 per meeting)

Chairmen of Working Parties

- 3.5.3 The Panel agreed that Working Parties could require considerable commitment from the Chairman. However, it was acknowledged that they were not decision-making bodies and the meeting schedules could be erratic. It was also often the case that they were chaired by a Cabinet member, in which case an SRA was already payable. The Panel agreed that if Working Parties were not chaired by someone who was already in receipt of an SRA, then a payment per meeting should be made.

Recommendation

That Chairmen of Working Parties be paid on a per meeting basis at 2% of the basic allowance (£115 per meeting)

3.6 Chairman and Vice-Chairman of the Council

- 3.6.1 The Chairman of the Council currently receives an SRA payment of £2,627 pa, which is calculated by way of a multiplier of x0.5. The Panel considered that this reflected the significance of the ambassadorial role of the Chairman in the North Norfolk Community and the requirement to chair meetings of Full Council on a regular basis. It was agreed that the SRA should be retained at x0.5 the basic allowance.

- 3.6.2 The Panel then considered the role of the Vice-Chairman of the Council which does not currently receive an SRA payment. It was agreed that the Vice-Chairman may be required to stand in for the Chairman at civic events and support them in their role. It was felt that an SRA payment of x0.25 would reflect this, resulting in a payment of £1,437.50 pa.

Recommendation

- a. To recommend that the SRA for the Chairman of the Council should continue to be calculated by way of a multiplier of x0.5 the basic allowance, resulting in a special responsibility allowance of £2,875 (total allowance - £8,625)
- b. That the Vice-Chairman of the Council should receive an SRA payment of x0.25 the basic allowance resulting in a special responsibility allowance of £1,437.50 (total allowance - £7,187.50)

3.7 Leaders of the opposition groups

- 3.7.1 The Panel considered the role of the leaders of the opposition groups. Previously an SRA had been paid only to the leader of the main opposition group at a rate of x0.33 the basic allowance. The Panel considered that as the opposition groups were currently similar in size, that it might be fairer to pay the leaders of groups (larger than 3 members) at a multiplier of 3% of the basic allowance multiplied by the number of members in the group.

Recommendation

To recommend that the SRA for the leaders of the opposition groups should be calculated by way of a multiplier of 3% of the basic multiplied by the number of members in the Group.

3.8 Co - opted members

- 3.8.1 The Council does not currently have any co-opted members on its committees. However, the Overview & Scrutiny Committee has previously co-opted people onto a Task & Finish Group. At present, co-opted members can claim for reasonable travelling and subsistence expenses and receive a payment of between £30 and £50 per meeting attended. It was agreed that payments to co-opted members should be consistent and set at a percentage of the basic allowance and paid on a per meeting attended basis.

Recommendation

That a payment of 2% of the basic allowance per meeting attended should be made to co-opted members of committees (£115 per meeting attended)

3.9 Carers' Allowance

- 3.9.1 The Panel considered the different caring roles and agreed that there should be flexibility regarding payments to ensure that no-one was disadvantaged. It was acknowledged that sometimes specialist care required two carers to be in attendance and the Panel agreed that in such instances a payment of £20 per hour, per carer should be made.

Recommendations

1. To recommend that the carers' allowance should be maintained at the current rates:
 - £10 per hour for child care
 - £20 per hour, per carer for specialist care (up to two carers per session)
2. To recommend that in unusual or extenuating circumstances, the Democratic Services Manager will consider payments for care on a case by case basis.

3.10 Travelling

- 3.10.1 The current scheme is based upon nationally set rates that are payable in respect of meetings and attendance in relation to rightful responsibilities or representation of views,

for example, meetings of the Council, site visits, outside organisations etc. The Panel could see no justification for moving away from these arrangements.

Recommendation

To recommend that the existing travelling expenses scheme should be maintained, and that it should be subject to amendment in accordance with prevailing national agreements:

Mileage

Car (regardless of engine size)	45 pence per mile
Motorcycle	24 pence per mile
Cycle	20 pence per mile
Car Share	5 pence per mile

3.11 Subsistence

3.11.1 The Panel agreed that the current payments for subsistence were reasonable and should be retained. They highlighted that payments for breakfast should only be payable if the Member was staying away overnight.

3.11.2 The Panel reiterated that all claims should be accompanied by receipts and that they should be submitted within 3 months. All bookings for hotels should be done through the Council except in exceptional circumstances.

Recommendation

To retain the payments for subsistence at the following levels:

- £6.88 for breakfast (only where an overnight stay is required)
- £8.00 for lunch
- £20.00 for dinner

3.12 Backdating of Allowances

3.12.1 The Panel could see no justification for suggesting that allowances should be backdated to the beginning of the financial year in which the scheme is to be amended.

Recommendation

To recommend that the changes proposed by the Panel are not backdated, but should take effect from the beginning of the municipal year, in May 2020.

3.13 Renunciation of allowances

3.13.1 The Panel strongly agreed that all Members should receive their allowance and that renunciation should be discouraged as it was felt that this could discriminate between those who could afford to forgo their allowance and those who could not.

Recommendation

To recommend that all Members should receive their allowance in recognition of the commitment required and that the forgoing of allowances should be discouraged.

4 Future reviews

4.1 The Panel acknowledged the proposed introduction of Member Champion roles and agreed that there would need to be a period of time to see the time commitment required before consideration could be given as to whether a special responsibility allowance should be paid. It was agreed that a 'light touch' review should take place in the next 12 - 18 months to review this and any other new roles or changes to existing roles.

Recommendation

That a further review of Members' allowances should be undertaken in 2021/22.

5. Financial Implications

- 5.1. It will be a matter for the Council to determine any additional costs or savings in relation to the Scheme when considering and deciding on the adoption of recommended changes.

6. Risks

- 6.1. The main risk associated with the review of the Members' Scheme of Allowances is reputational in nature. When considering the findings and recommendations of the Independent Remuneration Panel, Members should evaluate them in the spirit intended and the context of the prevailing circumstances. When making their decision however, the Panel would like to draw the Council's attention to the change in the ward boundaries which has resulted in a reduction in the number of councillors. This has led to larger wards for many Members, together with an increase in committee and outside body commitments.
- 6.2. While Members are required to have due regard to the report of the Independent Remuneration Panel, it is still a matter for the Council to decide whether it adopts the associated recommendations in full or part.

7. Sustainability

- 7.1. There are no direct sustainability implications associated with the review of the Members' Scheme of Allowances.

8. Equality and Diversity

- 8.1. The principal issue arising from the review that has equality and diversity implications is the carers' allowance. The Panel was of the opinion that by allowing for the payment of two carers at a time for specialist care and the associated discretion to consider requests on a case by case basis would help to reduce potential barriers to existing Members' full participation and may encourage future prospective candidates to come forward, where they have caring responsibilities.

9. Crime & Disorder

- 9.1. There are no direct crime and disorder implications associated with the review of the Members' Scheme of Allowances.

Comparison of Allowances
14/01/20

Role	Freq	No.	North Norfolk	Breckland	Broadland	Gt Yarmouth*	King's Lynn	Norwich City	South Norfolk	High	Low	Budget
Member	8 pa	40	5,254.00	5,569.26	3,712.00	4,555.00	5,750.00	6,380.00	4,865.00	6,380.00	3,712.00	210,160.00
Leader	M	1	10,508.00	22,277.04	11,256.00	10,249.00	15,808.00	10,634.00	12,650.00	22,277.04	10,249.00	10,508.00
Cabinet Member	M	7	6,987.82	11,832.05	5,628.00		7,113.00	5,317.00	6,325.00	11,832.05	5,317.00	48,914.74
Overview & Scrutiny Chair	M	1	3,520.18	11,832.05	1,127.00		*	2,659.00	4,865.00	11,832.05	1,127.00	3,520.18
Audit Chair	4 or 5	1	3,520.18	5,569.26	1,127.00	4,555.00	*2212.00	2,659.00		5,569.26	1,127.00	3,520.18
Development Control Chair	M	1	3,940.50	11,832.05	1,876.00	4,555.00	5,763.00	2,659.00	6,325.00	11,832.05	1,876.00	3,940.50
Vice Chairman of Devt Control	M	1	1,313.50	*3089.28		1,139.00	2,518.00		1,460.00	3,940.50	1,139.00	3,940.50
Licensing Chair	M	1	3,520.18	*2784.63	1,127.00	4,555.00	2,601.00	2,659.00	1,460.00	4,555.00	1,127.00	3,520.18
Standards Chair	2	1	3,520.18		269.00	1,139.00	791.00	373.00	1,460.00	3,520.18	269.00	3,520.18
Chairman of the Council	8	1	2,627.00	5,569.26	1,501.00	2,278.00	5,975.00		6,325.00	5,975.00	1,501.00	2,627.00
Leader of main opposition group	8	1	2,627.00	2,784.63	106.00	4,555.00	2,212.00	5,317.00	2,919.00	5,317.00	106.00	2,627.00
Deputy Leader				14,616.68			8,694.00			14,616.68	8,694.00	
Leader of other opposition groups			1733.82	1,980.00	106.00	4,555.00	474.00	2,659.00		2,659.00	106.00	
Vice Chairman of Council				2,784.62	749.00	911.00	2,091.00		1,460.00	2,784.62	749.00	296,798.46
				* total = payment per meeting x 12 Vice-chairs are paid per meeting chaired		Pays vice-chairs *Committee system	Pays vice-chairs of committees *O&S and Audit are combined	Pays members of committees	Pays vice-chair of Scrutiny Committee			

This page is intentionally left blank

REPORT TO FULL COUNCIL – 26TH FEBRUARY 2020

Temporary appointments to be made to Witton & Ridlington Parish Council

Summary:-

This report recommends that temporary appointments are made by the District Council to Witton and Ridlington Parish Council to ensure that the Parish Council is able to lawfully function until such time as the requisite number of vacancies are filled.

1. Background

- 1.1 Ordinary elections to Town and Parish Councils within the North Norfolk District take place every four years at the same time as elections to the District Council.
- 1.2 A Town or Parish Council needs to be quorate in order to discharge any business at a meeting. A quorum is defined in legislation as being one third of the total number of members of the relevant Town/Parish Council, subject to a minimum of three Councillors.
- 1.3 In the lead up to the 2nd May 2019 Parish Elections five valid nominations were received for Witton and Ridlington Parish Council; however at the Annual Parish Meeting held a couple of weeks after the May local elections something was said at the meeting which led to none of the validly nominated persons signing their Acceptance of Office documents and as such no places on the Parish Council were filled. The incident at the Annual Parish Meeting also resulted in the Parish Clerk resigning from their position.
- 1.4 Two further attempts to fill the vacancies on Witton and Ridlington Parish Council have been made by the Elections Team, with Notices of Election being published on 13th June 2019 and also on 7th November 2019. However, neither of these processes resulted in any valid nominations to serve as a councillor on the Parish Council being received by the Returning Officer.
- 1.5 Documents relating to Parish Council matters have now been successfully recovered from the former Clerk by the Deputy Monitoring Officer and these are being stored securely by the District Council until such a time as a new Parish Council is formed and a new Parish Clerk appointed.
- 1.6 There are a total of seven seats on Witton and Ridlington Parish Council so the Council needs a minimum of three councillors to be quorate and transact any business.
- 1.7 Under Section 91 of the Local Government Act 1972 in situations where Town or Parish Councils do not have the required number of councillors to be quorate and conduct the business of the Parish Council, the District Council can make an order to appoint persons to serve on the Parish Council until such time as vacancies on the Council are filled by election or co-option).
- 1.8 A new Parish Clerk will also need to be appointed to support the Parish Council and an approach has been made to the Norfolk Association of Local Councils about how they

might be able to assist the District Council in filling this role on an interim and long-term basis.

2. Legal Implications

- 2.1 Paragraph 12 of Schedule 12, Part ii of the Local Government Act 1972 provides that no business shall be transacted at a meeting of a parish council unless at least one-third of the whole number of members of the council are present at the meeting; but notwithstanding anything in that paragraph, in no case shall the quorum be less than three.
- 2.2 The number of parish Councillors for a parish council shall not be less than 5 (s16 Local Government Act 1972). The number of Parish Councillors able to serve on Witton and Ridlington Parish Council is seven.
- 2.3 Section 91(1) of the Local Government Act 1972 provides that the principal authority, in this case North Norfolk District Council, may make an order to appoint persons to fill all or any vacancies on a town or parish council until such time as other councillors are elected and take up office.
- 2.4 Two copies of any order made under section 91(1) shall be sent to the Secretary of State.
- 2.5 In the event that Witton & Ridlington Parish Council are unable to fill the required number of vacancies through co-option, section 39(4) of the Representation of the People Act 1983 enables the District Council to make any appointment or do anything which appears to them necessary or expedient for the proper holding of such an election or meeting and properly constituting the council. This includes the power to direct the holding of an election or meeting and fix the date for it.

3. Proposed appointment and process

- 3.1 In order that Witton and Ridlington Parish Council is able to function in the short to medium term ie at least the next six months; it is proposed that the District Council makes appointments to the Parish Council through roles being taken up by the local district and county councillors.
- 3.2 This would see Cllr. Clive Stockton, District Councillor for the Bacton Ward and Cllr. Eric Seward, County Councillor for the North Walsham East Division plus one other District Councillor be nominated to form the Parish Council and conduct the Parish Council's business until such time as sufficient local persons are elected or co-opted to the Parish Council.

4. Financial and Value for Money Considerations

- 4.1 The costs associated with the proposals set out in this report are considered to be negligible.

5. Risk Assessment

- 5.1 The District Council could choose not to make any appointments to Witton and Ridlington Parish Council. However, without the District Council making temporary

appointments the Parish Council would not be able to sit or take decisions in the interests of the local community until the next regular elections in 2023.

- 5.2 As there are significant current developments which directly impact upon the local community in Witton and Ridlington, not least the proposals by offshore wind developer Vattenfall to construct cable corridors through the parish in connection with the Norfolk Vanguard and Norfolk Boreas offshore wind schemes which are currently going through the National Strategic Infrastructure Project Development Consent Order process which require local involvement and governance, the District Council believes that it is in the interests of the local community that the Parish Council is formed with immediate effect through nomination of other locally elected members.

6. Equality Impact Assessment

- 6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act.

7. Policy Considerations

- 7.1 The North Norfolk District Council Corporate Plan 2019 – 2023 places importance on strong community engagement and the proposal for the District Council to support effective community representation and governance for the local community in Witton and Ridlington through nominating representatives to serve on the Witton and Ridlington Parish Council supports this aim.

8. Recommendations:-

- 8.1 That Full Council:-

- i) Proposes that District Councillor Clive Stockton (local ward member) and County Councillor Eric Seward (local county councillor) plus one other district councillor be appointed to serve as temporary members of Witton & Ridlington Parish Council until such a time that an election or co-option can be held and those elected or co-opted have taken up office.
- ii) That the Norfolk Association of Local Councils be contacted and asked to provide advice and interim clerking support to the Parish Council pending recruitment of a permanent Clerk.
- iii) The Monitoring Officer be authorised to make the necessary order to give effect to the temporary appointments.

Contact: Rob Henry

Rob Henry
Electoral Services Officer

This page is intentionally left blank

CABINET MEMBERS REPORT TO COUNCIL

26 February 2020

COUNCILLOR ANDREW BROWN - CABINET MEMBER FOR HOUSING AND PLANNING

For the period December 2019 to February 2020

1 Progress on Portfolio Matters.

Progress on Corporate Plan Objectives (as set out in the delivery plan)

Extra Care Housing

Development has begun of the 66-unit Housing with Care scheme at Fakenham. The Housing 21 scheme will provide 30 affordable rented and 36 shared ownership homes with support for older people. We are working with Norfolk County Council to identify other possible sites for similar schemes, with possibilities in some of the towns at a very early stage.

Homeless & Rough Sleeping Strategy 2019 – 2024

This was approved at Cabinet in December 2019 and has been published. There is an action plan attached to the strategy – some of the actions have already been completed but dates will be added soon for the remainder.

Housing Company

Modelling of the financial viability of a particular approach has been undertaken by financial consultants Savills and the results of this are due to be considered shortly.

Housing Strategy – 2020 – 2023

The key themes for the Housing Strategy will come from the Homes for Local People element of the Corporate Plan.

The Strategic Housing Team is preparing a report on the context/ profile of housing in the District. This will form the foundations of a stakeholders' workshop and consequently provide an evidence base for the emerging Housing Strategy.

The Council has secured a grant of £44,000 to undertake research into the condition of housing in the district with particular focus on the 11,000¹ privately rented homes. The Building Research Establishment will carry out the research on behalf of the Council using a number of datasets. The results of this research will provide information on disrepair and fuel poverty and so help inform the new Housing Strategy.

¹ Estimate from Experian and will be subject to review as a result of the research.

Other Items

Community Housing Fund

The Strategic housing team continue to support new and existing community-led housing groups. We have a new Community-led group forming in Swanton Novers. A local steering group of eight people held its first meeting on February 6th. A local land owner is willing to provide a site free of charge. The local community are most concerned about the needs of elderly residents who need suitable housing to enable them to remain in the village.

2 Forthcoming Activities and Developments.

There is a report to Cabinet in March 2020, recommending the purchase of two homes to be used as temporary accommodation for homeless households.

4 Performance Information

Affordable Homes

We project that there will be 104 new affordable homes completed in 2019/20. We have taken out of the 2019/20 projections a Broadland Housing Scheme in Roughton which will not complete until 2020/21.

As at 31st January 2020 housing associations have delivered 54 of these homes on eight sites.

Environmental Protection Team

The Environmental Protection team is responsible for tackling disrepair and poor energy efficiency in privately owned housing, including the private rented sector.

The team use the housing health and safety rating system (HHSRS). This is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. In particular the team focuses on HHSRS Category 1 hazards; Excess Cold hazards, Falls hazards and Disrepair.

In the period December 2019 to January 2020 (Year to 30 November 2019 for comparison):

- Number of complaints received: 19 (61)
- Number of those complaints resulting in inspections: 10 (52)
- Number of those dwellings inspected with category 1 hazards: 2 (28)
- Number of dwellings made decent of those above dwellings assessed: 0 (8)
- Total number of dwellings made decent: 5 (17) (including cases carried forward from previous period).

If necessary, the team will take enforcement action against an owner. This means that it may take time to address a category 1 hazard and explains why of the 5 dwellings made decent – all five were first identified before 30th November 2019.

Housing Options Team

Your Choice Your Home: Housing List and Properties Let

Total numbers on Housing List as at 31 Jan 2020 = 2993, of which:

- Housing Register Priority Card: 0
- Housing Register Band 1: 233
- Housing Register Band 2: 189
- Housing Options Register: 497
- Transfer Register: 2074

Number of affordable homes let (includes shared ownership sales):

- 242 (April to December 2019)
- QTR 1 – 89
- QTR 2 – 66
- QTR 3 – 87

Homelessness

Numbers Currently in Temporary Accommodation as at 30 Jan 2020 = 36

Number of new Approaches to the Service

QTR 1 – 250

QTR 2 – 262

QTR 3 – 244

Current Live Cases: 167 of which:

- Prevention Duties: 36
- Decisions pending: 2
- Relief Duties: 53
- Main Housing Duty Accepted: 25
- Review: 0
- Triage: 51

Rough Sleepers – 8 (6 confirmed 2 not verified)

IHAT (integrated Housing Action Team)

The IHAT provide adaptations to properties. The aim is to enable residents with disabilities/mobility problems to continue to live independently in their homes. The team work with residents across all tenures.

The IHAT has a budget of nearly £1.2 million in 2019/20. The team use this money to fund adaptations such as stair lifts, ramps and level access showers. The maximum grant is £30,000 and in a small number of cases the grant is part funding extensions to properties to provide additional living accommodation, including ground floor shower rooms and bedrooms.

Cases are becoming increasingly complex and as a result the average grant has increased from £5,923 in 2015/16 to £9,579 in 2019/20.

In the year to 31st January the team has committed to spend £847,342 of the annual budget. This work will provide adaptations for 91 customers. Actual spend in the year to date is £1,005,140 and includes spending on adaptations which were approved in the previous financial year.

CABINET MEMBERS REPORT TO COUNCIL

26 February 2020

COUNCILLOR S BUTIKOFER - CABINET MEMBER FOR CORPORATE SERVICES

For the period December 2019 to February 2020

1 Progress on Portfolio Matters.

Legal & Democratic Services Update:

The Corporate Delivery Plan was approved by Cabinet on 3rd February 2020 and Overview and Scrutiny Committee on 12th February 2020. Projects will now come forward to Cabinet for delivery against each of those themes as identified in the delivery plan, with Portfolio Holders leading on that work and the Overview and Scrutiny Panels providing oversight, together with risk assurance being undertaken by Governance, Risk and Audit Committee.

As lead for the Customer Focus element of the Corporate Plan, activity will centre on two main elements; improving customer service throughout the Council and increasing our community engagement so that we can hear people's views.

I'm pleased to say that some of the initial work has already started on this, in the setting up of the Town and Parish Council Forums and the Environment Panel and customer surveys in specific service areas. We will also be looking to build upon this in do wider community engagement through asking our residents what they think about the area and the Council and more specifically how the Council delivers services to our residents. This will give us a baseline against which we can track delivery. More detail on projects will be available for Members through the new ways in which we are monitoring delivery of projects against our Corporate Plan, and this also provides much more robust governance processes.

Through the Overview and Scrutiny Panels and performance and monitoring reports at Cabinet, members will be able to gain a detailed understanding of the projects and see how we are delivering against our priorities. This is supported through more sophisticated and relevant reporting which will provide greater transparency and better performance

The process for gathering and collating feedback on the Council's outside bodies will begin soon. This is an important piece of work as it helps the team gauge the value of the external bodies that the Council appoints to. A feedback form is sent to both the outside body and to the members appointed to it. Members will receive their forms shortly and are requested to complete them and return them to Democratic Services.

A skills audit of elected Members is underway. This will help us determine any future training needs and identify specialist knowledge amongst Members. Thanks to

everyone who has responded so far.

In-house training – two sessions have been held for Members on Budget setting and financial sustainability. Attendance was good and a further session on risk will take place in March.

IT and Digital Transformation Update:

The annual Public Sector Network certification which allows the Council to connect to other Public sector systems, e.g. DWP has been successfully completed. The assessors made some very complementary comments on the effectiveness and comprehensive nature of the arrangements at NNDC and that they were delivered from such a small team.

A draft internal audit of our online mapping GIS systems has been received which rates the arrangements for the management of this system as providing reasonable assurance.

The Council's website is being enhanced to comply with best practice and the mandatory accessibility standards which come into force in September 2020.

<https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps>

Following this initial work our independently assessed website accessibility score increased from 83.4/100 to 92.8/100. The current average for UK websites in the public sector is 75.0/100. A recent investigation by the BBC / Brave into council website privacy put the Council's website in a very good light:

35 out of 406 Councils in the UK implement website cookie control correctly to meet GDPR – we are one of them and only 31 Councils are rated as better at privacy.

https://www.bbc.co.uk/news/uk-50504621?intlink_from_url=https://www.bbc.co.uk/news/topics/cyj7rz85g59t/local-government&link_location=live-reporting-story

We have made further improvements since this study.

The Council's system for receiving and accounting for cash and cheque payments has been successfully upgraded.

The latest version of the Assure Environmental Health system has been installed for user testing and the IT provision for the North Norfolk Information Centre at Cromer has been refreshed.

The Air handling and filtration system in the Fakenham data centre has been enhanced to improve the air quality in the server room.

Customer Services Update:

North Norfolk Information Centre;

The refurbishment of the North Norfolk Visitor Centre on Loudon Road, Cromer is now complete.

The North Norfolk Visitor Centre was officially opened on Monday 10 February, by Cllr. Virginia Gay at an event that was well attended by Deep History Coast Ambassadors and community stakeholders. with an exciting reveal of the brand new look for the tourist information hub. As well as the traditional visitor information service the centre now also includes a "Discovery Zone," a fantastic new resource which forms part of North Norfolk District Council's "Deep History Coast" initiative.

The Tourist Information staff are receiving many positive comments regarding the addition of the Deep History Coast visitors centre and the refurbishment of the building.

Our new waste partnership with Breckland District Council and the Borough Council of Kings Lynn & West Norfolk is set to go live on 6 April 2020.

NNDC will go live on this day with the other District Councils commencing service in April 2021.

We have been working with our partners and the new waste contractor to ensure the smooth transition of services.

The new contract requires the administration of customer enquiries to be managed by the contractor with the support of NNDC Customer Services.

With any change in contract it is prudent to anticipate and work proactively to reduce any service failures that may impact on our customers. Through strong communication and established working relationships we are confident in our ability to successfully deliver this change.

NNDC Customer Services will retain the administration of the Garden Bin service with approximately 20,000 expected to renew the service in April 2020.

This page is intentionally left blank

CABINET MEMBERS REPORT TO COUNCIL

February 2020

Cllr Fitch-Tillett Portfolio Holder for Coastal Management

For the period December 05th 2019 to February 26

PROGRESS ON PORTFOLIO MATTERS.

1 Progress on Portfolio Matters.

Project Updates

Bacton to Walcott:

Sandscaping Lessons Leant process is underway seeking to capture the learning from the project to enable improvements/adopting good practice in NNDC/CPE and also sharing nationally and internationally.

CLIFF:

The Coastal Loss Innovative Funding and Finance (CLIFF) project, part funded by DEFRA is now completing the first phase. Marsh consulting have conducted interviews with key representative's of the insurance and finance sector. There appear to be some potential financial mechanisms we can explore further to help property owners most at risk or erosion. The LGA SIG support the project and have offered to contribute to the next stage along with a potential for funds to come from Lewes District Council who share our erosion issues. For further information, please contact Rob Goodliffe (Coastal Manager).

Mundesley and Cromer (Phase 2) Coastal Management Schemes:

Work underway to finalise tenders to seek design and environmental consultants to move forward these projects. Both schemes will explore the option to progress at the same time to seek efficiencies. Anticipated delivery is between 2021-2023 at a cost of approximately £6.5M together (to be finalised). Local liaison groups will be refreshed and CPE will be attended the Mundesley Parish Council meeting on February 24th..

Trimmingham House Caravan Park Cliff Slip

A cliff slip occurred at Trimmingham House Caravan Park, Gimmingham at the start of the new year. The location was visited by the NNDC Resilience Manager, Senior Public Protection Officer and CPE Brian Farrow Senior Coastal Engineer alongside Norfolk Police and HM Coastguard. Caravans in use near the cliff were evacuated and the vans moved back onto land which was already consented for the rollback of the site. Adjacent residential properties were visited and the residents were informed of the slip. The nearby beach access point was temporarily closed and temporary beach signage was erected to inform beach users of potential hazards. Media and Social Media messages regarding beach safety were issued. The location is being visually monitored by the caravan park owners, residents and when appropriate the NNDC/CPE team. The team are learning from the positive way this incident was

managed by NNDC and CPE colleagues and are working with GYBC and ESC to develop a protocol that will be beneficial for future working in these situations.

Hemsby, Pakefield and Great Yarmouth

Although not in the NNDC district, it is relevant to report the CPE team have been busy involved with coastal erosion management issues at Hemsby and Pakefield and emerging longer term adaptation discussion are starting with Great Yarmouth Borough Council. The team have supported an Expression of Interest for up to £500k of funding for an Environment Agency Adaptive Approaches Frontrunners project in Great Yarmouth and if successful could generate additional resource for the team to help support the Environment Agency's work there.

Inspections and Maintenance update

Our Repairs and Maintenance (R&M) works are delivered by Renosteel and the Water Management Alliance through two term contracts with CPE. Our revenue works are designed primarily to extend the active working life of these structures in order to get best value for money or addressing any public health and safety hazards. During the winter months our maintenance contractors are busy undertaking repairs and maintenance to our structures around the coast.

Our inspection programme is in full swing. Additional inspections were undertaken following the intense rainfall recently to monitor any cliff falls and their impacts on our assets.

We are reviewing an offer made by Team Van Oord (TVO) to undertake regular inspections and maintenance works to remove any splinters and damage to our structures within the Sandscaping footprint.

There has been a lot of work undertaken to attain a 10 year revenue works licence from the Marine Management Organisation (MMO) for the CPE frontage. We have this for the NNDC frontage and are in discussion to get a licence for the whole CPE area. This will include the development and subsequent acceptance of an Archaeological Method Statement and Risk Assessments acceptable to Norfolk County Council Archaeological Unit.

The 10 year R&M programme will be in draft by the summer and the Operational team are also already planning the inspection programme for next year.

Broadland Futures Initiative

We have kept a light-touch involvement in the project to date mainly through Kellie Fisher as this is an EA led project. The BFI aims to consider all flood risk issues with Broadland and set out a strategy for managing those into the future. The project will consider fluvial river flooding, tidal flooding from Yarmouth and links to the Eccles to Winterton coastal frontage and Great Yarmouth flood management options for the future. Rob has agreed to be the CPE representative on this initiative going forward as it has significant links to Norfolk, adaptation and climate change.

Health and Safety and Incidents

No new issues identified/reported

Forthcoming Activities and Developments.

Larissa Naylor- Glasgow University- Larissa will be undertaking interviews with a range of NNDC officers and members in February following work she has started in East Suffolk. Her research evaluates all the council's policies and considers to what extent we are acknowledging climate change, adaptation and sea level rise and what we are planning to do to mitigate or adapt. In ESC the work has already highlighted the need for coastal erosion and risk to be considered by wider teams including Housing, Regeneration, Tourism, Assets and Environmental Health. Outputs of this research will help strengthen council service plan policies on this important issue as we have declared a Climate Emergency.

Planning

NNDC Planning Policy and CPE following the earlier adoption of a Statement of Common Ground in relation to Planning Polies across the three authorities, will be looking to consider working together to develop a suitable Coastal Supplementary Planning Document.

To date in 2020 the CPE team have responded to nine planning consultations within the Coastal Erosion Constraint Area in the NNDC boundaries. Further work is ongoing on outstanding applications and pre-planning advice. Rob Goodliffe working with other NNDC teams lead by Geoff Lyon, Major Projects Manager of the Planning Team and Legal Advisor represented the Council at the Norfolk Boreas Offshore Wind – Issue Specific hearing with the Planning Inspectorate.

Diary Dates

3 Meetings Attended

- 17th January - RFCC, Ipswich
- 20th January - Broads Internal Drainage Board
- 20th January -Trimingham Parish Council
- 29th January - Live Interview with French TV Company in respect of Government Funding for Coastal Management
- 30th January - Sandscaping Celebration Dinner with Team Van Oord
- 31st January - CPE Board Meeting followed by Site visit to proposed Lowestoft Flood Prevention Scheme
- 4th February - Visit to Northrepps Primary School with Cllr Stockton and Norfolk Wildlife Trust
- 24th March - North Norfolk Coastal Forum

This page is intentionally left blank

CABINET MEMBERS REPORT TO COUNCIL

February 2020

COUNCILLOR VIRGINIA GAY - CABINET MEMBER FOR CULTURE & WELLBEING

1 Progress on Portfolio Matters.

Culture

Arts & Culture Fund – the closing date for next round of applications is 28th February 2020. The remaining budget for this financial year is £14,146.

The Council has made a contribution of £4,000 towards Norfolk Museums Service, in order to bring forward the opening of *Cromer Museum* to March 1st this year, in recognition of the synergy it has with the Deep History Coast initiative and the newly re-opened visitor centre in Cromer.

Pier Pavilion Theatre

The Pier Pavilion Theatre had another record breaking Christmas Show. The 2019 Show ended up 4.5% above the previous year, with the highest number of tickets ever sold: a total of 15,618.

North Norfolk Visitor Centre

On 8 February, North Norfolk Visitor Centre re-opened its doors after undergoing a complete redesign. The new centre will help to better showcase the distinctive charm and character of the north Norfolk coast and provide enhanced, accessible, facilities for visitors to Cromer, including a Changing Places room which is the first in the District. The Centre also features an exciting 'Discovery Zone, which will help to further support and promote the 'Deep History Coast.'

In addition to its usual role of providing visitor information and signposting the District's attractions, the Centre will feature audio-visual, interactive and tactile displays, helping to explain the evolution of our coastline and the wealth of evidence that puts this area amongst the most historically significant in the world.

Working closely with the Norfolk Museum Service, the Centre will be a shop-window to the fascinating sites that can be discovered in north Norfolk. It will be a hub for activities and, alongside the Deep History Coast digital app, it will signpost visitors to where they can dig a little deeper, for example by visiting Cromer Museum's geology hub or the fossil collection at Sheringham Museum.

Community & Wellbeing

Community Transport Fund – the closing date for next round of applications is 28th February 2020. The remaining budget for this financial year is £11,463.

Social Prescribing

Seventy-nine referrals have been received for the three Living Well Officers

between 04/12/2019 and 04/02/2020. A total of 979 referrals have been made since the service started on 04/06/18. The two-year pilot project, funded by NCC, is due to end in June 2020. NCC hope, however, to continue the service until 31 March 2021 but there is a funding shortfall. Currently funding is only secured until 30 November 2020.

Primary Care Networks

NNDC has been commissioned by two Primary Care Networks (clusters of GP practices) in North Norfolk to deliver a Social Prescribing Link Worker service on behalf of nine surgeries in North Norfolk (NN1 and NN2). Two Social Prescribing Link Workers employed by NNDC started work in January.

Citizens Advice Bureau

The current Information and Advice contract is due to end 31/03/2020. The NNDC area service is jointly funded by NNDC and NCC and delivered by Norfolk Citizens Advice. NCC have requested a continuation of the contract for a further year. A meeting was held recently with NCC and subsequently with the Chief Executive of Norfolk Citizens Advice to discuss the existing contract and service. Further information has been requested in a number of areas. A report recommending the proposed way forward will be submitted to Cabinet.

Health and Wellbeing Board

In 2018 the Health and Wellbeing Board (HWB) established a District Council Sub-committee the aim of which was to strengthen collaboration and joint working with district councils in order to enhance opportunities to support a system-wide, place-based approach to health and wellbeing. It was recently agreed that the theme of “strong and healthy communities” will be the focus for partnership work by district councils during 2020-2021. There are opportunities for public health and district councils to work together in the following priority areas:

- Built Environment
- Healthy Living
- Mental Wellbeing
- Community Engagement

Sports and Leisure Facilities

The Council’s sports and leisure facilities have had an exceptional period in the lead up to and after Christmas. Both Splash and Fakenham facilities recorded their highest throughput for December and the facilities were over 2,000 visits above the December target. The January figures were the highest above target on record, with 47,681 visits (6,129 above target).

Parkrun

The Sheringham parkrun continues to be very popular, with a total of 2,774 registered runners and an average attendance of 145 runners each week. There has been a total of 375 events, with 10,278 different runners from 911 clubs taking part in 54,325 runs covering 271,625km.

Countryside

The Christmas trails at Holt Country Park were very successful, with 233 adults and 237 children attending.

The new play area has been installed and is open (opening ceremony taking place on Monday 17th February).

The team has now submitted all three Green Flag applications: for Holt Country Park, Sadler's Wood and Pretty Corner Woods.

Two tree planting days have been organised for Holt Country Park, as part of the Tree Planting Project, with volunteers from Aviva and the Council's Environmental Health team expecting to volunteer staff.

The two events scheduled for half term ('Make Your Own Bird Box' and 'Mini-Beast Hunt') are both fully booked.

Beaches

Following positive water quality results for 2019, we have again been invited to submit applications for Blue Flags at the six existing Blue Flag award beaches: Sheringham, West Runton, East Runton, Cromer, Mundesley and Sea Palling.

Meetings attended

District Council's health network
Norfolk Joint Museums and Norfolk Records Committee

This page is intentionally left blank

CABINET MEMBERS REPORT TO COUNCIL

26 February 2020

COUNCILLOR GREG HAYMAN - CABINET MEMBER FOR COMMERCIALISATION AND ASSETS

For the period December 2019 to February 2020.

1 Progress on Portfolio Matters.

Electric Vehicle Charging Points (EVCP) – the facilities and charge points here at the Cromer office are now operational.

Ren Energy have been awarded the contract for the main car park works and the enabling works elements have already commenced. The installation and commissioning of the works is scheduled to be completed by the end of March.

Office cleaning contract – the tenders for the new contract opportunity for the office cleaning have now been assessed and the preferred supplier is Norse Commercial Services. The cost for this service is within the current budget envelope and the new contract is expected to be in place from April.

Condition surveys – the results from these surveys continue to be assessed so that a work programme can be established. The chalet works are currently being prioritised with a view to the majority of the works being undertaken over the coming months ahead of the start of the summer season.

Cromer office roof works – the works to the glulam beams and roof glazing at the main administrative office in Cromer continue to progress well and the scaffolding to the southern elevation of the west wing has now been removed. The works commenced back in December 2018 and have an anticipated completion date of March 2020.

Public convenience improvement programme – the tender documents for the remaining schemes (New Road – North Walsham, Stearmans Yard – Wells-next-the-Sea and Bridge Street – Fakenham) have now been returned and assessment is currently ongoing. The total scheme budget is £600k.

Cromer pier – as per my last update the pier works have now been suspended until the spring due to the reduction in daylight hours, worsening weather conditions (unworkable wind speeds) and the Christmas show. The suspension will now see us through the worst of the winter weather and allow the works to restart in the spring.

North Norfolk Information Centre (NNIC) – the improvements to the public conveniences at the NNIC, which have been included as part of the Deep History Coast are now complete and operational and showcase the Council's first Changing Places facility.

2 Forthcoming Activities and Developments.

Delivery Plan (DP) – there are a number of areas of policy and strategy formulation within the ‘Financial Sustainability’ theme of the new Delivery Plan, several of which are progressing as follows;

Public Convenience Policy (DP action 1.2) - the baseline information is in the process of being pulled together to support the production of a Public Convenience Policy. The objective of the policy is to identify ways in which the current £600k a year spend on the provision of public conveniences (to serve users of town centres, recreational and visitor attractions) can be funded, so that good quality provision can be maintained whilst providing council tax payers with value for money.

Financial Sustainability Strategy (DP action 2.1) - work is progressing in relation to the development of a new Financial Sustainability Strategy which will consider how the Council can take a more commercial and business like approach to service delivery, efficiency and income generation.

Car Parking Policy (DP action 2.2) – an initial meeting has been held to consider current and future car parking policy. This review will look to maximise the revenue generated from car parking income, an important source of funding for council services. The new policy needs to reflect: the needs of local residents; the vitality of town centres; visitor demand; and providing best value for council tax payers.

Advertising and Sponsorship Policy (DP action 2.3) – this policy will provide a framework within which to explore opportunities to generate income for the Council from advertising and sponsorship. This policy is due to come forward to Members for consideration over the coming months.

Leases, licences, acquisitions and disposals – the current case load in respect of the Estates team continues to be reviewed to ensure that all pending property transactions provide best value for the Council and consider and take advantage of improved use of assets wherever possible.

CABINET MEMBERS REPORT TO COUNCIL

26 February 2020

COUNCILLOR RICHARD KERSHAW - CABINET MEMBER FOR ECONOMIC AND CAREER DEVELOPMENT

For the period December 2019 to February 2020

1 Progress on Portfolio Matters.

Business Support

The Economic Growth Team proactively works with the business community, providing support for business growth plans and helping to overcome any barriers to growth. In the financial year to date, the team have engaged 283 businesses via business events and had 'meaningful' engagement with a further 354 businesses.

Visitor Economy

Marketing

Supported by NNDC, Visit North Norfolk's 'North Norfolk, Naturally' campaign is currently promoting its 15th short film (out of 16). To date there has been nearly 4 million film views with over 5 million digital advert impressions and a social media reach of just under 2 million. The traffic to the VNN website, off the back of the campaign, remains at its highest ever levels.

Filming for the 'North Norfolk Uncovered' campaign for 2020-2021 has now commenced. This campaign will seek to further highlight North Norfolk's unique aspects and hidden gems. In the meantime, a film showcasing north Norfolk throughout the seasons (*North Norfolk 365*) highlighting north Norfolk as a 365-day destination went live just before Christmas and promotion took place from Boxing Day to the end of January. An accompanying blog was created highlighting what there is to see and do each month in north Norfolk as well as what's new for 2020. This promotion was to specifically support accommodation providers at a key booking period. To date the film has received 156,000 views.

Annual Tourism, Leisure and Hospitality Business Survey

The MHA Larking Gowen Annual Tourism, Leisure and Hospitality Business Survey opened on 5 February. Now in its 14th year, this annual independent survey is the largest of its kind in the region. The aim of the survey is to understand views on trends, technology, sustainability, opportunities, and marketing and the final report provides an insightful overview of the overall health of the sector.

Local businesses can complete the survey at:

www.smartsurvey.co.uk/s/TBS2020/

North Norfolk Growth Sites Delivery Strategy

Following a successful funding bid into the Norfolk Business Rate Pool (BRP), and further to NNDC's Cabinet approval in September, our consultant is currently undertaking the commission. The final report will help the Council in its ambition to enact a more delivery-focused approach to bringing forward the development of local key employment sites in order help facilitate the growth of indigenous businesses and effectively compete with other areas for investment. Presently a number of key local businesses and landowners are being engaged in the work.

Members who are aware of businesses within their Ward with aspirations to expand or relocate should be directed to the Economic Growth team for direct support and/or to inform the emerging strategy.

North Walsham High Streets Heritage Action Zone

Following a successful first stage funding bid to Historic England, the Programme Design, to support the creation of a Heritage Action Zone in North Walsham, was submitted on 20 December. The final grant award will be confirmed in March (we were previously advised this would be January). NNDC's Cabinet and Full Council have agreed that up to £975,000 be made available to support the match funding of the programme, which will see significant improvements to the public realm and historic buildings in the town centre and serve to better showcase the town's forgotten heritage.

2 Forthcoming Activities and Developments.

Time for 'T': Employing Apprentices and an introduction to T-Levels and your business

1 April 2020, 4 - 6 pm, NNDC Office, Cromer

This event, organised by NNDC's Economic Growth Team, will help businesses to better understand how they could benefit from the range of support available to help them recruit, train and up-skill their workforce.

A particular focus of the event will be to introduce businesses to T-Levels, a Technical' qualification equivalent to A-Levels, which are being launched this year. This will require the student to undertake an industry placement with a business.

Attendees will hear from a number of key speakers, learn about some of the recent apprenticeship funding changes and have the opportunity to meet with local training providers including City College, UTCN and others. Businesses will also be able to meet with an Advisor from the New Anglia Growth Hub to discover more about grants and funding to help them grow

To register and for more information, businesses should email economic.growth@north-norfolk.gov.uk or telephone 01263 516009

1st Steps to Start up – Free 2 day Workshop

9 / 10 March 9:30am-4:30pm, NNDC Office, Cromer

This two-day programme is available for individuals looking to start a business or

become self-employed. Attendees will gain a better understanding of how to start a successful business and avoid some of the common pitfalls facing start-ups.

To register and for more information, businesses should visit:
www.nwes.org.uk/events/firststeps-cromer-09-03-20/ or call 08456 099991

3 Meetings attended

I attended meetings at the following businesses in order to understand their issues and identify ways in which the Council can help them to thrive: Wroxham Barns; Crop Systems.

In February I attended the opening event to celebrate the completion of the revamped North Norfolk Visitor Centre (Deep History Coast Discovery Centre) and visited HMP Bure and HMP Norwich, to understand the work they are doing with training, career and employment development opportunities.

This page is intentionally left blank

CABINET MEMBERS REPORT TO COUNCIL

26 February 2020

COUNCILLOR NIGEL LLOYD- CABINET MEMBER FOR ENVIRONMENT

For the period December 2019 to February 2020

1 Progress on Portfolio Matters.

Garden bin service reminder letters have been sent to customers who do not appear to have paid – also provides a data cleansing exercise in preparation for new contractor to take over.

Holiday homes that did not respond to informal requests to show they had duty of care in place for their waste are being followed up.

The community fridges continue to see good usage with 2,400kg in North Walsham of food prevented from going to waste disposal. A reminder that the community fridges are for everyone to use as their aim is to prevent food waste.

The Environmental Protection Team successfully applied for and executed a warrant in Stalham to remove noise making equipment, following witnessing a breach of a Noise Abatement Notice over the Christmas break. The team are currently considering the net steps in line with the enforcement policy.

A fly tipper was found guilty of knowingly causing or permitting the fly tip, by being the registered owner of the vehicle involved in the incident. He was ordered to pay £1,600 compensation to the farmer and £1,300 to us. A great result in court.

A successful bid to the Private Rented Sector Innovation and Enforcement Grant Fund led to the council being awarded £44,000. This will allow us to commission the Building Research Establishment (BRE) to undertake a stock condition survey. This will provide us with a better understanding of the condition of private rented homes in North Norfolk and allow the targeting of resources to support the Local Homes for Local Need priority.

Two of the Environmental Protection team have qualified as Drone Pilots. This is a useful skill to have in house and will hopefully be useful for survey larger sites etc.

Successful prosecution for dropping Littering in Cromer. They failed to pay the FPN but later decided to plead guilty in Court. That's one expensive cigarette end at £190!

Support was provided to Trunch Parish Council by the Rangers and Environmental Protection Manager during a well attend Parish Council Meeting, held to discuss Dog Fouling and Public Space Protection Orders.

Following the withdrawal of the Anglia Water Courier service for Private Water

Sampling, NNDC have been instrumental in securing an alternative courier service which we will share with Breckland, Broadland and South Norfolk.

The Resilience Team have supported the individuals and businesses affected by the large cliff fall at Trimmingham.

Reacted to a request from GYBC to investigate litter in a pill box close to the seal population at Horsey Resolved with Officer support

2 Forthcoming Activities and Developments.

We expect to issue formal notices to owners of approximately 140 holiday home properties to require waste duty of care information in the coming weeks.

The nanny goats have been scanned and we are expecting the arrival of this year's kids in late February/early March.

3 Meetings attended

Attended the launch of a Green Party document - 'Energising the East' hosted by Catherine Howlett MEP

Visited the Splash architect to discuss opportunities for installing PV over the car park. A significant energy contribution to the operation of Splash is possible.

Visited Nottingham City Council environmental team to discuss solar projects. Opportunities for collaboration exist. Visited a car park covered in Photo Voltaic panels in Nottingham.

Attended a climate change forum hosted by APSE with Officers.

Attended a 'Managing Plastic Waste' Forum with Officers.

Hosted a local environmental Forum at NNDC focussed on Waste and Recycling.

Participated in an interview with Dr Larissa Naylor from the University of Glasgow, in collaboration with Coastal Partnership East, who is conducting research into coastal climate change adaptation.

CABINET MEMBERS REPORT TO COUNCIL

26 February 2020

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

For the period December 2019 to February 2020.

1 Progress on Portfolio Matters.

Final Local Government Finance Settlement – The Final Settlement was presented to Parliament as a written statement on 6th February. While this was supposed to be followed by a later debate on 12th February this has not yet taken place at the time of writing. This debate is now expected to take place during the week commencing 24th February. There are not however expected to be any changes from the Provisional Settlement and the Final Settlement announced on 6th February.

The funding allocations from the provisional settlement were confirmed. Despite repeated calls from Councils to increase the referendum limits on Council Tax to allow sustainable funding of services, no additional tax raising powers were granted. The impact of the settlement has been built in to the budget papers presented this evening.

Business rates NHS appeal – On the 12th December the Council received some excellent news in relation to this case which determined whether or not the NHS Trusts are charitable and the Court determined that they are not. It's extremely good news for the Council although we don't know yet if the NHS will appeal this element of the provisional judgement although the deadline to do so is 24th February 2020.

February Reports – a number of reports are being considered in February as follows:

- Budget and Council Tax setting – to set the Council's budget for 2020/21 and the Council's share of Council Tax for the year.
- Treasury Management Strategy – sets the strategy for the management of the Council's cash balances.
- Capital Strategy – a report which outlines the sustainability of the Council's capital programme and asset investment plans. This report also contains the debt management and MRP statement.
- Investment Strategy – a new annual item which outlines the risks of the Council's investment types and how these are mitigated, as well as the proportionality of the investments.

2 Forthcoming Activities and Developments.

2019/20 Business Rates Pilot – the monitoring of the business rates pilot commenced last August and has continued throughout the year. 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 in June.

2018/19 Final Accounts audit – the external auditors returned in January to complete their final audit work having experienced significant capacity issues nationally. The accounts are now due to be signed off at the Governance, Risk and Audit meeting at the end of March. As at the end of January 2020, 85 organisations had not yet received their audit opinion on their 2018- 2019 financial statements. Ernst and Young are currently considering resourcing and scheduling issues for the 2019/20 audit work.