

# Overview & Scrutiny Committee



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Tuesday, 4 February 2020

A meeting of the **Overview & Scrutiny Committee** of North Norfolk District Council will be held in the **Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN** on **Wednesday, 12 February 2020** at **9.30 am**.

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

Members of the public who wish to ask a question or speak on an agenda item are requested to notify the committee clerk 24 hours in advance of the meeting and arrive at least 15 minutes before the start of the meeting. 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 516047, Email: [matthew.stembrowicz@north-norfolk.gov.uk](mailto:matthew.stembrowicz@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 must inform the Chairman. If you are a member of the public and you wish to speak on an item on the agenda, please be aware that you may be filmed or photographed.

Please note that Committee members will be given priority to speak during the debate of agenda items

**Emma Denny**  
**Democratic Services Manager**

**To:** Mr N Dixon, Mr T Adams, Mr H Blathwayt, Mrs W Fredericks, Mr P Heinrich, Mr N Housden, Mr G Mancini-Boyle, Mr N Pearce, Miss L Shires, Mrs E Spagnola, Mr J Toye and Mr A Varley

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



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

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## A G E N D A

### 1. TO RECEIVE APOLOGIES FOR ABSENCE

### 2. SUBSTITUTES

### 3. PUBLIC QUESTIONS & STATEMENTS

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

### 4. MINUTES

1 - 14

To approve as a correct record the minutes of the meeting of the Overview and Scrutiny Committee held on 15<sup>th</sup> January 2019.

### 5. ITEMS OF URGENT BUSINESS

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

### 6. 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.

### 7. PETITIONS FROM MEMBERS OF THE PUBLIC

To consider any petitions received from members of the public.

### 8. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER

To consider any requests made by non-executive Members of the Council, and notified to the Monitoring Officer with seven clear working days' notice, to include an item on the agenda of the Overview and Scrutiny Committee.

### 9. RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS

To consider any responses of the Council or the Cabinet to the Committee's reports or recommendations:

### 10. DELIVERY PLAN 2019-2023

15 - 68

Summary:

In parallel to the Corporate Plan, senior managers have worked with Cabinet to develop a Delivery Plan, setting out the initially identified key work which will be undertaken to meet the objectives of the authority for up to 2023. The draft document is now attached for Cabinet's approval.

The Council needs to publish a Delivery Plan to provide high

Options considered: level, public statement of how we will deliver the Corporate Plan. The development of this Plan has involved extensive discussion and engagement with a range of internal stakeholders.

Conclusions: That the draft Delivery Plan, as attached as an Appendix to this report, is recommended for approval by Cabinet.

Recommendations: *(Considered by Cabinet 03 February 2020)*

1. Agree the content of the draft Delivery Plan 2019-2023.
2. Authorises the Corporate Directors and Heads of Paid Service, in consultation with the Leader of the Council, to agree any minor revisions and changes to the final draft of the Delivery Plan document and thereafter the format and design of the document for publication.
3. Request that the Overview & Scrutiny Committee establishes Scrutiny Panels to act as a mechanism to review and monitor decisions made relating to the strategic policy, performance and resources required to deliver the priorities of the Council as set out in the Corporate Plan and Delivery Pan.

Reasons for Recommendations: The Delivery Plan details how the Council will deliver the Corporate Plan for the period 2019-2023.

It provides the basis for the Council's performance management during that period, as a measurement of what is delivered against the Plan's framework and lays out many of the key projects, workstreams and initiatives planned through to 2023, although as further initiatives are identified, these will become part of the plan.

The plan will be subject to annual review to ensure that it continues to reflect the Council's priorities and objectives throughout that period in response to emerging trends, policy developments and legislation.

Cabinet Member(s) Ward(s) affected: All  
Cllr Sarah Butikofer

Contact Officer, telephone number and email:  
Nick Baker, 01263 516221 – [nick.baker@north-norfolk.gov.uk](mailto:nick.baker@north-norfolk.gov.uk)

## 11. CAPITAL STRATEGY 2020-2021

69 - 78

Summary: This report sets out the Council's Capital Strategy for the year 2020-21. It sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.

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

Conclusions: The Council is required to approve a Capital Strategy to demonstrate compliance with the Codes and establishes the strategic framework for the management of the capital programme.

Recommendations: That Cabinet recommends to Full Council that;  
The Capital Strategy and Prudential Indicators for 2020-21 are approved.

Reasons for Recommendation: Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

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

## 12. INVESTMENT STRATEGY 2020-2021

79 - 86

Summary: This report sets out details of the Council's investment activities and presents a strategy for the prudent investment of the Council's resources.

Options Considered: Alternative investment and debt options are continuously appraised by the Council's treasury advisors, Arlingclose and all appropriate options are included within this Strategy.

Conclusions: The preparation of this Strategy is necessary to comply with the guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG).

Recommendations: That the Council be asked to RESOLVE that The Investment Strategy is approved.

Reasons for Recommendation: The Strategy provides the Council with a flexible investment strategy enabling it to respond to changing market conditions.

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

## 13. TREASURY MANAGEMENT STRATEGY STATEMENT 2020-2021

87 - 102

Summary: This report sets out details of the Council's treasury management activities and presents a strategy for the prudent investment of the Council's surplus funds, as well as external borrowing.

Options Considered: Alternative investment and debt options are continuously appraised by the Council's treasury advisors, Arlingclose and all appropriate options are included within this Strategy.

Conclusions: The preparation of this Strategy Statement is necessary to comply with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services.

Recommendations: That the Council be asked to RESOLVE that The Treasury Management Strategy Statement is approved.

Reasons for Recommendation: The Strategy provides the Council with a flexible treasury strategy enabling it to respond to changing market conditions and ensure the security of its funds, as well as secure borrowing at the best value.

Cabinet Member(s) Ward(s) affected: All  
 Cllr E Seward

Contact Officer, telephone number and email:  
 Lucy Hume, 01263 516246, lucy.hume@north-norfolk.gov.uk

**14. SHERINGHAM LEISURE CENTRE PROJECT UPDATE 103 - 106**

To receive an update on the Sheringham Leisure Centre project.

**WORK PROGRAMMES**

**15. THE CABINET WORK PROGRAMME 107 - 110**

To note the upcoming Cabinet Work Programme.

**16. OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE 111 - 120**

To receive an update from the Scrutiny Officer on progress made with topics on its agreed work programme, training updates and to receive any further information which Members may have requested at a previous meeting.

**17. EXCLUSION OF THE PRESS AND PUBLIC**

To pass the following resolution, if necessary:

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

**18. TO CONSIDER ANY EXEMPT MATTERS ARISING FROM CONSIDERATION OF THE PUBLIC BUSINESS OF THE AGENDA**



## OVERVIEW & SCRUTINY COMMITTEE

Minutes of the meeting of the Overview & Scrutiny Committee held on Wednesday, 15 January 2020 in the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN at 9.30 am

**Committee Members Present:** Mr N Dixon (Chairman) Mr T Adams (Vice-Chairman)

Mr H Blathwayt Mrs W Fredericks  
Mr P Heinrich Mr N Housden  
Mr N Pearce Miss L Shires  
Mrs E Spagnola Mr A Varley

**Members also attending:** Mrs A Fitch-Tillett (Observer) Ms V Gay (Observer)

Mr J Rest (Observer) Mr E Seward (Observer)

**Officers in Attendance:** Democratic Services and Governance Officer (Scrutiny) (DS&GOS), Corporate Director and Head of Paid Service (SB) (CD (SB)), Democratic Services Manager (DSM), Head of Legal & Monitoring Officer (HLS), Head of Finance and Asset Management/Section 151 Officer (HFAM), Programme & Projects Manager (PPM) and Head of Economic and Community Development (HECD)

**Also in attendance:** Members of public and the press

### 51 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr J Toye and Cllr G Mancini-Boyle.

### 52 SUBSTITUTES

Cllr P Bütikofer for Cllr J Toye.

### 53 PUBLIC QUESTIONS & STATEMENTS

Dr V Holliday registered to speak as Chair of Cley Parish Council on behalf of the coastal parishes of Cromer, Holt, Sheringham, Wells, Blakeney, Cley, Kelling, Morston, Stiffkey and Wiveton. She stated that all parishes were concerned about long emergency ambulance response times, which she suggested put residents at risk.

Dr Holliday asked if response times could be regularly seen broken down by postcode. This was justified on the basis that current monitoring only broke down response times to district level. On category one calls, which were the most urgent, it was noted that the average response time was 10 minutes and 18 seconds, whereas for category two calls, the average response time was 27 minutes and 31 seconds. In terms of targets, emergency response times were set at 7 minutes for category one calls, and 18 minutes for category two. It was suggested that breaking down response times by postcode, would allow for greater variances to show. For instance, it was noted that for the NR23 postcode in May 2019, statistics showed that the average response time for category one calls was 18 minutes and 34 seconds, whereas category two were 35 minutes and 57 seconds. In the NR25

postcode, average category one response times were 11 minutes 33 seconds. In Norwich during the same period, category one average response times were just 5 minutes 41 seconds, whereas category two were 17 minutes 13 seconds. In Kings Lynn during the same period, average category one response times were 5 minutes 43 seconds, whereas category two were 18 minutes 41 seconds. In summary, Dr Holliday suggested that it was difficult to get regular response times data, and hoped that this request might be able to improve reporting practices.

Dr Holliday moved to a second question, and asked if the Committee could request that rapid response vehicles (RRVs) be kept in North Norfolk, as opposed to replacement with more double staffed ambulances (DSAs). She noted that there had been plans for RRVs to be phased out, though EEASt had decided that due to the rurality of the district it was safer to keep the RRVs, whilst also increasing the number of DSAs. She therefore asked the Committee to ensure that this was not a temporary measure.

Dr Holliday thanked the Committee for their time.

#### **54 MINUTES**

The minutes of the meeting held on 11<sup>th</sup> December 2019 were agreed as a correct record and signed by the Chairman, subject to the following amendments:

That the Corporate Director (SB) be added to the attendance list.

#### **55 ITEMS OF URGENT BUSINESS**

None received.

#### **56 DECLARATIONS OF INTEREST**

None declared.

#### **57 PETITIONS FROM MEMBERS OF THE PUBLIC**

None received.

#### **58 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER**

None received.

#### **59 RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS**

The Chairman informed the Committee that at the December meeting of Council, Members had resolved to request that the Overview & Scrutiny Committee review the Council's Diversity and Equality Policy, as it had not been reviewed for several years. Members agreed that the Committee should review the policy, and it was proposed by Cllr L Shires and seconded by Cllr A Varley that the review be added to the Committees Work Programme.

The Chairman noted that the second recommendation in regard to the Council's motion on Ambulance Response Times, would be discussed during item 12, for



which a report had been prepared.

## **RESOLVED**

**The a review of the Council's Diversity and Equality Policy be added to the Committee's Work Programme.**

### **60 OVERVIEW & SCRUTINY COMMITTEE - CONSIDERATION OF AMBULANCE RESPONSE TIMES MOTION**

The DS&GOS introduced the item and informed Members that he had prepared the report in response to a motion passed at the November 2019 of Council. He informed Members that, as requested within the motion, the CD (SB) had written to the CEO of EEAST to ask what actions were already being taken to address the issues. It was noted that a response was yet to be received. The DS&GOS informed Members that the motion also requested that the Committee explore the option of creating a Working Group to monitor response times, and engage with EEAST to develop an improvement programme. Finally, the motion requested that the voluntary Community First Responders be offered additional training and support to aid the ambulance service.

#### Questions and Discussion

The DS&GOS informed Members that he had been in contact with the Scrutiny Team Manager at NCC that managed the Norfolk Health Overview & Scrutiny Committee (NHOSC), and had formed the recommendations of the report by taking into account their existing work on the issue. As a result, the first recommendation was to invite representatives of both the North Norfolk CCG and EEAST to a future Committee meeting to address the concerns raised and provide a briefing. This would allow Members to hear a first-hand account of the issues and the steps that were being taken to resolve them. On the second recommendation, the DS&GOS noted that NHOSC already undertook annual monitoring of response times. He noted that it was likely that their next report could be brought forward, and that there was a possibility that the issue could be reviewed more frequently. On the final recommendation, the DS&GOS noted that he had contacted the representative for the district's Community First Responders, which had proved useful in identifying what support may be required.

The Chairman noted the comments of the guest speaker and asked whether the Committee would be happy to integrate the requests into the report's recommendations. Cllr N Pearce stated that this would provide a constructive level of pressure, and he would fully support the approach.

Cllr T Adams stated that there was a need to increase the frequency of NHSOC's monitoring of ambulance response times, and that Members should also consider taking part in a ride-along or visiting the operations centre for greater insight into the service. He added that the Committee had to be careful not to duplicate the work of NHOSC, and agreed that it would be helpful to invite the relevant representatives of the NCCG and EEAST to a future meeting. The DS&GOS stated that both ride-alongs and a visit to the Ambulance Operations Centre had been offered. The Chairman agreed that the Committee had to be mindful that it did not duplicate the work of NHOSC, though it was important that North Norfolk's concerns were being represented at their meetings.

Cllr N Housden suggested that response times monitoring should be a learning

process, and suggested that the recommendation to NHOSC should request quarterly monitoring reports, that would allow for more reactive changes to be made throughout the year.

Cllr E Spagnola, the NNDC appointed representative on NHOSC, stated that the Committee was next due to review ambulance response times in September. The DS&GOS noted that it had been suggested that this date would be brought forward due to the seriousness of the issue.

Cllr H Blathwayt suggested that A&E waiting times at NNUH must also have a significant impact on ambulance response times, to which the DS&GOS replied that this was indeed the case, with statistics suggesting that A&E turnaround times caused significant delays for ambulances. The Chairman stated that he hoped that these issues could be discussed in detail, if the relevant representatives were able to attend a future meeting.

Cllr W Fredericks proposed that the recommendations be taken en bloc, with the inclusion of comments from the public speaker on post code specific response times monitoring, quarterly reports to NHOSC, and assurances that rapid response vehicles would not be lost. The proposals were seconded Cllr P Heinrich.

## **RESOLVED**

- 1. That the Committee invite representatives of EEAST and the North Norfolk CCG to provide a briefing on the poor performance of ambulance response times in North Norfolk, the efforts being made to address the issue, and assurances that rapid response vehicles will not be lost.**
- 2. That a formal request is made for NHOSC to increase its ambulance response times monitoring to quarterly, and that the data is reviewed on a post code basis.**
- 3. That the Committee give consideration to the role of Community First Responders and seek input from the Norfolk & Waveney Patient Representative for EEAST to consider options to support/improve the service.**

## **61 2020/21 BASE BUDGET AND PROJECTIONS FOR 2021/22 TO 2022/23**

Cllr E Seward – Portfolio Holder for Finance introduced the report and informed Members that pre-scrutiny was the start of the budget setting process, and that it was helpful to hear early views on the budget. It was noted that last year, a deficit of approximately £2m had been predicted, and whilst there was now a surplus predicted for the year ahead, this relied on a certain level of support from Central Government that was not expected in future years. Cllr E Seward added that there was still a deficit of approximately £2m predicted for the 2021/22 financial year, and that it was difficult to plan services without knowing what resources would be available. It was noted that this issue was not unique to North Norfolk, with local authorities across the country facing the same pressures.

Cllr E Seward informed Members that Council would decide on setting the level of Council Tax and the future of community funds such as the Big Society Fund (BSF), that required ongoing revenue. It was stated that a Council Tax increase had been assumed within the draft budget, and Cllr E Seward wished to make it clear that the

NNDC increase was just under £5, whereas NCC's was approximately £50. Furthermore, it was reported that for every £1 of Council Tax, just 8 pence was retained by NNDC.

Cllr E Seward stated that going forward, he would likely ask officers to prepare a zero base budget, in order to ensure all spending aligned with the Council's corporate objectives. He added that whilst the Council still had healthy reserves, these were in the process of being unwound, and as a result, there were also plans for a review of the Council's fees and charges.

In summary, Cllr E Seward noted that responsibility for adequately managing the Council's finances rested with all Members, and examples such as Northamptonshire County Council had been exacerbated by Councillors paying little attention to the budget setting process.

### Questions and Discussion

The HFAM thanked Members for attending budget training, then explained the key financial issues facing the Council. He stated that whilst he was happy to present a balanced budget for the next financial year, there would still be challenges in the years ahead, with deficits of £1.8m-£2m predicted, though the Finance Team were looking to plan up to five years ahead. It was suggested that the Council's reserves would fall from their current position of approximately £22m, down to £17m, then finally to £10m, as several projects were completed. This was still seen to be a good level of reserves, that many local authorities did not have.

As previously noted, the HFAM stated that budget calculations had assumed that the maximum £4.95 increase of Council Tax would be approved. Furthermore, it was suggested that Central Government would assume as part of its fair funding review, that all Councils would take the appropriate steps such as raising Council Tax, to raise revenue.

The HFAM stated that in total, the budget included approximately £500k of savings and additional income for the 20/21 financial year. He added that some digital transformation savings in excess of £300k had been removed from the budget, as there was no detailed plan as to how they would be delivered. It was noted that the Council did have a good track record of delivering its savings plans, but these required detailed plans to be realised.

It was reported that investment income remained positive, with income for the next year predicted to be approximately £1.3m, which was a good return for the current economic climate. The HFAM stated that 3% returns had been predicted, though this had not quite been achieved due to lower returns received from short-term overnight investments.

With regards to a financial settlement, the HFAM informed Members that all Central Government spending reviews had been delayed as a result of Brexit, and whilst this slippage had allowed for some additional income from the new homes bonus, it had delayed other funding uncertainties further. On business rates, the Council was still part-way through a pilot retention scheme, and the true benefit would not be known until the end. It was noted that rumours of 100% business rates retention had circulated, and it was hoped that more would be known soon.

The Chairman stated that the budget was the most complex report of the Committee's annual cycle, and whilst certain aspects such as the delivery plan were

still missing, the Committee needed to consider the report at a strategic level. As a result of missing information from the yet to be completed delivery plan, action plan and performance framework, the Chairman suggested that the Committee also had to be realistic in what it could achieve at this early stage of pre-scrutiny. He suggested that in order to remain focused, it would be helpful to break down discussion of the budget into four constituent parts of; the revenue budget, capital budget, reserves, and risks savings efficiencies and compliance.

#### Revenue Budget Discussion:

The Chairman noted that the Council usually arrived at a budget underspend, and asked to what extent, if any, the corporate plan (CP) themes had been reflected in the revenue budget. The HFAM replied that the CP themes were not yet reflected in the budget, but they would be in the delivery plan. He added that it was possible that these could be funded by reserves, but it could also lead to borrowing, and that one of the key themes was financial sustainability, that would lead to savings and efficiencies as opposed to increased spending.

The HFAM informed Members that some additional costs still had to be met within the revenue budget, such as the continuation of the BSF, and whilst it had been assumed that the fund would continue, it was a decision for Cabinet and Council. In terms of additional income, it was suggested that the business rates pilot could collectively generate up to £10m, and whilst this income would not be recognised until the pilot settlement was complete, it could return several hundred thousand pounds to the Council.

In response to a question from the Chairman, the HFAM confirmed that at this stage, the budget should be considered as being at an intermediate stage of development.

Cllr T Adams thanked Cllr E Seward and the HFAM for their introductions, and noted that he couldn't comment on the impact of service budgets at this stage, he asked if there would be any changes in existing income streams, and referred to temporary accommodation as an example. The HFAM replied that whilst temporary accommodation was a demand-led service, it was still one that the Council was required to provide. It was noted that the Council did receive funding from Central Government for this service, but it was capped at a certain level. The HFAM added that there was a £170k provision within the budget to meet the expected additional costs not covered by the grant. It was also suggested that some work was underway as part of the CP to offer a more permanent solution to issues with temporary accommodation. On other income streams, the HFAM stated a fundamental review of the Council's fees and charges was planned, as a better understanding of the cost base was required. It was anticipated that this review would lead to an increase of income for the Council.

It was confirmed, following a request for clarification from Cllr J Rest, that no CP costs were contained within the draft budget that was being discussed, however the HFAM added that no savings identified within the CP had been included either. Cllr J Rest referred to earmarked reserves on page 28, and asked if anything had been removed and why, then noted that external interest payments had risen from £10k to £358k, and asked for an explanation of the dramatic increase. The HFAM noted for clarification, that not everything due to be included in the delivery plan would be new or additional expenditure, as some projects would be ongoing, meaning that costs were contained within the budget already. With regards to external interest payments, the HFAM explained that the borrowing costs for Splash had been included, in which case the Council had sought to get the best value for the

taxpayer. In addition, it was reported that borrowing costs for the purchase of the waste contract vehicles had been included, which brought with it a number of benefits such as decreased contract costs and ownership of the vehicle fleet.

Cllr P Bütikofer thanked officers for the budget training, and asked whether the £1m of grant funding from the future high streets fund had been included in the budget. The HFAM confirmed that the £975k grant and the match funding had been included in the budget.

Cllr H Blathwayt asked if the officers setting the budget had taken into account the drop in the base rate, and whether there was any indication of cash flow anywhere in the report. The HFAM replied that there was a very detailed cash flow model for the next four years, though this was not usually included as part of the budget report it could be considered in the future. In regards to the change in the base rate, the HFAM stated that the Council did receive advice on its investments, and that to some extent the Council was protected from the change due to its investments in the LAMIT property fund.

Cllr N Housden asked if the Splash project featured in a previous Corporate Plan and whether the interest from borrowing had been included in the project costings. The HFAM replied that interest had been included in the overall cost of the project, and that the £1m funding from Sport England had now been received.

#### Capital Budget Discussion:

The Chairman noted that the capital budget identified costs for five of the CP expenditure themes within the 20/21 budget, and asked if this was correct or whether this money would be spread over the remaining term of the Council. He added that the combined spending figure was approximately £26m, and asked where the funding would come from, and what was the anticipated level of borrowing. The HFAM replied that details of the combined £26m were included in the appendix on pages 45-46, and that this figure was for the 20/21 year only, and that there would be further spending in future years. He added that some of this funding was the result of grant contributions totalling approximately £6.6m, and that some would be capital or reserves spending. The Chairman asked for clarification on the £12m of identified borrowing, to which the HFAM replied that this would split between internal and external borrowing. The Chairman suggested that the Council had enjoyed reasonable comfort from its lack of borrowing in previous years, and stated that it would be helpful to know the split between internal and external borrowing.

Cllr J Rest noted that within the capital budget, there had been a £1m provision for property investment that had risen to £3m, and asked where the additional funding had come from. The HFAM replied that the additional funding was taken from reserves, and that it had been included in the reserves budget. He added that as yet the budget did not include any potential revenue returns from the project

It was confirmed, following a question from Cllr H Blathwayt that the compulsory purchase of the Shannoeks hotel would be a capital receipt, as identified on page 45.

In reference to the quality of life theme, Cllr P Heinrich noted the financial commitment to a proposed artificial football pitch in North Walsham, and asked whether it was realistic for the budget provision to remain, whilst the project was in doubt. The HFAM replied that the provision would be kept in at this point, but could

be used elsewhere if the project did not go ahead. Cllr E Seward added that there was still demand for an all-weather football pitch in North Norfolk, with 50% of the project's funding being granted by the Football Association. He noted, for the benefit of those that were not aware, that the project had stalled due to the potential for night-time noise issues, and whilst further enquiries were being made, the project would go ahead if the noise regulations could be complied with. Cllr V Gay sought to endorse the comments of Cllr E Seward, and stated that there was need for the facility and that Cabinet wanted to see it go ahead.

Cllr T Adams referred to property investment, broadband and EV charging points, and asked if there would be a strategy put in place for these projects going forward. The HFAM replied that the broadband reserve had now been spent, and the project being led by NCC was well underway. On property investment, it was stated that work was underway, but it was important to ensure that the business case was robust. Finally, on EV charging points, it was reported that the first points had been installed at the NNDC car park, and that the external points were out to tender. It was suggested that once this work was complete, the success of the first scheme would be reviewed before going further.

Cllr L Shires referred to coastal adaption and erosion assistance funding, and asked whether there were any plans for additional funding to support this work. The HFAM replied that the Council was always looking to secure additional funding, and whilst the pathfinder bid had successfully secured £2m, with a small balance still remaining in reserve, lobbying would continue. Assets such as the Cromer Pier were noted to require continued funding for maintenance purposes, and this did create a challenge to balance funds across the entire district. The CD (SB) stated that the capital programme on page 45 outlined funds for Cromer and Mundesley that would go to improving existing coastal defences. It was suggested that whilst most of the £3m pathfinder grant had gone to Happisburgh, the Council was looking to promote community benefit projects for any funding made available from offshore wind developments.

The Chairman stated that whilst the revenue and capital budgets generally aligned with the CP, it was apparent that further work was needed to give an accurate representation of the related costings.

#### Reserves Budget Discussion:

The Chairman asked if an in-depth review of the Council's earmarked reserves could be undertaken, in order to determine whether the £20m accounted for would be subject to change. The HFAM replied that the capital budget of £3m outlined for property investment could be used to fund multiple projects, and that he would continue to review all reserves prior to the budget being agreed. He went on to suggest that the main reserve should increase above £2m, and that whilst some reserves had been put in place to cover certain issues, ultimately all reserves could be moved, such as the benefits reserve which was reviewed by GRAC. The HFAM stated in reference to the business rates reserve, that it looked as though the initial case on the NHS looked to have gone in favour of Local Government.

The Chairman noted that the budget suggested that the Council's reserves would fall from £22m to £10m, and asked whether the impact this would have on investments had been considered. He then suggested that there had to be a link with the budget and future updates, and asked whether the MTFS had been considered. The HFAM replied that the Finance Team would look at cash inflows and outflows to model balances, and noted that it was much more beneficial for the Council to make

medium-term investments. As a result, it was suggested that there was a balance to be struck between cash flow and investment, and in some cases, short-term borrowing allowed for better medium-term investments. With regards to the MTFs, it was noted that the document had been slightly refocused to concentrate on higher-level issues such as key income streams and expenditures.

The Chairman asked what would happen with regards to the £2m funding gap in years ahead, and stated that the Committee had to remain mindful of this.

Cllr N Housden asked whether the Council's reserves were ring-fenced, or whether they could under any circumstances be called upon, by NCC for example. The HFAM replied that these funds were not available to other Councils, and any financial support would be at the discretion of NNDC. The CD (SB) added that the Council's decision to support the NCC project for better broadband was a choice that had allowed for significant improvements to be made across the district. The HLS stated that the only situation under which NNDC funds could be made available, was if a unitary model was implemented.

Cllr T Adams asked what had been done to lobby NCC on community reserves, e.g. the BSF, which had made a significant positive impact. Cllr E Seward replied that the Leader had written to NCC to ask that they consider returning some second homes funds to support the BSF, however this request had been wholly rejected.

Savings, Efficiencies, and Risk Discussion:

The Chairman noted that many issues relating to savings, efficiencies and risk had already been discussed, and asked whether a Brexit reserve had been created. The HFAM replied that advice had been taken on the issue and whilst the outcome was still very much unknown, the main reserve would act as a buffer. The Chairman replied that the impact of Brexit would be felt over a number of years, and should be considered. The CD (SB) reported that NNDC was a member of the Norfolk Resilience Forum, and it had been determined that the geography of North Norfolk meant that Brexit related issues were not a significant cause for concern, though this would be kept under review.

The Chairman stated that it was clear that the risk appetite of the Council was still unknown, and that work must be undertaken on stress testing and the resilience of the budget. He added that reviewing the budget at this stage was pre-scrutiny, and asked if the Committee needed to review it again once this missing information was available. The HFAM stated that much of the missing costings would be included in the delivery plan which would be reviewed at the February meeting. Cllr N Pearce stated that there was a clear scope of responsibility for Members to review the budget, and that he expected that the budget monitoring workload would increase as a result of the predicted deficits. He thanked the Finance Team for their efforts in preparing the budget. Cllr J Rest referred to identification of the Council's risk appetite, and informed Members that GRAC was planning an in-depth look at this issue, and he would hope to identify this soon. The HLS stated that the Council's reserves were now being unwound, and that in order to maintain the current levels of service, a certain level of risk may be necessary, and as a result a risk workshop would be run on 6<sup>th</sup> February. She added that budget monitoring could be re-aligned to focus more on corporate objectives and performance.

The Chairman suggested that he had a sense that there would be recommendations on process though it may take some time to pick these out from the discussion notes. It was therefore proposed by Cllr N Dixon and seconded by Cllr N Pearce that

a summary of the discussion and recommendations on the budget could be formulated after the meeting and agreed via email.

## **RESOLVED**

**That the Committee note the contents of the report and the ongoing work to support the preparation of the 2020/21 budget and that any recommendations to Cabinet are agreed via email.**

## **MINUTES APPENDIX A – BUDGET DISCUSSION**

**To avoid delaying the meeting, Members agreed that a summary of discussion and recommendations on the budget could be formulated and agreed via email.**

**Please see below:**

The Committee pre-scrutinised the revenue and capital budgets, the reserves and the range of risks and saving challenges. However, the pre-scrutiny wasn't able to conduct a high level holistic review of all the components comprising the budget setting process, principally because the accurate revenue and capital costs for five CP themes, CP delivery/action plans and the performance framework have yet to be developed. To that extent the Committee was not able to comment on the funding metrics to deliver the CP, or the degree of integration of between the vital components. Moreover, there was little evidence of effective linkage with the MTFS at this stage, as that work has yet to be done. With those limitations and caveats in mind, the Committee makes the following process recommendations to Cabinet.

## **RESOLVED**

- 1. That the revenue and capital implications for funding the CP themes be developed to calculate accurate values, in order to populate the revenue and capital budgets to align with the implementation of the delivery plan.**
- 2. That the full extent of internal and external borrowing to fund the CP be identified, and that the impact of this spending on the Council's investment income and future savings demands be reflected in the MTFS.**
- 3. That an in-depth review of the earmarked reserves is undertaken to verify whether these are still required and whether the values are still appropriate, in order to determine whether any reserves may be released for use elsewhere.**
- 4. That work to identify the Council's risk appetite is undertaken to assess the resilience and robustness of the 2020/21 revenue and capital budgets, the reserves, and the medium term funding challenges for 2021/22/23.**
- 5. That the budget monitoring model be amended to integrate financial monitoring with the MTFP, and performance monitoring, to present higher level holistic updates rather than low level line by line variances.**



The DS&GOS introduced the report and informed Members that the protocol had been formulated as a means to clarify and formalise the existing working relationship between the Overview & Scrutiny Committee and the Executive. He added that the formation of such protocols, was one of the key recommendations that had arisen from the Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities, which had been published by the Ministry for Housing, Communities and Local Government in May 2019.

Members agreed that the protocol was a positive step for maintaining the existing positive working relationship between the Committee and the Executive.

It was proposed by Cllr H Blathwayt and seconded by Cllr P Heinrich that the Committee recommend the protocol to Cabinet and Council for Approval.

### **RESOLVED**

**That the Executive-Scrutiny Protocol be recommended to Cabinet and Council for approval.**

## **63 SPLASH LEISURE CENTRE PROJECT UPDATE BRIEFING - JANUARY 2020**

Cllr V Gay – Portfolio Holder for Health and Wellbeing introduced the update and informed Members that there had been no change to the expected opening date or the budget, and that work remained on-track. It was reported that the construction contingency now stood at £119k, and the re-siting of a problematic gas main would cost an estimated £27k. Communications of the project was noted to be moving forward, with a website now online for the public to view.

### Questions and Discussion

The PPM introduced the website and talked Members through each area that could be used to update the public on the project's progress. It was noted that a time-lapse video of the construction would soon be available. The PPM noted that the old Splash was still open for business during construction and had remained open over the Christmas period. She added that there were now 160 individuals signed-up to receive email updates on the project, and it was expected that the website would be able to answer many of the public's questions and concerns.

Cllr N Pearce noted that within the update it was stated that there was a continued risk from the potential failure of the old site before the new facility was complete. He therefore asked when the old facility was due to close. The CD (SB) replied that the old facility would remain open until the new facility was complete.

Following a question from Cllr N Housden, it was confirmed that officers hoped to have links to the time-lapse videos of the project working imminently. Cllr N Housden noted his concerns that due to a lack of capacity in the Communications Team, major opportunities to promote the project that had been missed. Cllr V Gay replied that the website was part of the work being done to improve the promotion of the project, and noted that capacity in the Communications Team was a known issue that was under review. She asked if Members received a copy of the Metnor newsletter. Cllr N Housden confirmed that he had received a copy of the newsletter at the last meeting, but it did not adequately promote the project as hoped.

Cllr N Housden referred to the Council's website and stated that despite declaring a

climate emergency, there was no content on sustainability or actions being taken as a result of the declaration. The Chairman asked if there was any environmental proposals on the Council's website. The CD (SB) replied that capacity issues in the Communications Team had limited the ability of the Council to develop its website content, and added that a job advert would be published for the Communications Manager position the following week. Cllr W Fredericks noted that the Council's website help system was very poor, and asked whether it was necessary for the website to be added to the Committee's Work Programme for review, to which Members were receptive.

It was proposed by Cllr P Heinrich and seconded by Cllr W Fredericks to note the update.

**RESOLVED**

**To note the update.**

**64 THE CABINET WORK PROGRAMME**

The DS&GOS informed Members that the Enforcement Board update had been moved to the March meeting of Cabinet, and that it would follow for the Scrutiny Committee in the same month.

**RESOLVED**

**To note the Cabinet Work Programme.**

**65 OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE**

The DS&GOS introduced the O&S Work Programme and informed Members that he would look to invite representatives for EEAST and NCCG to the March or April meetings, once the delivery plan had been reviewed.

The website issues were raised and it was suggested that a review of the Council's website would likely be included in the job description of the new Communication's Manager as part of developing a new communications strategy. The HLS added that customer service and website data could be gathered to feed into the customer focus work as part of the CP.

It was proposed by Cllr N Housden and seconded by Cllr W Fredericks that a review of the Council's website be added to the Committee's Work Programme.

**RESOLVED**

**To add a review of the Council's website to the annual Work Programme.**

**66 EXCLUSION OF THE PRESS AND PUBLIC**

**67 TO CONSIDER ANY EXEMPT MATTERS ARISING FROM CONSIDERATION OF THE PUBLIC BUSINESS OF THE AGENDA**

The meeting ended at 12.23 pm.

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Chairman

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## Delivery Plan 2019-2023

**Summary:** In parallel to the Corporate Plan, senior managers have worked with Cabinet to develop a Delivery Plan, setting out the initially identified key work which will be undertaken to meet the objectives of the authority for up to 2023. The draft document is now attached for Cabinet's approval.

**Options considered:** The Council needs to publish a Delivery Plan to provide high level, public statement of how we will deliver the Corporate Plan. The development of this Plan has involved extensive discussion and engagement with a range of internal stakeholders.

**Conclusions:** That the draft Delivery Plan, as attached as an Appendix to this report, is recommended for approval by Cabinet.

**Recommendations:** That's Cabinet resolves to:

1. Agree the content of the draft Delivery Plan 2019-2023.
2. Authorises the Corporate Directors and Heads of Paid Service, in consultation with the Leader of the Council, to agree any minor revisions and changes to the final draft of the Delivery Plan document and thereafter the format and design of the document for publication.
3. Request that the Overview & Scrutiny Committee establishes Scrutiny Panels to act as a mechanism to review and monitor decision made relating to the strategic policy, performance and resources required to deliver the priorities of the Council as set out in the Corporate Plan and Delivery Pan.

**Reasons for Recommendations:** The Delivery Plan details how the Council will deliver the Corporate Plan for the period 2019-2023.

It provides the basis for the Council's performance management during that period, as a measurement of what is delivered against the Plan's framework and lays out many of the key projects, workstreams and initiatives planned through to 2023, although as further initiatives are identified, these will become part of the plan.

The plan will be subject to annual review to ensure that it continues to reflect the Council's priorities and objectives throughout that period in response to

emerging trends, policy developments and legislation.

**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 Sarah Butikofer	Ward(s) affected
Contact Officer, telephone number and email: Nick Baker, 01263 516221 – <a href="mailto:nick.baker@north-norfolk.gov.uk">nick.baker@north-norfolk.gov.uk</a>	

**1. Background**

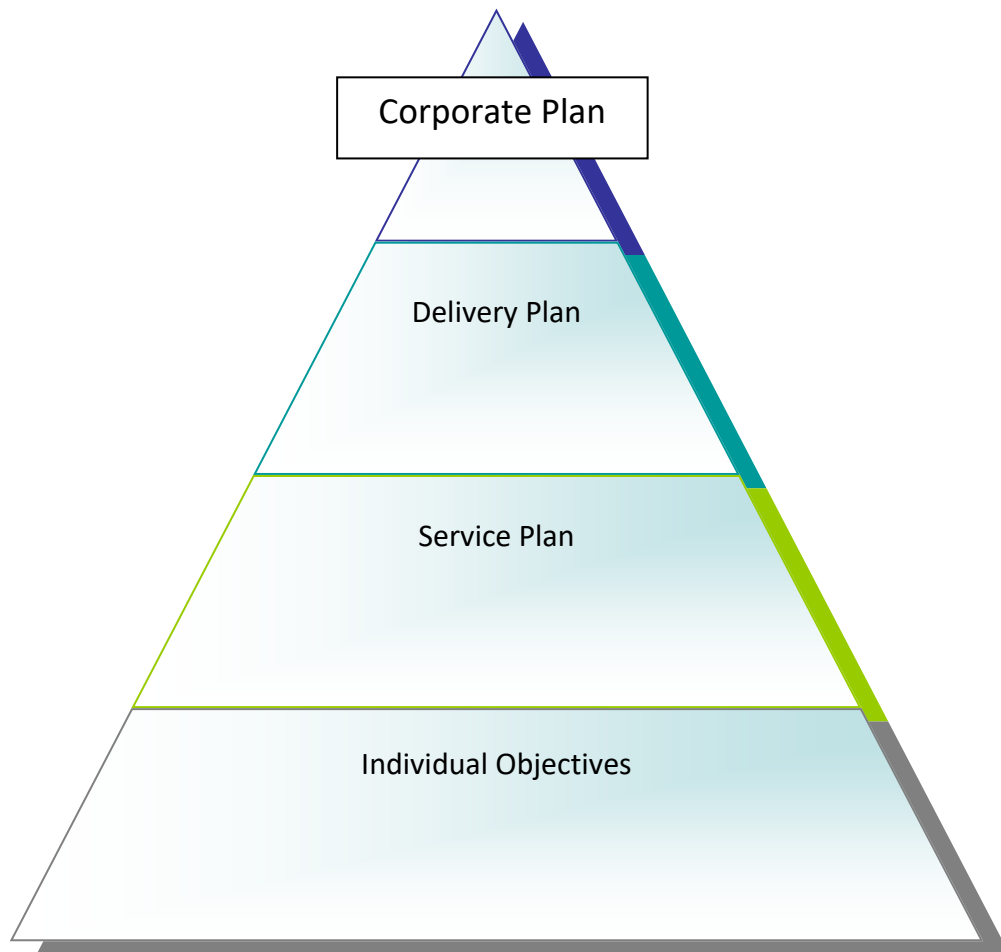
1.1 North Norfolk District Council’s Corporate Plan sets out the high-level aspirations that the Council has for its communities during the period 2019/20 to 2023/24:

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

1.2 The Corporate Plan sets the Council’s aspiration and its key priorities, working within the context and constraints that the Council has and needs to be read alongside other key strategic documents that the Council has, such as the Medium Term Financial Strategy. The next stage of the strategic planning process is to identify how the priorities of the Council will be delivered and this is one through the Delivery Plan.

**2. The Council’s Strategic Planning Framework**

2.1 The Council has a Strategic Planning Framework which builds upon reporting processes and draws together different plans and strategies across the Council into one, comprehensive reporting structure.



- 2.2 The diagram above shows the flow from the Corporate Plan down to an individual member of staff's personal objectives, with the monitoring and scrutiny arrangements detailed below.
- 2.3 Sitting below the Corporate Plan is the Delivery Plan (this Plan) which identified the actions that the Council intends to take to meet the six strategic priorities. This plan will be added to and amended to reflect the action that Council is taking over time and is intended to be a dynamic document to take account of changing circumstances, learning and opportunities.
- 2.4 Each service has a plan which shows how their services will undertake activities to meet the Council's six priority areas and will be aligned with these to demonstrate the expected positive impact that they will deliver for Norfolk residents. Service Plans are updated annually and progress will be reported to each Head of Service on a regular basis.

### **3. Individual Objectives**

- 3.1 Personal Development is important and the Council believes that each and every employee should receive a yearly appraisal. Objectives for each individual staff member are set to enable them to deliver specific activity in their team plans, and as a result help their team achieve the actions that they are responsible for.
- 3.2 The linking together of the different levels of plans is the “golden thread” that ensures that there is a clear and demonstrable line from the Corporate Plan right through to the individual objectives of each team member. This enables each staff member to understand their own individual contribution to the direction of the organisation.

### **4. Delivery of the Delivery Plan**

- 4.1. Since the Corporate Plan was approved, officers have worked through a number of workshops and discussions with Portfolio Members and other stakeholders across the Council, to ascertain the most important workstreams that emerge.
- 4.2. Importantly, across the six key Corporate Plan themes, there is significant stakeholder engagement, survey and strategy development work included in the Delivery Plan, to provide the evidence base on which much of the future work will then be based. In addition, there are cross cutting themes, running through the Plan, around Customer Focus, and in taking a more commercial approach to all of our work.
- 4.3. The Delivery Plan will provide the basis for populating the new Performance Management System, based on InPhase software, which replaced the old TEN system last year. This will provide a far more comprehensive performance management regime than has previously been possible and a full range of performance indicators are currently being developed in parallel to the plan itself. It is proposed that these will be in use from April 2020.

### **5. How will we monitor our performance?**

- 5.1. The Council monitors its own performance on the Corporate Plan through a series of key performance indicators (KPIs). The KPIs will be refreshed for this Corporate Plan to reflect the current circumstances and direction of the Corporate Plan.
- 5.2. Performance Indicators enable both Councilors and members of the public to scrutinise Council performance against social, economic and health indicators in a transparent way.
- 5.3 The actions identified through the Delivery Plan are monitored through individual performance measures that will be developed for each project and risk registers that form part of our project management framework.



- 5.4. Every quarter the Council analyses its performance indicators and measure where necessary seeks to address any underperformance as quickly as possible. This is then detailed in a report that is scrutinised by the Strategic Leadership Team, Overview and Scrutiny Committee and Cabinet.
- 5.5. The risk registers identify potential conditions and circumstances that may have an adverse impact on the project if they occur. These are monitored by the Senior Responsible Officer (SRO) at project level. Key areas of risk are escalated to the Corporate Risk Register which is monitored by the Strategic Leadership Team and the Governance Risk and Audit Committee.
- 5.6. Cabinet, Overview and Scrutiny and Governance Risk and Audit meetings are public forums and any member of the public is welcome to attend. The reports are published on the Council website.

## **6. Next Steps**

- 6.1. Following approval of the Delivery Plan by Cabinet, it will be presented to Overview and Scrutiny of 12 February and then Full Council on 26 February.
- 6.2. The Delivery Plan will then be made available both in hard copy and digital versions as a public document.

## **7. Financial Implications and Risks**

- 7.1. None directly as a result of this report except its influence on the emerging 2020-21 budget.
- 7.2. On 15 January 2020, the Overview and Scrutiny Committee considered the draft Budget papers and made a number of recommendations around the links between the Budget, the Medium Term Financial Strategy and the Council's Corporate Plan and Delivery Plan, the relevant recommendations for the Delivery Plan being;

*“That the revenue and capital implications for funding and the CP themes be developed to calculate accurate values, in order to populate the revenue and capital budgets to align with the implementation of the delivery plan.*

*That the full extent of internal and external borrowing to fund the CP be identified, and that the impact of this spending on the Council's investment income and future savings demands be reflected in the MTFs.”*

- 7.3. A high-level financial analysis of the Delivery Plan is being undertaken in relation to the levels of existing staffing resource, revenue and capital allocations so that appropriate budgetary provision can be made an alignment of resources around the Council's new corporate priorities can take place.

This will help inform the priority and timing of the Delivery Plan. These high-level estimates will be subject to each project being costed in detail prior to commitment of resource to the project, in line with the Council's project management framework.

## **8. Sustainability**

- 8.1. This report does not in itself raise any issues in respect of sustainability. However, it does detail the main work within the Climate, Coast and the Environment theme within the Corporate Plan, with significant new workstreams within this area.

## **9. Equality and Diversity**

- 9.1. This report does not in itself raise any issues in respect of equality and diversity. It does however identify key themes of housing, the economy, quality of life and customer service, all of which seek to address equality and diversity issues across the District and within the Council's delivery of services.

## **10. Section 17 Crime and Disorder considerations**

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

## Corporate Plan Delivery Plan

### Corporate Plan Theme: **Local Homes for Local Need**

There is a significant local need for housing across the district. Enabling and facilitating new housing of the right type, quality and affordability will therefore, be a key priority for the Council and, working with a variety of partners, we will explore all available avenues to increase the supply of quality, affordable housing to address this need. We will also seek opportunities to improve the condition and environmental sustainability of existing housing stock. We will aim to ensure that new homes are of a high standard of design and built with a strong emphasis on environmental sustainability and therefore, more affordable to live in.

## Corporate Plan Delivery Plan

### Objective 1: Developing and adopting a new Local Plan

	DP action	Delivery timescale
1.1	<p>Formulate suitable policies and proposals in the new Local Plan to facilitate the delivery of forecasted housing supply to meet the needs of the District.</p> <p>Through the Local Plan, North Norfolk Design Guide, Building Control Regulations and other approaches, we will ensure high quality design and environmental sustainability standards are met in new housing, including:</p> <ul style="list-style-type: none"><li>• measures to reduce water consumption</li><li>• improved fuel efficiency</li><li>• compliance with the National Design Guide and Design Code</li><li>• provision of Development Briefs to ensure new development sites are sympathetic local environmental characteristics</li><li>• maintaining a custom/self-build register</li></ul>	Winter 2022
1.2	Monitor the availability of brownfield sites and evaluate the opportunities these present to increase the supply of development land available in a sustainable way	Annually

## Corporate Plan Delivery Plan

### Objective 2: Developing and implementing a new Housing Strategy

	DP action	Delivery timescale
2.1	Formulate a new Housing Strategy to encourage new and innovative ways of delivering affordable housing, including: <ul style="list-style-type: none"> <li>• engagement of key stakeholders to identify evidence and gaps in understanding;</li> <li>• measures which will enable the Council to better target its resources and to focus on priority issues</li> </ul>	December 2020
2.2	To improve both housing conditions of occupants and address environmental objectives, we will identify the most effective interventions to improve conditions and energy efficiency in private sector housing, including: <ul style="list-style-type: none"> <li>• investigating the viability of housing improvement grants/loans;</li> <li>• Investigating the viability of using incentives to renovate and retrofit existing housing stock through grants/loans</li> </ul>	December 2020
2.3	Seek to identify and analyse the condition of private sector housing stock to inform consideration of initiatives such as: <ul style="list-style-type: none"> <li>• selective licensing schemes</li> <li>• landlord accreditation</li> <li>• certification</li> <li>• grants for housing stock improvement</li> </ul>	Review complete: April 2021  Condition survey: March 2020
2.4	Investigate the viability of methods to help reduce <a href="#">fuel poverty</a> amongst vulnerable local residents	Review complete: April 2021

## Corporate Plan Delivery Plan

### Objective 3: Forming a housing delivery / development company

	DP action	Delivery timescale
3.1	<p>Develop a business case for a housing company with a view to providing the Council with a way of addressing some of the housing needs in the district. Such an approach will take into account:</p> <ul style="list-style-type: none"><li>• provision of temporary accommodation</li><li>• housing affordability</li><li>• becoming a trusted (private sector) landlord</li><li>• potential sites for new housing development, including those for self-build</li><li>• engaging with development partners</li><li>• exploring external funding sources</li><li>• exemplar homes</li></ul>	Business Case; March 2020

## Corporate Plan Delivery Plan

### Objective 4: Developing and implementing a new Homelessness and Rough Sleepers Strategy and Action Plan

DP action	Delivery timescale
<p>4.1 Developing and implementing a new Homelessness and Rough Sleepers Strategy and Action Plan. The approach will involve exploring ways in which the Council can:</p> <ul style="list-style-type: none"><li>• intervene early and support households to avoid homelessness;</li><li>• increase the supply of temporary accommodation to meet the needs of those people who find themselves homeless; and</li><li>• invest in its own accommodation to meet the needs of our community and also to reduce the cost of temporary accommodation to Council Tax payers (links to Objective 3 above)</li></ul>	Strategy adoption December 2019

### Objective 5: Delivering new affordable homes both directly as a Council and through partnership working with Registered Providers

DP action	Delivery timescale
<p>5.1 Investigate ways to support and assist affordable housing providers, including the potential for a Council loan scheme for Registered Providers to facilitate a supply of affordable homes for our communities, whilst supporting the Council's financial sustainability</p>	Scheme approval; February 2021
<p>5.2 Explore ways to help households into owner-occupation, including consideration of mortgage facilitation schemes; lending to allow people to buy their own home, meaning that more local people can remain in the communities that they call home</p>	Scheme approval; February 2021

## Corporate Plan Delivery Plan

### Objective 6: Working with partners to deliver 500 units of Housing with Care / Extra Care

	DP action	Delivery timescale
6.1	<p>As the local demographic continues to age, to make sure that people can obtain the housing and support that they need throughout their lives we will work with partners to deliver 500 units of Housing-with-Care/ExtraCare. The Council will seek to be an investment partner, where appropriate, to speed delivery and secure financial sustainability</p> <p>Explore funding opportunities, for example through:</p> <ul style="list-style-type: none"><li>• One Public Estate</li><li>• Living Well Programme</li><li>• Homes England</li></ul>	Initial Business Case April 2020



## Corporate Plan Delivery Plan

Corporate Plan Theme: **Boosting Business Growth**

The foundations of the North Norfolk economy have traditionally been around a narrow range of sectors - agriculture, manufacturing, tourism, retail, public and care services. Whilst the district is home to a number of leading UK and international companies, the majority of businesses are 'micro' businesses, employing less than ten people.

North Norfolk, like other rural economies, faces challenges; whilst the District has relatively high levels of employment amongst people of working age, wages continue to remain behind England and East of England averages. Moreover, our workforce is getting older and it can sometimes prove difficult to attract and retain young people and the skills that are needed to support the ambitions of growing businesses.

There is a limited supply of serviced sites and premises and some parts of the district continue to be constrained by inadequate broadband, limited mobile coverage and strained utility provision.

The District's town centres also face difficulties in adapting to changing trends; the growth in online shopping, out-of-town retail and the loss of local banks necessitates a fresh approach to the function and make up of our high streets in the future.

Many of our challenges can however be seen as opportunities; the district's attractive environment and high quality of life, makes it a great place to live and, consequently, more businesses than ever are choosing to operate here, recognising the benefits of lower cost land and premises and improving access to super-fast broadband.

The Council is ambitious in its intentions to support a strong, vibrant and inclusive local economy and we will work with our indigenous businesses and partners to support investment, create skilled jobs and to broaden our business base.

The Council is committed to working alongside partners in the education and business sectors in promoting inclusive growth which seeks to match the skills of the local workforce with the needs of local businesses.

## Corporate Plan Delivery Plan

### Objective 1: Developing and adopting a new Local Plan

	DP action	Delivery timescale
1.1	Deliver the local plan, ensuring a sufficient focus on facilitating business development in suitable locations. It should create a fertile environment for the establishment of suitable new enterprises and the growth and expansion of existing businesses in the area, as well as meeting the broader needs of business (such as homes for key workers).	Winter 2021/22 amend final delivery date

### Objective 2: Developing and implementing of new Economic Growth Strategy

	DP action	Delivery timescale
2.1	Formulate an Economic Growth Strategy (2020 – 2023) to provide a framework for activities that facilitate growth and investment opportunities. It will include ways of meeting local workforce and training needs, as well as support for business initiatives that address environment concerns and climate change. The Strategy will set out innovative approaches to intervention and investment, where there is a wider economic and environmental benefit.	Autumn 2020

## Corporate Plan Delivery Plan

### Objective 3: Taking a proactive approach to unlocking development sites and enabling local businesses to grow across the District

	DP action	Delivery timescale
3.1	Complete a 'Growth Sites Delivery Strategy' to realise local business growth and investment opportunities and encourage the delivery and take-up of serviced land with suitable infrastructure to support the growth of local businesses.	April 2020  Multiple projects over full term

### Objective 4: Analysis local business needs

	DP action	Delivery timescale
4.1	Analyse evidence of local business needs and opportunities and engage local businesses to understand: workforce needs; digital infrastructure; skills needs; sites and premises; growth ambitions; and to test options to address these.	April 2020 onwards
4.2	Develop a range of engagement tools to build relationships with local businesses: including an interactive website, communications platforms, workshops and other interactive forums.	January 2021

## Corporate Plan Delivery Plan

### Objective 5: Providing support and advice for new business start-ups and growing businesses

DP action	Delivery timescale
<p><b>5.1</b> Develop a mechanism for providing suitable support to assist in the establishment and growth of business start-ups and micro businesses, including the establishment of a 'virtual business hub'.</p> <p>Seek opportunities to work with partners in the establishment of initiatives to nurture the growth of fledgling enterprises.</p>	Summer 2020

### Objective 6: Encouraging links between local education providers, apprentices and businesses

DP action	Delivery timescale
<p><b>6.1</b> Work with partners to identify skills deficiencies, and undertake an 'Apprenticeship Survey' which will monitor apprenticeship opportunities and take-up and identify problems and corresponding solutions.</p>	
<p><b>6.2</b> Nurture the concept of inclusive growth in order to develop and add value to career opportunities and the generation of wealth in the local economy. Foster an open approach within the Council (as a significant local employer) to training and development, social value (in procurement) and corporate social responsibility, and propagate this amongst partner organisations and significant local employers.</p>	
<p><b>6.3</b> Together with relevant agencies, draw up a workforce development, skills and apprenticeship plan</p>	

## Corporate Plan Delivery Plan

**Objective 7: Facilitating the transition of our town centres to be places which are attractive and accessible for living, working and for leisure**

	DP action	Delivery timescale
7.1	Deliver the North Walsham Town Centre Heritage Action Zone and arising cultural activities.	2024
	Evaluate and report on the outcomes of the Market Towns Initiative and other local town centre projects, publishing examples of best practice for other towns to follow.	Spring 2021
	Support local community organisations to encourage the development of 'place-based' approaches to maintain the vitality of local towns and town centres.	

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## Corporate Plan Delivery Plan

Corporate Plan Theme: **Customer Focus**

The North Norfolk district covers an area of 360 sq miles and has a population of over 100,000 people living in 121 distinct communities and settlements. Whilst our offices are centrally located in Cromer, public transport across the District is limited and many of our residents and customers find accessing the Council offices difficult. Our customers are also not a single group of people with common interests – we provide a diverse range of services, both directly and through contractors and partner organisations, and our customers and service users are not only local residents, but also visitors and local businesses.

We will make the Council's services as easy to access as possible and will use a variety of channels to facilitate this – through self-service via the Council's website, and also for customers making personal visits to the Council's offices, or communicating with us by letter, telephone and online. Where we provide services in the community – e.g. amenity areas, public car parks, public conveniences, leisure centres, refuse and recycling collections, we want our services to be recognised as being of good quality, inclusive and responsive to customer needs.

We want our customers to be at the heart of everything we do and we will strive to improve access to our services, through stronger community engagement, developing simple mechanisms of inviting customer feedback and comment and, where possible and practical, seek to deliver our services at a more local level through strengthening partnerships with local Town and Parish Councils. The Council will seek further to improve democratic engagement and participation by people of all ages, but particularly through working with schools and colleges to ensure that the voice young people is heard and informs Council decision-making.

At the heart of our customer charter will be our commitment to improving the quality of service delivery to our customers and responding to their needs. It will: place customers at the heart of what we do and embedding that in our service delivery, provide good quality and responsive services that people want to receive, establish strong mechanisms to invite customer feedback, using that information to shape service delivery, make our services as easy to access as possible, ask our customers

## Corporate Plan Delivery Plan

about how they wish to receive services and what services they wish to receive and include all our customers by maintaining diverse contact points for services.

The extent to which residents feel informed and engaged by their council, and the trust that they place in them, directly affects their views about their council and the services they receive. This in turn impacts on their levels of satisfaction and ultimately, a council's public reputation. Conducting a residents' survey gives us an opportunity to understand what our communities think and it offers us valuable insight into how the Council is perceived by the wider community. It also helps demonstrate our transparency and accountability to the people we serve and helps us to monitor, and address, any changes in satisfaction levels over time.



## Corporate Plan Delivery Plan

### Objective 1: Developing a new Customer Charter with published service standards

	DP action	Delivery timescale
1.1	Undertake a Customer Contact Survey to understand: <ul style="list-style-type: none"> <li>• How well we deliver to our customer needs</li> <li>• Service specific issues</li> <li>• Ideas for reshaping our services to better meet customer needs</li> </ul>	In progress
1.2	Review and refine our Customer Strategy, to: <ul style="list-style-type: none"> <li>• respond to the survey findings</li> <li>• improve the way that we understand our customers' changing needs/preferences</li> <li>• better serve our customers</li> <li>• embed customer focused service delivery throughout the Council</li> </ul>	Strategy Delivery; May 2020  Implementation commencement; May 2020
1.3	Develop an action plan and draft, adopt and publish Customer Charter, to set out how we will: <ul style="list-style-type: none"> <li>• listen to our customers views about what service they want to receive from the Council</li> <li>• establish clearly what customers can expect from us based on that feedback</li> <li>• reflect best practice</li> </ul>	May 2020
1.4	Establish a training and development programme to enable all employees to deliver excellent customer focused services aimed at delivering the Customer	Commencing May 2020

## Corporate Plan Delivery Plan

	Charter. This will Give our teams, the skills, abilities and tools to deliver on our service commitment.	
1.5	Monitor the implementation of the Charter and evaluate and review it in the light of the findings. Routine monitoring procedures will be established across all teams (including staff and councilors), at an operational and strategic level.	Sep 2020 onwards

## Corporate Plan Delivery Plan

Objective 2 and 3: Undertaking an annual resident’s survey and responding to results AND benchmarking of the Council’s services to learn from best practice elsewhere

	DP action	Delivery timescale
2.1	<p>Undertake an annual Residents Survey, in order to help the Council to understand how well we are performing for our community and to improve what we do.</p> <p>The survey will be based upon six key themes contained in the LGA approach to resident satisfaction ‘<i>are you being served?</i>’ which includes:</p> <ul style="list-style-type: none"> <li>• satisfaction with the local area</li> <li>• satisfaction with the way the council runs things</li> <li>• trust in the council</li> <li>• responsiveness of the council</li> <li>• how informed residents feel</li> <li>• their perception of the value for money the council provides.</li> </ul> <p>This will help us drive service delivery improvements and allow us to check our performance against other councils.</p>	<p>Procurement; Jan 2020.</p> <p>Delivery of results; May 2020</p>
3.1	<p>Benchmark service delivery against the LGA key themes and learn from best practice elsewhere.</p>	<p>Benchmarking; May 2020</p>

## Corporate Plan Delivery Plan

### Objective 4: Developing an Engagement Strategy to set out how we will consult with our customers and our local communities

	DP action	Delivery timescale
4.1	Develop an Engagement Strategy to: <ul style="list-style-type: none"> <li>• help define and design local priorities and policies</li> <li>• deliver and evaluate services</li> <li>• inform council decision-making in areas that impact on our residents lives</li> </ul>	May 2020
4.2	Establish quarterly forums with Town and Parish Councils, to: <ul style="list-style-type: none"> <li>• strengthen our relationship with communities</li> <li>• share information</li> <li>• seek views</li> <li>• identify actions</li> <li>• inform policy development</li> </ul>	December 2019
4.3	Establish a Youth Council to give a stronger voice for younger people in Council decisions, specifically to: <ul style="list-style-type: none"> <li>• better understand the views of younger people in the community</li> <li>• reflect opinions</li> <li>• identify actions</li> <li>• inform policy development</li> </ul>	December 2019
4.4	Establish Environment Panels to:	December 2019

## Corporate Plan Delivery Plan

	<ul style="list-style-type: none"><li>• Garner ownership</li><li>• Reflect opinions</li><li>• Identify actions</li><li>• Inform policy development</li></ul>	
4.5	Implement Online consultation feedback portals for key corporate projects/workstreams	December 2019

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## Corporate Plan Delivery Plan

### Corporate Plan Theme: **Climate, Coast & Environment**

North Norfolk's environment contributes to the quality of life of local residents and plays a vital role in supporting the local visitor economy, as well as playing host to a wealth of natural and cultural assets and biological diversity. North Norfolk is also impacted heavily by flooding, coastal erosion, land drainage, water supply constraints and many of the consequences of climate change. The Council has declared a climate emergency and therefore puts environmental considerations at the heart of its Corporate Plan. The delivery plan shows how the Council will address existing environmental challenges and respond to those expected to arise in the future, in order to play our part in mitigating climate change, adapting to its impacts and helping to make our communities more resilient.

Our Environmental Charter will state our commitment to action for the Council to achieve carbon neutrality by 2030, showing how we will use our own resources wisely to set a direction through: our own actions; working with partners; and influencing others. This will be the foundation of decisions across all areas of the Council's services, policies and projects.

The Local Plan will set out the strategic priorities for the development of land in the District and the policies against which planning decisions are made. It should ensure that new development is sustainable and supports the transition to a low-carbon future. The preparation of the new local Plan should take account of the Council's 'Climate Emergency' declaration and the emerging 'Environmental Charter' as well as the environmental characteristics of the area, in particular the vulnerability of parts of the District to climate and coastal change and of the adaptation response this commands. The Plan will cover the period 2016 to 2036.

We will produce a holistic carbon audit for the Council and its activities and use this to inform decisions and actions that will maintain a course of carbon reduction to net zero emissions by 2030.

We will seek to take a lead role nationally in Coastal Management Initiatives using appropriate evidence, working with relevant organisations and engaging with coastal communities, develop and implement methods of adaptive coastal management, defense and resilience.

## Corporate Plan Delivery Plan

Planting 110,000 trees, one for each resident, will help offset the Council's carbon emissions, however, it will have multiple benefits, from helping with climate change adaptation, adding to landscape/townscape character, contributing to biodiversity (net gain), and contributing to community development/cohesion.

One way of reducing emissions and improving air quality is the transition towards wide scale use of electric vehicles. For this to happen, obviously charging points must be available for users who can either not charge their vehicles at home or who are away from their homes in the area.

In order to effectively manage domestic waste, we are procuring and implementing a waste contract that balances the cost of the service with the environmental impact and convenience, whilst influencing the consumption and refuse generation habits of residents and businesses and providing flexibility to respond to changing legislation and environmental characteristics.



## Corporate Plan Delivery Plan

### Objective 1: Developing and implementing an Environmental Charter and Action Plan

	DP action	Delivery timescale
1.1	<p>Establish a framework by which the Council can work with interested parties as climate champions – organisations/individuals who will make collective or personal pledges to take the steps to reduce omissions and address the impacts of climate change. Environment panels will be set up in order to:</p> <ul style="list-style-type: none"> <li>a. garner ownership</li> <li>b. reflect opinions</li> <li>c. identify actions</li> <li>d. inform policy development</li> </ul>	From March 2020 to Sept 2020
1.2	Develop an action plan, draft, adopt and publish Environment Charter.	June 2020
1.3	‘Sell’ the messages through campaigns (awareness raising/ marketing) to promote energy efficiency and behavioural change towards greater sustainability.	June 2020 onwards
1.4	<p>Raise awareness of the environmental challenges and ambitions set out in the charter by initiatives that educate/ influence the wider community, getting ownership of actions using:</p> <ul style="list-style-type: none"> <li>a. established events (e.g. Greenbuild)</li> <li>b. established groups (e.g. schools, local flood resilience groups)</li> <li>c. novel communication methods</li> <li>d. working alongside other initiatives/ events.</li> </ul>	September 2020 onwards
1.5	Monitor the implementation of the Charter and the effectiveness of the actions undertaken to deliver it, then review the implementation of the Charter and Action Plan.	Sep 2020 onwards

## Corporate Plan Delivery Plan

### Objective 2: Developing and implementing a new Local Plan

	DP action	Delivery timescale
2.1	Formulate a local plan that supports the transition to a low-carbon future and helps shape places, through climate change mitigation (reducing harmful emissions) and adaptation (responding to the impacts of climate change), taking into account flood risk, coastal change, biodiversity, landscape and the important environmental characteristics of the District.	Winter 2022
2.2	Formulate, implement and monitor policies and projects that protect and enhance the natural and built environment of the District, its local distinctiveness, biodiversity, contribution to the quality of life of residents and the role they play in boosting the local economy; working with local communities to develop projects that to achieve this.	Spring 2020

## Corporate Plan Delivery Plan

Objective 3: Undertaking an audit to establish the Council’s baseline carbon footprint and then deliver a carbon neutral position by 2030

	DP action	Delivery timescale
3.1	Undertake a baseline carbon audit and formulate a carbon reduction action plan to set out: <ul style="list-style-type: none"> <li>• the actions that can be implemented in the short-term to reduce carbon emissions from Council’s activities</li> <li>• the trajectory needed to reduce emissions to zero by 2030</li> <li>• the longer-term activities and investments necessary to maintain the identified course.</li> </ul>	Baseline audit completed Jan 2020 Action plan: from June 2020
3.2	Ensure that the carbon impact of all activities are evidenced in all relevant decisions by establishing new processes/procedures for decision making and report writing.	June 2020
3.3	Measure, monitor and report on the change in the Council’s emissions periodically (using a recognized methodology/ toolkit) and review the carbon reduction action plan accordingly.	Summer 2020 onwards
3.4	Work with partners to establish and support ‘green energy’ initiatives (for environmental and/or investment purposes).	Autumn 2020 onwards

## Corporate Plan Delivery Plan

Objective 4: Continuing to Take a Lead Role Nationally in Coastal Management Initiatives Recognising our Position as a “Frontline” Authority in Meeting the Challenge of Rising Sea Levels

	DP action	Delivery timescale
4.1	Agree the vision and business plan for Coastal Partnership East (CPE) in addressing the coastal management challenges.	Summer 2020
4.2	Establish evidence of coastal change impacts (e.g. from Shoreline Management Plans (SMPs), monitoring information and data gathering), interpret and communicate this to policy makers and stakeholders.	Autumn 2020
4.3	Engage local coastal communities in the development of appropriate adaptive responses to coastal change and resilience.	Autumn 2020
4.4	Develop innovative coastal management approaches to: <ul style="list-style-type: none"> <li>a. technical solutions (e.g. sandscaping)</li> <li>b. policy</li> <li>c. funding</li> </ul>	Ongoing
4.5	Continue to implement local actions to manage the coast, including: adaptation, maintenance of defences and innovative coastal management schemes (such as sandscaping).	Ongoing
4.6	Share best practice and seek to influence national policy.	Ongoing

## Corporate Plan Delivery Plan

### Objective 5: Planting 110,000 trees – one for each resident to help offset our carbon emissions

	DP action	Delivery timescale
5.1	Collect and analyse data, including identification of net benefits and opportunities, locational characteristics and data gaps.	Up to Spring 2020
5.2	Formulate ideas, look at best practice, undertake options appraisal/ cost-benefit analysis, implementation methods and identify key partners, with alternative options and contingencies in order that target is met.	From spring 2020
5.3	Engage communities at proposed planting sites to identify the optimal approach and garner support.	From autumn 2020
5.4	Implement, together with partner organisations, community groups and other interested parties.	From Dec 2019

## Corporate Plan Delivery Plan

### Objective 6: Introducing Electric vehicle charging facilities in the Council's principle car parks, at its offices and leisure centres

	DP action	Delivery timescale
6.1	Develop a delivery plan for early installation of Electric Vehicle (EV) charging points on the Council owned car parks and at Council offices, then install the agreed 34 initial charging points (to demonstrate leadership).	March 2020
6.2	Gather data on demand and potential growth in the use of electric vehicles and its impact upon emissions, then develop a business case for the potential further roll-out of charging points.	Summer 2020
6.3	Include policies on EV and the associated infrastructure in the emerging Local Plan and in appropriate asset management plans.	Summer 2022
6.4	Review staff/member travel policies and future options that will reduce emissions (e.g. electric pool cars, car loan incentives, flexible working, video conferencing and cycling incentives).	Autumn 2020
6.5	Communicate information about the advantages of using electric vehicles, the Council's role in promoting it and the opportunities for individuals and fleets to transition from fossil fuels.	Sept 2020 (Green Build event)

## Corporate Plan Delivery Plan

### Objective 7: Waste Collection

	DP action	Delivery timescale
7.1	Implement the waste contract.	April 2020
7.2	Establish evidence and evaluate options for going beyond the minimum necessary, including: <ol style="list-style-type: none"> <li>a. waste reduction measures (including incentives such as grants (e.g. a sustainable community grant scheme))</li> <li>b. educating consumers about the consequences of their actions/ behaviours</li> <li>c. becoming an exemplar in waste reduction and using recycled materials.</li> </ol>	Autumn 2020
7.3	Develop and implement <i>targeted</i> campaigns to educate and influence the consumption and waste practices of residents, communities and local businesses.	Spring 2020 onwards (from start of contract)
7.4	Establish data collection systems to understand all forms of consumption, recycling and re-use, and understand the local waste streams (waste composition analyses); then collect, analyse, interpret and report upon local waste production and disposal rates, trends and trajectories.	Summer 2020
7.5	Implement local community waste reduction measures, e.g. community fridges.	Ongoing
7.6	Investigate how the new waste contract can be operated with a reduced carbon footprint and implement feasible options.	Spring 2021

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## Corporate Plan Delivery Plan

Corporate Plan Theme: **Financial Sustainability and Growth**

North Norfolk District Council has a balanced budget. To maintain services and to be able to invest in our communities we need to develop new sources of income and make savings where we can.

The Council will need to continually innovate in order to maintain and enhance service provision, building upon its track record of robust financial management, through identifying new sources of income, making sound investments and delivering high quality services in the most efficient way possible. The Council charges fees to deliver discretionary services to businesses, residents and visitors, the principle is that these should not be an undue burden on the local tax payer.

We will need to introduce smarter ways of working in order to maintain the Council's financial position, whilst seeking to deliver better services for our residents and communities.

We will continue to invest in our property assets to enable them to provide the best return to us and will also need to take a more commercial approach to everything we do. This means looking at different investment opportunities and being prepared to take innovative and creative approaches to how we invest – recognising that through our investments we might be able to realise the wider benefits for the District detailed elsewhere in this Plan – addressing priority issues such as housing, employment and environmental outcomes, as well as delivering a financial return.

## Corporate Plan Delivery Plan

Objective 1: Continuously reviewing our service delivery arrangements, fees and charges to ensure that we deliver value for money

	DP action	Delivery timescale
1.1	<p>Establish a baseline against which to review and control fees and charges to support the full cost recovery of services</p> <p>Charges for discretionary services should reflect the actual cost of the provision of the service and not be cross subsidised from council tax or other sources of income. Where appropriate additional charges should be introduced to fund the costs of new or increased services (e.g. charging developers for the provision of domestic waste bins on new residential developments)</p>	December 2020
1.2	<p>Develop a public convenience policy to identify ways in which the current £600k a year spend on the provision of public conveniences (to serve users of town centres, recreational and visitor attractions) can be funded, so that good quality provision can be maintained whilst providing council tax payers with value for money</p>	December 2020
1.3	<p>Trial zero based budgeting (ZBB) alongside enhanced engagement with service managers to encourage a focus on what costs are necessary to run the services and enable Council resources to be directed more effectively to where there are most needed</p>	December 2020
1.4	<p>Work with other local authorities to close loopholes which exist around Second Home Council Tax / Business Rate payments; and lobby central</p>	December 2020

## Corporate Plan Delivery Plan

	government jointly with other similarly affected Councils and supporting organisations to add weight to the argument	
1.5	Undertake service reviews to improve efficiency and reduce costs	March 2021

Objective 2: Taking, where appropriate, a more commercial approach to the delivery of discretionary services

	DP action	Delivery timescale
2.1	Develop a Financial Sustainability Strategy, which will identify income generating and saving opportunities whilst meeting the corporate plan objectives	June 2020
2.2	Review the Car Parking Policy in order to maximise the revenue generated from car parking income, an important source of funding for council services  The new policy needs to reflect: the needs of local residents; the vitality of town centres; visitor demand; and provide best value for council tax payers	Initial policy review commencement: January 2020
2.3	Explore the opportunities to generate income from advertising and sponsorship	April 2020

## Corporate Plan Delivery Plan

### Objective 3: Forming a development company to take our property ambitions forward

DP action	Delivery timescale
<p><b>3.1</b> Develop a business case for a housing company with a view to providing the Council with a way of addressing some of the housing needs in the district.</p> <p>Such an approach will include: provision of temporary accommodation, housing affordability, becoming a trusted (private sector) landlord, potential sites for new housing development, including those for self-build, engaging with development partners and exploring external funding sources</p>	Business Case; April 2020
<p><b>3.2</b> Explore options for investing in the provision of medical centre development/health care facilities</p>	December 2020
<p><b>3.3</b> Take a strategic approach to commercial development opportunities, including:</p> <ul style="list-style-type: none"><li>• Exploring options that meet local needs/ demand and produce an income (e.g. a crematorium or similar development)</li><li>• Updating the Asset Management Plan</li><li>• Updating the Procurement Strategy</li></ul>	September 2020

## Corporate Plan Delivery Plan

### Objective 4: Investing in environmental and economic initiatives which deliver positive outcomes and a financial return for the authority

	DP action	Delivery timescale
4.1	Explore options to expand Electric Vehicle Charging Points (EVCP) pilot. Review the success of the EVCP pilot and expand it as required, based on the assessment of a business case	Review undertaken August 2021
4.2	Explore the potential for the installation of solar panels - photo voltaics (PV) - on the Council's assets. Initially undertaking a business case to assess the viability of PV above some of the Council's car parks	December 2020

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## Corporate Plan Delivery Plan

### Corporate Plan Theme: **Quality of Life**

A strategic approach will be taken to address identified Quality of Life objectives in North Norfolk, the delivery of those objectives will be prioritised over the next four years.

This plan will tackle social isolation and make commitments to improving the wellbeing of local people through measures such as social prescribing. The Council will work with a wide range of partners, through a variety of mechanisms, to meet local needs and improve the quality of life of vulnerable people and households within our District.

We will build upon our strong record of providing and supporting facilities and activities which improve local people's mental wellbeing and quality of life – including provision of sports and leisure centres, social and physical infrastructure, public conveniences, high quality (Blue Flag award winning) beaches, accessible and attractive (Green Flag award winning) open spaces and country parks and support for cultural events in locations across the District.

A survey is the starting point for understanding all of the things that affect local people's quality of life and the challenges they face. It can also help to identify the opportunities that our local area presents to improve the quality of life of our residents and to ensure that local communities have access to the things that they need.

Many of the Council's activities have an influence over the quality of life of our residents; so do those of many other organisations. It is important that initiatives that help improve the opportunities for people in all our communities to enjoy a high quality of life, are coordinated and suitably joined up. This objective seeks to ensure that a strategic approach is taken to the activities for which we, and our partners, are responsible.

## Corporate Plan Delivery Plan

**Objective 1: Undertaking a Quality of Life Survey to inform the development and implementation of a Quality of Life Strategy so as to improve the health and mental wellbeing of communities and individuals across North Norfolk.**

	DP action	Delivery timescale
1.1	<p>Undertake a Quality of Life Survey amongst local residents in order to understand the issues people face and to identify ways in which the Council (and its partners) can help those, in all communities, to access the things that they need.</p> <p>Working with appropriate partners, the survey will use existing evidence but also seek to fill gaps in data. It will need to take account of and inform many of the other activities in this delivery plan, such as:</p> <ul style="list-style-type: none"><li>• access to services</li><li>• housing</li><li>• environmental quality</li><li>• potential influences of climate change</li></ul>	Completed September 2020



## Corporate Plan Delivery Plan

### Objective 2: Developing and implementing a Quality of Life Strategy

	DP action	Delivery timescale
2.1	<p>Develop a Quality of Life Strategy to ensure services, provided by the Council (and its partners) that impact on local quality of life, respond to issues raised by those in our local communities.</p> <p>The Strategy should be inclusive of all groups within society but also address any specific needs identified in the Quality of Life Survey. It will include:</p> <ul style="list-style-type: none"> <li>• influences on physical and mental wellbeing across all age groups</li> <li>• access to healthy, active lifestyles</li> <li>• access to the arts and the celebration of local culture</li> <li>• engagement in local community activities</li> <li>• isolation</li> <li>• innovative ways of treating health conditions, e.g. social prescribing</li> <li>• access for all to services and facilities.</li> </ul>	<p>Adopt November 2020</p>
2.2	<p>Work with local communities and partner organisations to implement the Quality of Life Strategy and enable activities that assist in its delivery.</p> <ul style="list-style-type: none"> <li>• communicate the strategy to those involved in its delivery or are affected by it</li> <li>• raise awareness and encourage interest in the development of actions that achieve the objectives in the strategy</li> <li>• ensure that the strategy is embedded in all relevant services, activities, projects and decisions undertaken by the Council</li> <li>• monitor the implementation &amp; effectiveness of the strategy</li> </ul>	<p>November 2020 onwards</p>

## Corporate Plan Delivery Plan

### Objective 3: Delivery of the North Walsham Heritage Action Zone programme

	DP action	Delivery timescale
3.1	<p>Under the Heritage Action Zone programme, engage the local community in the development and delivery of projects and activities that celebrate the cultural and historic significance of North Walsham Town Centre, with the aim of enhancing the economic and cultural vitality of the town, including:</p> <ul style="list-style-type: none"><li>• cultural programming activities</li><li>• improving historic assets</li><li>• supporting local community organisations</li><li>• supporting cultural events</li></ul>	Delivery plan adopted by April 2020

## Corporate Plan Delivery Plan

### Objective 4: Developing and implementing an Accessibility Guide for the District

	DP action	Delivery timescale
4.1	<b>Formulate and publish a guide (in appropriate, traditional and novel formats) to help communities:</b> <ul style="list-style-type: none"><li>• promote engagement</li><li>• tackle isolation</li><li>• improve accessibility to all (e.g. beach wheelchairs, community transport initiatives)</li><li>• address the needs of people with conditions that impact upon their quality of life (e.g. dementia)</li></ul>	March 2020 Monitor and review ongoing

## Corporate Plan Delivery Plan

### Objective 5: Delivery of new leisure centre at Sheringham

	DP action	Delivery timescale
5.1	<p><b>Develop the new leisure centre to replace the Splash, in order to maintain a high quality, inclusive and accessible facility. Working with our leisure contractor and other partners to:</b></p> <ul style="list-style-type: none"><li>• encourage people to lead and maintain active and healthy lifestyles</li><li>• provide a range of modern and innovative fitness equipment accessible to all</li><li>• encourage the development of physical activity programmes oriented to the needs of all sections of the local community</li><li>• introduce even the youngest residents to fun and beneficial leisure activities</li><li>• provide opportunities to address specific health conditions (e.g. via social prescribing)</li></ul>	May 2021 re-opening

## Corporate Plan Delivery Plan

### Objective 6: Continued investment in Cromer Pier as an iconic heritage and cultural attraction

	DP action	Delivery timescale
6.1	Maintain and enhance the physical structure of Cromer Pier, its historic Pavilion Theatre and continue to work with partners to develop a programme of shows, events and appropriate activities that attract a wide audience, in order to celebrate the unique qualities that make this heritage asset an icon of the District that benefits residents, businesses and the wider local economy	Annual programme maintenance / 5yr contract

### Objective 7: Public convenience investment programme to include a Changing Places facility in each of our seven principal settlements

	DP action	Delivery timescale
7.1.	Maintain the quality and accessibility of public conveniences, ensuring they are suitable to the needs of the community and visitors to the area	spring 2020 with Review April 2020

## Corporate Plan Delivery Plan

### Objective 8: Continued commitment to maintain Blue Flag and Green Flag status for the Council's beaches and open spaces

	DP action	Delivery timescale
8.1	<p>Continue to maintain and, where appropriate, improve the quality and accessibility of our public open spaces and beaches. Promote their use for a wide variety of events and activities that meet the health and wellbeing needs of the local community and attract visitors to the area</p> <p>Develop a programme of sustained improvement and investigate innovative investment opportunities in order to ensure that our open spaces and beaches are attractive and available for all to enjoy and, where appropriate, meet the criteria for Green and Blue Flag awards</p>	<p>Blue Flag May 2020 Green flag July 2020</p>

# Corporate Plan Delivery Plan

## Objective 9: Delivery of the Mammoth Marathon

DP action	Resource	Lead officer/ team	Delivery timescale	Performance measure	Delivery partner(s)/ external resources
<b>CP Objective 9 : Delivery of the Mammoth Marathon</b>					
9.1	<p>Organise and promote a running event as a way of marketing the District and raise awareness of the benefits of physical activity. Use this and other events as a platform to showcase initiatives that aim to support health and wellbeing, environmental awareness, arts and culture and other quality of life issues.</p> <p>After the first 'mammoth' marathon and half marathon events, review its effectiveness in achieving these objectives and explore options for future events.</p>	Staff and external voluntary stewards	Karl Read	17 May 2020	<p>Delivery of event in conjunction with and review to consider diversification/retain the offer</p> <p>Voluntary stewards from Beach runners Local TC / PC Local business</p>

## Corporate Plan Delivery Plan

### Objective 10: Maximising the level of external funding through working with partners to support community projects within the District

DP action	Resource	Lead officer/ team	Delivery timescale	Performance measure	Delivery partner(s)/ external resources	
<b>CP Objective 10 : Maximising the level of external funding through working with partners to support community projects within the District</b>						
<b>10.1</b>	Identify new opportunities for funding to implement and promote the Quality of Life Strategy and achieve its outcomes. Seek opportunities to work with partners and local communities in developing projects and facilities that address the findings of the Quality of Life survey.	Staff	Lead: TBC	March 2020	Quarterly review	Maintain existing partners; investigate new opportunities / partners



# Corporate Plan Delivery Plan

## Objective 11: Support and nurture the development of strong, sustainable and healthy local communities

DP action	Resource	Lead officer/ team	Delivery timescale	Performance measure	Delivery partner(s)/ external resources
<b>CP Objective 11 : Support and nurture the development of strong, sustainable and healthy local communities</b>					
<b>11.1</b>	Review existing funding initiatives and investigate new schemes that assist local communities in addressing their needs and improving community wellbeing, via grants and community development support.	Funding for grants (see BSF and Arts and Community Transport Grants budget) Staff	Lead: TBC  Health & Communities team	June 2020	Community projects supported and appropriate measures of their outcomes
	Provide support and advice to local community organisations to help them access external funding opportunities and develop initiatives that address local needs and support community sustainability	Staff	Health & Communities team	Ongoing	
	Facilitate community initiatives, in accordance with the Quality of Life Strategy, that aim to improve the physical and mental wellbeing of local residents	Staff	Health & Communities team	Ongoing	

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## Capital Strategy 2020-21

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

Cabinet Member(s) Cllr E Seward	Ward(s) affected: All
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## 1 Introduction

1.1 The CIPFA *Prudential Code for Capital Finance in Local Authorities 2017* and

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

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

## **2 Capital Expenditure**

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

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

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

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

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

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

### **3 Medium and Long Term Funding Strategy**

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

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

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

#### **4 Asset Management and Commercial Activities**

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

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

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

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

4.10 Asset management undertaken includes:

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

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

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

## **5 Debt Management and MRP Statement**

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

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

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

## **5 Prudential Indicators**

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

### **5.2 *Authorised Limit for External Debt***

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



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

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

### 5.3 *Operational Boundary for External Debt*

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

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

### 5.4 *Capital Expenditure*

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

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

### 5.5 *Capital Financing Requirement*

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

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

### 5.6 *Proportion of Financing Costs to Net Revenue Stream*

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

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

## **6 Links to other Strategies and Plans**

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

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

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

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

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

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

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

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

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## North Norfolk District Council Investment Strategy 2020/21

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

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

### Introduction

The Authority invests its money for three broad purposes:

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

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

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

- Local Homes for Local Need

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

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

### **Treasury Management Investments**

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

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

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

### **Service Investments: Loans**

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

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

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

*Table 1: Loans for service purposes in £ millions*

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

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

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

### **Service Investments: Shares**

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

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

*Table 2: Shares held for service purposes in £ millions*

	31.3.2019 actual	2020/21

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

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

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

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

### **Commercial Investments: Property**

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

*Table 3: Property held for investment purposes in £ millions*

Property	Actual	31.3.2019 actual	31.3.2020 expected
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	<b>Purchase cost</b>	<b>Gains or (losses)</b>	<b>Value in accounts</b>	<b>Gains or (losses)</b>	<b>Value in accounts</b>
Grove Lane Depot		0.018	0.343	-	0.343
Fair Meadow House	0.582	0.030	0.580	-	0.580
<b>TOTAL</b>	<b>0.582</b>	<b>0.030</b>	<b>0.923</b>	<b>-</b>	<b>0.923</b>

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

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

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

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

### **Loan Commitments and Financial Guarantees**

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

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

## **Proportionality**

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

*Table 4: Proportionality of Investments*

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

## **Borrowing in Advance of Need**

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

## **Capacity, Skills and Culture**

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

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

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

### **Investment Indicators**

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

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

*Table 5: Total investment exposure in £millions*

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

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

*Table 6: Investments funded by borrowing in £millions*

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

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

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

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

*Table 8: Other investment indicators*

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

## North Norfolk District Council Treasury Management Strategy Statement 2020/21

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

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

### **Introduction**

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

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

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

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

## **External Context**

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

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

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

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

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

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

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

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

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

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

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

### **Local Context**

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

*Table 1: Balance sheet summary and forecast*

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

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

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

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

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

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

### **Borrowing Strategy**

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

### **Investment Strategy**

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

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

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

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

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

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

Table 3: Approved investment counterparties and limits

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

This table must be read in conjunction with the notes below

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Table 4: Investment limits*

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

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

### **Treasury Management Indicators**

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

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

Credit risk indicator	Target
Portfolio average credit score	6.0

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

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

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

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

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

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

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

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

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

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

### **Related Matters**

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

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

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

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

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

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



## **Financial Implications**

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

## **Other Options Considered**

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

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

## Appendix A – Arlingclose Economic & Interest Rate Forecast November 2019

### Underlying assumptions:

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

### Forecast:

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

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

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

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

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

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

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

## Sheringham Leisure Centre: project update February 2020

Detailed information relating to any aspect of the project can be obtained from Robert Young (Senior Reporting Officer) or Kate Rawlings (Project Manager) and clarification of any aspect of the table's content can be provided at or following the meeting.

	Forecast/ expected position	Current position	Notes/ comments
<b>Time</b>	Completion date: 29 Aug 2021	9 days behind schedule 12 hours lost to bad weather	<ul style="list-style-type: none"> <li>• Delay due to slope slippage caused by redundant drain not removed by enabling works contractor. The Enabling works contractor has been put on notice of a possible claim.</li> <li>• Contractor is actively seeking areas in the programme to make up for the delay but at present is confident this will be possible and therefore no 'official' warnings have been issued.</li> </ul>
<b>Budget</b>	£12,697,139	£12,697,139	<ul style="list-style-type: none"> <li>• No change to budget. No further calls made on contingency in this period.</li> </ul>
<b>Issues log</b>		<ul style="list-style-type: none"> <li>• Foundation works were slowed down due to the need for an alternative stabilisation working method, due to slope failure resulting from redundant drainage pipe being left in situ.</li> <li>• A drainage diversion is potentially required, and options are being evaluated/progressed.</li> </ul>	<ul style="list-style-type: none"> <li>• Any costs incurred due to failings of the enabling works contractor (including costs incurred do to delay caused) will be reclaimed as appropriate.</li> <li>• Soon to be out of the critical path for this aspect of the work and due to recent improved weather conditions these delays are not anticipated to be compounded.</li> </ul>
<b>Risk log</b>	A risk log is being maintained. These are routinely monitored and revised and controls are introduced to manage/ mitigate risks and provide assurance	The most critical high level risk remains the potential 'failure' of the existing facility, prior to the new one being completed, which would	<ul style="list-style-type: none"> <li>• The maintenance and life-cycle log for Splash will remain under review in order to flag any likely issues. Contractual provisions are in place</li> </ul>

		<p>adversely impact financially on the Council.</p> <p>The principal risks to the construction project at this time are:</p> <ul style="list-style-type: none"> <li>• Any potential delay that might result from disruption to site services or infrastructure (e.g. gas main leak)</li> <li>• Delays in completion impacting on operational contract</li> <li>• Outstanding value engineering items not confirmed (£47k savings to be found)</li> </ul>	<p>to help mitigate any impact and the fact that the new facility is now being built should address any reputational impacts.</p> <ul style="list-style-type: none"> <li>• As the construction moves on the likelihood of unknown site issue (e.g. ground condition) reduces significantly</li> <li>• No expected delays to the critical path known at this time, contractor has been quick to identify potential issues and to find solutions</li> <li>• Value engineering targeted to meet Contract sum agreed in principle with potential for further VE items when more works are sub-let. Currently optimistic that these savings will be achieved.</li> </ul>
<b>Project Governance</b>	<p>The Portfolio Holder (PH) is Cllr Virginia Gay, the Council’s Senior Reporting Officer (SRO) is Robert Young and the internal Project Manager is Kate Rawlings. Various other technical experts from within the Council are involved in the project as appropriate. The Council has procured the services of: an Employer’s Agent, Project Manager and Cost Consultant (all provided by REAL Consulting); a Technical Architect (Saunders Boston Architects); and a Mechanical, Electrical and Pool Filtration Consultant (Silcock Dawson)</p>	<ul style="list-style-type: none"> <li>• The project team and responsibilities remain unchanged and meetings and reporting are occurring as scheduled.</li> </ul>	<p>No comments to provide</p>
<b>Communications</b>	<p>The Communications Plan covers:</p> <ul style="list-style-type: none"> <li>• Planned activities at key milestones</li> <li>• Responses to issues and events as they occur</li> <li>• Routine communications to interested</li> </ul>	<ul style="list-style-type: none"> <li>• New images of splash pad available (uploaded to website)</li> <li>• Opportunities for further promotion of the project continue to be</li> </ul>	<ul style="list-style-type: none"> <li>• The identified ‘broken’ links have been fixed.</li> <li>• Time-lapse photography has been received, however the sub-contractor</li> </ul>

	parties (including via the <a href="#">website</a> )	explored <ul style="list-style-type: none"><li>• Dates are being lined up for the contractor to meet with local schools and a plan to undertake further 'social value' elements of the contract will be determined in the coming months</li><li>• The name of the new Sheringham Leisure Centre needs to be agreed before the relevant planning condition can be discharged</li></ul>	responsible for that experienced issues resulting in the early footage missing. Still photographs will be added to help complete the picture and the video will be uploaded to the website when suitable. <ul style="list-style-type: none"><li>• The lack of resources and capacity in the Council's Communications team continue to be of concern.</li></ul>
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**North Norfolk District Council**  
Cabinet Work Programme  
For the Period 01 February to 30 April 2020



Decision Maker(s)	Meeting Date	Subject & Summary	Cabinet Member(s)	Lead Officer	Status / additional comments
<b>February 2020</b>					
<b>Cabinet</b>	<b>03 Feb 2019</b>	<b>Corporate Plan – delivery plan</b>	Sarah Butikofer	Nick Baker Head of Paid Service 01263 516	
<b>Scrutiny</b>	<b>12 Feb 2020</b>				
<b>Scrutiny</b>	<b>15 Jan 2020</b>	<b>2020/21 Base Budget and Projections for 2021/22 to 2022/23</b>	Eric Seward	Duncan Ellis Head of Finance & Assets 01263 516330	<i>Pre-scrutiny</i>
<b>Cabinet</b>	<b>03 Feb 2020</b>				
<b>Council</b>	<b>26 Feb 2020</b>				
<b>Cabinet</b>	<b>03 Feb 2020</b>	<b>Treasury Strategy 2018/19</b>	Eric Seward	Lucy Hume <i>Chief Technical Accountant</i> 01263 516246	
<b>Scrutiny</b>	<b>12 Feb 2020</b>				
<b>Council</b>	<b>26 Feb 2020</b>				
<b>Scrutiny</b>	<b>15 Jan 2019</b>	<b>Executive / Scrutiny Protocol</b>	Sarah Butikofer	Matthew Stembrowicz 01263 516047	
<b>Cabinet</b>	<b>03 Feb 2020</b>				
<b>Cabinet</b>	<b>03 Feb 2020</b>	<b>Capital Strategy</b>	Eric Seward	Lucy Hume <i>Chief Technical Accountant</i>	
<b>Scrutiny</b>	<b>12 Feb 2020</b>				
<b>Council</b>	<b>26 Feb 2020</b>				



Key Decision – a decision which is likely to incur expenditure or savings of £100,000 or more, or affect two or more wards. (NNDC Constitution, p9 s12.2b)

\* Schedule 12A of the Local Government Act 1972 (As amended by the Local Authorities (Access to Information) (Exempt Information) (England) Order 2006)

**North Norfolk District Council**  
Cabinet Work Programme  
For the Period 01 February to 30 April 2020





Decision Maker(s)	Meeting Date	Subject & Summary	Cabinet Member(s)	Lead Officer	Status / additional comments
Cabinet	03 Feb 2020	Investment Strategy	Eric Seward	Lucy Hume <i>Chief Technical Accountant</i> 01263 516246	
Scrutiny	12 Feb 2020				
Council	26 Feb 2020				
Cabinet	03 Feb 2020	Property Transactions	Greg Hayman Andrew Brown	Nicky Debbage <i>Housing Strategy &amp; Delivery Manager</i> 01263 516027	
<b>March 2020</b>					
Cabinet	02 Mar 2020 11 Mar 2020	Property Transactions	Greg Hayman Andrew Brown	Nicky Debbage Renata Garfoot	
Cabinet	02 Mar 2020	Enforcement Board Update	Andrew Brown	Nick Baker <i>Head of Paid Service</i>	<i>To be confirmed</i>
Scrutiny	12 Feb 2020				
Cabinet	02 Mar 2020	Budget Monitoring Period 10	Eric Seward	Duncan Ellis <i>Head of Finance &amp; Assets</i> 01263 516243	
Scrutiny	11 Mar 2019				



Key Decision – a decision which is likely to incur expenditure or savings of £100,000 or more, or affect two or more wards. (NNDC Constitution, p9 s12.2b)

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**North Norfolk District Council**  
Cabinet Work Programme  
For the Period 01 February to 30 April 2020



Decision Maker(s)	Meeting Date	Subject & Summary	Cabinet Member(s)	Lead Officer	Status / additional comments
Cabinet	02 Mar 2020/ 30 Mar 2020	Car Park Charges - Review	Eric Seward	Duncan Ellis <i>Head of Finance &amp; Assets</i> 01263 516243	
Cabinet	02 Mar 2020	Senior Leadership Restructure - outcome of consultation	Sarah Butikofer		
Cabinet	02 Mar 2020/ 30 Mar 2020	Review of the Big Society Fund	Sarah Butikofer Virginia Gay	Rob Young <i>Head of Economic &amp; Community Dev.</i> 01263 516162	
Cabinet Council	02 Mar 2020 29 Apr 2020	Purchase of temporary accommodation – two properties	Sarah Butikofer	Nicky Debbage <i>Housing Strategy &amp; Delivery Manager</i> 01263 516027	
Cabinet Council	02 Mar 2020 29 Apr 2020	Enabling Land at Sheringham	Greg Hayman	Renata Garfoot <i>Estates &amp; Assets Strategy Manager</i> 01263 516086	



Key Decision – a decision which is likely to incur expenditure or savings of £100,000 or more, or affect two or more wards. (NNDC Constitution, p9 s12.2b)

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**North Norfolk District Council**  
Cabinet Work Programme  
For the Period 01 February to 30 April 2020

Decision Maker(s)	Meeting Date	Subject & Summary	Cabinet Member(s)	Lead Officer	Status / additional comments
<b>April 2020</b>					
<b>Cabinet</b>	<b>30 Mar 2020</b>	<b>Big Society Fund – Annual report</b>	Virginia Gay	Sonia Shuter <i>Health &amp; Communities Team Leader</i> 01263 516173	
<b>Scrutiny</b>	<b>22 Apr 2020</b>				
<b>Cabinet</b>	<b>30 Mar 2020</b>	<b>Property Transactions</b>	Greg Hayman Andrew Brown	Nicky Debbage Renata Garfoot	
	<b>22 Apr 2020</b>				
<b>Cabinet</b>	<b>30 Mar 2020</b>	<b>Community Governance Reviews</b>	Sarah Butikofer	Steve Blatch	<i>TBC</i>
<b>Cabinet</b>	<b>30 Mar 2020</b>	<b>Digital Transformation Update</b>	Sarah Butikofer	Sean Kelly Head of IT & Digital Transformation 01263 516276	
<b>Scrutiny</b>					
<b>Upcoming</b>					
<b>Cabinet</b>		<b>New Road, North Walsham – options</b>	Greg Hayman	Renata Garfoot Estates & Assets Strategy Manager 01263 516086	



Key Decision – a decision which is likely to incur expenditure or savings of £100,000 or more, or affect two or more wards. (NNDC Constitution, p9 s12.2b)

\* Schedule 12A of the Local Government Act 1972 (As amended by the Local Authorities (Access to Information) (Exempt Information) (England) Order 2006)

## OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2019/20

Meeting	Topic	Lead Officer / Member	Objectives & desired outcomes	Time cycle
<b>June 2019</b>				
Scrutiny	<b>Sheringham Primary School Parking Interim Report</b>	Matt Stembrowicz	To seek approval for the Task & Finish Group to continue	
Cabinet Scrutiny Council	<b>Out-turn report</b>	Eric Seward Duncan Ellis	To make any recommendations to Council	Annual
Cabinet Scrutiny Council	<b>Treasury Management Annual Report</b>	Eric Seward Duncan Ellis	To make recommendations to Council	Annual
Cabinet Scrutiny	<b>Performance Management Q4</b>	Sarah Bütikofer Helen Thomas	To monitor the Council's performance and consider any recommendations to Cabinet	Quarterly
Scrutiny	<b>Market Towns Initiative Working Group Update</b>	Matt Stembrowicz	To update the Committee on the progress of the Task and Finish group	
<b>July</b>				
Cabinet Scrutiny Council	<b>Debt Management Annual Report</b>	Eric Seward Sean Knight	To review the Report and make any necessary recommendations to Council	Annual
Scrutiny Council	<b>Overview &amp; Scrutiny Committee Annual Report 2018/19</b>	Matt Stembrowicz	Committee to approve and recommend to Council	Annual
Cabinet Scrutiny	<b>Enforcement Board Update</b>	Nick Baker Nigel Lloyd	To receive an update on the work of the Enforcement Board	Six Monthly
Scrutiny	<b>Work Programme Setting</b>	Matt Stembrowicz Nigel Dixon	To agree non-statutory items on the Committee's Work Programme	Annual
<b>September</b>				
Cabinet Scrutiny	<b>Budget Monitoring P4</b>	Eric Seward Duncan Ellis	To review the budget monitoring position	
Cabinet Scrutiny Council	<b>Pre-Scrutiny of the Corporate Plan's Emerging Themes</b>	Sarah Bütikofer	To review Cabinet's Corporate plan and consider any recommendations	Requested by Committee
Scrutiny Cabinet	<b>O&amp;S Scrutiny Guidance Report</b>	Matt Stembrowicz Nigel Dixon	To consider the statutory scrutiny guidance from the Ministry of Housing & Local Government	

## OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2019/20

Meeting	Topic	Lead Officer / Member	Objectives & desired outcomes	Time cycle
<b>October</b>				
Cabinet Scrutiny Council	<b>Council Tax Discount Determinations</b>	Lucy Hume/Eric Seward	To determine the Council Tax discounts for 2020/21	Annual
Scrutiny Cabinet	<b>Review of CP Framework: Recommendations</b>	Matt Stembrowicz/Nigel Dixon	To agree recommendations from the O&S Review of the Draft Corporate Plan Framework	Requested by the Committee
Scrutiny	<b>Splash Project Update</b>	Rob Young/Virginia Gay	To provide an update on the progress of the Splash project	Requested by the Chairman
Scrutiny Cabinet	<b>Homelessness and Rough Sleeping Strategy 2019 – 2024</b>	Lisa Grice/Andrew Brown	To review the strategy and consider any response to the public consultation	
<b>November</b>				
Cabinet Scrutiny	<b>Budget Monitoring P6</b>	Eric Seward Duncan Ellis	To review the budget monitoring position	Periodical
Cabinet Scrutiny Council	<b>Joint Waste Contract Procurement Briefing</b>	Nigel Lloyd Steve Hems	Pre-scrutiny of the terms & development of the new waste contract/consideration of costed options prior to approval	Requested by the Committee
Scrutiny	<b>Crime &amp; Disorder Briefing – Rural Policing</b>	Nigel Dixon Matt Stembrowicz	PCC and district Superintendent to provide a briefing on rural policing	Annual
Scrutiny	<b>Splash Project Update</b>	Virginia Gay Rob Young	To provide an update on the progress of the Splash project	Requested by the Chairman
<b>December</b>				
Cabinet Scrutiny Council	<b>Treasury Management Half-Yearly Report</b>	Eric Seward Duncan Ellis	To consider the treasury management activities	Six Monthly
Scrutiny	<b>Beach Huts &amp; Chalets Monitoring</b>	Maxine Collis Greg Hayman	To monitor & review outcomes of O&S T&F Group recommendations	Requested by the Committee
Scrutiny	<b>Splash Project Update</b>	Virginia Gay Rob Young	To provide an update on the progress of the Splash project	Requested by the Chairman
Cabinet Scrutiny Council	<b>Medium Term Financial Strategy</b>	Eric Seward Duncan Ellis	To review the Medium Term Financial Strategy	Annual – before 2020/21 Budget

## OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2019/20

Meeting	Topic	Lead Officer / Member	Objectives & Desired Outcomes	Time cycle
<b>January 2020</b>				
Cabinet Scrutiny Council	<b>2020/21 Base Budget and Projections for 2021/22 to 2022/23</b>	Eric Seward Duncan Ellis	To review the proposed budget and projections	Annual
Scrutiny Cabinet Council	<b>Executive-Scrutiny Protocol</b>	Matt Stembrowicz Nigel Dixon/Sarah Bütikofer	To establish and agree a protocol for the working relationship between the Executive and Overview & Scrutiny Committee	Requested by Committee Chairman
Council Scrutiny	<b>Consideration of Ambulance Response Times Motion</b>	Matt Stembrowicz Emma Spagnola	Consider Committee response to Council Motion on ambulance response times in North Norfolk	Requested by Council
Scrutiny	<b>Splash Project Update</b>	Virginia Gay Rob Young	To provide an update on the progress of the Splash project	Requested by the Chairman
<b>February</b>				
Cabinet Scrutiny Council	<b>Treasury Strategy 2019/20</b>	Eric Seward Lucy Hume	To review the treasury management activities and strategy for the investment of surplus funds	Annual
Cabinet Scrutiny Council	<b>Capital Strategy</b>	Eric Seward Lucy Hume	To review the deployment of capital resources to meet Council objectives & framework for management of the capital programme	Annual
Cabinet Scrutiny Council	<b>Investment Strategy</b>	Eric Seward Lucy Hume	To review the Council's Investment Strategy for the year 2020-21	Annual
Scrutiny	<b>Splash Project Update</b>	Virginia Gay Rob Young	To provide an update on the progress of the Splash project	Requested by the Chairman
Scrutiny Cabinet	<b>Delivery Plan</b>	Nick Baker Sarah Bütikofer	To review the Delivery Plan and consider any recommendations	

## OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2019/20

Meeting	Topic	Lead Officer / Member	Objectives & Desired Outcomes	Time cycle
<b>March</b>				
Scrutiny Cabinet?	<b>Itteringham House/Shop Review &amp; Commercialisation Strategy</b>	Greg Hayman Duncan Ellis/Emma Duncan	To review the Itteringham house/shop and consider alongside commercialisation strategy	Requested by the Committee
Cabinet Scrutiny	<b>Budget Monitoring P10</b>	Eric Seward Duncan Ellis	To review the budget monitoring position	
Scrutiny	<b>Splash Project Update</b>	Virginia Gay Rob Young	To provide an update on the progress of the Splash project	Requested by the Chairman
Cabinet Scrutiny	<b>Enforcement Board Update</b>	Nick Baker Nigel Lloyd	To receive an update Enforcement Board cases – inc how to raise concerns, resourcing of team and overview of properties	Six-monthly
<b>April</b>				
Scrutiny	<b>Market Towns Initiative Monitoring/Process Review</b>	Matt Stembrowicz Richard Kershaw	To monitor the implementation of successful MTI applicants and review the funding process	Requested by the Committee
Scrutiny	<b>Splash Project Update</b>	Virginia Gay Rob Young	To provide an update on the progress of the Splash project	Requested by the Committee
Scrutiny	<b>Review Diversity &amp; Equality Policy</b>		To review the Council's diversity & equality policy	Requested by Council
Scrutiny	<b>Ambulance Response Times Briefing TBC</b>	Matt Stembrowicz/Emma Spagnola	To invite representatives from NCCG & EEAST to provide a briefing on ambulance response times in North Norfolk	Requested by the Committee



## OVERVIEW AND SCRUTINY COMMITTEE – ANNUAL WORK PROGRAMME 2019/20

Meeting	Topic	Lead Officer / Member	Objectives & Desired Outcomes	Time cycle
<b>Outstanding/ TBC</b>				
Scrutiny	<b>Rural Transport Briefing TBC</b>		To identify service gaps and lack of access to services to identify potential recommendations	Requested by the Committee
Scrutiny	<b>Customer Service Briefing (TBC)</b>	David Williams Sarah Bütikofer	To brief on the complaints procedure, no. of complaints resolved/outstanding	Requested by the Committee
Cabinet Scrutiny Council	<b>Affordable Housing Strategy</b>		Pre-Scrutiny of the affordable housing strategy	
Scrutiny	<b>Waste Contract Monitoring</b>			
Scrutiny	<b>Declaration of Climate Emergency</b>	Nigel Lloyd	To consider the action taken since the declaration of a climate emergency was made	
	<b>Economic Development Briefing</b>	Richard Kershaw	To inform the Committee of alternatives to Tourism across the district	
	<b>Monitor resource implications for Homelessness Strategy</b>			
Scrutiny	<b>Website design/functionality</b>		To review the functionality of the Council's website	Requested by the Committee
Cabinet Scrutiny	<b>Performance Management Q3 TBC</b>	Eric Seward Helen Thomas	To monitor the performance of the Council and consider any resulting recommendations	Quarterly
Cabinet Scrutiny Council	<b>Annual Action Plan TBC?</b>	Sarah Bütikofer Helen Thomas		Annual

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**Overview & Scrutiny January 2020  
Outcomes & Action List**

	<b>ACTION BY</b> <i>(Additional comments in italics)</i>	<b>PROGRESS / COMPLETION</b>
<p><u>ITEM 59: RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS</u></p> <p><b>RESOLVED</b></p> <p><b>1. The a review of the Council's Diversity and Equality Policy be added to the Committee's Work Programme.</b></p>	Scrutiny Officer	February Meeting
<p><u>ITEM 60: OVERVIEW &amp; SCRUTINY COMMITTEE - CONSIDERATION OF AMBULANCE RESPONSE TIMES MOTION</u></p> <p><b>RESOLVED</b></p> <p><b>1. That the Committee invite representatives of EEAST and the North Norfolk CCG to provide a briefing on the poor performance of ambulance response times in North Norfolk, the efforts being made to address the issue, and assurances that rapid response vehicles will not be lost.</b></p> <p><b>2. That a formal request is made for NHOSC to increase its ambulance response times monitoring to quarterly, and that the data is reviewed on a post code basis.</b></p> <p><b>3. That the Committee give consideration to the role of Community First Responders and seek input from the Norfolk &amp; Waveney Patient Representative for EEAST to consider options to support/improve the service.</b></p>	Scrutiny Officer	January

ITEM 61: 2020/21 BASE BUDGET AND PROJECTIONS FOR 2021/22 TO 2022/23

**RESOLVED**

1. That the Committee note the contents of the report and the ongoing work to support the preparation of the 2020/21 budget and that any recommendations to Cabinet are agreed via email.

Subsequent recommendations agreed via email:

**RESOLVED**

1. That the revenue and capital implications for funding the CP themes be developed to calculate accurate values, in order to populate the revenue and capital budgets to align with the implementation of the delivery plan.
2. That the full extent of internal and external borrowing to fund the CP be identified, and that the impact of this spending on the Council's investment income and future savings demands be reflected in the MTFs.
3. That an in-depth review of the earmarked reserves is undertaken to verify whether these are still required and whether the values are still appropriate, in order to determine whether any reserves may be released for use elsewhere.
4. That work to identify the Council's risk appetite is undertaken to assess the resilience and robustness of the 2020/21 revenue and capital budgets, the reserves, and the medium term funding challenges for 2021/22/23.
5. That the budget monitoring model be amended to integrate financial monitoring with the MTFP, and performance monitoring, to present higher level holistic updates rather than low level line by line variances.

Section 151 Officer/Democratic Services Manager

February Cabinet Meeting

<p><u>ITEM 62: NORTH NORFOLK DISTRICT COUNCIL: EXECUTIVE- SCRUTINY PROTOCOL</u></p> <p><b>RESOLVED</b></p> <p><b>1. That the Executive-Scrutiny Protocol be recommended to Cabinet and Council for approval.</b></p>	<p>Cabinet/Council</p>	<p>February Cabinet/Council Meetings</p>
<p><u>ITEM 63: SPLASH LEISURE CENTRE PROJECT UPDATE BRIEFING - JANUARY 2020</u></p> <p><b>RESOLVED</b></p> <p><b>1. To note the update</b></p>	<p>N/A</p>	<p>N/A</p>
<p><u>ITEM 65: OVERVIEW &amp; SCRUTINY WORK PROGRAMME AND UPDATE</u></p> <p><b>RESOLVED</b></p> <p><b>1. To add a review of the Council's website to the annual Work Programme.</b></p>	<p>Scrutiny Officer</p>	<p>N/A</p>

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