

Cabinet



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Thursday, 23 May 2019

A meeting of the **Cabinet** of North Norfolk District Council will be held in the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN on **Monday, 3 June 2019 at 10.00 am**.

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

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

Anyone attending this meeting may take photographs, film or audio-record the proceedings and report on the meeting. Anyone wishing to do so should inform the Chairman. If you are a member of the public and you wish to speak on an item on the agenda, please be aware that you may be filmed or photographed.

Emma Denny
Democratic Services Manager

To: Mr A Brown, Mrs S Bütikofer, Mrs A Fitch-Tillett, Ms V Gay, Mr G Hayman, Mr R Kershaw, Mr N Lloyd, Mr E Seward and Ms K Ward

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

Heads of Paid Service: Nick Baker and Steve Blatch

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A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. MINUTES

1 - 4

To approve, as a correct record, the minutes of the meeting of the Cabinet held on 4th March 2019.

3. PUBLIC QUESTIONS AND STATEMENTS

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

4. ITEMS OF URGENT BUSINESS

To determine any other items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B(4)(b) of the Local Government Act 1972

5. DECLARATIONS OF INTEREST

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. MEMBERS' QUESTIONS

To receive oral questions from Members, if any

7. OVERVIEW & SCRUTINY MATTERS

To consider any matters referred to the Cabinet by the Overview & Scrutiny Committee for reconsideration by the Cabinet in accordance within the Overview and Scrutiny Procedure Rules.

8. 2018/19 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT) 5 - 68

Summary:

This report presents the provisional outturn position for the 2018/19 financial year and includes a General Fund underspend of £273,465 and a transfer from the Collection Fund in relation to Business Rates of £696,201 giving an overall General Fund surplus of £969,666. It also provides an update in relation to the Council's capital programme. Details are included within the report of the more significant year-end variances compared to the current budget for 2018/19. The report also makes recommendations for contributions to reserves.

Options considered: The report provides a final budget monitoring position

for the 2018/19 financial year. Whilst there are options available for earmarking the under spend in the year, the report makes recommendations that provide funding for ongoing commitments and future projects.

Conclusions: The revenue outturn position as at 31 March 2019 shows an overall underspend of £969,666. The final position allows for £481,474 from budget and grant underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments for which no budget has been allocated in 2019/20. The position as reported will be used to inform the production of the statutory accounts which will then be subject to audit by the Council's external auditors.

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

a) The provisional outturn position for the General Fund revenue account for 2018/19;

b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2019/20 budget;

c) Transfer the surplus of £969,666 to the General Fund Reserve (£500,000) and the Asset Management Reserve (£469,666);

d) The financing of the 2018/19 capital programme as detailed within the report and at Appendix D;

e) The balance on the General Reserve of £1.956 million;

f) The updated capital programme for 2019/20 to 2022/23 and scheme financing as outlined within the report and detailed at Appendix E;

g) The outturn position in respect of the Prudential Indicators for 2018/19 as detailed in Appendix F.

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

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

Summary:	This report sets out the Treasury Management activities actually undertaken during 2018/19 compared with the Treasury Management Strategy for the year.
Options Considered:	This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
Conclusions:	Treasury activities for the year have been carried out in accordance with the CIPFA Code and the Council's Treasury Strategy.
Recommendations:	That the Council be asked to RESOLVE that The Treasury Management Annual Report and Prudential Indicators for 2018/19 are approved.
Reasons for Recommendation:	Approval by Council demonstrates compliance with the Codes.

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)

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Cabinet Member(s): Cllr Eric Seward	Ward(s) affected: All
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Contact Officer, telephone number and email: Lucy Hume, 01263 516246, lucy.hume@north-norfolk.gov.uk
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10. **BACTON TO WALCOTT SANDSCAPING SCHEME - 77 - 82 IMPLEMENTATION UPDATE**

Summary: North Norfolk District Council is leading the Bacton to Walcott Coastal Management (Sandscaping) Scheme in collaboration with the Bacton Terminal Operators, Shell UK and Perenco UK. The scheme seeks to protect nationally important infrastructure which supplies up to one third of the UK gas demand whilst also benefiting local communities through reduced coastal erosion and flood risk.

The scheme is the first of its kind in the UK and draws learning from the Dutch Sandmotor approach. The

scheme will place 1.8 million m³ of sand on the beaches at Paston, Bacton and Walcott, enhancing beaches whilst utilising natural processes to redistribute sand along the coast over time. Works will also include the decommissioning of three surface/treated water outfalls at Bacton Gas Terminal and construction of one combined outfall.

This report provides a concise update as to the scheme's progression providing information on the appointment of the main works contractor, appointment of professional services for project management and site supervision, pre-construction activities, design updates, outline programme, England Coast Path and beach access update, Communications and engagement development, social value enhancements and additional local investment.

Options considered: The update is for reporting purposes and therefore no options are required to be considered.

Conclusions: The nationally significant Bacton to Walcott Sandscaping is now in the implementation phase. Ongoing work is required for smooth delivery and communications and engagement through the construction phase is intensifying.

Recommendations: Cabinet resolves to:

- a) Note the progress of the Sandscaping Scheme.
- b) Reaffirm the new Council's commitment to the delivery of the project.

Reasons for Recommendations: To ensure that members of the new Council administration have an understanding of this significant coastal management project being led by the District Council.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

<i>Bacton to Walcott Coastal Management Final Report November 2015 (Confidential)</i>
<i>Bacton to Walcott Coastal Management Additional Investigations June 2016 (Confidential)</i>

Cabinet Member(s) Cllr. A. Fitch-Tillett	Ward(s) affected Mundesley, Bacton,
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Contact Officer, telephone number and email: Rob Goodliffe, Coastal Manager (North), 01263 516321, Rob.Goodliffe@north-norfolk.gov.uk
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11. BIG SOCIETY FUND GRANTS PANEL - REVIEW OF TERMS OF REFERENCE 83 - 84

To review the terms of reference of the Big Society Fund Grants Panel to reflect changes to the make-up of the Panel.

12. EXCLUSION OF PRESS AND PUBLIC

To pass the following resolution:

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

13. PRIVATE BUSINESS

CABINET

Minutes of the meeting of the Cabinet held on Monday 04 March 2019 at the Council Offices, Holt Road, Cromer at 10.00 am

Members Present:

Mrs S Bütikofer	Mr N Lloyd
Mr N Dixon	Mr E Seward
Mrs A Fitch-Tillett	Ms K Ward

Also attending:

Ms V Gay	Mr R Price
Mrs P Grove-Jones	Mr J Rest
Mr N Pearce	Mr R Shepherd
	Mr N Smith

Officers in Attendance:

The Heads of Paid Service, the Monitoring Officer, the Head of Finance and Asset Management and the Democratic Services Manager

Press: Not in attendance

111. APOLOGIES FOR ABSENCE

None received

112. MINUTES

The minutes of the meeting held on 04 February 2019 were approved as a correct record and signed by the Chairman.

113. PUBLIC QUESTIONS

None.

114. ITEMS OF URGENT BUSINESS

None

115. DECLARATIONS OF INTEREST

None

116. MEMBERS QUESTIONS

None

117. OVERVIEW & SCRUTINY COMMITTEE MATTERS

The following recommendation was made by the Overview & Scrutiny Committee at the meeting held on 13 February 2019:

'That a quarterly update report on the work of the Enforcement Board is provided to Cabinet and Overview & Scrutiny Committee'

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

RESOLVED

To accept the recommendation that a quarterly update report on the work of the Enforcement Board is provided to Cabinet and Overview & Scrutiny Committee.

118. RECOMMENDATIONS FROM WORKING PARTIES

Councillor V Gay, Chairman of the Constitution Working Party, informed Members that the following recommendation had been made at the meeting of the working party held on 14 January 2019:

'That budgetary provision is made to train officers on local member engagement and interpretation of the Member/Officer Protocol'.

Councillor Gay explained that a motion regarding the Local Member Protocol had been considered by Full Council at the meeting on 21st September and a recommendation had been made to the Working Party to review the protocol and consider whether any changes should be made. Cllr Gay said that the Working Party felt that the Protocol was clear and covered everything that was required but that work was needed to raise awareness and understanding amongst officers and new members on the protocol. It was therefore agreed that additional training should be provided on this.

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

RESOLVED

That budgetary provision is made to train officers on local member engagement and interpretation of the Member/ Officer Protocol.

119. BUDGET MONITORING 2018/19 – PERIOD 10

Cllr E Seward, Portfolio Holder for Finance, introduced this item. He thanked the Head of Finance and his team for their hard work throughout the year and for pursuing the insurance payment for the storm surge which had now been received.

It was proposed by Cllr E Seward, seconded by Cllr N Dixon and

RESOLVED

- 1) To note the contents of the report and the current budget monitoring position;
- 2) To agree to allocate the balance of the insurance money from the 2013 storm surge of £468,954 to the Asset Management reserve to establish an additional capital budget to finance the next phase of the repair works to Cromer pier;
- 3) To agree to a new 15 year lease on Clink Road car park in Sea Palling.

Reasons for the decision:

To update Members on the current budget monitoring position for the Council.

120. MANAGING PERFORMANCE QUARTER 3 2018/19

Cllr E Seward, Portfolio Holder for Finance, introduced this item. He explained that the report gave a third quarter progress report on the performance of the Council, specifically the delivery of the Annual Action Plan 2018/19 and progress against targets.

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

RESOLVED to

Note the report, welcome the progress being made and endorse the actions being taken by management where there are areas of concern.

Reasons for the decision:

To ensure the objectives of the Council are achieved.

121. EXCLUSION OF PRESS AND PUBLIC

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

122. PRIVATE BUSINESS

None

The meeting ended at 10.06 am.

Chairman

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

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

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

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

1. Introduction

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

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

2. Revenue Account – Outturn 2018/19

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

Estimates Included in the Accounts

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

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

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

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

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

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

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

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

b) **Premises** – additional premises costs of £245,686. The majority of this increase in expenditure relates to repairs and maintenance both programmed and reactive across a number of the Council's key assets including the pier pavilion, parks and open spaces and a number of public conveniences.

c) **Supplies and Services** – additional supplies and services costs of £264,237. The significant movements against the budgets for supplies includes expenditure relating to consultancy fees, grants and temporary accommodation charges. However in a number of areas this is offset by grant income, client contributions and funding from reserves.

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

3. Revenue Account – Detailed Commentary 2018/19

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

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

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

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

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

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

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

Non Service Expenditure and Income

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

Retained Business Rate Income

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

4. Reserves

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

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

5. Summary – Revenue Account 2018/19

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

6. Capital Programme 2018/19

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

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

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

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

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

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

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

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

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

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

7. Capital Programme - 2019/20

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

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

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

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

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

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

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

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

9 Financial Implications and Risks

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

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

General Fund Summary Outturn 2018/19

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

General Fund Summary Outturn 2018/19

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

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

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

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

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

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

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

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

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

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

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

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

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

Service Area Summaries Outturn 2018/19

Corporate Leadership Team and other Corporate Services

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

Registration Services

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

Service Area Summaries Outturn 2018/19

Corporate Leadership Team and
other Corporate Services

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

Service Area Summaries Outturn 2018/19

Customer Services & ICT

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

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

Tic'S

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

Service Area Summaries Outturn 2018/19

Customer Services & ICT

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

Service Area Summaries Outturn 2018/19

Customer Services & ICT

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

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Service Area Summaries Outturn 2018/19

Environmental Health

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

Internal Drainage Board Levies

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

Travellers

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

Public Protection

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

Street Signage

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

Service Area Summaries Outturn 2018/19

Environmental Health

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

Service Area Summaries Outturn 2018/19

Environmental Health

	Updated Budget	Outturn	Variance	Explanation For Major Variances
	£	£	£	
Waste Collection And Disposal				
Gross Direct Costs	3,822,661	3,694,313	(128,348)	See Note A below:
IAS 19 Superannuation Adj	0	14	14	Pension funding adjustment (current service costs).
Capital Charges	58,435	65,899	7,464	Depreciation.
Gross Direct Income	(3,095,449)	(3,402,656)	(307,207)	See Note B below:
Support Service Charges	358,280	496,867	138,587	See Note C below:
	1,143,927	854,437	(289,490)	

Note A : (£27,086) Lower commercial disposal costs; £75,965 Procurement costs (offset by rechargeable income); £22,781 Norse Environmental Waste Services (NEWS) processing costs; (£218,558) Kier - stepped costs and contract variations; £12,962 Centralized mailing costs for garden bin customers; £6,850 Management fee for processing of garden bin direct debit payments; £5,620 Bad debts written off; (£3,640) Recycling initiatives not spent; (£4,562) Domestic waste disposal.

Note B : (£193,658) Additional fee income from bulky, garden and trade waste collections; (£26,362) Additional income from recycling credits and sales of recyclable materials; (£76,663) Recovery of procurement costs from Breckland Council and Borough Council of Kings Lynn and West Norfolk; (£9,876) Recharges for printing and postage.

Note C : £84,718 Higher recharge from Environmental Contracts; £31,063 Higher recharge from Environmental Health following a review of staff time; (£22,820) Lower recharge from Customer Services; £15,370 Higher recharge from Communications; £54,829 Higher recharge from Exchequer Services; (£16,410) Lower recharges from Corporate Leadership Team.

Cleansing

Gross Direct Costs	584,143	544,744	(39,399)	£6,991 Purchase of litter and dog bins; (£45,221) Kier accrual brought forward - no longer required.
Gross Direct Income	(51,263)	(76,016)	(24,753)	(£18,243) Grant income (High Streets Community Clean Up Fund); (£6,510) Additional income from dog and litter bin recharges.
Support Service Charges	44,560	57,162	12,602	Higher recharges from Environmental Contracts.
	577,440	525,890	(51,550)	

Environmental Strategy

Gross Direct Costs	15,000	32,361	17,361	Additional costs associated with the Green Build event - partly offset by event income.
IAS 19 Superannuation Adj	0	353	353	Pension funding adjustment (current service costs).
Gross Direct Income	(15,000)	(18,255)	(3,255)	Additional income from sponsorship and exhibitors fees for the Green Build event.
Support Service Charges	13,610	25,087	11,477	£8,349 Higher recharges from Environmental Health following a review of staff time; £7,530 Higher recharges from Communications; (£7,660) Lower recharges from Insurances.
	13,610	39,546	25,936	

Community Safety

Gross Direct Costs	24,598	25,448	850	No Major Variances.
IAS 19 Superannuation Adj	0	2,018	2,018	Pension funding adjustment (current service costs).
Support Service Charges	11,180	10,628	(552)	No Major Variances.
	35,778	38,094	2,316	

Civil Contingencies

Gross Direct Costs	99,670	68,111	(31,559)	Vacant posts in-year. The balance consists of miscellaneous minor underspends.
IAS 19 Superannuation Adj	0	6,999	6,999	Pension funding adjustment (current service costs).
Support Service Charges	33,750	30,386	(3,364)	No Major Variances.
	133,420	105,497	(27,923)	

Total Environmental Health

	3,738,489	3,572,655	(165,834)	
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Service Area Summaries Outturn 2018/19

Finance & Assets

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

Service Area Summaries Outturn 2018/19

Finance & Assets

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

Service Area Summaries Outturn 2018/19

Finance & Assets

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

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

Service Area Summaries Outturn 2018/19

Finance & Assets

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

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

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

Legal & Democratic Services

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

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Service Area Summaries Outturn 2018/19

Planning

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

Service Area Summaries Outturn 2018/19

Planning

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

Service Area Summaries Outturn 2018/19

Clf / Corporate

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

Service Area Summaries Outturn 2018/19

Customer Services & ICT

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

Service Area Summaries Outturn 2018/19

Community, Economic Development & Coast

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

Service Area Summaries Outturn 2018/19

Environmental Health

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

Service Area Summaries Outturn 2018/19

Finance & Assets

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

Service Area Summaries Outturn 2018/19

Legal & Democratic Svs

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

Service Area Summaries Outturn 2018/19

Planning

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

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Reserves Statement 2018/19 Outturn

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

Reserves Statement 2018/19 Outturn

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

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

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

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

Capital Programme Financing

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

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

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

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

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

Capital Programme Financing

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

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Prudential Indicator Outturn 2018/19

1. Background:

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

2. Capital Expenditure:

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

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

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

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

3. Capital Financing Requirement:

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

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

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

4. Authorised Limit and Operational Boundary for External Debt:

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

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

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

5. Ratio of Financing Costs to Net Revenue Stream:

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

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

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

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

6. Adoption of the CIPFA Treasury Management Code:

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

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

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Treasury Management Annual Report 2018/19

Summary:	This report sets out the Treasury Management activities actually undertaken during 2018/19 compared with the Treasury Management Strategy for the year.
Options Considered:	This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
Conclusions:	Treasury activities for the year have been carried out in accordance with the CIPFA Code and the Council's Treasury Strategy.
Recommendations:	That the Council be asked to RESOLVE that The Treasury Management Annual Report and Prudential Indicators for 2018/19 are approved.
Reasons for Recommendation:	Approval by Council demonstrates compliance with the Codes.

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)

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

- 1.1 The Chartered Institute of Public Finance and Accountancy's Treasury Management Code requires the Council to report on the performance of the treasury management function at least twice a year (mid-year and at the year-end).
- 1.2 Treasury Management activities for 2018/19 have been carried out in accordance with the Council's Treasury Management Strategy 2018/19 which was approved by Full Council on 21 February 2018.
- 1.1 The Council has invested substantial sums of money and is therefore exposed to financial risks, including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the

Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

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

2. Context

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

- 2.6 Local Context: On 31st March 2019, the Authority had net investments of £35.450m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.
- 2.7 The treasury management position at 31st March 2019 and the change during the year is shown below.

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

3. Borrowing

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

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

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

4. Investment Activity

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

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

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

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

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

4.5 With little by way of political clarity as to the exact date or whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly

disruptive Brexit (such as last-minute no-deal) on 29th March, the Authority ensured there were enough accounts open at UK domiciled banks and Money Market Funds to hold sufficient liquidity over the year end and that its account with the Debt Management Account Deposit Facility (DMADF) remained available for use in an emergency.

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

5. Credit Risk

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

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

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

6. Non-Treasury Investments

- 6.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment

Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

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

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

The rate of return on the loan to Broadland Housing Association is 3.8% which compares favourably to Treasury investment rates. The direct property investments delivered a rate of return of -1.60%. This is largely due to the fact that the depot site at Grove Lane did not generate an income for the Council for the first three quarters of 2018-19. These investments represent a different risk to the Authority, as property investments do not carry the same interest rate or credit risk, but there is the risk of loss of income through voids and other market factors. They also require more staff time to manage than externalised pooled investments. Risks of voids are mitigated by, where possible, the use of long leases and active marketing of vacant properties. A Holiday let strategy is in development to enable return from the Council's existing and future holiday lets to be maximised. This will include a revised marketing strategy. Other market factors are largely outside of the Council's control, but will be monitored by the Estates team in the context of the current portfolio and possible future opportunities.

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

7. Investment Performance

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

8. Compliance with Prudential Indicators

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

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

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

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

	2018/19 Maximum	31.3.19 Actual	2018/19 Limit	Complied?
Any single organisation, except the UK Government	Nil	Nil	£3m each	Yes
Any group of organisations under the same ownership	Nil	Nil	£3m per group	Yes
Any group of pooled funds under the same management	Max is £7m with CCLA	Max is £7m with CCLA	£10m per manager	Yes
Negotiable instruments held in a broker's nominee account	£2.25m (King and Shaxon)	£2.25m (King and Shaxon)	£10m per broker	Yes
Limit per non-UK country	Nil	Nil	£5m per country	Yes
Registered providers	Nil	Nil	£7.5m in total	Yes
Unsecured investments with building societies	Nil	Nil	£3m in total	Yes
Loans to unrated corporates	Nil	Nil	£3m in total	Yes
Money Market Funds	£19.3m	£2.2m	£20m in total	Yes

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

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

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

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

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

Maturity structure of fixed rate borrowing	Lower Limit for 2018/19 %	Upper Limit for 2018/19 %	Actual 2018/19
under 12 months	0	100	100
12 months and within 24 months	0	100	0
24 months and within 5 years	0	100	0
5 years and within 10 years	0	100	0
10 years and above	0	100	0

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

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

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

	Target	Actual
Portfolio average credit score	6.0	3.0

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

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

9. Financial Implications and Risks

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

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

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

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

Bacton to Walcott Sandscaping Scheme – Implementation Update

Summary: North Norfolk District Council is leading the Bacton to Walcott Coastal Management (Sandscaping) Scheme in collaboration with the Bacton Terminal Operators, Shell UK and Perenco UK. The scheme seeks to protect nationally important infrastructure which supplies up to one third of the UK gas demand whilst also benefiting local communities through reduced coastal erosion and flood risk.

The scheme is the first of its kind in the UK and draws learning from the Dutch Sandmotor approach. The scheme will place 1.8 million m³ of sand on the beaches at Paston, Bacton and Walcott, enhancing beaches whilst utilising natural processes to redistribute sand along the coast over time. Works will also include the decommissioning of three surface/treated water outfalls at Bacton Gas Terminal and construction of one combined outfall.

This report provides a concise update as to the scheme's progression providing information on the appointment of the main works contractor, appointment of professional services for project management and site supervision, pre-construction activities, design updates, outline programme, England Coast Path and beach access update, Communications and engagement development, social value enhancements and additional local investment.

Options considered: The update is for reporting purposes and therefore no options are required to be considered.

Conclusions: The nationally significant Bacton to Walcott Sandscaping is now in the implementation phase. Ongoing work is required for smooth delivery and communications and engagement through the construction phase is intensifying.

Recommendations: Cabinet resolves to:

- a) Note the progress of the Sandscaping Scheme.
- b) Reaffirm the new Council's commitment to the delivery of the project.

Reasons for Recommendations: To ensure that members of the new Council administration have an understanding of this significant coastal management project being led by the District Council.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

Cabinet Member(s)	Ward(s) affected
Cllr. A. Fitch-Tillett	Mundesley, Bacton,

Contact Officer, telephone number and email:

Rob Goodliffe, Coastal Manager (North), 01263 516321, Rob.Goodliffe@north-norfolk.gov.uk

1. Introduction

- 1.1 The Bacton / Walcott Coastal Management Scheme (Bacton Sandscaping Scheme) has been developed over the past five years since the devastating December 2013 storm surge event, which caused significant damage to business and residential properties in the communities of Bacton and Walcott and a loss of a large amount of cliff frontage in front of the Bacton Gas Terminal, which handles over one third of UK gas supply. Development of the £18-19 million project has involved strong partnership working between the Bacton Gas Terminal Operators, local communities and strategic partners. The terminal operators are funding 60% of total project costs for the works which will be undertaken immediately in front of the terminal site and the remaining 40% of costs for works in front of the Bacton and Walcott communities financed through various sources of public funding – including the Environment Agency, Norfolk Business Rates Pool, New Anglia Local Enterprise Partnership and North Norfolk District Council.
- 1.2 The scheme is a UK first, drawing on the experience of the Dutch Sandmotor project to the north of Rotterdam, and has been developed as a comprehensive “natural” scheme which considers the dynamics of this stretch of the North Norfolk Coast. The Sandscaping Scheme therefore seeks a comprehensive solution to protecting the critical national infrastructure of the Bacton Gas Terminal site and the low lying communities of Bacton and Walcott across a 5.8 kilometre coastal frontage extending from just west of the Bacton Gas Terminal site to the east of Ostend, Walcott.
- 1.3 Further information on the Bacton and Walcott Sandscaping scheme can be found at <https://www.north-norfolk.gov.uk/sandscaping> or in reports presented to Cabinet on 5 September 2017 http://www2.north-norfolk.gov.uk/apps/committees/default-copy.asp?path=Cabinet/05_Sep_2017 and 11 June 2018 <http://www2.north-norfolk.gov.uk/minutes/Cabinet/11%20Jun%202018/Cabinet%20Agenda%2011%20June%202018%20-%20PUBLIC%20VERSION.pdf> and Full Council 19 December 2018 <https://modgov.north-norfolk.gov.uk/ecCatDisplayClassic.aspx?sch=doc&cat=13362&path=13342,13603>

2. Appointment of Contracts

- 2.1. Following the Full Council decision of 19 December 2018 to appoint bidder D, NNDC announced on 19 February the appointment of Team Van Oord as the main works contractor for delivering the scheme, please see <https://www.north-norfolk.gov.uk/news/2019/february/construction-contract-signed-for-innovative-sandscaping-scheme-in-north-norfolk/>.

- 2.2. This announcement was followed by the appointment of Royal Haskoning DHV to fulfil the Project Management and Supervision roles required to oversee the delivery of the works.

3. Pre-commencement activities

- 3.1. The Marine Licence and Planning Consents, obtained for the scheme in the autumn of 2018, both had conditions that were required to be discharged prior to the commencement of works. To support this process the following documents were prepared and submitted to the Planning Authority and the Marine Management Organisation, including a Construction Environment Management Plan (CEMP), Archaeological Protocol and Geological Method Statement.
- 3.2. Following consultation with appropriate consultees and resolution of any final queries, the pre-commencement conditions were discharged for the planning consent, 10 May and Marine Licence, 13 May.
- 3.3. Pre-commencement activities have included an archaeological baseline survey, marine surveys, asset surveys, environmental mitigation actions, pre-construction nesting bird survey and geological baseline survey.
- 3.4. As was reported to Full Council in April 2019, following the placement of bird mitigation measures intended to protect the welfare of sand martins from construction activities by the project team in late March, the measure attracted a significant level of national media interest. This was driven by the 'Nests not Nests' campaign which relates to practices of developers in netting trees and hedgerows in areas proposed for future residential and commercial development. North Norfolk District Council does not believe that there are any such development sites in its administrative area and does not see the Bacton Sandscaping project as being comparable to the concerns expressed through that national campaign in that the works to mitigate sand martins nesting in the cliffs at Bacton is for a single season only to enable delivery of a consented programme of coastal engineering works. However, in response to the public concern and discussions with the RSPB and Natural England, the Council arranged for the removal of the preventative measures from the higher levels of the cliff to the minimum amount required to enable the scheme to proceed. The nets were only ever intended to be a temporary measure and will be removed immediately prior to the placement of the sand in the nourishment area and safely disposed of.

4. Design

- 4.1. The price for the sediment submitted by Van Oord has enabled the project to confirm that the maximum sediment placement of 1.8million m³ can be provided through the project, providing maximum benefit to the villages.
- 4.2. The pre-commencement baseline surveys on the foreshore and assets identified a need to make small adjustments to some aspects of the scheme due to unknown asset differences or changes to the local environment. Where necessary variations or non-material amendments are being sought to the consent. Adjustments include the location of the outfall navigation buoy, alignment of the outfall, outfall interconnecting pipework details and the addition of one further outfall vent pipe, with these costs being met by the Gas Terminal Operators.
- 4.3. Changes to the seabed since design and modelling confirmed the sediment volume for the villages placement, but has identified a need to consider the potential for additional sediment for the terminal placement below mean low water springs. This is due to losses of material in the nearshore in this location. A variation is sought for

additional placement of sediment should the terminal operators choose, following further modelling; again any changes to the project costs in this location will be met by the Terminal Operators

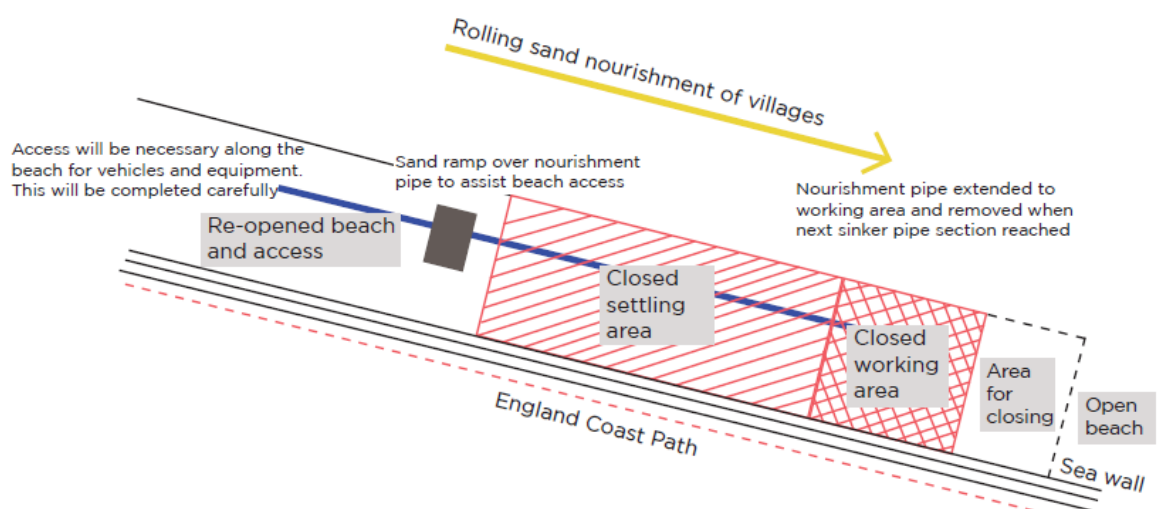
5. Programme

- 5.1. The terminal outfall works mobilised in the week commencing 20 May and it is anticipated the de-commissioning and removal of the three ageing outfall pipes and provision of new outfall and interconnecting pipework will be completed by early July. The sediment placement is programmed to commence with placement at the terminal from 12 July to 8 August.
- 5.2. Under the current programme there will then be a need to re-provision the dredging vessel between the terminal and villages campaigns, with work beginning to place sand at Bacton village from 11 August working through the Walcott frontage finishing around the 31 August. The placement at the villages is expected to be swift, with up to 240m of beach placed per day.

6. England Coast Path and Beach Access

- 6.1. During the period of the placement works the England Coast Path is officially diverted, this includes the 'spreading room' which provides public access to some land seaward of the path. This does not mean the path is closed in its entirety for the full period, but it does mean that as and when it is necessary, sections can be closed to enable the works to safely proceed.
- 6.2. Whilst the outfall works are underway, as far as possible beach access will be maintained on the beach via a designated route between Bacton and Mundesley, although this will be closed when it is necessary for the works to proceed.
- 6.3. An example of how the placement will progress through the villages is provided below:

INDICATIVE ROLLING SANDSCAPING WORKING AREA



- 6.4. Further details can be found at www.north-norfolk.gov.uk/sandscaping

7. Communications and Engagement

- 7.1. Additional communications and engagement are now being implemented as works begin and will continue to develop leading up to the sediment placement. This will include the appointment by the Major Works contractor, Team Van Oord, of a Community Liaison Officer, deployment of a mobile public information unit, information boards, on site safety information, online resources (including ongoing drone film updates as the scheme progresses), FAQ sheets, and continuation of the Local Liaison Group.

8. Social Value

- 8.1. Through the Main Works Contract Team Van Oord have offered opportunities to provide additional social value opportunities. These include:
- £25,000 for local community grants (Paston, Bacton and Walcott)
 - 1 day volunteer time per member of TVO staff to benefit the local community (application alongside community grants scheme)
 - Improvements to the England Coast Path
 - School leavers work placements

9. Local Investment

- 9.1. North Norfolk District Council has invested further in Bacton and Walcott through the refurbishment of public conveniences and installation of Deep History Coast information points. Progress is being made in the re-opening of a public car park at Cable Gap, Bacton and discussions with Walcott Parish Council are underway exploring opportunities to improve car parking at Walcott.
- 9.2. NNDC is anticipating that the Sandscaping scheme will make a significant improvement to the beach and that this will in turn attract additional visits and visitor spend to this area.

10. Financial Implications

- 10.1. The project is progressing within budget. Claims to the respective funding grant schemes are being made as the scheme progresses, as are cash calls to Shell UK and Perenco UK for their agreed contributions to the scheme. As far as is possible the ongoing contributions are ensuring a managed cash flow for this financially significant scheme.
- 10.2. A bid to the EU 2Seas programme with European partners was unfortunately unsuccessful.
- 10.3. The outcome of a Partners for Water (Dutch Government) funding bid is awaited which could assist with more intensive monitoring following the construction of the scheme.

11. Risks

- 11.1. Project risks are managed through a risk register which is reviewed by the Sandscaping Project Steering Committee at regular intervals.
- 11.2. 10.2.2 An addendum to the Development Agreement between NNDC, Shell UK and Perenco UK was recently agreed in order to ensure clarity on cost, insurance and liability in relation to the outfall works.

12. Sustainability

- 12.1. The development of the Bacton / Walcott Coastal Management scheme was in direct response to ongoing erosion of the coast and the impacts this has on coastal infrastructure, businesses and communities. The scheme seeks to work with natural coastal processes, enhancing the natural beach defences to reduce erosion and extend the life of the defences on this frontage.
- 12.2. It has been highlighted that the placement of additional volumes of sand in front of the Bacton Gas Terminal site may in future years create a suitable breeding habitat for Little Terns (schedule 1 species), should this be the case advice will be sought as to how this should be managed to protect nest sites during the breeding season.
- 12.3. The Committee on Climate Change in late 2018 published the report 'Managing the coasts in a changing environment'. Met Office predictions have also highlighted increasing risks to coastlines in the future. Coupled with recent statements regarding the developing DEFRA policy on Flood and Coast and the Government 25-year Environment Plan, it is anticipated that future focus will be on the overall resilience of communities. The Bacton to Walcott Sandscaping approach fits well with this national policy direction and seeks to provide a sustainable basis for the coastline. The extension of the life of defences will provide further time to work with communities for longer term resilience and adaptation in light of coastal and climate change.

13. Equality and Diversity

- 13.1. The scheme seeks to better balance the needs of coastal communities through seeking resources to assist Hold the Line and Managed Realignment coastal frontages.

14. Section 17 Crime and Disorder considerations

- 14.1. In the days following the campaign against the lawful erection of bird mitigation measures by the project, some of the mitigation measures were removed through unlawful acts of removal/vandalism. As the mitigation measures were put in place to safeguard the welfare of sand martins and allow this significant infrastructure project to proceed during the summer months when seas are calmer, weather and working conditions more favourable to allow the most efficient and productive working arrangements to be adopted in the placement of the sand, additional security measures have been employed by the project to allow the works to proceed as per the agreed programme.

Terms of Reference of THE NORTH NORFOLK BIG SOCIETY FUND GRANTS PANEL

Purpose

The North Norfolk Big Society Fund Grants Panel is constituted by North Norfolk District Council to consider grants from the North Norfolk Big Society Fund in line with the terms and conditions agreed by Cabinet and set out in The Big Society Fund Prospectus.

Authority

1. The Panel has authority to make grant awards from the North Norfolk Big Society Fund in accordance with the objectives of the Fund, up to a maximum limit of £15,000.
2. The Fund will be administered by Officers from the Coast and Communities Partnership Team of North Norfolk District Council. They will attend all Panel meetings and will provide sufficient information for the Panel members to reach agreement regarding the recommended outcome of each grant application.
3. The Panel may make decisions regarding the outcome of grant applications by approving, refusing or deferring them. It may also suggest the imposition of conditions as appropriate on grant approvals.
4. The Minutes of all meetings of the Panel will be reported to NNDC's Cabinet with a complete list of the determinations made.

Composition of The Panel and decision making

The Panel will consist of seven members of NNDC, will be politically balanced and will be appointed by NNDC's Full Council.

The quorum of the Panel shall be not less than four members, with either the chair or vice chair being present.

Conflict of Interest

Any member having an interest in an organisation whose application for grant aid is before The Panel shall declare their connection and note take any part in the discussion. The appointed substitute member(s) will be invited to attend in order for the Panel to remain quorate.

Support

Officers from the Economic and Communities Development Team of North Norfolk District Council will attend all meetings of The Panel to report on the applications to be considered and other matters of interest to The Panel.

Agendas will be prepared and circulated at least one week prior to meetings along with all other documentation necessary for the members to be able to make informed recommendations. Minutes will be taken at each meeting and referred to Cabinet for information.

Meetings

The Panel will meet quarterly – usually the first week of the month.