

Council



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14 September 2021

A meeting of the **Council** of North Norfolk District Council will be held in the Council Chamber - Council Offices on **Wednesday, 22 September 2021 at 6.00 pm.**

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

Members of the public who wish to ask a question or speak on an agenda item are requested to arrive at least 15 minutes before the start of the meeting so that we can ensure compliance with current Covid regulations. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel:01263 516010, Email:emma.denny@north-norfolk.gov.uk.

Please note that this meeting is livestreamed:

<https://www.youtube.com/channel/UCsShJeAVZMS0kSWcz-WyEzq>

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

Emma Denny
Democratic Services Manager

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

Members of the Management Team, appropriate Officers, Press and Public



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

A G E N D A

1. PRESENTATION ON THE CHAIRMAN'S CHARITY

To receive a presentation on the work of Norfolk and Waveney MIND, one of the Chairman's nominated charities.

2. APOLOGIES FOR ABSENCE

To receive apologies for absence, if any.

3. MINUTES

1 - 14

To confirm the minutes of the meeting of the Council held on 21st July 2021.

4. ITEMS OF URGENT BUSINESS

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

5. TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS

15 - 16

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 (see attached guidance and flowchart)

6. CHAIRMAN'S COMMUNICATIONS

To receive the Chairman's communications, if any.

7. LEADER'S ANNOUNCEMENTS

To receive any announcements from the Leader.

8. PUBLIC QUESTIONS AND STATEMENTS

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

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

17 - 22

Summary:

Following a change to the membership of the political groups at North Norfolk District Council, the Council is required to review the allocation of seats on committees, sub committees and working parties to reflect the political balance of the Council, in accordance with Section 15 of the Local Government and Housing Act 1989 and regulations made

thereunder.

Conclusions: Following a change in the political balance it is necessary to review the allocation of seats on committees, sub-committees, working parties and panels.

- Recommendations:**
- 1. That Council approves the revised political balance calculation as per section 2.6 of this report**
 - 2. That Council approves the allocation of seats to political groups as shown at Appendix A, taking into consideration any arrangements agreed by the Group Leaders**
 - 3. That delegation is given to the Group Leaders to make any appointments to committees, sub-committees, working parties & panels.**

Contact Officer(s), telephone number and email: Emma Denny, Democratic Services Manager, 01263 516010, emma.denny@north-norfolk.gov.uk ;

10. APPOINTMENTS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND OUTSIDE BODIES

To approve any appointments to committees, sub-committees, working parties, panels and outside bodies as notified by the Group Leaders.

11. PORTFOLIO REPORTS

23 - 60

To receive reports from Cabinet Members on their portfolios.

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

No member may ask more than one question plus a supplementary question, during this session unless the time taken by members' questions does not exceed 30 minutes in total, in which case, second questions will be taken in the order that they are received (Constitution, Chapter 2, part 2, section 12.2)

12. RECOMMENDATIONS FROM CABINET 06 SEPTEMBER 2021

61 - 156

Agenda Item 11: Outturn report 2020/21 (Period 12 Budget Monitoring report)

Resolved to recommend the following to Full Council:

- a) The provisional outturn position for the General Fund revenue account for 2020/21;
- b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2021/22 budget;
- c) Allocate the surplus of £752,223 to the Delivery Plan Reserve;
- d) The financing of the 2020/21 capital programme as detailed within the report and at Appendix D;
- e) The balance on the General Reserve of £2.326 million;
- f) The updated capital programme for 2021/22 to 2024/25 and scheme financing as outlined within the report and detailed at Appendix E;
- g) The outturn position in respect of the Prudential Indicators for 2020/21 as detailed in Appendix F and;
- h) The roll-forward requests as outline in Appendix H are approved.

Agenda Item 12: Treasury Management Annual Report 2020/21

Resolved to recommend to Council:

To approve the Treasury Management Annual Report and Prudential Indicators for 2020/21

Agenda Item 13: Debt Recovery 2020-2021

Resolved to recommend to Full Council:

To approve the Debt Recovery Annual report for 2020-2021

13. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 15 SEPTEMBER 2021

To consider any recommendations arising from the Overview & Scrutiny Committee meeting held on 15th September 2021.

Please note that the Overview & Scrutiny Committee meeting took place after the Council agenda was published. The Chairman of the committee will provide an oral update at Full Council.

14. EMPLOYMENT AND APPEALS COMMITTEE - MEMBERSHIP AND TERMS OF REFERENCE 157 - 164

Summary: To approve new Terms of Reference for the Council's Employment and Appeals Committee as detailed in the report so as to strengthen the authority's governance arrangements.

Recommendations: **Council is requested:-**
1. To agree the revised Terms of Reference for the Employment and Appeals Committee
2. To nominate members to form a "pool" of members to serve on the Committee with appropriate training

Contact Officer, telephone number and email:
Steve Blatch, Chief Executive
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James Claxton, HR Manager
Telephone:- 01263 516352
Email: james.claxton@north-norfolk.gov.uk

15. QUESTIONS RECEIVED FROM MEMBERS

None Received.

16. OPPOSITION BUSINESS

None Received.

17. NOTICE(S) OF MOTION

None Received.

18. EXCLUSION OF PRESS AND PUBLIC

To pass the following resolution – if necessary:

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

19. PRIVATE BUSINESS

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COUNCIL

Minutes of the meeting of the Council held on Wednesday, 21 July 2021 in the Council Chamber - Council Offices at 6.00 pm

Members Present:

Mr T Adams	Mr H Blathwayt
Dr P Bütikofer	Mrs S Bütikofer
Mr C Cushing	Mr N Dixon
Mr P Fisher	Mrs A Fitch-Tillett
Mr T FitzPatrick	Mr V FitzPatrick
Mrs W Fredericks	Ms V Gay
Mrs P Grove-Jones	Mr G Hayman
Mr C Heinink	Mr P Heinrich
Dr V Holliday	Mr R Kershaw
Mr N Lloyd	Mr G Mancini-Boyle
Mr N Pearce	Mr S Penfold
Mrs G Perry-Warnes	Mr J Punchard
Mr J Rest	Mr E Seward
Miss L Shires	Mrs E Spagnola
Mrs J Stenton	Mr J Toye
Mr E Vardy	Ms L Withington

Also in attendance: The Chief Executive, The Monitoring Officer, the HR Manager, The Democratic Services Manager

61 PRESENTATION ON THE CHAIRMAN'S NOMINATED CHARITY

Mr E Gough spoke about the Firefighter's Charity, one of the Chairman's nominated charities for his year in office. He outlined the services that they provided, which included supporting the mental, physical and social needs of all serving and retired members of the UK firefighters. He explained that the charity relied solely on donations and fundraising and he thanked the Chairman for his support. He then introduced a colleague who spoke about the ongoing support that he received from the charity following a work-related injury.

62 APOLOGIES FOR ABSENCE

Apologies were received from Cllr D Birch, Cllr A Brown, Cllr N Housden, Cllr M Millership, Cllr Dr C Stockton, Cllr A Varley, Cllr A Yiasimi

63 MINUTES

The minutes of the meeting held on 26th May were approved as a correct record and signed by the Chairman, subject to the following amendment:

The Leader requested that the statement that she had made at the meeting was included in full as an appendix to the minutes.

64 ITEMS OF URGENT BUSINESS

None received.

65 TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS

None received.

66 CHAIRMAN'S COMMUNICATIONS

The Chairman welcomed everyone back into the Council Chamber. He thanked Emyr Gough for speaking to Members about the work of the Firefighter's Charity which he would be supporting throughout his year as Chairman. He said that civic events remained limited due to the pandemic but that he had recently attended the civic reception of the Mayor of Kings Lynn & West Norfolk Borough Council at King's Lynn Minster.

67 LEADER'S ANNOUNCEMENTS

The Leader began by expressing frustration at the requirement for local government committee meetings to take place in person. She said that some members and the public felt unable to attend due to concerns about risks to their health, with the pandemic still so prevalent. She urged the Government to introduce hybrid style meetings so that the views of all members and residents could be heard.

She then referred to an update prepared by the Chief Executive on the Council's preparedness for dealing with an influx of visitors to the District during the summer season. She said that a copy of the paper would be circulated to all members after the meeting.

68 PUBLIC QUESTIONS AND STATEMENTS

None received.

69 PORTFOLIO REPORTS

Cllr A Fitch-Tillett, Portfolio Holder for Coast introduced her report as written.
Cllr W Fredericks, Portfolio Holder for Housing & Benefits, introduced her report as written.

Cllr V Gay, Portfolio Holder for Leisure, Wellbeing & Culture, introduced her report and the previously circulated report covering the period from May to June 2021. She referenced the opening night of the Cromer Pier Show, which many Members had attended and spoke about the burying of the time capsule at the new leisure centre, the Reef, in Sheringham.

Cllr R Kershaw, Portfolio Holder for Sustainable Growth, said that he was pleased to inform members that confirmation had been received that day from the Department for Business Energy and Industrial Strategy, advising that the Council had been awarded an additional £760,411 in additional restrictions grant funding to further support the recovery of businesses and the local economy. This was in addition to the \$3.02m of discretionary grants that had already been awarded this year. There was only one other authority in Norfolk which had met the deadlines and criteria to receive this additional funding. He praised the staff for working tirelessly to issue the grants to local businesses. The additional funds would be used to establish a grant scheme to support the recovery process for local businesses to help them become more resilient.

Cllr Kershaw concluded by announcing that these efforts had been recognised with

the council being shortlisted for two prestigious national awards; the Public Finance Awards 2021 for Digital Finance Project of the Year and the Institute of Revenues, Rating & Valuation performance awards for Excellence in Innovation.

Cllr T FitzPatrick asked about support for the manufacturing base in North Norfolk, specifically in the west of the District. He asked about contact that had been made with companies and the view of the Portfolio Holder regarding the health of the sector during the pandemic. Cllr Kershaw replied that there had been several visits to West Raynham Airfield. There had also been visits to firms in Fakenham. He was pleased to say this had been well received. Cllr FitzPatrick said that he was particularly interested in the manufacturing industry. Cllr Kershaw replied that this was a challenging sector and there were some issues with labour supply, particularly with the recent 'pingdemic'. He said that the Council would like to help with this and the team was now visiting more businesses, including those in the West. Cllr FitzPatrick said that he felt his question regarding manufacturing in the district had not been responded to. The Chairman suggested that he contact Cllr Kershaw directly regarding this.

Cllr N Lloyd, Portfolio Holder for Environmental Services, Climate Change and Environment, said that there were additional items to update members on. One of the Environmental Health team's responsibilities was to check on the status and quality of private water supplies across the District. The standard of this work had recently been recognised by the Drinking Water Inspectorate in their 2020 report, singling out NNDC.

Cllr Lloyd then informed members that the eco toilet in Weybourne had been opened the previous week and that the Bagot goats would be returning to graze on the cliffs in Cromer shortly.

Cllr G Mancini-Boyle referenced the council's current recycling rate of approximately 40%. He asked what options were available within the waste contract to facilitate improvement of the council's carbon footprint and whether there was an opportunity to switch to electric vehicles and improving the infrastructure to facilitate this. He also asked whether consideration had been given to the collection of small electrical items. Cllr Lloyd replied that the new refuse trucks were 30% more efficient via the use of electrically driven compactors. Serco would be publishing their annual carbon footprint data shortly. He said that Serco had already introduced some smaller electric vehicles and they were installing EV charging points around the district. He said that in such a large rural district the use of electric waste vehicles was very challenging. He added that there was a range of technologies, including hydrogen, but these were currently very expensive to implement. There were lots of provisos regarding carbon reduction written into the contract, so he was hopeful that Serco would move towards this.

Cllr C Cushing asked what work was being undertaken to support parishes in the installation of electric vehicle charging points. Cllr Lloyd replied that Cley and Blakeney had expressed interest and support and information had been provided but the Council could only install EV charging points on NNDC owned land.

Cllr S Penfold sought clarification regarding the asking of questions. The Monitoring Officer replied that it was one question per member plus a supplementary question.

Cllr T Adams requested that his thanks were sent to Serco for the work that they had been doing in Cromer.

Cllr E Seward, Portfolio Holder for Finance and Assets, informed members that the

Final Accounts for 2020/21 would be published in draft at the end of July. He said that zero based budgeting exercise would commence in August. The Overview & Scrutiny Committee would be receiving a briefing on this in September.

Cllr L Shires, Portfolio Holder for Organisational Resources, began by expressing her thanks to Mr D Williams, the Customer Services Manager, who had recently retired following a long career in public service. She then highlighted the following points:

- There had been a drop in the number of calls to the Council's dedicated Covid line, from 2790 in April 2020 to just 164 in June 2021.
- The Customer Services team continued to assist the NHS in reminding people to attend vaccination appointments.
- Following the recent Domestic Abuse Forum sessions hosted by Cllr Fredericks, the 'safe spaces' facility had been quickly incorporated into the Council's website.
- the Council's accessibility rating for the website was now 27th in the national list, with NNDC listed as the top local authority in the Norfolk.
- About with Friends was now operating the Council's canteen service and had been warmly welcomed by members and staff
- The Digital Mailroom team were running a lateral flow testing service for staff
- North Norfolk Information Centre was now in a prominent place on the website

Cllr J Rest queried the reference in the written report to a contract with the tenant at Fakenham Community Centre. He said that there were three ward members for Fakenham and none of them were aware of this matter. Cllr Shires said that she would provide a written reply as this was something that would sit with the Assets team.

Cllr E Vardy referred to the objective in the Corporate Plan to achieve carbon neutrality by 2030. He said animal-based agriculture was responsible for 40-80% of all greenhouse gas emissions. The new menu for the Council's in-house canteen had recently been produced yet there were very few non-meat or dairy options. He asked what level of governance was in place when the menu was agreed and sought assurance that he would be reviewed to demonstrate commitment to the Corporate Plan. Cllr Shires invited Cllr Vardy to work with her on this to ensure that everything was being done to achieve a positive outcome.

Cllr Penfold referred to page 49 and the North Walsham West consultation site. He asked for more information on this. Cllr Shires referred to Cllr J Toye as Planning Portfolio Holder. He replied that a lot of data had been submitted and a paper would be brought forward to members to share the results.

Cllr J Toye then introduced his report. He referred to page 44 and the developments that were likely to produce affordable housing. He also highlighted a new email address for any Section 106 enquiries.

Cllr J Stenton referred to section 106 payments. She asked how much funding was held by the Council for these payments and what was the longest period that such payments had been held for. Cllr Toye said that he would provide a written

response.

Cllr G Hayman referred to the listing of meetings in the Portfolio Holder reports. He said that attendance at parish council meetings was not the remit of Cabinet members and he asked why this level of detail was included. Cllr Toye replied that it was to make members aware of his active engagement across all areas of his work.

70 RECOMMENDATIONS FROM CABINET 07 JUNE AND 05 JULY 2021

Cabinet 07 June 2021

Agenda Item 12: North Norfolk District Council Equality, Diversity & Inclusion Policy 2021

Cllr E Seward introduced this item. He said that a lot of work had been undertaken on the policy and it had been to Overview & Scrutiny Committee twice.

It was proposed by Cllr E Seward, seconded by Cllr W Frederick and

RESOLVED:

To adopt the Equality, Diversity and Inclusion Policy 2021 and the equality objectives

That an annual report be produced and reported to the relevant committees

Cabinet 05 July 2021

Agenda Item 8: Housing Strategy 2021 – 2025

The Portfolio Holder for Housing, Cllr Fredericks, introduced this item. She said that there has been a lot of collaboration between stakeholders and partners in producing the strategy and she was pleased to recommend it to Council.

It was proposed by Cllr Fredericks, seconded by Cllr Toye and

RESOLVED

To adopt the Housing Strategy and Action Plan 2021-2025.

8 members abstained.

Agenda Item 9: Community Renewal Fund (CRF) Match Funding

Cllr R Kershaw, Portfolio Holder for Economic Sustainability, introduced this item. He said that there had been a lot of work undertaken by officers to a very tight timescale and the project had been supported by cross-party councillors and the two local MPs.

It was proposed by Cllr R Kershaw, seconded by Cllr J Rest and

RESOLVED

To establish new capital budgets for the North Walsham and Fakenham schemes of £800k each, with each scheme being funded through the CRF bid (£600k) and the balance (£200k) as match funding from the Council.

71 RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 16 JUNE 2021

Agenda Item 12: Overview & Scrutiny Committee Annual Report 2019/20 and 2020/21

The Chairman, Cllr Dixon explained that the report covered two years due to the pandemic. He highlighted three concerns that had been raised within the report;

- Additional Committee substitutes required to adequately address the number of apologies given.
- Late submission of reports has caused ongoing volatility in the Work Programme.
- Better communication on business planning required to maintain Work Programme stability

He suggested that the Corporate Leadership Team was responsible for actioning the second and third points, with Cabinet supporting the third point.

It was proposed by Cllr N Dixon, seconded by Cllr P Fisher and

RESOLVED

To note the report, affirm the work of the Overview & Scrutiny Committee, and consider the following concerns raised within the report:

- Additional Committee substitutes required to adequately address the number of apologies given.
- Late submission of reports has caused ongoing volatility in the Work Programme.
- Better communication on business planning required to maintain Work Programme stability.

One member abstained.

72 RECOMMENDATIONS FROM THE EMPLOYMENT & APPEALS COMMITTEE 20 OCTOBER 2020 AND 21 APRIL 2021

The Chairman of the Employment and Appeals Committee, Cllr E Seward, introduced the report and outlined the recommendations.

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

RESOLVED

To approve the appointment of the Director of Place & Climate Change and Director of Communities

73 RECOMMENDATIONS FROM THE CONSTITUTION WORKING PARTY 13 APRIL AND 28 JUNE 2021

The Chairman of the Constitution Working Party, Cllr V Gay, introduced this item. She explained there were four recommendations and she introduced them in turn.

1. Protocol on Member / Officer Relations

Cllr Gay explained that the protocol had undergone a substantial review and it was now much more explicit what officers and members should expect of one another. The Standards Committee had supported the proposed changes.

It was proposed by Cllr V Gay, seconded by Cllr T FitzPatrick and

RESOLVED

To approve the revised Protocol on Member / Officer Relations

2. Dispute Resolution Process – Full Delegation to Chief Officers

Cllr Gay explained that this had been requested by the Council's auditors in case of a dispute over the use of delegated powers by an officer. Such a situation had not arisen but it was considered good practice to have a process in place.

It was proposed by Cllr V Gay, seconded by Cllr P Grove-Jones and

RESOLVED

That the Constitution be updated to include a dispute resolution procedure in the event of any disagreement between a chief officer and elected member, following consultation about use of delegated powers.

3. Review of Portfolio Holder reports to Council

Cllr Gay said that this concerned the way Portfolio Holder reports were treated at Full Council. She said that she had concerns about this recommendation as it had could have implications for the length of Full Council meetings and there were a range of alternative options which could be explored. She said that would like to propose that this item was deferred to allow for further consideration. Cllr S Butikofer seconded the proposal.

Cllr T FitzPatrick said that as a member of the Constitution Working Party, he felt that it would have been appropriate for the Chairman to notify the members of the working party, particularly as the recommendation had been unanimously supported at the meeting. Cllr Gay acknowledged his concerns.

It was proposed by Cllr Gay, seconded by Cllr S Butikofer and

RESOLVED to

Defer this item

Nine members abstained.

4. Contract Standing Orders (Procurement) Exemptions

Cllr Gay said that this was an important item and the recommendations had arisen following an audit of the Council's contract procurement exemption process. She outlined the recommendations in turn.

The Chairman of the Governance, Risk & Audit Committee, Cllr J Rest confirmed that the committee supported the recommendations.

It was proposed by Cllr V Gay, seconded by Cllr T FitzPatrick and

RESOLVED

To approve the following;

- a. The updates and amendments to the Exemption Form as contained within Appendix 2 of the report
- b. That the Section 151 Officer is a required signatory on the Contract Procurement Exemption form.
- c. The updates and amendments to the Constitution as contained within Appendix 3 of the report
- d. That the Constitution states that the contract cannot commence until the exemption form has been satisfactorily completed, with the exception of an emergency situation, when the form must be completed as soon as practical and that this is included in the Constitution
- e. That a standing item for the reporting of contract procurement exemptions is added to the Governance, Risk & Audit Committee agenda
- f. To publish the contract procurement exemptions on the Council's website on a quarterly basis.

74 RECOMMENDATIONS FROM STANDARDS COMMITTEE 27 APRIL 2021

Adoption of Model Code of Conduct

The Chairman of the Standards Committee, Cllr H Blathwayt introduced this item. He said that the Committee had unanimously supported the adoption of the Model Councillor Code of Conduct.

Cllr T FitzPatrick said that the Constitution Working Party had requested that the Code should be numbered in line with the Council's committee reports to ensure it was simple to use.

It was proposed by Cllr H Blathwayt, seconded by Cllr J Rest and

RESOLVED

To adopt the Model Code of Conduct

75 PROGRAMME OF COMMUNITY GOVERNANCE REVIEWS - CONSIDERATION OF PROPOSALS FOLLOWING STAGE ONE CONSULTATION

The Leader introduced this item. She explained that the initial stage review process had started in February 2021 and this report summarised the results of the consultation ahead of moving to the second stage consultation which would run to 31st October 2021, with the final recommendations being brought to Full Council for consideration in December 2021.

Cllr T FitzPatrick referred to Sculthorpe, which was in his ward. He said that 16 responses had been submitted as part of the consultation process, with 10 objections to the proposals being put forward. He questioned the point of having a consultation if the responses were ignored.

The Chief Executive replied that there was a second consultation phase and all efforts would be made to work with communities and address any concerns which had been raised.

Cllr C Heinink said that he had some concerns about Upper Sheringham.

Cllr A Fitch-Tillett commented that she was relieved to hear that there would be a further opportunity for consultation.

It was proposed by Cllr S Butikofer, seconded by Cllr R Kershaw and

RESOLVED

To approve the draft recommendations proposed and authorise the second stage consultation which will run to 31st October 2021 when the final recommendations would be prepared for consideration once again by Full Council on 15th December 2021

One member voted against, 8 members abstained.

76 QUESTIONS RECEIVED FROM MEMBERS

None received.

77 OPPOSITION BUSINESS

Cllr Cushing began by saying that since the Council's formation in 1974, the Annual General Meeting (AGM) had been a non-partisan event, bringing all Members together to celebrate the achievements of the outgoing Chairman and to welcome the new Chairman and Vice-Chairman to their roles. Instead, the Leader of the Council had made a 'state of the Union' style address, to which he, as Leader of the Opposition had no right of reply. He said that he had brought this item of business forward as a response to the Leader's statement at the AGM.

He explained that the first recommendation was to ensure that the AGM remained a purely ceremonial affair. The remaining three recommendations were in response to the Leader's statement at the AGM and attempt to present the Opposition's view of the Administration and its achievements to date.

He said that the Administration was process-focussed, lacked plans and was devoid of ideas on how to tackle future challenges. He referred to the forecast deficits in future years and said that nothing was being done to prepare for this. A dynamic Council should strive to find savings and have a plethora of ideas to generate income. He drew comparisons with the Conservative-run councils across the County and said that they were very different in their approach in coming up with solutions to meet their medium to long-term needs. He referred to Great Yarmouth Borough Council which had successfully bid for millions of pounds in grants, resulting in £220m income in the last 12 months alone – from a mixture of grant funding and their own investment income.

He then spoke about the Corporate Plan, which had taken nine months to come to fruition, there were 95 actions listed within it, of which 71 were process-driven. He then referred to what he perceived to be a high level of dysfunction within the Council, including the recent Capability Review. He then spoke about a number of Cabinet members who were not on top of their portfolios as well as some senior officers. In his view, the appointment of members to Cabinet seemed to be based on their loyalty to the Leader rather than knowledge of their portfolio areas.

He concluded by referring to secrecy that pervaded the Administration. This ranged

from changing recommendations at meetings at the last minute, announcing council tax changes via the media and not informing members of the sale of a council-owned property. He said that in summary, although a council could not be run like a business it should at least be business-like.

Cllr Dixon seconded the motion and reserved his right to speak.

The Chairman invited Cllr Rest to speak. He said that he didn't have any comment to make.

The Leader of the Council, Cllr S Butikofer, was then invited to respond.

Cllr Butikofer began by thanking Cllr Cushing for giving her the opportunity to set the record straight. In response to his first recommendation that the AGM should be non-political, she referred him to page 17 of the Constitution, which set out the business for the AGM. She said that the nature of council meetings was that they were political, which was unsurprising given the nature of the work that elected members did. She said that in a previous year that had been a very lengthy debate over the election of the Chairman and of Chairmen of committees which was far more political than the Leader reporting on achievements to the Council's residents. She drew members' attention to page 192 of the Constitution which set out the role and duties of the Leader of the Council and which included informing the community of policy and strategy. She said that if the Opposition group wished to take the matter further, the most appropriate avenue would be the Constitution Working Party.

Cllr Butikofer then responded to Cllr Cushing's assertion that the Administration had not achieved very much. She said that the start of their term in office had involved cleaning up a myriad of problems left by the previous administration. Despite this, the Administration had continued to deliver projects against their manifesto of pledges. She said that she was proud of the Council and its achievements and the recent shortlisting for two national awards demonstrated that it continued to work to an exceptional standard during a pandemic.

Regarding governance, Cllr Butikofer, said that the Administration had some concerns about governance and procedural matters when it took control of the Council and it had worked with officers and the auditors to address these. She said that she believed in clarity. The Council's objectives were set out in the Corporate Plan and quarterly updates on progress were reported to Cabinet and Overview & Scrutiny Committee. In the near future there would be a visual 'traffic light' style display in the reception area so visitors to the Council offices could easily see how the objectives were being worked towards.

Cllr Butikofer then addressed the last recommendation regarding transparency. She said that members of her group were elected to all positions, including Cabinet members.

She said that opposition members had every opportunity to look scrutinise and challenge the work of the Administration via the Overview & Scrutiny Committee. The annual report of the committee, which had been presented to Council showed that five items had been pre-scrutinised, allowing members to feed into the development of policies and strategies, including the Corporate Plan. Many of the recommendations made by the Overview & Scrutiny committee had been incorporated into the final versions.

Cllr Butikofer said that at the start of the pandemic she had invited the leaders of the opposition groups to join her at the high level Gold meetings of the Council. This was the forum for dealing with and responding to emergency situations. She said that Cllr Cushing had declined to join and said that he would prefer to hold the Administration to account.

The Chairman then opened the debate to Members.

Cllr E Seward said that it was impractical for the AGM to be purely ceremonial. The fact that appointments were made meant that politics was inevitable. He referred to the Norfolk County Council's agenda for the AGM and said that it included motions and item for political debate and that was a Conservative administration. He referred to the Overview & Scrutiny Committee's Annual report which acknowledged that most of their recommendations were accepted by Cabinet. This indicated a willingness for the Administration to listen and respond positively to proposals. He then spoke about the suggestion that the Administration was not enthusiastic about its ambitions. He said that in North Walsham, members were extremely excited about the Heritage Action Zone project and invited Cllr Cushing to come and see what was being achieved there. He added that NNDC was the only Council to address the challenges of the climate emergency, £126m had been paid out in business grants and a new swimming pool was almost completed. He talked about several property- related projects that were transforming the town of Cromer.

Cllr S Penfold said that in terms of demonstrating dynamism to tackle important issues, the declaration of a climate emergency was an absolutely crucial first step. He also referred to the HAZ project, the increase in affordable houses being built. He suggested that Cllr Cushing re-read all of the portfolio holder reports that had been prepared for Full Council meetings since 2019 as these would clearly set out the Administration's achievements.

Cllr G Hayman said that the Administration needed to 'up its game'. He said that there was no clear direction provided by the Leadership, despite what was being claimed. He said that the assertion that the Administration was open and transparent was not his experience as a former member of Cabinet. Most decisions were taken by a small, closed group of Members and when he had asked for information about several matters, he had been informed that it was not available to share. He said that this led to poor decision making and policy drift. He concluded by saying that the achievements listed by the Leader had all been initiated by officers.

Cllr V Gay said that in 2019, a decision was taken to allocate more money to the building of the new Sheringham Leisure centre and it was agreed that regular updates were provided to the Overview & Scrutiny Committee. This indicated a willingness to engage and work in an open and transparent manner.

Cllr J Toye said that the Opposition Group just wanted to oppose. They did not want to engage positively to move things forward. He outlined several achievements within his own portfolio of Planning, that he was very proud of – including the increased number of affordable homes that were being built. Regarding leadership, he said that his group voted on any appointments and there was no whip in place. He added that the Administration sometimes took longer to deliver projects because they consulted and engaged with residents and stakeholders. In conclusion, he said that he had recently responded to concerns that had been raised regarding second homes in the District by ensuring that the Chairman of Overview & Scrutiny Committee was copied into his correspondence to the Leader and senior officers.

Cllr Shires reiterated the previous comments by other members that her Group were voted into positions. She said that this was a challenging process to go through but it was important that members had the support of their peers when appointed to roles.

Cllr R Kershaw commented that only issues relating to personnel and employment matters that could not be shared with other members.

The Chairman invited Cllr Dixon as seconder of the motion to speak.

Cllr Dixon began by saying that no one like to be treated unfairly and if the Leaders speech at the AGM had mentioned the issues that hadn't gone so well, then it was unlikely that this discussion would be taking place. It was only fair that people were aware of both 'sides of the coin'.

He questioned why there was so little openness with the current Administration. He, along with other members, had repeatedly learned about key matters such as the sale of Parklands in Pudding Norton and the delayed opening of the Reef in Sheringham by reading about them in the local newspaper. Sharing such information was in compliance with the Protocol on Member /Officer Protocol. He said that so many Motions to Full Council had been about tokenistic politics and were rarely followed up with substantive actions. He asked why the Administration had lost so much momentum, capacity and morale following the Capability Review. The Leader raised a point of order, saying that she took exception to these comments. The Monitoring Officer clarified that the statement was not defamatory as it was not a personal comment.

The Chairman reminded members that the 30 minutes allocated for this item was almost up.

Cllr G Hayman proposed that standing orders were suspended to allow a further 10 minutes of debate. Cllr E Vardy seconded the proposal. When put to the vote, it was not supported.

Cllr Dixon said that the vote was a good example of the lack of openness. He concluded by saying that the Leader's speech at the AGM could have been clearer in acknowledging the Council could have done better and there were many lessons to learn. These were reflected in the recommendations and he asked Members to reflect on this rather than relying on party unity when they cast their vote.

The Chairman invited Cllr Cushing as proposer of the motion to make the final comments. Cllr Cushing said that despite the Leader's assertions regarding her group being elected to any roles, he remained dubious that it was an open and transparent process. He said that the Reef in Sheringham was a project that had been initiated under the previous Conservative administration. He welcomed Cllr Seward's invitation to North Walsham and said that he would like to invite him to visit Fakenham, the second largest town in the District as it had not received very little funding. He concluded by saying that Cllr Hayman's comments had been astounding and had exposed the dysfunctional way in which the Administration operated. The Administration was now in the second half of its term and he was hopeful they would not be elected in 2023.

The Chairman said that he would like to take the recommendations in two parts:

It was proposed by Cllr C Cushing, seconded by Cllr N Dixon

That the Annual General Meeting should be limited to ceremonial matters and that no political statements will be allowed.

When put to the vote, the recommendation was not supported. 9 members voted in favour of the proposal.

It was proposed by Cllr C Cushing, seconded by Cllr N Dixon

That the Leader and Cabinet:

- Demonstrate some dynamism, creative thinking and leadership to tackle North Norfolk's immediate and long term needs.
- Deliver competent governance with clear deliverables and measurable outcomes.
- Govern in an open and transparent manner.
- that the Leader reports back to the next meeting of Full Council, setting out with clear timescales, how the above matters will be addressed.'

When put to the vote, the recommendation was not supported. 9 members voted in favour of the proposal.

78 NOTICE(S) OF MOTION

Cllr J Toye, Portfolio Holder for Planning, introduced this item. He explained that the new Planning Reforms Bill had started its journey with him within days of taking over the portfolio. He said that some of the concerns raised in response to the White Paper had been addressed – such as the number of minimum affordable homes to be built. He said the ability to consult at all stages was imperative. He went onto say that the weakening of residents rights to voice their views on planning applications was a serious concern. He said that the Council had a strong record of listening to residents' views and that it was essential to maintain the right of local communities to have a voice on planning issues in their area.

Cllr J Rest, in seconding the motion, said that he received between 6 and 8 planning applications a month in his ward. He said that the Planning Bill would strip away the rights of local people to voice their views and concerns on planning matters in their community. He asked why the government did not feel that local views were not important. If the Government wanted to build more homes now, then they should compel developers who already had full planning permission to get on with it.

The Chairman opened the debate.

Cllr P Grove-Jones spoke as Chairman of the Development Committee. She said that she supported the motion. The Committee provided an opportunity for local residents to express their views on planning applications and to facilitate a discussion on key issues. Planning applications and wider local development were of great importance to local communities and any attempt by the Government to impose development on an area would cause great unrest – not just in the District but across the country, leading ultimately to a loss of respect and trust in national and local government.

Cllr P Heinrich said that the proposals set out in the Planning Bill would be a disaster for North Norfolk and for his own ward of North Walsham West.

Cllr T FitzPatrick commented that in his view this was a virtue signalling motion. The

only comment that was valid so far was to ensure that developers were forced to build sites with planning consent. The intent seemed to be to score points off the local MPs.

Cllr E Vardy said that he agreed with some sentiments of the motion. He added that he was grateful for Duncan Baker MP for his tireless efforts in creating changes to the consultation paper, which was now a draft paper up for further submission to local government. He agreed with the principle that planning should be plan-led and not developer-led.

Cllr N Dixon said that he thought the motion was premature. He did not believe that the local MPs would support proposals which would deny local communities the right to voice their views on individual planning applications. The Bill has yet to be published and the motion was therefore speculative. He added that he was surprised that the motion only mentioned new homes and not sustainable employment opportunities or infrastructure.

Cllr J Toye as the proposer of the motion said that it was important to make representations before the decision was made not when it was too late. He said that sustainable development and economic growth were separate issues.

It was proposed by Cllr J Toye, seconded by Cllr J Rest and

RESOLVED to support the following motion:

North Norfolk District Council believes that planning works best when developers and the local community work together to shape local areas and deliver necessary new homes; and therefore calls on our local MPs – Duncan Baker and Jerome Mayhew and the Government to protect the right of communities to object to individual planning applications.

One member voted against, 7 members abstained.

79 EXCLUSION OF PRESS AND PUBLIC

80 PRIVATE BUSINESS

The meeting ended at Time Not Specified.

Chairman

Declarations of Interest at Meetings

When declaring an interest at a meeting, Members are asked to indicate whether their interest in the matter is pecuniary, or if the matter relates to, or affects a pecuniary interest they have, or if it is another type of interest Members are required to identify the nature of the interest and the agenda item to which it relates. In the case of other interests, the member may speak and vote. If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed. If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting.

Have you declared the interest in the register of interests as a pecuniary interest? If Yes, you will need to withdraw from the room when it is discussed.

Does the interest directly:

1. Affect yours, or your spouse / partner's financial position?
2. Relate to the determining of any approval, consent, licence, permission or registration in relation to you or your spouse / partner?
3. Relate to a contract you, or your spouse / partner have with the Council
4. Affect land you or your spouse / partner own
5. Affect a company that you or your partner own, or have a shareholding in

If the answer is "yes" to any of the above, it is likely to be pecuniary.

Please refer to the guidance given on declaring pecuniary interests in the register of interest forms. If you have a pecuniary interest, you will need to inform the meeting and then withdraw from the room when it is discussed. If it has not been previously declared, you will also need to notify the Monitoring Officer within 28 days.

Does the interest indirectly affect or relate to any pecuniary interest you have already declared, or an interest you have identified at 1-5 above?

If yes, you need to inform the meeting. When it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

Is the interest not related to any of the above? If so, it is likely to be another interest. You will need to declare the interest, but may participate in discussion and voting on the item.

Have you made any statements or undertaken any actions that would indicate that you have a closed mind on a matter under discussion? If so, you may be predetermined on the issue; you will need to inform the meeting and when it is discussed, you will have the right to make representations to the meeting as a member of the public, but must then withdraw from the meeting.

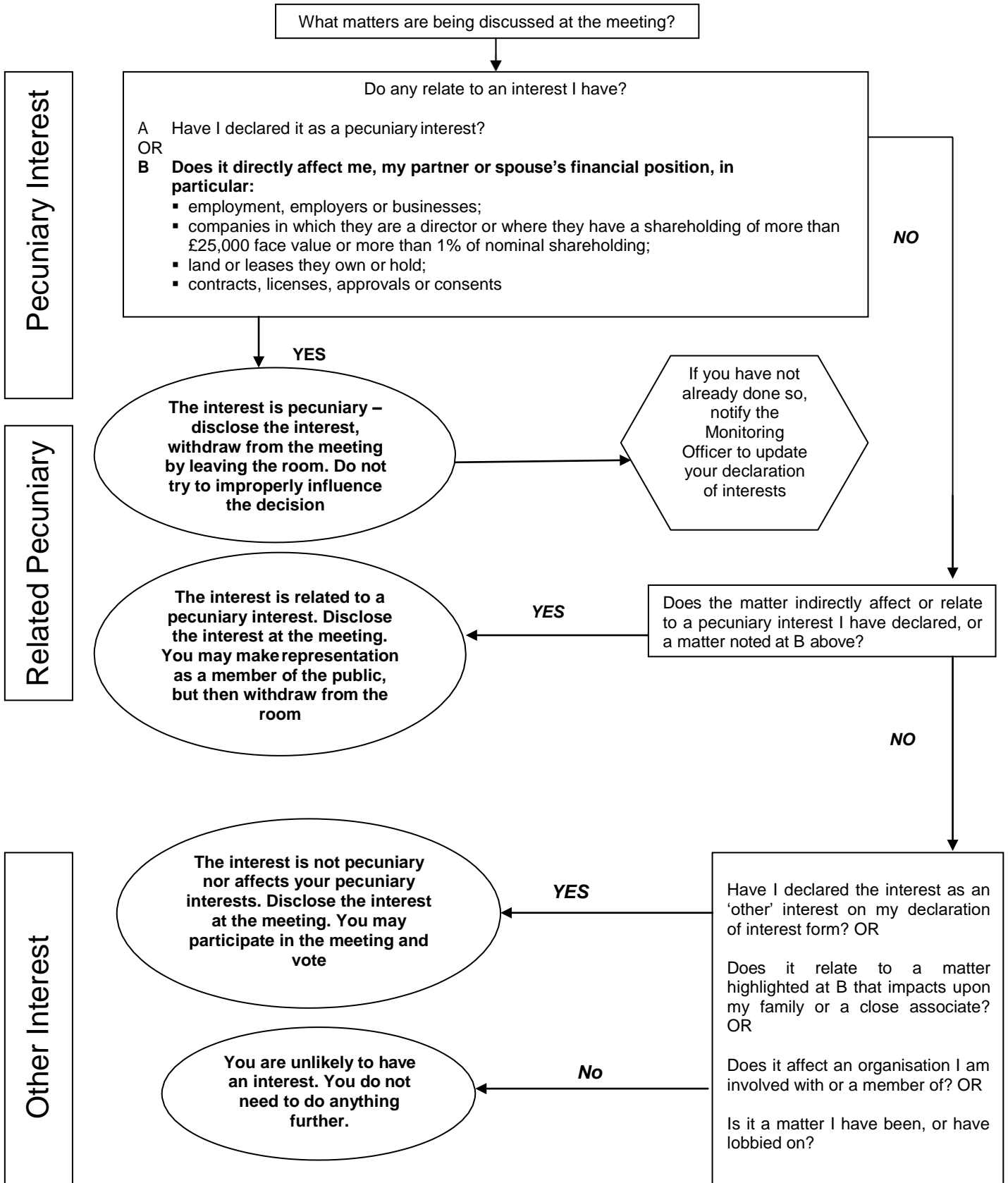
FOR GUIDANCE REFER TO THE FLOWCHART OVERLEAF

PLEASE REFER ANY QUERIES TO THE MONITORING OFFICER IN THE FIRST INSTANCE

DEVELOPMENT COMMITTEE MEMBERS SHOULD ALSO REFER TO THE PLANNING PROTOCOL

Declarations of Interest at Meetings

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



REVIEW OF POLITICAL BALANCE AND ALLOCATION OF SEATS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND PANELS

Summary: Following a change to the membership of the political groups at North Norfolk District Council, the Council is required to review the allocation of seats on committees, sub committees and working parties to reflect the political balance of the Council, in accordance with Section 15 of the Local Government and Housing Act 1989 and regulations made thereunder.

Conclusions: Following a change in the political balance it is necessary to review the allocation of seats on committees, sub-committees, working parties and panels.

- Recommendations:**
- 1. That Council approves the revised political balance calculation as per section 2.6 of this report**
 - 2. That Council approves the allocation of seats to political groups as shown at Appendix A, taking into consideration any arrangements agreed by the Group Leaders**
 - 3. That delegation is given to the Group Leaders to make any appointments to committees, sub-committees, working parties & panels.**

Contact Officer(s), telephone number and email: Emma Denny, Democratic Services Manager, 01263 516010, emma.denny@north-norfolk.gov.uk ;
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1. Introduction

1.1 Since the last review of the political balance of the Council in May 2021, there has been a change to the political make-up of the Council. As a result of this change, it is necessary to review the political balance again and determine the allocation of seats on committees to ensure that they reflect the revised balance.

1.2 Council's duty is to determine the allocation of seats to be filled by appointments by the authority, except the Cabinet. The purpose is to ensure that there is proportionality across all formal activities of the Council, reflecting the overall political composition. It affects all formally constituted committees, sub-committees, working parties and panels which discharge functions on behalf of the authority.

2. Background

2.1 In May 2021, a Liberal Democrat member left the Group. On 6th August 2021, he notified the Democratic Services Team that he would be an Independent

non-aligned member. This has resulted in the following change to the composition of the council: Liberal Democrats (26 members), Conservatives (9 members) Independent Group (4 members), Independent non-aligned (1)

- 2.2 The Local Government (Committees and Political Groups) Regulations 1990 (SI 1990/1553) states that ungrouped members are not entitled to committee seats and any seats given would have to be at the discretion of the majority group.
- 2.3 Therefore, for the purpose of the political balance calculations, the non-aligned member has been removed from the number of members entitled to committee seats, reducing the total to 39. The revised calculations are made on this basis and reflected in the accompanying table.
- 2.4 Section 15(1) of the Local Government & Housing Act 1989 requires the Council to review the representation of the different political groups on committees and sub-committees:
- at, or as soon as practicable after the Annual Meeting of the Council or,
 - where notice is received of a change in the composition of political groups
- 2.5 The Head of Paid Service has a duty, whenever such a review takes place, to submit a report to the Council showing what the allocation of seats, in their opinion, best meet the requirements of the above Act.

2.6 Political Composition

The political composition of the Council is outlined below:
(As referenced at section 2.2, the non-aligned member is removed from the calculations)

Group	No. of members	%
Liberal Democrat	26	66.67
Conservative	9	23.03
Independent	4	10.25
Total	39	99.99%

- 2.5 The Council needs to approve the allocation of seats to the political groups on those committees which are required by law to be politically balanced.
- 2.6 The obligation to ensure that there is proportionality in the political composition of the Council's committees extends only to proportionate representation of members of political groups and does not require that a vacant seat is represented.
- 2.7 In carrying out any review, the Council is obliged to adopt the following principles and to give effect to them 'so far as is reasonably practicable':
- a) That not all seats on the Council are allocated to the same political group
 - b) That the majority of the seats on the Council are allocated to a particular group if the number of persons belonging to that group is a majority of the authority's membership

- c) Subject to the above, that the number of seats on ordinary committees of the Council which are allocated to each political group, have the same proportion to the total of all the seats on the ordinary committees of that authority as is borne by the number of members of that group to the membership of the authority and
- d) Subject to a) and c) above, that the number of the seats on the Council which are allocated to each group have the same proportion to the number of all the seats on that Council as is borne by the number of members of that group to the membership of the Council.
- e) It was agreed at the Annual meeting of Full Council on 15th May 2019 that delegation should be given to the Group Leaders to make any changes required to appointments to committees, sub-committees, working parties and panels as long as they are in accordance with the political balance. Group Leaders will inform the Democratic Services Manager of any changes and Members will be informed via the Members' Bulletin. In addition, and to ensure they changes are recorded formally, an update will be provided to the next meeting of Full Council. IT is proposed that this convention is continued to allow appointments to be filled without waiting for approval from Council.

2 Entitlement to Places

- 2.4 The table at Appendix A shows those Committees that are required to be politically balanced. Generally, the approach taken has been to round up percentages where they are above 0.5% or close to 0.5
- 2.5 According to NNDC's Constitution, Chapter 5 section 6.2 'Working Parties shall in law be Committees of the Council' and consequently the political balance rules will also apply to working parties – unless they are Cabinet sub-committees. Cabinet sub-committees are not required to be politically balanced but it is the practice at NNDC that they are and for this reason they are included in the table (marked with an asterisk)
- 2.6 The Employment & Appeals Committee acts as the Councils Disciplinary Panel for Chief Officers and this is required to be politically balanced. A separate report on the Council agenda proposes a change to the terms of reference to reflect this. At the AGM, the Independent Group Leader indicated that his group would not sit on this committee in future. As it is legally required to be politically balanced, there is an expectation that the Independent Group will be allocated a seat. This change increases their allocation by 1 seat.
- 2.7 Overall the percentages have changed slightly as follows:
 The Liberal Democrat Group now has 66.67% of committee seats which equates to 66 in total

 The Conservative Group now has 23.07% of committee seats which equates to 23 in total

 The Independent Group remains unchanged at 10% - 9.9 (10) seats.
- 2.8 As in the previous report to Council in May 2021, the impact of the change falls on the smaller committees. When the last review was undertaken in May 2021, the Conservative Group agreed to give the Independent Group a seat on the Joint Staff Consultative Committee (resulting in a reduction of 1

seat in their allocation). It has been agreed the two group leaders that this seat will return to the Conservative Group to ensure that their allocation is not eroded further. When the seat allocation was calculated in May, the Liberal Democrat Group was entitled to 4 seats on the Council Tax Support Working Party and opted to give one seat to the Independent Group. This allocation has now been reduced to 3 seats for the Liberal Democrat Group and consideration should be given as to where the allocation should now fall. If the Independent Group continue to have a seat on this working party, then their allocation (allowing for the seat on the EAC) is increased to 12. It is proposed therefore that the Group Leaders agree amongst themselves how to address this ahead of the Council Tax Support Working Party being convened.

- 2.9 Full Council will need to approve any change to the calculation, as proposed by the Group Leaders.

3 Conclusion

Council is asked to allocate seats and substitutes to political groups in accordance with the political balance rules and approve any changes proposed by the Group Leaders.

4 Implications and Risks

In line with the relevant legislation, the Council must review the political balance and allocation of seats following the formation of a new political group. There is no alternative.

5 Financial Implications and Risks

There are no financial implications arising from this report.

6 Sustainability

There no sustainability issues arising from this report.

7 Equality and Diversity

An Equality Impact Assessment has not been completed because there are no service, policy or organisational changes being proposed.

8 Section 17 Crime and Disorder considerations

There are no Crime and Disorder implications arising from this report.

		Liberal Democrat		Conservative		Independent		TOTAL
Members		26		9		4		40 (39)
Expressed as %		66.67%		23.07%		10.25%		100%
Committee	No. of Seats	Entitled Places (exact)	Entitled Places (rounded)	Entitled Places (exact)	Entitled Places (rounded)	Entitled Places (exact)	Entitled Places (rounded)	
Licensing Committee	15	10.01	10	3.46	3	1.54	2	15
Development Committee	14	9.34	10	3.22	3	1.44	1	14
Overview & Scrutiny	12	8	8	2.77	3	1.23	1	12
Planning Policy & Built Heritage WP	12	8	8	2.77	3	1.23	1	12
Standards Committee	7	4.67	5	1.61	1	0.72	1	7
Governance, Risk & Audit Committee	6	4	4	1.38	1	0.62	1	6
EAC	5	3.34	3	1.15	1	0.51	1	5
*NN Sustainability Fund Grants Panel	7	4.67	5	1.61	1	0.72	1	7
*Member Development Group	6	4	4	1.38	1	0.62	1	6
Constitution Working Party	5	3.34	3	1.15	2	0.5	0	5
*Joint Staff Consultative Committee	5	3.34	3	1.15	2	0.5	0	5
* Council Tax Support Working Party	5	3.34	3	1.15	1	0.5	1	5
TOTAL	99	66.05	66	22.8	22	10.13	11	99

**Please note that all of the committees marked with an asterisk * are Cabinet sub-committees and therefore they are not required to be politically balanced – however, it is the practice at NNDC that they are politically balanced.*

Notes: At the May AGM, the Conservative Group agreed to allocate a seat on JSCC to the Independent Group, losing one of their seats and increasing the Independent Group allocation to 11 and reducing the Conservative allocation to 22. The Group Leaders have agreed to revert to the original allocation – with the Conservative Group having two seats on this committee.

At the AGM, the Independent Group indicated that they would not be taking up their seat on the EAC. If members are supportive of the change in the terms of reference of the EAC, then it will need to be politically balanced and a representative of the Independent Group will be required to sit on this Committee.

CABINET MEMBERS REPORT TO COUNCIL

22 September 2021

COUNCILLOR A FITCH-TILLET - CABINET MEMBER FOR COAST

For the period July to September 2021

1 Progress on Portfolio Matters.

Innovative Resilience Fund - Progress Update

The Coastal Partnership East is progressing within the Environment Agency funding process to secure £8.4M to deliver the Norfolk and Suffolk Coastal Transition programme. It is anticipated an Outline business case will be ready for submission for approval in the New Year. The team are developing the resources and partnerships necessary to deliver the programme to ensure that the scheme progresses quickly once final approval is provided.

Cromer Phase 2 and Mundesley Coast Protection Scheme – Progress Update

Screening has confirmed that the schemes will require Environmental Impact Assessment and a scoping document to assist with identifying which environmental aspects are scoped in and out has been prepared. As the detailed designs are developed they will be shared with the local liaison groups for stakeholder input to assist with refining to meet localised needs.

Sea Defence Revenue Maintenance

Maintenance of sea defences and beach accesses have continued throughout the summer. The Coastal Measured Term Maintenance Contract finished its term and preparations to retender this contract are progressing.

Bacton to Walcott Sandscaping Scheme

Monitoring of sediment movement continues with data captured in June and in September. Analysis of the June monitoring suggests the scheme continues to perform in line with design modelling with regards to coast protection performance. The June and September monitoring data will be analysed in detail over the autumn. Following assessment of the windblown sand issues faced last autumn and winter, the team are proposing trialling some mitigation measures to reduce the levels during adverse weather. These proposals are being shared with those previously affected and community representatives for further local input.

2 Forthcoming Activities and Developments.

Coastal Loss Innovative Funding and Finance (CLIFF) Project

The current phase of the CLIFF project, which is investigating potential methods of funding and financing initiatives to assist those who are at risk of losing their residential properties from erosion or permanent flood inundation is coming to a close. Following this phase of work it is intended that the

outputs will be shared with government and integrated into the Norfolk and Suffolk Coastal Transition Programme. Some concepts may be suitable for local or regional implementation, others could benefit from a national or UK deployment. Some may be able to be implemented under current rules and arrangements, others would need to be considered further by local government and national government.

3 Meetings attended

All Council Committees and outside bodies appointed to:
Northrepps, Overstrand and Trimmingham Parish Councils
Full Council, Cabinet, Development Committee
Committees etc observed: Overview & Scrutiny, Planning Policy and Built Heritage, Regional Flood and Coastal Committee
Monthly Coastal Team Catch Up Meeting
Chaired Norfolk Coastal Forum
Chaired LGA Coastal SIG CLIFF Steering Group
Norfolk Coast (AONB) Partnership Re-Opening The Coast Task and Finish Group
Carbon Audit Presentation
Chaired the Cromer and Mundesley Coast Protection Liaison Group Meetings
Wash and North Norfolk Marine Partnership Management Meeting and Stakeholder Liaison Group Meeting
Coastal Partnership East Board Meeting
National Coastal Partnership Proposal Meeting
Enforcement Training
Agents of Change – Cromer Chalk Reef Monitoring Group

CABINET MEMBERS REPORT TO COUNCIL

14 September 2021

COUNCILLOR WENDY FREDERICKS - CABINET MEMBER FOR HOUSING & BENEFITS

For the period – August to September 2021

1 Progress on Portfolio Matters.

Benefits

Test & Trace Support Payment

The number of Test & Trace Support Payment applications increased significantly in July but have now started to decline again.

In addition to the DHSC Test & Trace Support Payment we also operate a local Discretionary Test & Trace Support Payment scheme as part of a County co-hort with Norfolk Councils. The scheme provides local top-up funding of £250,000 per an authority, which has been funded by Norfolk County Council.

Where eligibility meets the DHSC scheme, the funding from DHSC would be used first but where the eligibility does not meet this scheme, payment can be considered under the local discretionary scheme. The guidelines for the local scheme have been discussed and agreed by all Norfolk councils.

The table below shows the number of applications received since January 2021.

Month received	Number of standard applications	Number of discretionary applications	Number of local discretionary applications
January 2021	62	52	0
February 2021	12	18	0
March 2021	8	5	0
April 2021	1	1	0
May 2021	2	2	0
June 2021	7	7	0
July 2021	60	42	1
August 2021	8	5	2

The table below shows the total applications received since the scheme started on 28th September 2020. The DHSC scheme is due to end on 30th September 2021.

Scheme	Received	Approved	Rejected	Outstanding/Pending
Standard	252	112	134	6
Discretionary	226	93	126	7
Local Discretionary	3	3	0	0
Total	481	208	260	13

Caseload outstanding as at 9th September 2021

Number of benefit cases – 1154

Number of Housing Benefit overpayment cases - 105

Housing Benefit Debt Recovery as at 31st August 2021

Debt outstanding to recover - £744,295

Debt recovered during 2021/22 - £75,576

Debt raised during 2021/22 - £60,250

Debt written off during 2021/22 - £18,629

Speed of processing as at 31st July 2021

New claims – 13 days (target 20 days)

Changes in circumstances - 10 days (target 14 days)

Page 2 of 6

Housing

Temporary Housing

There are currently **40** households in Temporary Accommodation, this includes the **6** rough sleepers currently accommodated as follows:

- 2 x Spot Purchase
- 1 x Reeves Court
- 3 X NSAP (Next Steps Accommodation Programme)

Following the Council's successful bid to secure £140,000 from the Government's Next Steps Accommodation Programme (NSAP) to help provide four homes for single rough sleepers or people at a risk of rough sleeping, purchasing these homes is progressing well. We have completed the purchase of the four 1-bed properties and checks and minor works are now being carried out on these with the first 3 tenants already moved in and the 4th tenant moving in week commencing 13 September 21.

Cabinet also agreed to the repurposing of £500k Disabled Facilities Grant budget to purchase accessible temporary accommodation units. The first purchase, of an ex-Flagship bungalow, has now completed. Again, minor works are underway to bring the home into use shortly. A further bungalow, capable of being made fully wheelchair accessible is under offer.

The Council has also received £35k from the MHCLG Rough Sleepers Accommodation Programme (RSAP) as a contribution to the refurbishment of a one-bed self-contained flat for rough sleeper move-on housing.

New Affordable Homes

We project that housing associations will provide 183 new affordable homes (71 affordable rent and 112 shared ownership) in 2021/22. The 2021/22 figures include Housing 21's Fakenham Extra Care Housing scheme of 66 flats (30 affordable rent and 36 shared ownership) which completed in April 2021.

Housing Strategy

Full Council approved the new Housing Strategy at its meeting in July. Officers have begun work on the actions in the Housing Strategy action plan and reports on progress will be reported as actions complete.

Community Led Housing

We continue to provide support to existing and new community led housing groups – this year grant has been given to Stable Door (community led housing organisation in Sheringham) to help purchase an additional home and one new Community Land Trust has formed with the aim of providing affordable homes for local people.

Housing Options Team

The team continue to focus on supporting all clients that approach the service.

Your Choice Your Home

As at 08 September 2021 there were **2638** households on the housing list of whom:

- **347** were on the Housing Register (highest priority) broken down as follows:
- Priority Card x 5
- Band 1 x **203**
- Band 2 x **139**

Breakdown as requested of need within Housing Register (1*, B1 & B2)

08-Sep-21																				
Count of Applicant Calculated Bedroom Need	Column Labels																			
	Band 1						B1 Total	Band 2					B2 Total	1*				1* Total	Grand Total	
Bedrooms	1	2	3	4	5	8		1	2	3	4	8		1	2	3	8			
2 adults (including carer)		4					4		1				1							5
Access to children		1					1													1
Couple	18						18	5						5						23
Family 1 Child		38	2				40		15					15		1			1	56
Family 2 children under 10 years		11	4				15		6	2				8						23
Family 2 children, 1 child 10 or more years, both same sex			9				9			4				4						13
Family 2 children, 1 child 10 or more years, one of each sex			8				8			22				22		1			1	31
Family 3 children				13			13		1	26				27						40
Family 4 children				5			5		1	5				6						11
Family 5+ children				1		2	3			1	2			3			1		1	7
Other family			1	2	1		4		2	3				5						9
Single Person	85						85	43						43	2				2	130
Grand Total	103	54	24	21	1	2	205	48	24	33	32	2	139	2	1	1	1	5	349	

Lets

QTR 1 01 Apr 2021 to 30 June 2021 - **88** Households have secured social housing

QTR 2 (part) 1 Jul 2021 to 31 Aug 21 – **49** Households have secured social housing

Homelessness

There is still a firm focus on Rough sleepers from MHCLG in that we are still reporting monthly stats in relation to rough sleepers within the district.

As at 31 August 2021 the authority is working with 12 Rough Sleepers.

6 x Rough sleeping within the district, of these 3 are entrenched and 4 have been rough sleeping since July 21.

2 x Rough Sleepers currently being accommodated under Spot Purchase

1 x Rough Sleeper in Reeves Court

3 X Fomer Rough Sleepers accommodated in the NSAP properties

Following a recent discussion with MHCLG we are still focusing on finding solutions for our single clients to whom the authority is accommodating.

As at 08 September 2021, there were 137 active live cases:

Final Duties accepted: 18

Prevention duty accepted: 29

Relief Duty accepted: 39

Reviews: 3

Triage (mixture of new cases, rough sleepers, clients being supported): 48

Integrated Housing Adaptations Team (IHAT)

There are still issues with contractor capacity and some contractors have advised that they do not have capacity to provide quotes for works at the current time, this along with the increased complexity of jobs and shortage of materials is affecting completions. There is a lot of demand in the system, assessments are being completed relatively quickly but a backlog of cases needing schedules of work is building. This situation is being closely monitored. A further 8 grants were approved in August with a value of approximately £75,000 taking the total approved for the financial year to 34 with a total commitment of approximately £243,000. In addition 3 grants were completed in August taking the total for the financial year to 26 with a total spend of approximately £378,000 (this includes interim payments for some jobs which have started on site but not yet completed).

3 Meetings attended

Meeting with Victory/ Flagship at Tom Moore House Meeting regarding potential sites for affordable housing

MCHLG Webinar Rough Sleeping

Visit to see completed and future projects at Homes for Wells Strategic Partner Liaison Meeting with Victory/ Flagship Cromer to Mundesley Sea

Defence Briefings North Norfolk Sustainable Communities Fund Planning Policy and Built Heritage Meeting Weekly / Monthly Portfolio Holder catchups

Zero Budget Training Cabinet meetings Business Planning meetings Group Meetings

Intensive work on:

Domestic Abuse and facilitating help

Finding additional accommodation for TA

Working on bringing forward more social rented housing

CABINET MEMBERS REPORT TO COUNCIL

September 2021

COUNCILLOR V GAY - CABINET MEMBER FOR CULTURE, LEISURE & WELLBEING

Leisure, Culture and Well Being

Progress on Portfolio Matters (Leisure Element)

Leisure Centres

After the lifting of Government's restrictions, the participation at our Council's sports and leisure facilities has remained stable. Each month has seen 85% of the visits that we experienced pre-Covid. The dual use sports centres at Cromer, Stalham and North Walsham will not reopen until October but booking at these facilities is promising.

Pier Pavilion Theatre

Since the easing of restrictions in July, the Pier show has had just over 15,000 visits. This is 50% of the overall 2019 figure. The Summer Show will end on Saturday 2 October; Concert and Xmas Show bookings are starting to build well.

Beaches

It has been a very busy summer with large numbers of visitors at our resorts. Early indications are that the number of beach users in 2021 is slightly lower than in the summer of 2020. This is perhaps because the weather this summer has been more changeable than that of last summer. Our RNLI Lifeguards finished their patrols on Sunday 12 September without major incident.

Countryside

The summer has been a very busy period for the Countryside sites, especially Holt Country Park. The Green Flag judging this year is being undertaken via mystery visits, and the results for our three applications will be announced in October. Part of the Green Flag criteria is the requirement to work in partnership with a voluntary group, and our 'Muddy Boots' groups that we set up are going well with excellent attendance figures.

Events returned for the summer with a mix of self-led trails and ranger led events. In total we provided nine different events which attracted 788 visits, 379 adults and 409 children. We have this year based more events at Pretty Corner Wood. These events have been very successful, allowing us to attract other members of the community

There are large trails planned for the October and Christmas school holidays, with the Christmas event support the tree-planting project. We will also be returning to some adult only events, with wreath making workshops planned for December.

Markets

Both Sheringham and Cromer markets have had a good season since the easing of Covid restrictions. Sheringham is especially buoyant regularly attracting over 30 traders.

Forthcoming Activities & Developments

Work has resumed on preparations for the District Council's Mammoth Marathon which is now scheduled for May 2022.

Meetings attended

In addition to my regularly scheduled meetings I have attended a meeting of the Sheringham Leisure Centre project board on 08/09/21, a briefing on the Mammoth Marathon on 16/08/21 and a visit to The Reef on 07/09/21

CABINET MEMBERS REPORT TO COUNCIL

22 September 2021

COUNCILLOR - CABINET MEMBER FOR LEISURE, WELLBEING & CULTURE (CULTURE ELEMENTS)

For the period July to September 2021

1 Progress on Portfolio Matters

Deep History Coast – Metrics show the DHC app and discovery trail have been well used. As of 09/09/2021 the app has been downloaded 23,960 times with, 31,231 AR selfies taken. Across the 11 discovery points the app was triggered over 9,000 times in August, with West Runton and Mundesley being the most popular sites. A new leaflet is being produced to promote the trail to local visitors, it will be ready for October half-term.

North Walsham Cultural programme – The consortium is currently reviewing a new governance structure and process to ensure transparent management of funds in line with NNDC processes. These are currently being finalised and agreed by the consortium. The next Historic England progress report is due on 09/10/2021, which will trigger the release of the next payment instalment of £27,000.

2 Forthcoming Activities and Developments

Deep History Coast – Re-engagement of new and existing ambassadors is planned, including an ambassador event showcasing new VNN website with interactive ambassador map and downloadable resources page, events during 2022 etc. Exploration of possible National Lottery Heritage Fund opportunity to continue development including updating the app and improving analytics, possibly including development of fossil geotagging to enable better monitoring of finds, and supporting 'citizen science' potentially in partnership with NMS and Sheringham Museum.

GoGo Discover – Norwich based community art group the Nest is developing a project for potential grant funding, including working together with several local schools on the community and learning programme. Each school will then have their own sculpture to design and they are keen to incorporate DHC links and have the finished sculptures on display as part of a trail.

North Walsham Cultural programme – 'What's On' page for cultural activities to be launched w/c 13th Sept – Upcoming activities include art and heritage exhibition in the church 11th – 18th Sept, Orchestra Live pilot engagement activities 30th Sept - 1st Oct, community art event 30th-31st Oct.

3 Meetings attended

I have attended a meeting with the Chairman of the North Walsham Cultural Consortium on 29/07/21 and a meeting of the Cultural Consortium on 02/09/21. I attended a meeting of the Sheringham Little Theatre board on 29/07/21.

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CABINET MEMBERS REPORT TO COUNCIL

August / September 2021

**COUNCILLOR VIRGINIA GAY - PORTFOLIO HOLDER FOR LEISURE,
WELLBEING & CULTURE**

1 Progress on Portfolio Matters - Well Being

Business as usual activity

Grants

Arts & Culture Fund – Financial year 2021 / 2022. As of 31st August, six grant applications have been awarded funding totalling £9,315.14.

Community Transport Fund – Financial year 2021 / 2022. As of 31st August two grant applications have been awarded funding totalling 2,750.

North Norfolk Sustainable Communities Fund (NNSCF) – Financial year 2021 / 2022. As of 31st August sixteen applications had been received requesting grants of between £1,000 and £15,000. The Panel recommended that thirteen projects totalling £86,106.75 were approved, one application was ineligible, one deferred and one refused. Eight applications have been received to the Under £1,000 NNSCF. Seven were approved and awards of £5,909.97 made. Grant funding of £92,016.72 awarded to date to twenty organisations.

Social Prescribing

Between 1st January and 31st August 2021, 521 Social Prescribing referrals have been received. This compares to 371 for the same period last year. People are now able to self-refer to Social Prescribing rather than having to be referred by an organisation. A phone duty line went live in July to triage requests for support from residents and professionals. General advice and support requests will be dealt with over the phone. A Social Prescribing referral will be made where more complex support is needed. There is also a dedicated North Norfolk Help Hub page on internet which gives information about the Social Prescribing service and has links to other related support such as benefits, housing and Domestic Abuse.

The Social Prescribing Service continues to respond to direct requests for support from residents impacted by Covid 19.

The contract with the North Norfolk Primary Care Network for the Social Prescribing Link Worker service that covers nine surgeries in North Norfolk ends in January 2022. Discussion are being held with the NNPCN regarding the extension of the contract.

A vacant Social Prescribing post has been filled on a temporary basis from October 2021 – October 2022 using an underspend from the Norfolk County Council Social Prescribing service budget.

Information, Advice & Guidance

Total core budget for IAA is £66,710. A grant of £55,000 has been awarded to Norfolk CA towards for the provision of generic IAA services in North Norfolk for the period 1.4.2021 – 31.03.2022. Subject to Covid restrictions, face to face services will be available in North Walsham, Holt and Fakenham. There is currently no face to face provision in Fakenham as the use of Fakenham Connect was not feasible at this time. Norfolk CA have been asked to find a suitable premises in Fakenham for the delivery of a face to face service.

In consultation with the portfolio Holder for Culture & Wellbeing the remainder of the allocated budget £11,710 will be awarded to identified VCSE organisations to enhance IAA services to young people in North Norfolk and / or a VCSE organisation that provides specialist IAA support to residents in North Norfolk who may not be able to access or be supported by generic services IAA services.

Covid 19 related activity

The Council continues to work with Norfolk County Council to provide a local Contact Tracing service in North Norfolk. This is for people who have tested positive for Covid 19 but where national or NCC contact tracers have been unable to reach them by phone. A team of Covid Support Workers are available to visit people to request that they register details of people they have been in contact with. Support is also offered to people who have tested positive for Covid 19 to enable them to self-isolate.

NNDC also deliver an Enhanced Contact Tracing service. This service is for the contacts of people who have tested positive for Covid 19 if they meet the criteria should be self isolating. Daily data reports are received from Public Health. Covid Support officers initially try to contact people by phone to check if they need food, medication or other support to enable them to self-isolate. Face to face visits are carried out if a person cannot be contacted. Requests for emergency food or medication support are fulfilled by NNDC. Referrals for financial or long term support are referred to Social Prescribing or other services including the Norfolk Assistance Scheme as appropriate.

NNDC continues to work with NCC and Third Sector organisations to support Clinically Extremely Vulnerable residents and those experiencing financial hardship or requiring other support due to the impact of Covid 19.

Officers attend regular meetings to ensure NNDC is informed, prepared and equipped to deal with all issues relating to Covid including implementation changes to Government guidance, community outbreaks, surge testing, people requiring support whilst on holiday etc.

Norfolk Children and Young People Strategic Alliance

This is a newly formed group bringing together the Children and Young People Strategic Partnership and Children and Young People Alliance Board in an attempt to streamline governance and increase capacity to work together on shared objectives to deliver improved outcomes. This group oversees the work of a number of other groups including;

- Norfolk Area SEND Multiagency Steering Group
- CYP Mental Health Alliance Executive Management Group
- Early Prevention Board
- Norfolk Learning Board

There is a number of task and finish groups working on the development of the CYP Partnership Plan jointly overseen by the Norfolk Safeguarding Children's Partnership looking at workforce development, data and stakeholder engagement and insight. The group met for the first time on 20 May.

Domestic Abuse Forum

Cllr Fredericks is leading on a multi agency Domestic Abuse Forum for North Norfolk. A meeting is taking place with Pandora in September to consider utilisation and greater collaboration with the Help Hub office space and the use of public meeting rooms to see clients.

North Norfolk Armed Forces Covenant Pledge

The National Armed Forces Covenant represents a promise by the nation that those who serve or have served, and their families, are treated fairly.

North Norfolk District Council (NNDC) signed the Norfolk Armed Forces Covenant at an official ceremony on 7 March 2012.

To further demonstrate North Norfolk District Council's commitment to the Armed Forces Covenant and to ensure compliance with the forthcoming legislation, it is proposed that the Council publishes and signs its own Armed Forces Covenant Pledge.

A report regarding the Covenant pledge will be presented to Cabinet in October.

2 Forthcoming Activities and Developments.

Health funding has been secured to establish a hub in North Norfolk to support people with mental health needs. Cllr Shires Chairs the multi-agency group established to take this work forward. It is anticipated that the Hub will be operational in 2022. Tender process due to start August 2021

3 Meetings attended

On 28/07/21 I attended a meeting a meeting of the Arts and Community and Community Transport grant funding panel and on 06/09/21 I observed the meeting of the Sustainable Communities grant funding panel. I took part in Cllr. Fredericks's Domestic Abuse Forum on 10/09/21 and on 26/07/21 Mrs. Shuter, Cllr. Shires and I met the CCG in order to discuss health inequalities. Karen Hill, Emily Capps and I held a scoping session on 31/08/21 to discuss preparation for NNDC's Quality of Life Strategy.

CABINET MEMBERS REPORT TO COUNCIL

22 September 2021

COUNCILLOR R KERSHAW - CABINET MEMBER FOR SUSTAINABLE GROWTH

For the period July to September 2021

1 Progress on Portfolio Matters

Engagement with businesses

The usual engagement with businesses has been maintained, albeit that the site visits have been conducted below normal levels. Much of the recent resource and activity has been focused on helping businesses to access grants administered by the Council (see below) and helping businesses to obtain funding and access other local and national support. However, the focus moving forward will be less on helping business to continue trading and more on supporting the next phase of their recovery, business growth and helping them to address their (non-financial) needs. When resources allow and businesses are ready, we will take the opportunity to re-engage the District's larger business to better understand their current position, their investment intentions, the drivers for change and how we can support them with recovery/growth aspirations.

Lockdown Support Grants

The Council has now distributed over £126m in Covid-related business grants, which required a significant amount of staff resource. All of these schemes have now closed, with the Restart Grant being the last mandatory scheme.

The Council's success in delivering these schemes has been recognised by successful nominations for two prestigious awards: The Public Finance Awards 2021 – finalist for 'Digital Finance Project of the Year' and The Institute of Revenues Ratings and Values 2021 Performance Awards 2020/21 – finalist for 'Excellence in Innovation'.

At the Spring Budget on 3 March 2021 the Chancellor of the Exchequer announced that Local Authorities could receive an additional top-up to the Additional Restrictions Grant (ARG) allocation (amounting to £760,411 for north Norfolk). In order to qualify, Councils needed to have fully defrayed all of their previous allocation by 30 June 2021 (subsequently extended by one month in line with the national restrictions extension), which the Council was successful in doing.

Utilising the ARG top-up allocation, following Cabinet approval, the Council will develop and implement a programme of various kinds of business support, including:

- Administering a 'Business Recovery & Resilience Grant Scheme'
- Supporting business digitalisation (through investing in the 'Go Digital' programme);
- Collaboration with Visit Norfolk Norfolk to support visitor economy businesses with marketing and workforce/skills support;
- Developing a Sector-Based Work Programme for the care sector to support career pathways into social care.

North Walsham Town Centre Heritage Action Zone

A number of key activities have commenced/are presently being undertaken, summarised as follows.

- Surveys have been conducted on The Cedars to understand its condition and the work required to repair and restore the main building to occupiable condition. A detailed design is now being completed. Contractors will soon be procured to carry out the repairs and restoration work required to bring the Cedars back into use. Potential future users are being solicited via a marketing campaign.
- A consultation exercise will be held in September and October in order to elicit feedback that will inform the town centre place making proposals and the statutory consultation on highways related matters.
- The Building Improvement Grant scheme is now open to applications. Details can be found at:
<https://northnorfolkdistrictcouncil.mysocialpinpoint.co.uk/Building-Improvement-Grant/>
- The virtual community engagement platform, developed as part of the programme, has proved an invaluable tool. To date there have been 3111 'page views' and 858 'unique users'. A Communications & Events Support Co-ordinator will join the Council on 15 September to create fresh and interesting content to engage stakeholders and members of the public in the HAZ programme and to further support the continued communication effort about the scheme and the emerging Cultural Programme.

Visitor Economy

The Council has continued to collaborate with Visit North Norfolk and to liaise closely with Visit Norfolk and other local authorities and Destination Management Organisations in the region. This has helped keep local tourism businesses informed and has encouraged greater collaboration and support for collective action.

Visit North Norfolk's campaign for September-October is 'Enjoy North Norfolk

Without a Car'. This can be found on www.visitnorthnorfolk.com/ and the accompanying blog can be found at [Enjoying North Norfolk Without a Car \(visitnorthnorfolk.com\)](http://www.visitnorthnorfolk.com/Enjoying-North-Norfolk-Without-a-Car). The film and blog will be promoted via ads on Facebook, Instagram and Google Remarketing as well as e-comms to a database of around 30,000 consumers. A new Deep History Coast film about fossil hunting will also shortly go live on 1 October

2 Forthcoming Activities and Developments

- Delivery of grants/package of wider business support (funded through the ARG top up fund)
- Continue to support the North Norfolk Kickstart Gateway programme to help 16-14yrs old into employment
- Development of a programme consultation events to support the next stages of the HAZ place making scheme

3 Meetings attended

To complete

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CABINET MEMBERS REPORT TO COUNCIL

22 September 2021

COUNCILLOR N LLOYD - CABINET MEMBER FOR ENVIRONMENT AND CLIMATE CHANGE

For the period July to September 2021

1 Progress on Portfolio Matters.

Climate Change

The Carbon Strategy and Action Plan (CRSAP) is currently in development and data is being collected to enable baseline information to be updated for the Council's scope 1, 2 and 3 emissions for the years 2020 and 2021. The completed CRSAP will build on emission data and will identify a pipeline of decarbonisation projects which will enable the Council to achieve a net-zero carbon emission position by 2030.

A virtual Greenbuild event is being planned for November this year and will run from November the 1st until November the 12th in parallel with the UN Climate Change Conference - COP26.

A low-carbon travel scheme is under development for NNDC staff and will provide all staff with a low/no carbon commuting plan.

In order to promote and engage new audiences with the climate change and environmental agenda in North Norfolk, and to highlight the pledges made within the Council's own Environmental Charter, a short animation was produced which was shared on the council's social channels and website. Since its release, the animation has had over 17 thousand engagements to date, a figure which continues to increase.

Commercial and Public Protection

A sanitary survey questionnaire is being undertaken by officers to help provide information to the Food Standards Agency on water and environmental quality in the area. This relates the shellfish industry within the district.

Some major investigations underway in the team involving dangerous wild animal licences, health and safety at work cases and licensing. These are complex investigations which are taking a considerable amount of time and expertise.

Food and Safety Officers are being supported by a contractor who is working on the District two days a week. This extra resource will help the support the team in getting through the backlog of food hygiene inspections brought on by the restrictions during the pandemic.

It has been noticeable during some food hygiene inspections that areas such as cleaning have suffered during the pandemic and the overall food hygiene standards in some establishments have decreased, this has in some cases lead to the reduction in the businesses food hygiene rating score. Food Officers continue to work with businesses to raise standards and offer advice and guidance where appropriate.

Licensing Policy out for consultation and Gambling Policy planned shortly.

The Licensing Officer has dealt with a driver voluntary revocation of their licence on hearing of alleged serious offences being investigated with the Police. Some unnecessary time delay from the Police in NNDC receiving this information and protecting the public

Covid Support

The Covid Support Officers are focusing on contact tracing and home visits along with business intervention work. On a daily basis they are undertaking 60-70 contact tracing calls. This service has received some very positive feedback from residents who have been offered support in self isolating.

The team have issued approximately 60 Stay Covid Safe Awards and the team are still being approached by responsible businesses. They will continue to run this scheme for the foreseeable future.

The CSOs have been a visible presence at events during the summer including the Cromer Hall Concerts and Holt Markets.

Environmental Protection

The team have experienced an increase in service over the summer months. Especially with domestic noise cases.

The Environmental Protection Rangers successfully investigated an incident of dog fouling at one of our country park sites, they issued a fixed penalty notice which was paid.

The team are currently working on several waste cases, were rubbish has been fly tipped in the district.

Travellers which have arrived in the district have been managed in a timely and acceptable manner and the Fakenham Temporary Stopping Place has provided a space for several families over the summer months.

Environmental Protection Officers have worked to arrange two public health funerals in the past months.

The goats have spent their summer holidays on Cromer cliffs, they have been well received by the public. With plenty of vegetation remaining the team plan to leave them there as long as conditions allow.

Environmental Services

The team continue to proactively manage the ongoing situation with Serco and their driver issues and round completion which have caused recent service disruption as members will be aware.

The team have been dealing with significant customer contact, especially commercial waste, where customers have had to complain about missed collections. They have ensured that the deployment and performance of cleansing service has been adequate. Performance by Serco here has actually been relatively good over the summer months.

Serco have deployed new street cleansing barrows which are equipped with a separate disposable coffee cup collector, so that these may be recycled.

Serco have received 8 electric vans which will shortly be deployed on the contract for toilet cleaners and supervisors.

With assistance from property services, a new bin store has been constructed at Wells to store litter bin rubbish during the day to improve operational efficiency and to prevent bags being left on the street.

Partly deployed new litter bins purchased as part of 'Binrastructure' funding from WRAP to improve our service.

The ES team have arranged the removal of another deceased whale at Weybourne.

Orders of garden bins has reopened to the 300 or so customers on the waiting list. Over 100 bins have been ordered in about 3 days.

As part of IT implementation, the garden bin web form is now also generating worksheets directly in Serco's system to speed up delivery time (previously was emailed across and entered manually).

Through NWP, had agreement in principle at leader level to amend and extend the MRF contract with NEWS.

The team are experiencing ongoing workload challenges from easing of lockdown and reinstating of trade waste contracts and associated admin.

A successful summer long campaign to raise awareness of our native North

Norfolk seals will soon come to a close. We aimed to educate the public about the harm that hollow frisby rings can pose to seals, the risks of dogs off the lead around them and called for visitors not to approach them on the beaches. We received great cooperation from The Friends of Horsea Seals. The campaign raised over £400 which will be donated to this charity.

2 Forthcoming Activities and Developments.

A series of tree planting projects are soon to commence as the tree planting season starts at the end of September and runs until March 2022. These projects will see approximately 40,000 trees planted across North Norfolk within this period.

The virtual Greenbuild event will comprise of a series of workshops, seminars, Q&A sessions and webinars which will address climate change and environmental related themes with a North Norfolk focus.

The post, 'Environmental Events Coordinator' has commenced and is currently supporting with the development of this year's Greenbuild as well as planning for future Environment Forums, Tree Giveaway events.

3 Meetings attended

COP26 meetings hosted by Amber Rudd
Serco Joint Waste Contract Board meetings

CABINET MEMBERS REPORT TO COUNCIL

22 September 2021

COUNCILLOR E SEWARD - CABINET MEMBER FOR FINANCE & ASSETS

For the period July to September 2021

1 Progress on Portfolio Matters.

Finance

Zero Based Budgeting (ZBB) - The Finance team have been supporting the delivery of Zero Based Budgeting across the Council for the 2022/23 budget round. Operational Managers have been asked to submit a return containing Gold and Silver budget options for their service area by 15th October.

Cabinet will then provisionally allocate a Gold or Silver option for each service, based on Corporate priorities. All Operational Managers have now been trained and are working on the completion of their returns with assistance and advice from the Finance team. The Council's Fees and Charges, Support Service Charges and Capital Bids are being reviewed alongside these budget options.

2020/21 Final Accounts and outturn report – the finance team have completed the production of the draft 2020/21 final accounts and there were made available [here](#) on the Council's website by the deadline of the end of 31 August 2021. The draft statements are due to be considered by the Governance, Risk and Audit Committee (GRAC) in September.

The 2020/21 outturn report, treasury management annual report and debt management annual report were all been presented to Cabinet and Overview and Scrutiny during September in line with last year's timetable.

Fair Funding Review (FRR)/Business Rates Retention Scheme (BRRs) - It now looks likely that the Fair Funding Review and review of the Business Rates Retention Scheme will not be complete for a start on 1st April 2022. While this has not been officially confirmed by the Ministry of Housing, Communities and Local Government (MHCLG), the timelines for the required consultation are now so tight that officers believe it is no longer feasible to be completed in this financial year. This means that many of the funding pressures that had been forecast for 2022/23 could happen in 2023/24 instead and officers will be analysing any potential impacts of this as part of the work on the 2022/23 budget process and the Medium Term Financial Plan.

We have however recently had confirmation that work on the Spending Review, which sets Departmental Expenditure Limits (DELs) for each Government department, is going ahead. The expectation is that this will be a multi-year spending review covering the years 2022-23 to 2024-25, and it will conclude on 27 October 2021, alongside the Autumn Budget 2021. This should make forecasting the overall amount of money that MHCLG are likely to have to distribute a little more

straightforward in terms of future financial planning but this will be dependent on a timely announcement so that the figures can be included within the future forecasts.

CIPFA Financial Management Code (FM Code) – Strong financial management is an essential part of ensuring public sector finances are sustainable. The Financial Management Code (FM Code) has been launched by the Chartered Institute of Public Finance and Accountancy (CIPFA) and provides guidance for good sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively.

It requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management. The FM Code identifies risks to financial sustainability and introduces a framework of assurance. This framework is built on existing successful practices and sets explicit standards of financial management. Complying with the standards set out in the FM Code is the collective responsibility of elected Members, the Chief Finance Officer (s151) and their professional colleagues in the Corporate Leadership Team. Complying with the FM Code will help strengthen the framework that surrounds and supports financial decision making.

The deadline for implementing the improvements contained within the Code is April 2022 and the finance team are confident that they will be able to deliver to those timescales.

Property Services

Melbourne slope (former public convenience) concession opportunity – following approval to progress with the letting of this unit by Cabinet in July the terms are being finalised with the tenant prior to completion by eastlaw. The venue will provide a health food and sustainable product café and the intention is to try and have the refurbished site open and operational for next summer.

North Lodge Park concession opportunity – following the expiry of the Expressions of Interest for the concession opportunity on North Lodge Park the Council has received 3 proposals, these will now be considered by the Estates team prior to recommendations being put forward for consideration by the Corporate Leadership Team (CLT)/Cabinet.

Beach hut/chalet new pricing proposal for weekly lets – pricing for weekly lets is being considered along with some possible new locations to optimise income from these assets in the future. Reports are due to be considered by the Corporate Leadership Team (CLT)/Cabinet with an annual report to O&S due in October.

Climate change – the teams are working with the Climate Change Officers to review baseline data and to provide additional information to Net Zero East so they can consider potential opportunities to reduce the emissions from the Council's asset portfolio.

2 Forthcoming Activities and Developments.

Preparations are continuing ahead of the 2022/23 budget process and the audit of the statement of accounts.

3 Meetings attended

Nothing further to report.

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CABINET MEMBERS REPORT TO COUNCIL

22 September 2021

**COUNCILLOR LUCY SHIRES, CABINET MEMBER FOR:
CUSTOMER SERVICES, PROPERTY AND INFORMATION
TECHNOLOGY**

For the period July to September 2021

1 Progress on Portfolio Matters.

Customer Services

James Jacobs has now been appointed as the new Customer Services Team Leader coming from 8 years working within the Customer Services team. Recruitment for his vacant post will now be undertaken in the coming weeks.

Face to face enquiries for August 2021 have increased by 45% from the previous month with 366 customer appointments taking place however this is down 71% on the number for customers who visited the offices in August 2019. (August 2020 we were in lockdown, with only 23 appointments taking place for vulnerable customers). Customer Services advisors have increased their availability in the office to compensate for this. Many team members have expressed happiness at being back in the office among the team.

Our new starters from July are now in full flow dealing with our residents and have taken to their new role with enthusiasm! They have made an immediate impact on the team and continue to impress with their commitment to customer service excellence when dealing with our customers.

Successful recruitment from within the council of a full time receptionist, Joanne Cracknell. Jo will join the Customer Services team from 20th September 2021 and will provide all our customers with a consistent approach and friendly face to welcome them to our office.

The team continued booking vaccine appointments for the NHS throughout August. The NHS have now decided to recruit a dedicated team of arrangers so this will no longer be needed from NNDC from 3rd September 2021. The practice manager of Hoveton and Wroxham Medical Centre. Sincere expressed his sincere thanks for all the councils support making these calls.

Digital Mailroom have embraced the new ways of working and have acted as an enabler to facilitate the changes across the organisation over an extremely busy period. They have been proactive in providing services that supports business needs and helps facilitate the ever changing working environment.

North Norfolk Visitor Centre has had a large number of visitors through the doors throughout the summer period with visitors respectful of the Covid 19 restrictions that we have had in place. Ongoing preparation is in motion for a busy out of season holiday market as well as preparation for another busy season in 2022 including activities planned for the Deep History Coast.

Property Services:

There has been an alarming and significant rise in construction related inflation, shortage of materials and skilled labour affecting the market. This will undoubtedly have implications for all future projects timescales and costs.

The Canteen Service provided by About With friends continues to be a success. As a part of the ongoing management processes between property Services and About With Friends a review of the menu was undertaken. As an outcome of this a significant increase in the range of plant based menu options has been implemented.

Scoping visit for works at North Walsham Town FC undertaken. This is a significant project requiring major works in the coming year.

Works have commenced to replace the existing office lighting with new LED lighting and a management system that will activate on movement sensors, timers and which can also be controlled remotely.

Works continue to carry out repairs and improvements at the Marrams bowls club.

Works have commenced to undertake the significant works at the Fakenham Community centre.

There has been some delay in the works provided by UK power networks but these are now complete. Bank Loke EVCP's expected on line end September.

Black Swan Loke yard area waiting for Asbestos removal.

NW Cedars, instructed to remove asbestos containing material and undertake external drainage works in advance of main works. Waiting for scope of works by consultant so we can issue tender document.

Three more units handed over to Housing for temporary accommodation.

Modest works to Collectors cabin completed.

Sheringham Little Theatre works completed except joinery. Supply delay. (see email)

Lushers Passage upper storey conversion to Temporary Accommodation. At planning now with decision expected in October. Tender is going live this week and asbestos removal works will be undertaken in advance of tender award.

Works at Fairmeadow House, Itteringham are underway. The purpose is to separate the crossed over utility connections to facilitate the sale of the house whilst retaining the community shop.

Public convenience refurbishment works at Wells and Fakenham. Offsite construction of the new facilities continues prior to installation and commissioning in the new year.

Adam Laville is congratulated on passing his Surveyor Technician Diploma and becoming a qualified Building Surveyor as a part of his apprenticeship.

Information Technology:

The migration of the Councils e-mail system into the Cloud is in progress. When complete all users will have significantly more storage available for emails and attachments.

The Intranet is being migrated into Microsoft SharePoint on-line. This will provide improved information sharing and integration with Microsoft teams.

All Council mobile devices (approx.200) are being migrated to the "InTune" device management and security tool. When complete the devices will be fully integrated with Teams, Office 365 and SharePoint allowing access to a wide range of information and facilities in a secure, reliable manner.

Members iPads migration has to happen after the SharePoint migration is complete. This is scheduled for mid-October. When these works are complete Members access to the Intranet, and the facilities and information it provides, will be much simpler and more reliable.

Workspace and desk configurations in the Council offices are being revised to align with the outcomes of the organisational structure review and to embed the outcomes of the New Ways Of Working that are being developed. This will deliver a much more flexible use of office and desk space to reflect the increased use of remote working.

A further "hybrid" meeting room has been created allowing a mixture of in presence and virtual to participate in the same meeting.

A webform to allow on-line booking and payment for bulky waste collections has been developed and is awaiting installation.

An online webform has been developed to allow new food businesses to register and is in final test.

Work continues on the on-going upgrade to the environment service management system.

An inter face between the Council's HR system and the Norfolk Pension Fund system (iConnect) has been implemented.

The Council's Asset Management system "Concerto" has been upgraded

The Council's GIS systems have been upgraded to the latest version.

A Council wide online customer satisfaction feedback form has been developed. Following user trials a number of minor changes and enhancements were identified and these are now being implemented. The form will be mad live and integrated with the Council's website by mid-October.

2 Forthcoming Activities and Developments.

Customer Services:

The revised Customer services strategy will be ratified and published by the end of October

Work to develop a Customer Services Dashboard will be continued to provide on demand access to accurate and up to date activity and performance measurement of contacts managed by the customer services team.

Membership of the Institution of Customer Services will be completed and the toolkit of guidance on best practice will be used to inform the further development of a Customer Service Improvement Programme.

Property Services:

Some office moves undertaken post appointments at CLT and MT level.
Leisure Services relocated to east wing of the building.

Soft furnishings for reception areas at Cromer and Fakenham Connect being reinstated, WIP.

Pier substructure tender will be issued shortly. Subject to budget approval, works to commence next spring.

Preparing project submission to CDU for capital improvements to the Pier bar / theatre public conveniences.

Fakenham Connect “crinkle crinkle” listed wall tender has not yet been issued. We are awaiting specialist advice relating to its listed status.

Cornish Way roofing repair and maintenance work tender is planned for issue week commencing 20th September.

The requirement for the FONLP café replacement joinery sections are with SMG (architects) for design / drawing purposes.

A fixed term Administrative Officer post (until April 2022) has been recruited to and will start work by mid-October. This is to help deal with the additional activities generated from the management of the growth in the numbers of assets managed and the scope and nature of those works.

A business case for a Compliance Officer to more effectively manage the statutory risk management inspections and associated reporting is being developed. Currently almost all of this activity is outsourced but this requires multiple contract and procurement activities as well as general service management and reporting activities which would be more effectively delivered using an internal specialist officer.

Sheringham promenade works were suspended due to summer visitor season. A plan to recommence these works is being developed and will be implemented.

Beach huts and chalets remedial maintenance and repair works are to commence in October.

Information Technology

Migration to Microsoft M365 Cloud services will continue as will activities associated with Return To Work.

Further improvements and enhancements to the security software and infrastructure will be implemented to reflect the change to cloud hosted systems.

The Committee Room audio and video systems will be upgraded to allow it to be used for significantly sized “hybrid meetings”.

Work has continued on a number of other self-service online forms which will be rolled out in the coming weeks and months.

Further Planning related enhancements will be implemented including S106 Management system.

An interactive online map to make Listed Buildings information more accessible is being developed.

An interactive online map to make Trees Protection information more accessible is being developed.

A new online license register will be made available to allow the public to search information relating to licenses managed by the Council.

3 Meetings attended

Portfolio

IT Portfolio meeting x 3

Cromer site visit with Cllr Adams

Customer Service Portfolio meeting x 3

Organisational Resources Portfolio x 2

AWF Menu with Cllr Vardy

Property Services Portfolio meeting x 2

Cabinet:

Zero Based Budgeting

Mental Health Champion

Centre for Mental Health

Health Inequalities information gathering CCG

Mental Health Services North Norfolk

North Wellbeing Hub Development Group

Women's Aid

NSFT North Norfolk Working Together

CABINET MEMBERS REPORT TO COUNCIL

22 September 2021

COUNCILLOR JOHN TOYE- CABINET MEMBER FOR PLANNING AND ENFORCEMENT

For the period July to September 2021

1 Progress on Portfolio Matters.

General overview.

A welcome to Martyn Fulcher the new director of place and climate change. I look forward to working with you as we face the challenges of carbon reduction, bio diversity and climate change. Planning and development will have a significant role to play in delivering on a sustainable future for our district and beyond.

All areas of the planning portfolio remain under pressure with a higher than usual amount of applications, new Bills and Regulations, a new plan to deliver and compliance with the regulations. My thanks to officers for their continued, dedicated, hard work. I am committed to doing all I can to ensuring that we find ways to enable officers to reduce the backlog of applications and get workloads back to an acceptable level.

Development Management Performance

Whilst performance of development management has continued to be above the required government levels for both Major and Non Major it is acknowledged that performance when looked at on a quarterly basis was showing some concerns. This and the reasons for performance levels was reported at development committee in August. An Action plan is being developed with much already in place with input from the newly arrived Director for Place and Climate change.

Progress on performance will now be reported monthly at development committee.

Planning Policy

The new local plan is in the last stages before regulation 19 consultation.

The team have worked hard in drafting the revised local plan with the planning policy and built heritage working party recently discussing Cromer Allocations.

Before plan submission for examination some of the evidence documents will need to be refreshed to ensure they are up to date and these have been commissioned.

An annual dwelling completion check has been completed. Between April 2020 and March 2021 480 new homes were built in the district. These additional houses exceeded targets and expectations.

Major Projects, Conservation and Design, Landscape

Major Projects performance was reported as outlined above to Development Committee and will also be reported monthly

S106 Tracking. Officers are having a demonstration of the Exacom software at the end of September and this is a priority task to get the software installed and populated.

There is an ongoing review of processes procedures and website. This will ensure that they remain fit for purpose or developed and upgraded where necessary.

The new Planning Bill and Environment Bill are both being closely watched and monitored so that we are able to understand and deliver any necessary changes. Some of the requirements for example bio diversity net gain will need to be resourced.

Building Control

Building control continues to deliver through the higher workloads which are around 20% above normal levels. Inspectors carry out on average 5/6 inspections per day per inspector. The introduction of the Building Safety Bill post Grenfell has required updating for officers.

Planning Enforcement

A training session was run to help members understand the complexities of planning enforcement. I hope that those that attended found it beneficial. The session was recorded and links should be available through Democratic Services for those that were unable to attend.

New web pages for the reporting of Enforcement complaints should be live

soon. When these pages are live members, parishes and customers will be made aware of the changes.

From Last Full Council

2 questions were raised.

1. Date for Publication of the North Walsham West consultation responses. - A verbal update was given at the planning policy meeting on Monday 19th July. Currently the team are working on the new local plan but hope to have detailed responses in the near future
2. Request for confirmation of the amount of S106 monies held by the council, what is the longest period that S106 monies have been held. - I sent the following to Cllr Stenton who I must apologise to as I missed that the system corrected her name to Johanna.

The total amount of S106 monies currently stands at £2,228,703. £1,626,661 is currently held for housing. The remainder for other projects.

The longest outstanding is currently £10,423.47 from 2006 the balance from Bacton Road, North Walsham. This is due to be issued shortly for payment to North Walsham Skate Park. The next unspent is from 2011 for £1,100.00 the next significant amount is for £300,000.00 from 2014 and this is part of the housing money.

As I am sure you will know we are bringing projects forward that will use the housing element of which approximately £500,000 is already earmarked. S106 money is controlled by legal agreements and must be spent on appropriate projects within the designated area of the agreement.

I have been progressing moves to enable people to understand where money may be available for projects to be brought forward. The next step in this process is the introduction of additional software to make the information more widely available. Bids are being progressed to enable this to happen.

2 Forthcoming Activities and Developments.

Continued development to maximise the potential of the IDOX/Uniform system. We need to ensure that we use this software to its capacity to deliver the gains it should.

Review systems of work and drive down application processing times.

Monitor and introduce new regulations brought about by government bills.

3 Meetings attended

This has been a quiet period with holidays and some meetings cancelled.

There has been the usual Parish Councils, Cabinet, Business Planning, Development committee, Planning Policy and Portfolio meetings.

2020/21 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)

Summary:

This report presents the provisional outturn position for the 2020/21 financial year which shows a General Fund underspend of £752,223. It also provides an update in relation to the Council's capital programme. Details are included within the report of the more significant year-end variances compared to the current budget for 2020/21. The report also makes recommendations for contributions to reserves.

The report provides a final budget monitoring position for the 2020/21 financial year. The report makes recommendations that provide funding for ongoing commitments and future projects.

Options considered:

Conclusions:

The revenue outturn position as at 31 March 2020 shows an overall underspend of £752,223. The final position allows for £255,917 from budget and grant underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments for which no budget has been allocated in 2021/22. The position as reported has been used to inform the production of the statutory accounts which will then be subject to audit by the Council's external auditors.

Recommendations:

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

- a) The provisional outturn position for the General Fund revenue account for 2020/21;**
- b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2021/22 budget;**
- c) Allocate the surplus of £752,223 to the Delivery Plan Reserve;**
- d) The financing of the 2020/21 capital programme as detailed within the report and at Appendix D;**
- e) The balance on the General Reserve of £2.326 million;**
- f) The updated capital programme for 2021/22 to 2024/25 and scheme financing as outlined within the report and detailed at Appendix E;**
- g) The outturn position in respect of the Prudential Indicators for 2020/21 as detailed in Appendix F and;**
- h) The roll-forward requests as outline in Appendix H are approved.**

Reasons for

Recommendations:

To approve the outturn position on the revenue and capital accounts used to produce the statutory accounts for 2020/21.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

Executive Summary

This report presents the provisional outturn position for the 2020/21 financial year and is essentially the period 12 budget monitoring position. This has been used to inform the production of the Council's statutory accounts which will then be subject to external audit review.

The outturn position as now reported shows a General Fund underspend of £752k.

Due to the timing of the submission of some of the statutory returns the outturn position does include estimates for benefits and business rates – any variance on these to the final audited position will be managed through the respective earmarked reserves upon the completion of the audit.

The reported position allows for some underspends to be carried forward to the new financial year, for example where works or projects have not been completed and budget provision does not exist in 2021/22. Other roll forwards have been made, for example in relation to grants that were received but not spent in the year such as a number of the housing and COVID related grants. Overall roll forwards total £256k.

Section 3 of the report highlights some of the more major variances

Capital Programme – the report also updates the current capital programme for slippage of capital budgets between financial years and capital projections for future years and highlights how the current programme is funded through a mixture of Council and external resources.

This year as part of the work to prepare the Council's budget for 2022/23, services will participate in a Zero Based Budgeting exercise. This will better align the budgets set with the Corporate priorities that are to be delivered. A further update will be provided to Members as the process progresses.

The General Reserve remains above the recommended balance.

1. Introduction

1.1 This report presents the provisional outturn position for the 2020/21 financial year which has been used to inform the production of the Council's statutory accounts which will be subject to audit review ahead of presentation to the Governance, Risk and Audit Committee (GRAC).

1.2 Due to the impact of the Coronavirus the deadlines for the statutory annual accounts have been extended. The draft statements now have to be published by the 31 July, with public inspection commencing before 1 August and this

deadline was met. The external audit of the 2020/21 accounts is not yet scheduled.

- 1.3 Commentary on the more significant year-end variances is included within the report with further supporting information provided within the appendices.
- 1.4 The report also includes a current forecast position statement on the level of reserves along with the outturn and financing position for the 2020/21 capital programme. The capital programme for the period 2021/22 to 2024/25 has been updated to take account of the outturn position and is included within this report and appendices.
- 1.5 All budgets have been monitored during the year by Service and Finance Officers with regular reports being presented to Cabinet and Overview and Scrutiny. The period 10 budget monitoring report was presented to Cabinet in February which covered the first 10 months of the year up to the end of January 2021. At the time this report was forecasting a General Fund overspend of £164,729.
- 1.6 The outturn position for the year ending 31 March 2021 is a net £752,223 surplus. This report now presents the final budget monitoring position for the year. The contents of this report will be considered by the Overview and Scrutiny Committee on 15th September 2021.

2. Revenue Account – Outturn 2020/21

- 2.1 The revenue account position for the year shows a total surplus of £752,223 as detailed at Appendix A. This is after allowing for transfers to Earmarked Reserves for current and known commitments. The transfers to and from reserves in the year are made in line with the Council's policy framework for Earmarked Reserves as approved as part of the annual budget setting process. Earmarked Reserves are typically used to set aside funds for known or specific liabilities. Transfers to Earmarked Reserves have been made for the following:
 - a) Where an underspend has occurred within a service, mainly due to the timing of work not being completed as planned (by 31 March 2021), and also where no future budget exists or where there is a one-off commitment that continues into the 2021/22 financial year;
 - b) Where external funding has been received in 2020/21 for which the expenditure has not yet been incurred;
 - c) Where the 2020/21 budget allowed for expenditure to be funded from an Earmarked Reserve, but the spend has not yet been incurred as planned and therefore the funds remain in the Earmarked Reserve until 2020/21.

Estimates Included in the Accounts

- 2.2 Due to having additional time to prepare the 2020/21 financial statements there has been a reduced requirement to include estimates within the figures. However, the provisional outturn position still includes some significant figures which are subject to external audit, these are in relation to Benefit Subsidy and Business Rates Retention.

- 2.3 **Benefit Subsidy** - The benefit subsidy return was completed and submitted by 6 May 2021 and will be subject to external audit review later in the year. Depending on the outcome from the external audit review there could be an impact on the overall financial position, for example should subsidy be due to the Department for Work and Pensions. It is for this reason that the Council holds a Benefits Earmarked Reserve to mitigate any such impact.
- 2.4 **Business Rates** - Under the current system an element of the business rates is retained locally (split between the County (10%) and Districts (40%)) with the balance (50%) being returned to Central Government. The budget for the year was informed by the baseline funding and the NNDR1 position. The outturn position is based on the National Non Domestic Rates (NNDR3) Return which is submitted annually, in a normal year the deadline for this return is April but due to the impact of COVID-19 has been slipped this year to 30 June 2021 and the return was successfully completed by the revised deadline.
- 2.5 In the same way that council tax operates a 'Collection Fund' which distributes the precepts/shares of council tax collected to the respective authorities, the business rates collection fund distributes the respective shares of business rates based on the NNDR return. Should the actual income collected from business rates exceed or not meet the anticipated amounts there would be a surplus or deficit on the fund. As with the benefits subsidy above, the Council operates a Business Rates Earmarked Reserve to help mitigate against any potentially negative impacts of these arrangements.
- 2.6 Table 1 shows the main variances across the standard expenditure headings which comprise the Net Cost of Services. Details of the variances at the service level are provided at section 3.

Table 1 - 2020/21 Subjective Analysis	2020/21 Updated Budget	2020/21 Outturn	Variance	
	£	£	£	%
Employee Costs	12,699,549	13,186,639	487,090	3.84
Premises	3,061,447	3,350,311	288,864	9.44
Transport Related Expenditure	304,624	211,333	(93,291)	(30.62)
Supplies & Services	75,312,853	107,924,312	32,611,459	43.30
Transfer Payments	22,208,430	22,259,214	50,784	0.23
Support Services - Charges In	10,527,560	11,348,229	820,669	7.80
Support Services - Charges Out	(10,777,864)	(11,496,848)	(718,984)	6.67
Capital Financing Costs	2,661,871	5,338,599	2,676,728	100.56
Income	(98,258,299)	(128,973,399)	(30,715,100)	31.26
Total cost of services	17,740,171	23,148,390	5,408,219	30.49

- 2.7 The reasons for some of the movements included in the summary above are as follows, further details are included at section 3:
- a) **Employee Costs** – Employee costs were increased due to extra staffing requirements caused by the COVID 19 pandemic, in both the response and recovery phases. There were also variances relating to adjustments in current service cost on the Local Government Pension Scheme. This

adjustment reflects the difference between the cash contributions the Council has made in to the Pension Fund during the year and the value of pensions accumulated in the year calculated by the actuary. These additional costs are reversed out under net operating expenditure and have no bottom line impact on the revenue outturn position although the increase is reflected in long term liabilities on the Balance Sheet.

- b) **Premises** – There have been increased premises costs relating to additional cleaning and fogging required in some of the Council's buildings and other assets due to the COVID 19 pandemic.
- c) **Supplies and Services** – The majority of this variance relates to £30,705,102 payments made to local businesses under the discretionary business grant schemes. This was fully funded by MHCLG.
- d) **Transfer Payments** - This relates to additional payments made due to Council Tax Hardship and 'Test and Trace' payments made to individuals who were self-isolating.
- e) **Capital Financing Costs** – This is due to an increased Depreciation and REFCUS (revenue expenditure funded by capital under statute) charges for the year across a number of the Council's services.
- f) **Income** – There were significant income variances for the year, including:
 - Car Parking – there was a reduction in car parking income of £701,794. This was due to the effects of the national lockdowns and restrictions on travel.
 - COVID 19 related grants - £114m was received from various sources during the year, relating to the response to the COVID 19 pandemic, some of which are shown here. These included grants to be disbursed to businesses, grants relating to homelessness and rough sleeping, and unringfenced general grants. None of these had been budgeted for. At the end of the year, there was £15.8m unspent, which has been carried forward into 2021/22. More detail can be found at Appendix G.
 - Commercial Waste – there was a reduction in income of £191,995 due to businesses suspending or cancelling collections due to the lockdowns and further economic impacts of the COVID 19 pandemic. This was partially offset by a corresponding reduction in the costs of collecting the waste, with the net loss of income being £67,013.
 - There was a reduction in Planning fee income of approximately £110k across Planning and Building Control. These have been included in the Councils Sales, Fees and Charges Compensation Scheme return to MHCLG.

3. Revenue Account – Detailed Commentary 2020/21

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

charges; however, to assist reporting and explaining 'real cash' variances, Table 2 provides a summary of the position excluding notional charges.

Table 2 - 2020/21 Revenue Account (Excluding Notional Charges)	Updated Budget	Outturn	Variance
	£	£	£
Service Area:			
Corporate and CLT	277,015	156,932	(120,083)
Community, Economic Development & Leisure	2,759,636	3,819,257	1,059,621
Customer Services and ICT	790,586	549,322	(241,264)
Environmental Health	3,814,606	3,285,547	(529,059)
Finance and Assets	3,793,479	5,616,510	1,823,031
Legal and Democratic Services	1,637,068	1,556,522	(80,546)
Planning	2,266,200	2,391,279	125,079
Net Cost of Services	15,338,590	17,375,369	2,036,779
Parish Precepts	2,520,143	2,520,143	0
Net Interest Receivable/ Payable	(952,877)	(1,227,050)	(274,173)
Capital Financing	3,399,967	1,866,706	(1,533,261)
Contribution to /(from) Earmarked Reserves	(2,413,720)	10,081,525	12,495,245
Contribution to /(from) General Reserve	(95,864)	(77,392)	18,472
Net Service Expenditure/Income to be met from government Grant & Taxpayers	17,796,239	30,539,301	12,743,062
Government Grants and Council Tax	(17,796,239)	(30,539,301)	(12,743,062)
Net (Surplus)/Deficit for the year	0	0	0

- 3.2 **Service Variances** – The following provides commentary of the more significant variances (over/under £50,000), excluding those relating to Capital Charges, across the seven service groupings, more detailed variance explanations are provided within the detailed appendices. These figures represent service variances before any additional contributions to/ (from) reserves and revenue contributions to capital.

Service and Details

Corporate And CLT

Corporate Leadership Team – There was a variance of (£115,840) due to lower salary costs and on-cost incurred following the officer restructure. This resulted in lower internal recharges to other services.

Community, Economic Development and Leisure

Car Parking – There were adverse variances of £60,722 relating to NNDR due to the increase in the multiplier and a loss of transitional relief. There was reduced income of £701,794 due to the national lockdowns and restrictions on travel, meaning fewer visits were able to be made to NNDC carparks over the year. This was somewhat mitigated by increased visitors over the summer months following an increase in popularity of 'staycations'.

Service and Details

Leisure – There was an adverse variance of £610,819 relating to the leisure management fee. This was due to extra payments to the contractor for support as a result of the COVID 19 pandemic and the restrictions on the opening of leisure facilities. This was partially offset by £202,342 received as a grant from the National Leisure Recovery Fund.

Foreshore (Community) – There is a variance of £52,960 on the Lifeguard contract, which was not able to be delivered during the national lockdown periods.

Tourism – The delivery of the Tourism Sector Support Package (TSSP) caused a variance of £177,728 against the gross cost of the Tourism service. This was partially offset by £150,000 in grant funding.

Health & Communities – There were unclaimed Sustainable Communities grants totalling £110,154. This funding has been moved to earmarked reserve to fund these grants in future years.

Customer Services and ICT

IT Support Services – There are adverse variances in this service relating to additional computer purchases (£54,945) and maintenance costs (£52,245) as a result of the COVID 19 pandemic which necessitated home working for the majority of staff. There is an adverse variance of £93,650 against software licensing which is the result of the withdrawal of the Microsoft Government Framework which we previously used to realise cost reductions on the Microsoft software used by the Council.

Homelessness – There were adverse variances of £463,576 relating to Bed & Breakfast charges and £65,864 relating to COVID related placements. Some of this was recoverable through the subsidy.

Democratic and Legal Services

Benefits Administration – Additional staffing costs of £66,225 were incurred due to the increase in workload as a result of the COVID 19 pandemic.

Environmental Health

Environmental Protection – There were a number of favourable variances across Environmental Health related to staffing, as staff undertaking COVID specific activities we funded through the Community Outbreak Management Fund (COMF) grant. These staff are now shown within the Environmental Protections service, resulting in an adverse variance of £225,626 in this service.

Waste Collection and Disposal - there was a reduction in income of £191,995 due to businesses suspending or cancelling commercial waste collections due to the lockdowns and further economic impacts of the COVID 19 pandemic. This was partially offset by a corresponding reduction in the costs of collecting the waste, with the net loss of income being £67,013.

Finance and Assets

Revenue Services – There is a variance of £30,705,102 relating to payments made to businesses under the discretionary business grants schemes that were funded by MHCLG.

Service and Details

Administration Buildings – Additional repairs and maintenance costs of £85,127 were incurred above the budgeted level.

Property Services - There were large adverse variances on repairs and maintenance (£64,164) and equipment, consumables and cleansing (£110,035), the majority of which relates to extra work done due to the COVID 19 pandemic.

Public Conveniences – There was an adverse variance on repairs and maintenance relating to Legionella corrective works.

Planning

Development Management – There was a reduction in planning fee income of £79,643 which was eligible to be included within the Sales, Fees and Charges Compensation Scheme return. There was also a variance of £56,108 due to adjustments relating to current service Pension costs.

Major Developments – There was an adverse variance within the service of £77,314 relating to increased professional fees in relation to legal support for planning appeals.

Non Service Expenditure and Income

- 3.3 The non-service expenditure and income predominantly relates to investment income. The original income budget for 2020/21 anticipated £1.218m would be earned in interest and dividends, at an average rate of 3.26%. A total of £1.128m was earned from investments over the year from at an average rate of interest of 2.20%. This resulted in an adverse variance against the budget of £90k in respect of investment income. There are other minor variances in relation to things such as grassed area deposits and car loans.
- 3.4 Investment balances were at times higher than anticipated in the budget although the overall rate of interest earned was slightly lower than budget. Uncertainty around timings of payments resulted in some of this cash being kept in shorter term investments, affecting the overall rate of return but positively impacting on the level of income received. The Council's strategy of keeping liquid cash low, while instead borrowing short term rolling loans was carried out successfully during the year.
- 3.5 The Council has taken a strategic decision to continue to invest in pooled funds using balances which are not anticipated to be required in the medium to long-term (three to five years). These pooled funds are anticipated to provide a higher income return than alternative financial instruments and achieved an average interest rate of 3.46% in the year. Due to the COVID pandemic, market uncertainty has been high, and the capital values of these pooled funds have fluctuated as the value of underlying assets (such as equity and corporate bonds) have changed. At the end of the year, there is a large unrealised capital gain on these funds, which overall offsets the large losses experienced in March 2020, although at an individual fund level some are above March 2020 levels and some are still below. The Council does not intend to sell these investments, and will instead borrow short term cash should it be required, rather than redeem investments at this time.
- 3.6 Borrowing Interest shows a favourable variance of £355k against the original budget of £358k. During the year, less borrowing was required than anticipated. This is due to the Council making use of cash inflows relating to COVID grants

to avoid making the planned borrowing. Timing differences between the Council receiving money and being required to make repayments to MHCLG meant that borrowing was only required towards the end of the financial year.

- 3.7 The Treasury Management Annual Report is included as a separate item on this Agenda and provides more details on the performance of the Treasury Management activity for the year.

Retained Business Rate Income

- 3.8 The Council was part of the Norfolk Business Rates Pool for the 2020/21 financial year.
- 3.9 To support businesses during the COVID 19 pandemic with the effects of the national lockdown, the Government granted 100% retail relief for the retail, hospitality and leisure sectors, and also 100% relief for nurseries. The value of this relief totalled £16m for the North Norfolk District. Although full compensation was provided to the Authority by the Government through section 31 grants, the announcement was made after the NNDR1 form had been completed and the NDR budget for the year had been set. This meant that there has been a deficit created on the Collection Fund for the year as the amount of NDR income receivable is lower than budgeted for. This deficit is shared between North Norfolk District Council, Norfolk County Council and Central Government in the shares outlined above in 2.4. Due to cash flow problems being experienced by Local Authorities, the Government paid over the entirety of the section 31 grant, whereas normally an Authority would only receive its proportionate share. The local share due to North Norfolk District Council is 40% of the grant received, and the remaining 60% has been accrued at year end in anticipation of returning it to Central Government.
- 3.10 There are large variances on Retained Business Rates due to the timing difference between Section 31 grant being received and accounted for, and the accounting for the Council's share of the deficit on the Collection Fund (which is one financial year later). This money has been transferred to the Business Rates Reserve to offset the anticipated deficit which will affect the Council in the 2021-22 financial year.

4. Reserves

- 4.1 The Council holds a General Reserve for which the recommended balance for 2020/21 is £2.1 million. The purpose of holding a General Reserve is to provide a working balance to help cushion the impact of uneven cash flows and to provide a contingency to help cushion the impact of unexpected events or emergencies.
- 4.2 In addition to the General Reserve the Council holds a number of Earmarked Reserves that are held to meet known or predicted liabilities. The Earmarked Reserves also provides a means at the year-end for carrying funds forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists.
- 4.3 There are a number of Earmarked Reserves that have balances, yet the timing of the use of the reserve is yet to be agreed. For example, the Business Rates reserve which is held to negate any negative impacts on the General fund resulting from business rates appeals awarded.

- 4.4 Section 3 of the report has highlighted a number of service areas where an underspend has occurred in the year and a transfer to reserves had been made to ensure funds are available to meet future spending commitments. Unlike capital budgets, underspends on revenue budgets in the year are not automatically rolled forward at the year-end where there is an annual budget provision. Where the underspend represents a grant received which has not yet been fully utilised or there has been a delay in the planned use, the unspent grant has been rolled forward.
- 4.5 Central Government granted the Council money to help with the increased costs of responding to the pandemic and for other COVID 19 related purposes. Some of these grants are to be spent in the 2021-22 financial year, so have been moved to Earmarked Reserves until the corresponding expenditure occurs. The Earmarked Reserve balance is also inflated by the section 31 grant mentioned in section 3.9 and 3.10, which will be transferred back into the surplus or deficit on provision of services in the 2021-22 financial year to offset the Collection Fund deficit that has arisen as a result of COVID 19. The value of grant to be transferred back is assumed to be £6.1m, which will leave a balance on the Business Rates Reserve of £3.9m.
- 4.6 The accounting requirements for the COVID 19 related grants differ dependent on whether the Council is acting as either a principal or an agent or whether they are non-ringfenced grants. In general terms if the Council has discretion on grant scheme criteria they are acting as a principal and the transactions will be included in the Comprehensive Income and Expenditure Statement (CIES) in the Council's Statement of Accounts, where there is no discretion the Council acts as an intermediary agent and transactions will not be shown in the CIES.
- 4.7 A summary of the COVID 19 related grants received in the year, along with expenditure incurred against these is shown in Appendix G.
- 4.8 The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. This appendix outlines the purpose of each reserve and shows the planned use over the current four-year budget period. The updated budget projections were forecasting a movement of £2,509,584 out of earmarked reserves. At outturn the final transfer made was £10,004,133 inwards, resulting in a variance of (£12,513,717), the most significant of which were as follows;
- Business Rates Reserve – (£8,173,212) – This relates to the transfer of Section 31 grant as described in section 4.5.
 - Grants Reserve - (£1,445,667) – This largely relates to COVID grants which had unspent balances at 31st March 2021 where expenditure is planned during 2021/22.
 - Housing Reserve - (£563,450) – There was a lower than budgeted transfer out of this reserve relating to Community Housing Fund monies funding the Capital Programme as expenditure was lower than anticipated. This was coupled with higher movements into the Reserve of unspent balances on grants.
- 4.9 The General Reserve balance at 31 March 2021 stands at is £2.327 million, which is above the minimum recommended balance.
- 5. Capital Programme 2020/21**

- 5.1 This section of the report presents the financing of the capital programme for 2020/21, together with the updated programme for the financial years 2021/22 to 2024/25. Appendix D provides the detail of the outturn on the 2020/21 capital programme for all service areas, together with the financing for all schemes. The updated capital programme for 2021/22 to 2024/25 is attached at Appendix E.
- 5.2 The outturn position for the 2020/21 capital programme at Appendix D, highlights where schemes have reprofiled between years. The reasons for reprofiling include where schemes have not progressed as originally planned, and the funding is requested to be carried forward to the new financial year, or where schemes have progressed ahead of schedule and there is a requirement to bring back funding from the 2021/22 budgets.
- 5.3 In total the expenditure on the capital programme for the year was £14,741,518 compared to an updated budget of £16,569,383 which resulted in an underspend of £1,827,866. The variance was mainly due to timing differences with projects not progressing as originally budgeted. Significant variances are detailed in the tables below.
- 5.4 There has been a requirement to reprofile from the 2021/22 budgets where schemes have either progressed slightly earlier than anticipated or where the level of expenditure has been higher than that profiled to be incurred during the financial year (see Table 3 for significant variances). The updated programme for 2021/21 onward (Appendix E) reflects these adjustments.

Table 3 - Capital Schemes where Reprofiling is required from 2021/22 Budget over £100,000

Capital Scheme	Re-profiled Amount £
Splash Leisure Centre Reprovision	477,701
Waste Vehicles	419,953

- 5.5 Schemes completed in 2020/21 – In total there were fifteen schemes within the capital programme which were identified as being completed during the financial year. Table 4 provides a summary of the schemes along with any final project variance, and commentary on financing implications where necessary.

Table 4 - Capital Schemes Completed within the 2020/21 Financial Year

Capital Scheme	Variance £ (Under) / Over	Financing Commentary
Local Property Investment Fund	(265,836)	The units at Hornbeam Road were complete in 2020-21, but further commercial spend cannot incur in 2021-22 as this will result in restrictions on PWLB borrowing. The underspent held within reserves, will be transferred to the

		Major Repair Reserve as approved by Cabinet.
Purchase of New Car Park Vehicles	0	This scheme is complete, on budget.
Bacton Car Park	426	This scheme is complete with a small overspend
Purchase of Property Services Vehicle	17,744	Additional vehicle purchased, funded by a revenue contribution.
Laundry Loke – Victory Housing	0	The agreed contribution has now been paid in full.
Fakenham Extra Care	1,024	This project is now complete, with an overspend met by capital receipts.
Gypsy and Traveller Short Stay Stopping Facilities	(8,534)	The grant for this scheme has now been fully applied. Future costs have been accounted for within the revenue budget.
Cromer Pier Structural Works – Phase 2	(7,817)	This project is now complete and came in under budget.
Bacton and Walcott Coastal Management Scheme	234,405	The sandscaping programme is now complete, with final accounts reconciled. Financing was met mainly by grants and contributions, with the residual £183K met by capital receipts.
Holt Country Park Play Area	398	This scheme is complete, with a small overspend
Environmental Health IT System Procurement	(472)	The project is now complete, with a small underspend.
Back Scanning of Files	2,588	Project now complete, with the overspend met by capital receipts.
Housing Options System	(19,350)	This project is now complete and came in under budget.
Revenue & Benefits IT System Licences	0	The project was completed on budget.
Concerto Asset Management System	0	The system was implemented on budget.

- 5.6 Schemes which did not complete in 2020/21 and underspent their allocation for the year had their budget reprofiled into 2021/22. There were five schemes with slippage in excess of £100,000.

Table 5 - Budget Slippage from 20-21 to the 21-22 Capital Programme over £100K

Capital Scheme	Re-profiled Amount £
Public Conveniences	387,873
Compulsory Purchase of Long Term Empty Properties	184,823
Shannoeks Hotel	396,174
Community Housing Fund	407,993
Provision of Temporary Accommodation	135,273
Coastal Adaptions	247,493

6 Capital Programme – 2021/22 Update

6.1 Appendix E shows the updated capital programme for the period 2021/22 to 2024/25. The capital programme has been updated to reflect the slippage identified within this report, together with the capital outturn position. It also includes schemes which have already received formal approval by Cabinet, the 2021/22 budget report and P10 monitoring report which went to Full Council in March. For reference, new capital schemes starting in 2021/22 are listed in Table 6.

Table 6 – New Capital Schemes Commencing 2021/22

Capital Scheme	Approved Budget 2021/22 £	Financing Commentary
Car Park Ticket Machine Replacement Programme	85,500	Financed by Capital Receipts.
Weybourne Car Park Public Convenience	16,000	Works to be met by Capital Receipts.
Fakenham Urban Extension	1,800,000	Agreed to be met by the Delivery Plan Reserve £0.8m, Business Rate Pool £0.5m and Norfolk Strategic Fund £0.4m.
Community Renewal – Fakenham	800,000	Funded by the Community Renewal Fund £0.6m and Delivery Plan Reserve £0.2m.
Community Renewal – North Walsham	800,000	Funded by the Community Renewal Fund £0.6m and Delivery Plan Reserve £0.2m.

S106 Enabling	500,000	Financed by S106 Commuted Sums.
Provision of Temporary Accommodation – Purchase of additional TA properties.	546,270	Financed by underspends; £0.5m DFG Grant and the remainder from a prior project.
Sheringham Enabling Land	110,000	Met by Capital Receipts.
Refurbishment of Chalets in Cromer and Sheringham	60,000	Financed by Capital Receipts.

- 6.2 Budgets have been removed for capital programmes relating to assets that have been agreed to be sold in 2021/22. This is reflected in Appendix E, and listed in Table 7 below.

Table 7 – Budget removed for cancelled Capital Projects 2021/22

Capital Scheme	Removed Budget 2021/22 £
Fair Meadow Improvements	33,350
Fair Meadow Annexe	55,000
Parkland Improvements	86,676

- 6.3 Appendix E has been updated to include additional budget requested to complete current approved schemes in 2021/22. Table 8 details the budget required with funding implications for approval.

Table 8 – Additional budget request for approved schemes 2021/22

Capital Scheme	Additional Budget Requested 2021/22 £	Financing Commentary
Deep History Coast	5,000	Additional budget required to complete the project for landscaping works.

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

7. Update on Central Government Reviews and Budget Setting for 2022/23

- 7.1 The Council is undertaking a Zero Based Budgeting exercise as part of its budget setting for the 2022/23 financial year. Service managers have been asked to complete returns for each operational unit of the Council which contain a Gold and Silver budget option, along with Capital Bids, Fees and Charges and Support Service Charges where relevant. Once this initial process is complete an update will be provided to Members.
- 7.2 It now looks likely that the Fair Funding Review and Review of the Business Rates Retention Scheme will not be complete for a start on 1st April 2022. This has not been officially confirmed by MHCLG, but the timelines for required consultation are now so tight that officers believe it is no longer feasible to be completed in this financial year. This means that many of the funding pressures that had been forecast for 2022/23 could happen in 2023/24 instead.
- 7.3 Work on the Spending Review, which sets Departmental Expenditure Limits (DELs) for each Government department also appears to be delayed. This will make forecasting the overall amount of money that MHCLG are likely to have to distribute, difficult.

8 Financial Implications and Risks

- 8.1 The more significant risks in relation to the outturn position for 2020/21 and the ongoing financial position are summarised below.
- 8.2 **Under and Overspends** - This outturn report has identified a number of underspends at the service level; some have occurred due to factors outside of the Council's control which has meant that expenditure has not been incurred as planned. Where applicable service underspends have been carried forward within Earmarked Reserves to fund one-off costs or where projects have been delayed until the 2021/22 financial year. Similarly, there have been some areas of overspending.
- 8.3 **Housing Benefit Subsidy** – as mentioned earlier in the report the outturn position includes the unaudited benefits subsidy position. Expenditure of £21.093 million has been incurred in the year to be recovered from subsidy payable by the Department for Work and Pensions (DWP). The final position will not be confirmed until the claim has been audited by the Council's external auditors and signed off by the DWP later in the year. Much of the risk around changes to the claim and subsidy recoverable is reduced by the Benefits Earmarked Reserve which is maintained to help mitigate the impact of any claw back from the DWP following the final audited subsidy claim. The nationwide economic impact of COVID-19 has caused a spike in claimant numbers.
- 8.4 **Temporary accommodation** – the Council saw a shortfall in housing benefit subsidy in 2020/21 of £431,441 which all related to unrecoverable Temporary Accommodation costs. The Council is currently acquiring local properties to use directly to help manage the cost of this provision. This cost is however still increasing year on year at an alarming rate and will be closely monitored during the next financial year.
- 8.5 **Business Rates Retention Scheme** – Local Authority funding from business rates is open to risks around funding fluctuations due to increases and decreases in the rateable values (RV) of non-domestic properties and successful appeals against the RV. The NNDR 3 return was submitted slightly later this year at the end of July (rather than April) as a result of COVID-19 and will be subject to external audit review as part of the final accounts audit work.

Any changes to the figures included in the outturn position could have an impact on the General Fund balance. Furthermore, there is a risk of business rates appeals and whilst the NNDR returns do include assumptions around provisions for appeals and backdating, these elements could be subject to fluctuations. The Valuation Office Agency (VOA), who hear the appeals, currently have a backlog and are slow to clear outstanding appeals increasing the risk of the Council needing to pay out large refunds in rates. These risks are again however mitigated by the Business Rates Earmarked Reserve.

- 9 Sustainability** – None as a direct consequence of this report.
- 10 Equality and Diversity** – None as a direct consequence of this report.
- 11 Section 17 Crime and Disorder considerations** – None as a direct consequence of this report.

General Fund Summary 2020-21 Outturn Position

Appendix A

Service Area	2020-21	2020-21	Outturn	Outturn Variance
	Base Budget	Updated Budget		
	£	£	£	£
Corporate Leadership Team/Corporate	314,973	277,015	276,852	(163)
Community & Economic Development	4,456,448	4,728,178	7,409,769	2,681,591
Customer Services & ICT	769,811	912,091	843,824	(68,267)
Environmental Health	3,902,129	3,898,574	3,629,989	(268,585)
Finance and Assets	3,883,103	3,985,045	6,684,263	2,699,218
Legal and Democratic Services	1,606,069	1,637,068	1,700,018	62,950
Planning	2,379,017	2,302,200	2,603,674	301,474
Net Cost of Services	17,311,550	17,740,171	23,148,390	5,408,219
Parish Precepts	2,520,143	2,520,143	2,520,143	0
Capital Charges	(1,819,204)	(1,819,204)	(3,212,018)	(1,392,814)
Refcus	(842,667)	(842,667)	(2,126,581)	(1,283,914)
Interest Receivable	(1,310,977)	(1,310,977)	(1,230,305)	80,672
External Interest Paid	358,100	358,100	3,255	(354,845)
Revenue Financing for Capital:	4,892,728	3,399,967	1,866,706	(1,533,261)
Capital Grants and Contributions	0	0	(20,754,319)	(20,754,319)
IAS 19 Pension Adjustment	260,290	260,290	(434,424)	(694,714)
Net Operating Expenditure	21,369,963	20,305,823	(219,154)	(20,524,977)
Contribution to/(from) the Earmarked Reserves				
Capital Projects Reserve	(636,302)	(1,198,857)	(397,701)	801,156
Asset Management	(27,000)	(211,668)	(467,438)	(255,770)
Benefits	(253,801)	(284,800)	(167,211)	117,589
Building Control	(44,441)	(44,441)	(35,952)	8,489
Business Rates	(27,068)	(157,058)	8,016,154	8,173,212
Coast Protection	(37,958)	(37,958)	23,042	61,000
Communities	(242,000)	(325,000)	(204,646)	120,354
Delivery Plan	2,379,266	2,345,289	2,914,166	568,877
Economic Development & Tourism	(10,000)	(10,000)	(10,000)	0
Elections	40,000	40,000	50,000	10,000
Enforcement Board	0	0	(10,989)	(10,989)
Environmental Health	0	(150,000)	(108,500)	41,500
Environment	0	150,000	150,000	0
Grants	(57,086)	(73,605)	1,372,062	1,445,667
Housing	(488,585)	(575,641)	(12,191)	563,450
Land Charges	0	0	35,071	35,071
Legal	(25,426)	(25,446)	(36,986)	(11,540)
New Homes Bonus Reserve	(225,460)	(25,773)	(12,343)	13,430
Organisational Development	(97,885)	(117,198)	(68,686)	48,512
Pathfinder	(20,500)	(20,500)	(20,500)	0
Planning Revenue	50,000	8,242	8,242	0
Property Investment Fund	(1,000,000)	(999,476)	(733,641)	265,835
Property Company	(2,000,000)	0	0	0
Restructuring/Invest to save	(732,950)	(699,830)	(199,687)	500,143
Sports Halls	0	0	(740)	(740)
Contribution to/(from) the General Reserve	(116,528)	(95,864)	(77,392)	18,472
Amount to be met from Government Grant and Local Taxpayers	17,796,239	17,796,239	9,784,980	(8,011,259)
Collection Fund – Parishes	(2,520,143)	(2,520,143)	(2,520,143)	0
Collection Fund – District	(6,305,671)	(6,305,671)	(6,335,648)	(29,977)
Retained Business Rates	(7,504,661)	(7,504,661)	(17,430,269)	(9,925,608)
Revenue Support Grant	(89,799)	(89,799)	(89,799)	0
New Homes bonus	(892,194)	(892,194)	(892,194)	0
Rural Services Delivery Grant	(483,771)	(483,771)	(483,771)	0
Covid Grants not allocated to Net Cost of Services	0	0	(2,053,560)	(2,053,560)
Sales ,Fees and Charges Support	0	0	(637,576)	(637,576)
Tax Income compensation scheme	0	0	(57,044)	(57,044)
Non ring-fenced grants	0	0	(39,295)	(39,295)
Capital Grants and Contributions	0	0	20,754,319	20,754,319
Income from Government Grant and Taxpayers	(17,796,239)	(17,796,239)	(9,784,980)	8,011,259
(Surplus)/Deficit	0	0	(0)	(0)

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Service Area Summaries Outturn 2020-21

Community, Econ Dev & Coast

	Full Year Budget £	Outturn £	Variance £	Variance Explanation
Car Parking				
R200				
Gross Direct Costs	824,726	867,305	42,579	See Note A Below:
Capital Charges	62	362,557	362,495	£32,885 - Depreciation. £329,609 - Investment property revaluation gain/loss.
Gross Direct Income	(2,634,946)	(1,949,956)	684,990	£701,794 - Reduced car park income (£7,775) - Contribution re Millers Walk, new Car Park set up costs. £3,533 - Rents - Other. (£10,000) - Millers Walk Car Park, Fakenham annual management fee.
Support Service Charges	151,089	180,973	29,884	See Note B Below:
R200	(1,659,069)	(539,120)	1,119,949	

Note A: £13,550 - Higher rent of land. £60,722 - Nndr / Business Rates (increase in multiplier and loss of transitional relief). £15,997 - Credit Card Charges. (£37,275) - Management fee (£21,521) - Cleansing contract. (£4,618) - Other professional fees. (£3,985) - Advertising. £3,054 - Repair and maintenance. £4,581 - Grounds maintenance. The balance consists of minor variances.

Note B: £15,192 - Higher recharge from Postal and Scanning Service, reflecting staff time. £15,749 - Higher recharge from Property Services because of higher costs within the service. (£11,608) - Lower insurance recharge reflecting claims history. £5,345 - Higher recharge from Leisure Services, reflecting higher service costs £2,646 - Higher recharge from Legal Services, reflecting higher staff time.

Markets				
R200A				
Gross Direct Costs	56,318	56,378	60	No Major Variances.
IAS 19 Superannuation Adj	0	1,009	1,009	Pension fund adjustment (current service costs).
Gross Direct Income	(63,654)	(30,511)	33,143	£33,142 - Lower income from market pitch fees.
Support Service Charges	22,990	27,103	4,113	No Major Variances.
R200A	15,654	53,978	38,324	
Parks & Open Spaces				
R300				
Gross Direct Costs	292,174	309,879	17,705	£16,124 - Higher grounds maintenance costs. (£19,371) - Lower costs relating the cleansing contract. £5,346 - Higher water charges. (£2,759) - Lower electricity costs. £19,038 - Higher general maintenance, including water feature compliance works at Cromer and Sheringham and bench replacement.
Capital Charges	11,434	5,806	(5,628)	Lower depreciation costs.
Gross Direct Income	(14,590)	(9,912)	4,678	£3,690 - Lower income from rent of land.
Support Service Charges	115,030	124,874	9,844	£14,655 - Higher recharge from Property Services as a result of higher costs within the service. (£6,633) - Lower recharges from Insurances to reflect a reduction in claims.
R300	404,048	430,647	26,599	
Foreshore				
R301				
Gross Direct Costs	150,727	144,164	(6,563)	See Note A Below:
IAS 19 Superannuation Adj	0	2,161	2,161	Pension fund adjustment (current service costs).
Capital Charges	109,610	4,104	(105,506)	Depreciation.
Gross Direct Income	(217,362)	(214,023)	3,339	£4,808 - Chalet and Hut rentals.
Support Service Charges	188,230	218,664	30,434	See Note B Below:
R301	231,205	155,070	(76,135)	

Note A: £4,243 - Salaries and oncosts higher than expected. (£21,366) - Repair and maintenance not undertaken. £4,444 - Winter storage costs. £3,734 - Higher electricity charges. £3,433 - Other professional fees.

Note B: £16,999 - Higher recharge from Property Services because of higher costs within the service. £3,967 - Higher recharge from Insurances as a result of claims history. £5,466 - Higher recharge from Leisure Services as a result of higher costs within the service. The balance consists of minor variances.

R304 Leisure Complexes					
R304	Gross Direct Costs	296,515	895,726	599,211	£610,819 - Management fee - Covid support re furlough and key workers. £10,719 - Repair and maintenance costs. (£35,800) - Hall hire costs lower. £2,648 - Equipment Purchases - Cabbell Park Football Goals. £5,622 - Professional fees relating to Covid support.
	Capital Charges	538,140	1,600,466	1,062,326	(£679,516) - Depreciation. £1,741,842 - Investment Property revaluations gain/loss.
	Gross Direct Income	0	(204,342)	(204,342)	Grant from the National Leisure Recovery Fund.
	Support Service Charges	101,830	106,626	4,796	£4,734 - Higher recharge from Leisure Services as a result of higher costs within the service.
R304		936,485	2,398,476	1,461,991	
R305 Other Sports					
R305	Gross Direct Costs	91,645	99,707	8,062	£4,676 - Costs relating to the Mammoth Marathon, offset by income. £5,284 - Pensions deficit funding. (£3,619) - Other professional fees. Due to Covid no activities took place.
	IAS 19 Superannuation Adj	0	3,298	3,298	Pension fund adjustment (current service costs).
	Gross Direct Income	(10,000)	(5,262)	4,738	(£4,676) - Mammoth Marathon fee income. £9,414 - No income from courses as a result of Covid.
	Support Service Charges	65,740	62,617	(3,123)	Lower recharges from Leisure as a result of less staff time being spent on the service.
R305		147,385	160,360	12,975	
R306 Recreation Grounds					
R306	Gross Direct Costs	13,800	12,392	(1,408)	No Major Variances.
	Capital Charges	79	5,632	5,553	Depreciation.
	Gross Direct Income	(1,000)	(895)	105	No Major Variances.
	Support Service Charges	5,780	2,165	(3,615)	(£3,631) - Reduced recharge from Property Services to reflect lower staff time spent.
R306		18,659	19,294	635	
R309 Pier Pavilion					
R309	Gross Direct Costs	2,780	30,179	27,399	£17,425 - Bad debt provision. £2,539 - External fittings. £2,377 - Full service of pumps. £5,076 - Electricity costs relating to storage facility.
	Capital Charges	0	17,020	17,020	Depreciation.
	Gross Direct Income	(20,000)	(19,361)	639	No Major Variances.
	Support Service Charges	35,160	42,975	7,815	£7,839 - Higher recharge from Property Services as a result of higher costs within the service.
R309		17,940	70,813	52,873	
R310 Foreshore (Community)					
R310	Gross Direct Costs	416,415	293,212	(123,203)	(£2,430) - Repair and maintenance. £8,377 - Removal of stranded dead sperm whales. £5,200 - Contract extension. (£74,027) - Bills of quantity. (£52,960) - Lifeguard contract. £10,408 - Expenditure incurred in relation to the Blue Flag Award. (£4,362) - Emergency phone expenditure. (£12,170) - Memorial seats.
	Support Service Charges	69,240	79,683	10,443	£4,154 - Higher recharge from Property Services. £5,810 - Higher recharge from Leisure Services. Both as a result of higher spend in the service.
R310		485,655	372,895	(112,760)	
R312 Woodlands Management					
R312	Gross Direct Costs	200,610	241,971	41,361	£2,558 - Higher salaries and oncosts as a result of higher than anticipated pay award. £26,738 - Higher maintenance costs, mainly tree safety work. £5,839 - Other Professional Fees (including Skyguard contract). The balance consists of minor variances.
	IAS 19 Superannuation Adj	0	7,418	7,418	Pension fund adjustment (current service costs).
	Capital Charges	1,346	(9,776)	(11,122)	Depreciation.
	Gross Direct Income	(25,550)	(46,644)	(21,094)	(£19,144) - Higher income from car parking charges. (£4,095) - Higher rental income.
	Support Service Charges	156,280	163,562	7,282	£7,250 - Higher recharge from Leisure Services as a result of higher costs within the service.
R312		332,686	356,531	23,845	

Cromer Pier					
R314	Gross Direct Costs	95,649	98,483	2,834	No Major Variances.
	Capital Charges	5,277	20,737	15,460	Depreciation.
	Gross Direct Income	(28,274)	(28,160)	114	No Major Variances.
	Support Service Charges	79,550	123,445	43,895	£21,506 - Higher recharge from Property Services as a result of higher costs within the service. £21,277 - Higher recharges from Insurances as a result of claims history.
R314		152,202	214,506	62,304	
Economic Growth					
R330	Gross Direct Costs	82,030	67,161	(14,869)	Base budget underspend due to prioritisation of Covid support to businesses.
	Capital Charges	50,211	2,038	(48,173)	Depreciation.
	Gross Direct Income	0	(1,659)	(1,659)	No Major Variances.
	Support Service Charges	349,280	381,447	32,167	High recharge from Business Growth Staffing.
R330		481,521	448,987	(32,534)	
Tourism					
R333	Gross Direct Costs	43,588	221,316	177,728	Grants & Contributions paid as part of the Tourism Sector Support Package (TSSP).
	Gross Direct Income	0	(150,000)	(150,000)	Tourism Sector Support Grant (TSSP).
	Support Service Charges	19,200	20,644	1,444	No Major Variances.
R333		62,788	91,960	29,172	
Market Town Initiatives					
R336	Gross Direct Costs	0	(9,550)	(9,550)	Grant repaid
R336		0	(9,550)	(9,550)	
Coast Management					
R340	Gross Direct Costs	321,730	286,823	(34,907)	Underspend on Sea Defence work - this is subject to a roll forward request to fund maintenance works for sea protection at Overstrand.
	Capital Charges	509,716	1,015,242	505,526	(£5,756) Depreciation. £511,282 - Refcus.
	Gross Direct Income	0	(30,000)	(30,000)	Contribution towards Coastal Loss Innovative Funding and Finance project (CLIFF).
	Support Service Charges	390,900	407,704	16,804	Higher recharges of £8,979 from Property Services and £13,392 from Coastal Management as a result of higher costs within the services. (£7,491) Lower recharge from Legal Services.
R340		1,222,346	1,679,769	457,423	
Business Growth Staffing					
R391	Gross Direct Costs	269,551	268,270	(1,281)	No Major Variances.
	IAS 19 Superannuation Adj	0	17,702	17,702	Pension fund adjustment (current service costs).
	Support Service Charges	(269,551)	(285,972)	(16,421)	Higher service costs recharged out.
R391		0	0	(0)	
Economic & Comm Dev Mgt					
R391B	Gross Direct Costs	84,401	89,768	5,367	Staffing costs.
	IAS 19 Superannuation Adj	0	5,184	5,184	Pension fund adjustment (current service costs).
	Support Service Charges	(84,401)	(94,952)	(10,551)	Higher internal recharging out reflecting higher service costs.
R391B		0	0	0	
Leisure					
R397	Gross Direct Costs	205,421	213,877	8,456	£7,481 - Salaries and oncosts higher than anticipated.
	IAS 19 Superannuation Adj	0	9,022	9,022	Pension fund adjustment (current service costs).
	Gross Direct Income	(700)	0	700	No Major Variances.
	Support Service Charges	(204,721)	(222,899)	(18,178)	See Note A Below:
R397		0	0	0	

Note A: (£36,126) - Lower recharge from Customer Services reflecting lower staff time. £2,215 - Higher recharge from Computer Network and PCs. £2,398 - Higher recharge from Community and Economic Development Management. £7,456 - Higher recharge from Legal Services reflecting more staff time. £31,842 - Higher recharges from Digital Transformation, reflecting more staff time. (£28,510) - Increased internal recharges out as a result of higher staff costs.

Housing Strategy				
R399	Gross Direct Costs	408,015	396,417	(11,598) Saving in fixed term contracts.
	IAS 19 Superannuation Adj	0	21,458	21,458 Pension fund adjustment (current service costs).
	Capital Charges	742,667	470,724	(271,943) (£7,350) - Revaluation gains and losses. (£264,593) - Refcus.
	Gross Direct Income	0	(34,421)	(34,421) Surplus Home Improvement Agency (HIA) admin fee income to be transferred to the Housing Reserve.
	Support Service Charges	102,296	109,382	7,086 Lower recharges of (£21,205) from Housing Strategy and (£8,280) from Property Services. £32,544 Higher recharge from Legal Services.
R399		1,252,978	963,561	(289,417)
Health & Communities				
R415	Gross Direct Costs	792,859	597,458	(195,401) See Note A Below:
	IAS 19 Superannuation Adj	0	13,555	13,555 Pension fund adjustment (current service costs).
	Gross Direct Income	(199,104)	(188,610)	10,494 £42,677 - No grant received relating to Citizens Advice Bureaux. (£28,433) - Grant from Norfolk County Council for social prescribing. (£5,200) - Grant repaid.
	Support Service Charges	31,940	119,190	87,250 See Note B Below:
R415		625,695	541,593	(84,102)
Note A: (£6,612) - Arts grants. £2,185 - Salaries and oncosts higher than expected. £3,925 - Pension deficit funding. (£34,127) - Expenditure not incurred in relation to social prescribing. A request will be made to roll this forward to support temporary recruitment. (£43,064) - Lower grant to the Citizens Advice Bureaux as a result of no receipt of grant from Norfolk County Council. (£110,154) - Sustainable Communities grants not claimed. (£5,000) - Transport grants not claimed The last two will be transferred to an earmarked reserve				
Note B: £2,217 - Higher recharge from Postal and Scanning Services. £15,072 - Higher recharge from Customer Services. £8,711 - Higher recharge from Personnel Services. £18,676 - Higher recharge from Computer Network and PCs. £11,981 - Higher recharge from Computer (Applications Team). £3,512 - Higher recharge from Communications Team. £6,528 - Higher recharge from Computer (Web Team). £5,308 - Higher recharge from Admin Buildings. £5,290 - Higher recharge from Central Costs. £4,023 - Higher recharge from Digital Transformation. The balance consists of minor variances				
Coastal Management				
R472	Gross Direct Costs	287,290	340,404	53,114 Staffing - partially funded by contributions.
	IAS 19 Superannuation Adj	0	15,155	15,155 Pension fund adjustment (current service costs).
	Gross Direct Income	0	(60,662)	(60,662) Contributions for staffing from Coastal Partnership East and Great Yarmouth BC.
	Support Service Charges	(287,290)	(294,897)	(7,607) Higher internal recharging out reflecting higher service costs.
R472		0	0	(0)
Total Community, Econ Dev & Coast		4,728,178	7,409,769	2,681,591

Service Area Summaries Outturn 2020-21

CLT / Corporate

	Full Year Budget £	Outturn £	Variance £	Variance Explanation
Human Resources & Payroll				
Gross Direct Costs	377,192	399,768	22,576	See Note A Below:
IAS 19 Superannuation Adj	0	18,734	18,734	Pension fund adjustment (current service costs).
Gross Direct Income	(1,000)	(3,934)	(2,934)	Cycle scheme
Support Service Charges	(376,192)	(414,568)	(38,376)	See Note B Below:
	0	0	0	
Note A: £16,638 - Salaries and oncosts higher than expected. £2,722 - Pensions Deficit Funding. £4,381 - Cycle scheme purchases. £32,698 - Occupational Health and general employment advice. (£30,696) - General training. Savings resulting from delays in the corporate training programme due to Covid. This will be ring-fenced in 2021/22 to provide leadership development to the six newly appointed Assistant Directors and the Corporate Leadership team.				
Note B: £6,531 - Higher recharge from Computer Network and PCs. £2,715 - Higher recharge from Computer (Applications Team). £5,532 - Higher recharge from Insurances reflecting claims history. £3,076 - Higher recharge from Legal Services reflecting more staff time. (£54,672) - Higher internal recharges out reflecting higher service costs.				
Registration Services				
Gross Direct Costs	246,243	209,166	(37,077)	(£10,642) Staffing costs - change in team structure; (£43,091) Savings on printing, staffing and postage in connection with IER, offset by additional costs for equipment and PPE for the elections. £13,744 VAT due on prior elections.
IAS 19 Superannuation Adj	0	7,736	7,736	Pension fund adjustment (current service costs).
Gross Direct Income	(54,120)	(42,636)	11,484	£7,180 - no income recharged for holding local elections; £2,574 - less grant income received for IER.
Support Service Charges	122,850	102,586	(20,264)	Lower recharges of (£13,148) to Customer Services reflecting reduced time spent and (£3,650) to CLT. Higher recharges of £3,526 to Postal & Scanning Services. The balance consists of various minor variances.
	314,973	276,852	(38,121)	
Corporate Leadership Team				
Gross Direct Costs	480,324	337,764	(142,560)	(£115,840) - Salaries and oncosts lower following officer restructure. (£11,659) - Pension deficit funding. (£5,787) - Other professional fees. £4,212 - Marketing. (£7,768) - Mileage and subsistence. (£3,081) - Conference expenses
IAS 19 Superannuation Adj	0	19,285	19,285	Pension fund adjustment (current service costs).
Support Service Charges	(480,324)	(357,049)	123,275	£20,213 - Higher recharge from legal Services as a result of more staff time. £104,264 - Reduced internal recharges out as a result of lower service costs
	0	0	0	
Communications				
Gross Direct Costs	257,210	210,267	(46,943)	(£19,176) - Lower salaries and oncosts as a result of staff vacancies. (£17,002) - Lower marketing spend. (£5,700) - Lower digital promotion spend. (£6,030) - Lower pensions funding as a result of staff vacancies.
IAS 19 Superannuation Adj	0	11,714	11,714	Pension fund adjustment (current service costs).
Capital Charges	0	62,451	62,451	Intangible Amortisation
Gross Direct Income	0	(1,830)	(1,830)	No Major Variances.
Support Service Charges	(295,168)	(282,602)	12,566	See Note A below:
	(37,958)	0	37,958	
Note A: (£4,511) - Lower recharges from Computer Services, reflecting reduced time spent. (£3,547) - Lower recharge from Admin Buildings. (£2,023) - Reduced recharges from Central Costs. (£2,219) - Reduced recharges from Digital Transformation. £26,720 - Reduced internal recharges out as a result of lower service costs				
Total CLT / Corporate	277,015	276,852	(163)	

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Service Area Summaries Outturn 2020-21

Customer Services

	Full Year Budget	Outturn	Variance	Variance Explanation
	£	£	£	
It - Support Services				
Gross Direct Costs	1,422,079	1,617,159	195,080	See Note A Below:
IAS 19 Superannuation Adj	0	48,635	48,635	Pension fund adjustment (current service costs).
Capital Charges	79,420	114,179	34,759	£64,475 - Depreciation, (£34,716) - Intangible Amortisation.
Gross Direct Income	(410)	(3,000)	(2,590)	Grants - Other (Contribution to a certificate in Cyber security funded by MHCLG).
Support Service Charges	(1,424,504)	(1,776,973)	(352,469)	See Note B Below:
	76,585	0	(76,585)	

Note A: (£2,347) - Salaries and oncosts lower than anticipated. £12,565 - Overtime. £93,650 - Computer Software Licences. This is caused by the removal of the Microsoft Government Framework which delivered significant cost reductions on our Microsoft software. £52,245 - Computer Maintenance. (£37,225) - Computer Lines and Modems. £54,945 - Computer Purchases - Hardware (mainly as a result of Covid). £3,868 - Migration of Skype to Teams. £10,383 - Pensions Deficit Funding. £19,634 - Other professional fees. (£12,502) - Computer Consumables.

Note B: £3,305 - Higher recharge from Postal and Scanning Services. £22,053 - Higher recharge from Customer Services. £4,907 - Higher recharge from Personnel Services. (£4,366) - Lower recharge from Admin Buildings. (£53,404) - Lower recharge from Digital Transformation, reflecting less staff time. (£327,778) - Higher internal recharges as a result of higher service costs.

Tourist Information Centres

Gross Direct Costs	105,898	105,486	(412)	£4,303 - Higher salaries and oncosts. (£7,157) - Fewer purchases for resale. Centres closed as a result of Covid. (£3,154) - Lower telephone costs. £6,061 - Repair and maintenance.
IAS 19 Superannuation Adj	0	3,618	3,618	Pension fund adjustment (current service costs).
Capital Charges	5,729	6,040	311	No Major Variances.
Gross Direct Income	(27,000)	(11,282)	15,718	£15,737 - No sale of goods as a result of closure due to Covid.
Support Service Charges	77,020	94,416	17,396	£14,269 - Higher recharge from Digital Transformation as a result of more staff time. The balance consists of minor variances.
	161,647	198,278	36,631	

Homelessness

Gross Direct Costs	308,520	916,656	608,136	See Note A below:
Capital Charges	4,856	24,482	19,626	Depreciation and Intangible Amortisation.
Gross Direct Income	(598,103)	(1,240,115)	(642,012)	See Note B below:
Support Service Charges	632,340	752,653	120,313	Higher recharges of £88,572 from Customer Services Housing, £12,791 from Creditors and £13,172 from Legal.
	347,613	453,675	106,062	

Note A: £463,576 B&B charges, £11,835 Higher R&M costs and lower rental costs. £65,864 Other professional fees which include Covid placements and Spot purchases. £25,231 Computer and Licence purchases. £10,000 Contribution to the Norfolk Strategic Housing Authority. £30,429 Bad debt provision and write offs.

Note B: (£585,881) Homelessness and temporary accommodation subsidy and recoverable charges. (£40,000) Local Outbreak Control Plan (LOCP) grants.

Customer Services Housing

Gross Direct Costs	464,199	481,778	17,579	Staffing costs including Pension Deficit Funding.
IAS 19 Superannuation Adj	0	26,080	26,080	Pension fund adjustment (current service costs).
Support Service Charges	(410,872)	(507,858)	(96,986)	Higher recharges reflecting higher service costs.
	53,327	0	(53,327)	

Digital Transformation

Gross Direct Costs	290,519	309,720	19,201	£4,639 - Overtime. £13,695 - Higher than anticipated Salaries and oncosts. £2,602 - Pensions Deficit Funding
IAS 19 Superannuation Adj	0	18,512	18,512	Pension fund adjustment (current service costs).
Capital Charges	31,500	0	(31,500)	Intangible Amortisation.
Support Service Charges	(70,114)	(136,361)	(66,247)	See Note A Below:
	251,905	191,871	(60,034)	

Note A: (£60,926) - Lower recharge from Computer Network and PCs. £9,874 - Higher recharge from Computer (Applications Team). £19,248 - Higher recharge from Computer (Web Team). (£3,367) - Lower recharge from Admin Buildings. (£45,370) - Lower recharge to IT Business Support from Digital Transformation. (£4,911) - Salaries charged to capital spend. £19,894 - Reduced recharges out as a result of lower costs within the service.

Reprographics

Gross Direct Costs	83,047	76,595	(6,452)	(£4,778) - Lower operating lease rental costs. (£4,140) - Lower paper costs. Both of these are as a result of lower use of the service due to Covid.
IAS 19 Superannuation Adj	0	2,595	2,595	Pension fund adjustment (current service costs).
Gross Direct Income	(7,500)	(1,973)	5,527	£5,527 - Lower income. Demand from external customers lower as a result of Covid.
Support Service Charges	(75,547)	(77,217)	(1,670)	£20,206 - Higher recharge from Digital Transformation reflecting more staff time. (£22,745) - Higher internal recharges as a result of higher service costs.
	0	0	0	

Customer Services - Corporate

Gross Direct Costs	718,067	765,825	47,758	See Note A Below:
IAS 19 Superannuation Adj	0	34,327	34,327	Pension fund adjustment (current service costs).
Capital Charges	0	16,034	16,034	Intangible Amortisation
Gross Direct Income	(22,070)	(25,989)	(3,919)	(£7,700) - Higher income from service charges. £3,031 - Lower income as a result of less post going out.
Support Service Charges	(674,983)	(790,197)	(115,214)	See Note B Below:
	21,014	0	(21,014)	

Note A: £23,046 - Higher salaries and oncosts as a result of no staff turnover and pay award higher than estimated (2.75% compared to 2%). £4,459 - Pensions deficit funding. £12,017 - Overtime, of which £7,795 relates to Covid. £3,490 - Higher than expected postage costs. £9,777 - Personal Protective Equipment purchased as a result of Covid. (£5,778) - Lower spend on other professional fees. £2,814 - Bad debt provision.

Note B: £11,474 - Higher recharge from Computer Network and PCs, reflecting higher costs within the service (£3,249) - Lower recharge from Communications as a result of less staff time being spent on Customer Services £7,319 - Higher recharge from Computer (Web Team), reflecting higher costs within the services. (£9,782) - Lower recharge from Admin Buildings, reflecting lower costs within the service. £24,717 - Higher recharge from Digital Transformation as a result of more staff time spent. (£152,094) - Higher recharges out to internal customers as a result of higher service costs. The balance consists of minor variances.

Service Area Summaries Outturn 2020-21

Environmental Health

	Full Year Budget £	Outturn £	Variance £	Variance Explanation
Commercial Services				
Gross Direct Costs	310,188	97,518	(212,670)	Staffing costs associated with Covid work offset by Surge grant funding and Contain Outbreak Management Funding (COMF) funding.
IAS 19 Superannuation Adj	0	7,229	7,229	Pension fund adjustment (current service costs).
Gross Direct Income	(11,250)	(2,495)	8,756	Due to Covid, no food hygiene courses held and no food hygiene re-rating visits undertaken.
Support Service Charges	91,780	74,374	(17,406)	Misc. minor variances and higher internal recharges at year end.
	390,718	176,626	(214,092)	
Internal Drainage Board Levies				
Gross Direct Costs	412,188	407,405	(4,783)	Lower inflation than budgeted.
Support Service Charges	190	220	30	No Major Variances.
	412,378	407,625	(4,753)	
Travellers				
Gross Direct Costs	50,320	30,364	(19,956)	Lease payments funded from capital grant/ Refcus.
Gross Direct Income	(4,000)	(1,610)	2,390	No Major Variances.
Support Service Charges	870	956	86	No Major Variances.
	47,190	29,710	(17,480)	
Public Protection				
Gross Direct Costs	198,935	132,145	(66,790)	Staffing costs associated with Covid work offset by Surge grant funding and COMF funding.
IAS 19 Superannuation Adj	0	7,651	7,651	Pension fund adjustment (current service costs).
Gross Direct Income	(197,000)	(150,531)	46,469	Reduced level of all licencing income due to Covid.
Support Service Charges	100,110	104,050	3,940	See Note A below:
	102,045	93,315	(8,730)	

Note A: Lower recharges of (£6,223) from Postal & Scanning and (£12,889) from Customer Services. Higher recharges of £10,543 from Computer teams and £7,866 from Legal services.

Street Signage

Gross Direct Costs	12,000	2,746	(9,254)	Fewer street signs ordered and installed.
Capital Charges	4,235	4,235	(0)	No Major Variances.
Support Service Charges	18,920	19,565	645	No Major Variances.
	35,155	26,546	(8,609)	

Environmental Protection

Gross Direct Costs	687,269	862,397	175,128	See Note A below:
IAS 19 Superannuation Adj	0	30,921	30,921	Pension fund adjustment (current service costs).
Capital Charges	8,397	22,944	14,547	Depreciation.
Gross Direct Income	(58,375)	(448,477)	(390,102)	See Note B below:
Support Service Charges	195,040	185,484	(9,556)	Misc. minor variances.

Note A: (£52,090) Staff costs associated with Covid (track and trace and enforcement) which has been funded from grants; £225,626 - Professional fees of which £238k relates to staffing costs coded to the Contain Outbreak Management Fund (COMF) and (£10k) relating to budgets not needed in year for rechargeable works. £8,618 Bad debt provision, (£4,466) Equipment budgets not fully spent.

Note B: (£396,000) COMF grant funding from Norfolk County Council; £22,136 Reduced fee income for private water sampling and risk assessments; (£10,648) Reimbursement of costs relating to works for Enforcement Board. The balance relates to licencing fees for Houses in Multiple Occupation and sales of merchandising.

832,331	653,269	(179,062)
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Env Health - Service Mgmt			
Gross Direct Costs	140,332	184,777	44,445 Staffing costs: £45,705 relates to the management restructure and a temporary fixed term contract (offset from a vacant post within the department). This is offset by savings of (£5,318) in training and subscriptions
IAS 19 Superannuation Adj	0	9,026	9,026 Pension fund adjustment (current service costs).
Support Service Charges	(140,332)	(193,803)	(53,471) Higher internal recharges out, reflecting higher service costs.
	0	0	0
Combined Enforcement Team			
Gross Direct Costs	159,503	121,662	(37,841) Vacant post used to fund a temporary fixed term contract post in Environmental Health.
IAS 19 Superannuation Adj	0	6,756	6,756 Pension fund adjustment (current service costs).
Support Service Charges	(159,503)	(128,418)	31,085 Reduced internal recharges out as a result of lower service costs.
	0	0	0
Environmental Contracts			
Gross Direct Costs	282,296	275,906	(6,390) Staff saving from a vacant post.
IAS 19 Superannuation Adj	0	16,005	16,005 Pension fund adjustment (current service costs).
Capital Charges	4,521	4,521	0
Support Service Charges	(286,817)	(296,432)	(9,615) Higher internal recharges out, reflecting higher service costs.
	0	0	0
Waste Collection And Disposal			
Gross Direct Costs	4,138,993	4,022,976	(116,017) See Note A below:
Capital Charges	48,815	228,484	179,669 £91,259 Depreciation. £137,225 - Refcus
Gross Direct Income	(3,447,361)	(3,469,340)	(21,979) See Note B below:
Support Service Charges	450,780	467,219	16,439 See Note C below:
	1,191,227	1,249,339	58,112

Note A: (£124,982) Lower commercial waste disposal costs reflecting loss in fee income. (£20,255) Lower processing costs for recyclable waste. £34,725 Higher waste collection costs partially due to an extension to the Kier contract. (£25,633) Lower contributions to the Norfolk Waste Partnership. £17,634 Bad debt provision.

Note B: (£78,325) Increased fee income from garden bins and bulky collections. £191,995 Loss of income from commercial waste customers due to suspended and cancelled contracts during the pandemic. (£104,948) Higher recycling credit income. (£35,518) Smoothing mechanism payment from Norfolk Environmental Waste Services (NEWS).

Note C: £29,937 Higher recharges from Environmental Health and Environmental Contracts reflecting more staff time. (£15,846) Lower recharge from Customer services. The balance is made up of minor misc. variances.

Cleansing			
Gross Direct Costs	690,300	786,136	95,836 Additional cleansing contract costs partially attributable to Covid. However, the overall Cleansing contract cost shows a saving of £18,546 for the authority.
Capital Charges	18,000	0	(18,000) Depreciation.
Gross Direct Income	(57,170)	(61,206)	(4,036) Recharges for dog and litter bin emptying.
Support Service Charges	58,580	62,965	4,385 Higher recharge from Environmental Health.
	709,710	787,894	78,184

Environmental Strategy

Gross Direct Costs	25,000	31,064	6,064	(£25,000) Saving as Green Build event postponed. In-year costs relate to staffing for the new Environmental Sustainability posts - funded from Reserves.
IAS 19 Superannuation Adj	0	1,610	1,610	Pension fund adjustment (current service costs).
Gross Direct Income	(15,000)	0	15,000	Green Build event postponed - no income from sponsorships or exhibitors.
Support Service Charges	19,840	19,152	(688)	No Major Variances.

Community Safety

Gross Direct Costs	30,647	16,928	(13,719)	Vacant post - staff on secondment.
IAS 19 Superannuation Adj	0	859	859	Pension fund adjustment (current service costs).
Support Service Charges	250	19,996	19,746	Higher recharge of £10,740 from the Computer teams - the balance consists of misc. minor variances.
	30,897	37,783	6,886	

Civil Contingencies

Gross Direct Costs	87,743	79,035	(8,708)	No Major Variances.
IAS 19 Superannuation Adj	0	4,202	4,202	Pension fund adjustment (current service costs).
Support Service Charges	29,340	32,818	3,478	No Major Variances.
	117,083	116,055	(1,028)	

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Service Area Summaries Outturn 2020-21

Legal & Democratic Svs

	Full Year Budget	Outturn	Variance	Variance Explanation
	£	£	£	
Benefits Administration				
Gross Direct Costs	932,477	1,033,936	101,459	See Note A below:
IAS 19 Superannuation Adj	0	49,128	49,128	Pension fund adjustment (current service costs).
Capital Charges	0	51,143	51,143	Intangible amortisation.
Gross Direct Income	(349,121)	(510,724)	(161,603)	Additional grant income, some of which has been used to offset staffing growth, The balance forms part of a roll forward request.
Support Service Charges	488,240	524,537	36,297	See Note B below:
	1,071,596	1,148,019	76,423	

Note A: £66,225 Additional staffing costs. £6,395 Pension deficit funding. £20,406 Purchase of computers and licensing software. £8,122 Additional postage, hybrid mailing and billing costs. Additional Staffing and IT costs have been funded from Covid grants.

Note B: Higher recharges of £28,856 from the Computer teams, £36,925 from Digital Transformation and £7,070 from Customer Services & Personnel. Lower recharges of (£19,362) from Legal Services, (£7,536) from Admin Buildings, (£6,223) Postal & Scanning services.

Members Services

Gross Direct Costs	507,462	478,100	(29,362)	See Note A Below:
IAS 19 Superannuation Adj	0	9,367	9,367	Pension fund adjustment (current service costs).
Gross Direct Income	(400)	0	400	No Major Variances.
Support Service Charges	58,410	64,532	6,122	£2,726 - Higher computer service recharge as a result of higher costs within the service. The balance consists of minor variances.
	565,472	551,999	(13,473)	

Note A: £3,734 - Higher salary and oncosts as a result of no staff turnover. (£6,510) - Lower Member training costs. (£15,451) - Lower mileage claims. (£9,446) - Lower Chairman's Civic Expenditure. £6,064 - Higher Members allowances. (£3,000) - No refreshment costs as no office meetings took place due to Covid. The balance consists of minor variances.

Legal Services

Gross Direct Costs	646,462	682,414	35,952	(£2,504) - Lower client disbursements. £18,348 - Higher salaries and oncosts. £22,136 - Higher locum costs. (£2,640) - Car lease payments. (£2,121) - Lower postage costs. The net additional expenditure will be funded from the legal reserve.
IAS 19 Superannuation Adj	0	33,858	33,858	Pension fund adjustment (current service costs).
Gross Direct Income	(329,946)	(335,580)	(5,634)	(£5,870) - Higher recoverable charges.
Support Service Charges	(316,516)	(380,692)	(64,176)	£6,985 - Higher computer service recharge as a result of higher costs within the service. The balance consists of minor variances. (£71,714) - Higher recharges out as a result of higher service costs
	0	0	0	

Total Legal & Democratic Svs	1,637,068	1,700,018	62,950
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Service Area Summaries Outturn 2020-21

Finance & Assets

	Full Year Budget £	Outturn £	Variance £	Variance Explanation
Industrial Estates				
Gross Direct Costs	15,517	8,641	(6,876)	No Major Variances.
Capital Charges	46,240	15,913	(30,327)	Depreciation.
Gross Direct Income	(134,600)	(132,667)	1,933	No Major Variances.
Support Service Charges	46,230	75,435	29,205	Increased recharges of £22,739 from Property Services reflecting more officer time and £5,758 from Legal Services.
	(26,613)	(32,678)	(6,065)	
Surveyors Allotments				
Gross Direct Costs	3,000	25	(2,975)	Repair & maintenance budgets not spent.
Gross Direct Income	(50)	(50)	0	No Major Variances.
Support Service Charges	12,070	16,017	3,947	Increased recharges from Property Services reflecting more staff time.
	15,020	15,992	972	
Handy Man				
Gross Direct Costs	3,251	0	(3,251)	Pension fund adjustment (current service costs).
Gross Direct Income	(54,730)	0	54,730	No recharges in year. All budgets transferred to Property Services.
Support Service Charges	60,970	0	(60,970)	Lower recharges reflecting change in use of service.
	9,491	0	(9,491)	
Parklands				
Gross Direct Costs	34,767	39,063	4,296	Higher electricity costs.
Capital Charges	432	0	(432)	Depreciation.
Gross Direct Income	(64,055)	(77,400)	(13,345)	Commission earned on sale of a plot.
Support Service Charges	32,560	44,332	11,772	Increased recharges from Property Services reflecting more staff time.
	3,704	5,995	2,291	
Revenue Services				
Gross Direct Costs	66,192,154	96,976,180	30,784,026	£11,901 staff costs, £9,818 relating to overtime funded from Covid grant. £41,988 External support Civica on demand funded from the Covid grant. £30,705,102 Business support grant payments fully funded by Central Government.
IAS 19 Superannuation Adj	0	34,463	34,463	Pension fund adjustment (current service costs).
Gross Direct Income	(65,944,911)	(96,756,307)	(30,811,396)	£91,722 reduction in income from costs awarded. (£6,219) Cost of collection allowance. (£180,097) Balance of Hardship fund grant. (£30,678,802) Central Government Grants for Business support.
Support Service Charges	383,980	608,501	224,521	Higher recharges of £185,180 from Customer Services, £19,909 from Postal & Scanning and £27,577 from IT teams.
	631,223	862,837	231,614	
Benefits Subsidy				
Gross Direct Costs	21,979,945	21,030,855	(949,090)	£48,500 Covid Test and Trace payments, (£110,415) movement in the provision for bad and doubtful debts. (£887,047) Benefit payments to claimants.
Gross Direct Income	(21,726,144)	(20,603,603)	1,122,541	See Note A below:
	253,801	427,252	173,451	
Note A: (£62,050) Post Audit adjustments to prior year claims less than anticipated. £1,318,488 Reduced subsidy, partially due to lower level of subsidy payments but also due to irrecoverable subsidy on Temporary accommodation (TA) charges and overpayments. Some of the TA costs were in relation to Covid and this impact has been mitigated through the allocation of grant. (£48,500) Test and Trace Grants. £135,909 Movement in Overpayment debtor for debts held on the Civica system. (£221,306) Overpayment cash received in year.				
Discretionary Payments				
Support Service Charges	3,820	0	(3,820)	Lower recharge from Creditors.
	3,820	0	(3,820)	
Non Distributed Costs				
Gross Direct Costs	260,290	265,207	4,917	(£4,408) - Lower Added Years costs. £9,331 - Actuarial Strain costs
IAS19 Added Years	(260,290)	(265,207)	(4,917)	£4,408 - Lower Added Years costs. (£9,331) - Actuarial Strain costs.
	0	0	0	

Administration Buildings Svs				
Gross Direct Costs	575,759	690,542	114,783	£85,127 R&M costs of which £28,201 was Covid related. £5,504 Additional management fee for Poppyfields canteen. £21,325 Bad debt provision.
Capital Charges	75,862	31,896	(43,966)	Depreciation.
Gross Direct Income	(344,158)	(398,607)	(54,449)	(£46,905) Insurance claim for storm damage at Cromer office. (£30,771) Recharges for additional cleansing costs at Cromer & Fakenham offices. £34,007 Lower rents and service charges (fewer tenants). (£10,568) Capital contributions.
Support Service Charges	(281,517)	(153,587)	127,930	Higher recharges of £33,685 from Property Services. Lower recharges of (£5,590) from Admin Buildings. Reduced internal recharges out as a result of lower service costs within Admin Buildings.
	25,946	170,244	144,298	
Property Services				
Gross Direct Costs	697,321	903,075	205,754	See Note A below:
IAS 19 Superannuation Adj	0	34,945	34,945	Pension fund adjustment (current service costs).
Capital Charges	3,002	16,787	13,785	Depreciation.
Gross Direct Income	(10,000)	(84,061)	(74,061)	See Note B below:
Support Service Charges	(615,796)	(870,746)	(254,950)	Higher internal recharges out reflecting higher costs within the service.
	74,527	0	(74,527)	
Note A: (£10,320) Staffing costs reflecting vacant posts for part of the year. £64,164 R&M costs, the majority of which is Covid related. £110,035 Covid related expenditure on equipment, consumables and cleansing. £15,728 Additional van stock for the Multi Skilled Operatives. £8,267 Works for the Enforcement Board. £12,530 Other professional fees (valuations, architect fees, consultation fees and insurance appraisals).				
Note B: (£59,126) Grant income - the majority of which relates to the Re-opening of the High Street Safely Fund (RHSSF). (£13,755) Sale of a property and rechargeable works.				
Head Of Finance & Assets				
Gross Direct Costs	109,836	113,541	3,705	Incremental increase to salary.
IAS 19 Superannuation Adj	0	6,626	6,626	Pension fund adjustment (current service costs).
Support Service Charges	(109,836)	(120,167)	(10,331)	Higher internal recharges out reflecting higher costs within the service.
	0	0	0	
Corporate Finance				
Gross Direct Costs	446,119	420,645	(25,474)	Staff savings - vacant post.
IAS 19 Superannuation Adj	0	20,949	20,949	Pension fund adjustment (current service costs).
Capital Charges	0	16,146	16,146	Intangible Amortisation.
Support Service Charges	(446,119)	(457,740)	(11,621)	Higher internal recharges out reflecting higher costs within the service.
	0	0	0	
Insurance & Risk Management				
Gross Direct Costs	199,704	205,684	5,980	Other professional fees.
Gross Direct Income	(650)	(219)	431	No Major Variances.
Support Service Charges	(199,054)	(205,465)	(6,411)	Higher recharges out reflecting higher costs within the service.
	0	0	0	
Internal Audit				
Gross Direct Costs	75,000	74,705	(295)	No Major Variances.
Support Service Charges	(75,000)	(74,705)	295	No Major Variances.
	0	0	0	
Playgrounds				
Gross Direct Costs	57,110	68,690	11,580	Higher R&M costs together with additional costs for playground equipment.
Support Service Charges	37,740	51,526	13,786	Increased recharges from Property Services reflecting more staff time.
	94,850	120,216	25,366	
Community Centres				
Gross Direct Costs	9,893	8,090	(1,803)	No Major Variances.
Capital Charges	0	(665)	(665)	No Major Variances.
Support Service Charges	8,650	14,043	5,393	Increased recharges from Property Services reflecting more staff time.
	18,543	21,468	2,925	

Public Conveniences

Gross Direct Costs	586,309	608,500	22,191	£58,659 R&M - Legionella corrective works. (£45,526) Ndr - Business Rates - Refund due on transitional relief. £8,875 Additional cleaning contractor costs.
Capital Charges	179,646	69,793	(109,853)	Depreciation.
Gross Direct Income	0	(1,105)	(1,105)	No Major Variances.
Support Service Charges	87,477	99,824	12,347	Increased recharges from Property Services reflecting more staff time.
	853,432	777,012	(76,420)	

Investment Properties

Gross Direct Costs	146,039	185,507	39,468	See Note A below:
IAS 19 Superannuation Adj	0	5	5	Pension fund adjustment (current service costs).
Capital Charges	46,674	73,240	26,566	(£8,470) Property revaluations; £35,036 Depreciation.
Gross Direct Income	(210,105)	(223,363)	(13,258)	Rechargeable works.
Support Service Charges	154,140	313,487	159,347	Increased recharges from Property Services reflecting more staff time.
	136,748	348,877	212,129	

Note A: £18,580 Repair and maintenance costs. £3,736 Grounds maintenance costs. £2,437 Higher running costs. £7,496 Professional fees (surveys, valuation and appraisals). £6,390 Bad Debt provision.

Central Costs

Gross Direct Costs	91,205	86,167	(5,038)	£3,108 - Apprenticeship Levy higher than expected. (£12,329) - No events took place as a result of Covid. £2,900 - Data protection registration.
IAS 19 Superannuation Adj	0	2,726	2,726	Pension fund adjustment (current service costs).
Support Service Charges	(87,650)	(88,893)	(1,243)	See Note A below:
	3,555	0	(3,555)	

Note A: (£2,798) - Lower recharge from Corporate Enforcement Team. (£15,292) - Lower recharge from Customer Services. £4,646 - Higher recharge from Fakenham Connect. (£3,174) - Reduced recharge from Corporate Leadership Team. £15,203 - Reduced recharges out as a result of lower costs within the service.

Corporate & Democratic Core

Gross Direct Costs	611,448	1,802,582	1,191,134	See Note A Below:
IAS 19 Superannuation Adj	0	10,137	10,137	Pension fund adjustment (current service costs).
Capital Charges	100,000	1,000,000	900,000	Revenue funding for Capital
Gross Direct Income	0	(61,244)	(61,244)	(£52,641) - Surge enforcement funding. (£8,103) - Other grants
Support Service Charges	1,175,550	1,215,572	40,022	See Note B Below:
	1,886,998	3,967,047	2,080,049	

Note A: £3,026 - Bank Charges. (£6,425) - Treasury consultancy fees. (£3,565) - Salaries and oncosts lower than expected. £52,641 - Staff employed for surge testing for Covid. This is funded by grant. £6,982 - Enterprise Zone payment. £27,266 - Countywide mailshot re Covid. £10,000 - Foodbank donation. £150,000 - Contribution towards fighting fund. £3,855 - External printing relating to Covid. £7,623 - External Audit fees re prior years grants audit. £222,878 - Business Rates Retention share to Norfolk County Council. £714,292 - Business Rates Retention Levy.

Note B: £13,135 - Increased recharge from Environmental Health. £30,424 - Increased recharge from Personnel Services. (£9,316) - Reduced recharge from Admin Buildings. £95,970 - Increased recharge from Property Services. £5,788 - Increased recharge from Head of Finance and Assets. £30,987 - Increased recharge from Accountancy. (£51,440) - Reduced recharge from Digital Transformation. (£86,929) - Reduced recharge from Corporate Leadership Team. £11,963 - Increased recharge from Legal Services.

Total Finance & Assets	3,985,045	6,684,263	2,699,218	
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Service Area Summaries Outturn 2020-21

Planning

	Full Year Budget £	Outturn £	Variance £	Variance Explanation
Development Management				
Gross Direct Costs	1,062,973	1,128,286	65,313	£20,980 Higher staffing costs and Pension deficit funding. (£7,737) Transport savings due to new ways of working during the pandemic. £20,641 Agency staffing funded from Covid grant. £27,528 Professional fees relating to planning appeals.
IAS 19 Superannuation Adj	0	56,108	56,108	Pension fund adjustment (current service costs).
Capital Charges	36,000	86,427	50,427	Intangible Amortisation.
Gross Direct Income	(801,700)	(741,279)	60,421	£79,643 Less Planning fee income, this shortfall was included in the Sales fees and charges compensation claim. (£18,795) Pre-application advice.
Support Service Charges	598,290	585,122	(13,168)	See Note A below:
	895,563	1,114,664	219,101	

Note A: Lower recharges of (£25,459) from Corporate Enforcement, (£40,318) from Customer Services and (£6,144) Admin Buildings. Higher recharges of £25,1554 from Postal & Scanning Services and £32,572 from the Computer teams.

Planning Policy

Gross Direct Costs	469,656	416,983	(52,673)	(£36,995) Lower staffing costs due to turnover savings from vacant posts. (£2,921) Travel costs relating to new ways of working during the pandemic.
IAS 19 Superannuation Adj	0	20,857	20,857	Pension fund adjustment (current service costs).
Gross Direct Income	0	(6,271)	(6,271)	Neighbourhood Planning grant, this has been offset by expenditure.
Support Service Charges	93,076	105,530	12,454	Higher recharges of £7,986 from the Computer teams and £9,051 from Legal, offset by minor variances.
	562,732	537,099	(25,633)	

Conservation, Design & Landscap

Gross Direct Costs	171,277	143,934	(27,343)	(£9,073) Professional fees. (£17,500) Contributions.
IAS 19 Superannuation Adj	0	5,558	5,558	Pension fund adjustment (current service costs).
Support Service Charges	76,830	72,207	(4,623)	Lower recharge from Legal Services.
	248,107	221,699	(26,408)	
Major Developments				
Gross Direct Costs	277,293	364,075	86,782	£9,468 Staffing and travel costs. £77,314 Professional fees - mainly in relation to legal support for planning appeals.
IAS 19 Superannuation Adj	0	10,112	10,112	Pension fund adjustment (current service costs).
Gross Direct Income	0	(7,177)	(7,177)	Misc. rechargeable income.
Support Service Charges	78,760	106,906	28,146	Higher recharges of £13,753 from the Computer teams and £7,973 from Legal - the balance relates to minor variances.
	356,053	473,916	117,863	

Building Control

Gross Direct Costs	451,956	435,347	(16,609)	Lower staffing and travel costs.
IAS 19 Superannuation Adj	0	23,071	23,071	Pension fund adjustment (current service costs).
Gross Direct Income	(390,000)	(359,413)	30,587	£30,587 Fee income down against budget - this loss was included as part of a compensation bid for funding to Central Government.
Support Service Charges	124,740	129,374	4,634	Higher recharges of £18,566 from the Computer teams. Lower recharges of (£15,509) from Customer Services.
	186,696	228,379	41,683	

Head Of Planning

Gross Direct Costs	132,755	116,396	(16,359)	Lower supplement payments and training costs.
IAS 19 Superannuation Adj	0	5,388	5,388	Pension fund adjustment (current service costs).
Support Service Charges	(132,755)	(121,784)	10,971	Reduced internal recharges out as a result of lower service costs.

0	0	0
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Property Information

Gross Direct Costs	184,959	207,630	22,671	£4,330 Higher staffing costs. £14,676 Search fees. £4,203 Bad debt provision.
IAS 19 Superannuation Adj	0	4,874	4,874	Pension fund adjustment (current service costs).
Gross Direct Income	(182,190)	(235,493)	(53,303)	Search Fees.
Support Service Charges	50,280	50,905	625	No Major Variances.

53,049	27,917	(25,132)
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Total Planning

2,302,200	2,603,674	301,474
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<u>Scheme</u>	Budget 2020/21	Actual Expenditure 2020/21	Variance	Reprofiling
	£	£	£	£
Boosting Business Sustainability and Growth				
Local Property Investment Fund	999,476	733,641	(265,836)	0
Purchase of New Car Park Vehicles	15,000	15,000	0	0
Deep History Coast	15,000	27,222	12,222	0
Fair Meadow House Improvements	33,350	0	(33,350)	0
Fair Meadow House Annexe	55,000	0	(55,000)	0
Collectors Cabin	24,067	(620)	(24,686)	24,686
Cornish Way	30,000	4,907	(25,093)	25,093
Fakenham Connect	30,000	0	(30,000)	30,000
Bacton Car Park	59,408	59,835	426	0
North Walsham Heritage Action Zone	194,325	183,190	(11,136)	11,136
Public Convenience Improvements	402,423	14,550	(387,873)	387,873
Purchase of Property Services Vehicles	0	17,744	17,744	0
	1,858,050	1,055,469	(802,581)	478,788
Local Homes for Local Need				
Disabled Facilities Grants	992,094	696,841	(295,253)	0
Parkland Improvements	86,876	0	(86,876)	0
Compulsory Purchase of Long Term Empty Properties	184,823	0	(184,823)	184,823
Shannoeks Hotel	424,735	28,561	(396,174)	396,174
Laundry Loke - Victory Housing	100,000	100,000	0	0
Community Housing Fund	569,543	161,550	(407,993)	407,993
Provision of Temporary Accommodation	950,677	815,404	(135,273)	135,273
Fakenham Extra Care	44,476	45,500	1,024	0
	3,353,223	1,847,856	(1,505,367)	1,124,263
Climate, Coast and the Environment				
Gypsy and Traveller Short Stay Stopping Facilities	28,957	20,423	(8,534)	0
Cromer Pier Structural Works - Phase 2	7,817	0	(7,817)	0
Cromer Coast Protection Scheme	30,000	0	(30,000)	30,000
Coastal Erosion Assistance	48,797	0	(48,797)	48,797
Coastal Adaptations	247,493	0	(247,493)	247,493
Mundesley - Refurbishment of Coastal Defences	50,000	0	(50,000)	50,000
Cromer Pier - Steelworks and Improvements to Pavilion Theatre	524,900	473,420	(51,480)	51,480
Sea Palling Ramp	9,651	0	(9,651)	9,651
Bacton and Walcott Coastal Management Scheme	408,744	643,149	234,405	0
Sandscaping Monitoring & Windblown Sand Reimbursement	0	78,855	78,855	0
	1,215,848	1,215,848	(140,511)	437,421

Quality of Life

Holt Country Park Play Area	4,546	4,944	398	0
Fakenham Gym	62,500	0	(62,500)	62,500
Splash Gym Equipment	133,768	133,768	0	0
Splash Leisure Centre Re provision	5,867,287	6,344,988	477,701	(477,701)
	6,068,101	6,483,699	415,599	(415,201)

Customer Focus and Financial Sustainability

Administrative Buildings	198,200	185,641	(12,559)	12,559
Council Chamber and Committee Room Improvements	8,412	598	(7,814)	7,814
Environmental Health IT System Procurement	17,971	17,499	(472)	0
Purchase of Bins	80,000	124,938	44,938	0
User IT Hardware Refresh	58,378	1,615	(56,763)	56,763
Storage Hardware	17,567	0	(17,567)	17,567
Members IT	23,543	0	(23,543)	23,543
Back Scanning of Files	33,210	35,798	2,588	0
Electric Vehicle Charging Points	129,176	39,121	(90,055)	90,055
Waste vehicles	3,111,843	3,531,796	419,953	(419,953)
Housing Options System	19,350	0	(19,350)	0
Backup Network Upgrade	14,000	0	(14,000)	14,000
Fire Wall Replacements	36,000	32,488	(3,512)	3,512
Refurbishment of IT Training Room	15,000	0	(15,000)	15,000
Revenue & Benefits IT System Licences	101,000	101,000	0	0
Citizen App	45,000	43,150	(1,850)	1,850
Concerto Asset Management System	25,000	25,000	0	0
	3,933,650	4,138,645	204,995	(177,291)

TOTAL EXPENDITURE	16,569,383	14,741,518	(1,827,866)	1,447,980
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Capital Programme Financing

Grants	1,864,092	1,697,607
Asset Management Reserve	583,161	464,030
Revenue Contribution to Capital (RCCO)	0	52,084
Capital Project Reserve	801,262	397,701
Other Reserves	2,016,442	952,891
Capital Receipts	3,325,297	2,434,174
Internal / External Borrowing	7,979,130	8,743,031
TOTAL FINANCING	16,569,383	14,741,518

Scheme	Scheme Total Current Estimate	Pre 31/03/21 Actual Expenditure	Updated Budget 2021/22	Updated Budget 2022/23	Updated Budget 2023/24	Updated Budget 2024/25
	£	£	£	£	£	£
Boosting Business Sustainability and Growth						
Rocket House	77,084	37,465	39,619	0	0	0
Deep History Coast	886,998	881,998	5,000	0	0	0
Collectors Cabin	25,000	314	24,686	0	0	0
Cornish Way	170,000	7,333	162,667	0	0	0
Fakenham Connect	100,000	332	99,668	0	0	0
North Walsham Heritage Action Zone	3,120,000	183,364	1,765,886	863,500	307,250	0
Public Convenience Improvements	600,000	212,127	387,873	0	0	0
Unit 1 & 2, Surf Lifesaving School, Cromer Promenade	55,000	0	55,000	0	0	0
Car Park Ticket Machine Replacement Programme	275,000	0	85,500	110,000	79,500	0
Weybourne Car Park Public Convenience	16,000	0	16,000	0	0	0
Fakenham Urban Extension	1,800,000	0	1,800,000	0	0	0
Community Renewal - Fakenham	800,000	0	800,000	0	0	0
Community Renewal - North Walsham	800,000	0	800,000	0	0	0
	8,725,082	1,322,933	6,041,899	973,500	386,750	0
Local Homes for Local Need						
Disabled Facilities Grants	Annual programme	Annual programme	1,000,000	1,000,000	0	0
Compulsory Purchase of Long Term Empty Properties	675,500	490,677	184,823	0	0	0
Shannoeks Hotel	477,887	81,713	396,174	0	0	0
Community Housing Fund	2,098,261	735,934	885,160	477,167	0	0
Provision of Temporary Accommodation	1,670,560	989,017	681,543	0	0	0
S106 Enabling	1,400,000	0	500,000	300,000	300,000	300,000
	6,322,208	2,297,341	3,647,700	1,777,167	300,000	300,000
Climate, Coast and the Environment						
Cromer Coast Protection Scheme	8,822,001	5,305,817	1,773,092	1,743,092	0	0
Coastal Erosion Assistance	90,000	41,203	48,797	0	0	0
Coastal Adaptations	247,493	0	247,493	0	0	0
Mundesley - Refurbishment of Coastal Defences	3,221,000	52,550	1,622,607	1,545,843	0	0
Cromer Pier - Steelworks and Improvements to Pavilion Theatre	1,740,783	1,689,303	51,480	0	0	0
Sea Palling Ramp	10,000	349	9,651	0	0	0
Replacement of Flood Gates at Cable Gap Bacton, The Ship Bacton & Walcott Post Office	45,500	0	45,500	0	0	0
	14,176,777	7,089,222	3,798,620	3,288,935	0	0
Quality of Life						
Steelwork Protection to Victory Pool and Fakenham Gym	27,500	33	27,467	0	0	0
Fakenham Gym	62,500	0	62,500	0	0	0
Splash Gym Equipment	1,013,000	510,466	502,534	0	0	0
North Walsham Artificial Grass Pitch	860,000	11,132	848,868	0	0	0
Splash Leisure Centre Reprovision	12,697,000	9,174,962	3,522,038	0	0	0
Sheringham Enabling Land	110,000	0	110,000	0	0	0
Refurbishment of Chalets in Cromer and Sheringham	101,000	0	60,000	41,000	0	0
	14,871,001	9,696,593	5,133,408	41,000	0	0

Customer Focus and Financial Sustainability

Administrative Buildings	1,713,878	1,701,320	12,559	0	0	0
Council Chamber and Committee Room Improvements	89,000	81,186	7,814	0	0	0
Purchase of Bins	691,834	531,834	80,000	80,000	0	0
User IT Hardware Refresh	275,000	108,237	111,763	55,000	0	0
Storage Hardware	60,000	42,433	17,567	0	0	0
Members IT	65,000	41,457	23,543	0	0	0
Electric Vehicle Charging Points	248,600	158,545	90,055	0	0	0
Waste vehicles	4,500,000	3,531,796	968,204	0	0	0
Backup Network Upgrade	14,000	0	14,000	0	0	0
Cromer Office LED Lighting	60,000	0	60,000	0	0	0
Fire Wall Replacements	36,000	32,488	3,512	0	0	0
Refurbishment of IT Training Room	15,000	0	15,000	0	0	0
Citizen App	45,000	43,150	1,850	0	0	0
	7,813,312	6,272,445	1,405,867	135,000	0	0
TOTAL EXPENDITURE	51,908,380	26,678,534	20,027,494	6,215,602	686,750	300,000
Capital Programme Financing			0	0	0	0
Grants			7,369,496	4,678,935	92,500	0
Other Contributions			1,400,000	300,000	300,000	300,000
Asset Management Reserve			326,373	0	0	0
Capital Project Reserve			906,522	0	0	0
Other Reserves			2,574,883	477,167	0	0
Capital Receipts			2,959,977	759,500	294,250	0
Internal / External Borrowing			4,490,243	0	0	0
TOTAL FINANCING			20,027,494	6,215,602	686,750	300,000

Prudential Indicator Outturn 2020/21

1. Background:

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

2. Capital Expenditure:

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

Capital Expenditure	2020/21 Estimate £000s	2020/21 Outturn £000s
Total	26,320	14,742

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

Capital Financing	2020/21 Estimate £000s	2020/21 Outturn £000s
Capital receipts	3,488	2,434
Government Grants and other contributions	6,368	1,698
Revenue contributions and Reserves	4,568	1,867
Internal/External Borrowing	11,896	8,743
Total Financing	26,320	14,742

3. Capital Financing Requirement:

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

Capital Financing Requirement	2020/21 Estimate £000s	2020/21 Outturn £000s
Total CFR	14,467	8,474

A portion of CFR indicated in the table relates to loans provided under the Local Investment Strategy. Although initially this would have increased the CFR, the capital receipts generated by the annual repayments on the loans will be applied to reduce the CFR across subsequent years. The remainder of the CFR relates to capital projects undertaken during the year that were funded through internal borrowing.

4. Authorised Limit and Operational Boundary for External Debt:

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

	2020/21 Estimate £000s	2020/21 Outturn £000s
Authorised Limit for Borrowing	27,400	27,400
Authorised Limit for Other Long-term Liabilities	0	0

Authorised Limit for External Debt	27,400	27,400
Operational Boundary for Borrowing	22,680	22,680
Operational Boundary for Other Long-term Liabilities	0	0
Operational Boundary for External Debt	22,680	22,680

5. Ratio of Financing Costs to Net Revenue Stream:

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

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

Ratio of Financing Costs to Net Revenue Stream	2020/21 Estimate %	2020/21 Outturn %
Total	(6.16)	(4.47)

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

6. Adoption of the CIPFA Treasury Management Code:

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

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

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Covid Grants and Expenditure 2021/22

Appendix G

Cost Centre Name	Activity	Activity Name	Grant Received 2020/21 £	2020/21 Grant balances carried forward to 2021/22 £	Grants Received in 2021/22 £	Expenditure at at 31/07/21 £	Balance Remaining £
THE SPLASH	500028	National Leisure Recovery Fund	(201,542)	0	(14,894)	0	(14,894)
Central Government Grants	500002	COVID 19 (General Grant)	(1,703,531)	(780,224)	(580,654)	11,316	(1,349,562)
Rent Allowances	500007	Test and Trace (Standard)	(43,500)	(17,500)	(10,000)	17,500	(10,000)
Rent Allowances	500008	Test and Trace (Disc)	(76,500)	(54,000)	0	10,500	(43,500)
Rent Allowances	500025	Test and Trace (Disc) Local Scheme	0	0	(40,000)	500	(39,500)
Central Government Grants	500009	Tourism Sector Support Package	(180,029)	(25,117)	0	3,686	(21,431)
Benefits Administration	500010	Test and Trace Administration	(38,975)	(21,218)	0	7,643	(13,575)
Homelessness	000000	Rough Sleeping Contingency Fund	(7,500)	0	0	0	0
Marketing North Norfolk	500012	Tourism Sector Support Grants	(150,000)	8,920	0	(3,839)	5,081
Business Grants	500013	Local Restrictions Support Grant	(5,267,214)	(352,456)	(290,800)	47,018	(596,238)
Business Grants	500014	Additional Restrictions Support	(3,028,013)	(1,758,013)	(760,114)	1,760,469	(757,658)
Benefits Administration	500018	COVID - CTAX new burdens hards	(10,654)	(10,654)	0	0	(10,654)
Business Rates	500019	COVID - NDR new burdens hardsh	(11,700)	(11,700)	0	0	(11,700)
Business Grants	500020	TIER 2 - Local Restrictions	(2,896,596)	(637,574)	0	534,160	(103,414)
Business Grants	500021	TIER 4 - Local Restrictions	(1,821,623)	(54,437)	0	20,604	(33,833)
Business Grants	500022	National Lockdown LRG	(16,177,872)	(866,736)	0	(7,817,349)	(8,684,085)
	500034	LRG - 3rd National Lockdown	0	0	0	7,865,352	7,865,352
Business Grants	500023	Closed Business Lockdown	(15,795,000)	(1,106,000)	0	318,000	(788,000)
Environmental Protection	500024	NCC COMF Funding	(336,000)	(97,194)	0	56,183	(41,011)
Health and Communities	500027	CEV Funding Shielding	(42,000)	(42,000)	0	0	(42,000)
Homelessness	500029	Local Outbreak Control Plan	(40,000)	(40,000)	0	0	(40,000)
Environmental Protection	500029	Local Outbreak Control Plan	(60,000)	(60,000)	0	0	(60,000)
Corporate Management	500011	SURGE ENFORCEMENT FUNDING	(52,641)	0	0	0	0
Business Grants	500031	Restart Grant	-	0	(26,166,249)	27,209,481	1,043,232
Property Services	500005	RE-OPENING OUR HIGH STREETS	(81,198)	0	0	0	0
	500030	Welcome Back Fund	0	0	0	2,329	2,329
Commercial Services	500032	DHSC COMF	-	0	(149,846)	88,442	(61,404)
Council Tax Administration	520900	Covid-19 Hardship Fund	(723,834)	(180,097)	0	0	(180,097)
Business Grants	590500	Business Support Grants	(65,502,000)	(12,267,000)	0	12,267,000	0
Business Grants	590501	Disc Grants		2,723,000	0	(2,723,000)	0
Central Government Grants	590500	Business Support Grants	(170,000)	(170,000)	0	0	(170,000)
			(114,417,922)	(15,820,000)	(28,012,557)	39,675,995	(4,156,563)

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Reserves Statement 2020-21 Outturn

Appendix C **Appendix D**

Reserve	Purpose and Use of Reserve	Balance 01/04/20	Contributions in	Contributions Out	Outturn Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Committed but not allocated to Budgets	Balance 01/04/22	Budgeted Movement 2022/23	Balance 01/04/23	Budgeted Movement 2023/24	Balance 01/04/24	Budgeted Movement 2024/25	Balance 01/04/25
		£	£	£	£	£	£	£	£	£	£	£	£	£	£
General Fund - General Reserve	A working balance and contingency, current recommended balance is £2.1 million.	2,404,127	<i>10,000</i>	<i>(87,392)</i>	(77,392)	2,326,735	(86,341)	0	2,240,394	(50,000)	2,190,394	(50,000)	2,140,394	0	2,140,394
Earmarked Reserves:															
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	1,303,796	0	<i>(397,701)</i>	(397,701)	906,095	0		906,095	0	906,095	0	906,095	0	906,095
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	954,190	<i>10,467</i>	<i>(477,905)</i>	(467,438)	486,752	(142,574)		344,178	(15,000)	329,178	(5,000)	324,178	0	324,178
Benefits	To be used to mitigate any claw back by the Department of Works and Pensions following final subsidy determination. Timing of the use will depend on audited subsidy claims. Also included in this allocation are service specific grants for service improvements that have not yet been offset by expenditure.	897,959	<i>55,539</i>	<i>(222,750)</i>	(167,211)	730,748	0		730,748	0	730,748	0	730,748	0	730,748
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	212,481	0	<i>(35,952)</i>	(35,952)	176,529	(28,876)		147,653	(28,906)	118,747	(28,906)	89,841	(28,906)	60,935
Business Rates	To be used for the support of local businesses and to mitigate impact of final claims and appeals in relation to business rates retention scheme.	2,074,708	<i>9,116,019</i>	<i>(1,099,865)</i>	8,016,154	10,090,861	324,058	(6,144,458)	4,270,461	(18,000)	4,252,461	(18,000)	4,234,461	0	4,234,461
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	238,293	<i>61,000</i>	<i>(37,958)</i>	23,042	261,335	(42,039)		219,296	0	219,296	0	219,296	0	219,296
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. Funded by a proportion of NCC element of second homes council tax.	1,000,996	0	<i>(204,646)</i>	(204,646)	796,350	(275,000)	(50,000)	471,350	(242,000)	229,350	0	229,350	0	229,350
Delivery Plan	To help achieve the outputs from the Corporate Plan and Delivery Plan.	0	<i>2,379,266</i>	<i>(217,325)</i>	2,161,941	2,161,941	1,535,586	(1,871,770)	1,825,757	(175,090)	1,650,667	(122,663)	1,528,004	(15,676)	1,512,328
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	165,621	0	<i>(10,000)</i>	(10,000)	155,621	0		155,621	0	155,621	0	155,621	0	155,621
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	3,000	<i>50,000</i>	0	50,000	53,000	50,000		103,000	50,000	153,000	(110,000)	43,000	50,000	93,000
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk.	112,973	0	<i>(10,989)</i>	(10,989)	101,984	0		101,984	0	101,984	0	101,984	0	101,984
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	336,065	<i>41,500</i>	<i>(150,000)</i>	(108,500)	227,565	0		227,565	0	227,565	0	227,565	0	227,565
Environment Reserve	To fund expenditure relating to the Council's Green Agenda.	0	<i>150,000</i>	0	150,000	150,000	0		150,000	0	150,000	0	150,000	0	150,000
Grants	Revenue Grants received and due to timing issues not used in the year.	609,038	<i>1,429,284</i>	<i>(57,222)</i>	1,372,062	1,981,100	(25,104)	(1,429,284)	526,712	(25,104)	501,608	(14,655)	486,953		486,953
Housing	Previously earmarked for stock condition survey and housing needs assessment. Also now contains the balance of the Housing Community Grant funding received in 2016/17.	2,528,543	<i>422,288</i>	<i>(434,479)</i>	(12,191)	2,516,352	(328,010)		2,188,342	(527,167)	1,661,175	0	1,661,175	0	1,661,175

Reserves Statement 2020-21 Outturn

Appendix C **Appendix D**

Reserve	Purpose and Use of Reserve	Balance 01/04/20	Contributions in	Contributions Out	Outturn Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Committed but not allocated to Budgets	Balance 01/04/22	Budgeted Movement 2022/23	Balance 01/04/23	Budgeted Movement 2023/24	Balance 01/04/24	Budgeted Movement 2024/25	Balance 01/04/25
		£	£	£	£	£	£	£	£	£	£	£	£	£	£
Land Charges	To mitigate the impact of potential income reductions.	308,526	35,071	0	35,071	343,597	0		343,597	0	343,597	0	343,597	0	343,597
Legal	One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus.	196,119	0	(36,986)	(36,986)	159,133	(15,520)		143,613	0	143,613	0	143,613	0	143,613
Major Repairs Reserve	To provide provision for the repair and maintenance of the councils asset portfolio.	0	0	0	0	0	355,694		355,694	280,000	635,694	280,000	915,694	280,000	1,195,694
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	292,207	0	(12,343)	(12,343)	279,864	(97,471)	(13,430)	168,963	(120,000)	48,963	0	48,963	0	48,963
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	269,041	31,000	(99,686)	(68,686)	200,355	(72,639)	(36,826)	90,890	(29,078)	61,812	0	61,812	0	61,812
Pathfinder	To help Coastal Communities adapt to coastal changes.	128,053	0	(20,500)	(20,500)	107,553	(21,627)		85,926	(3,417)	82,509	0	82,509	0	82,509
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	159,684	50,000	(41,758)	8,242	167,926	36,728		204,654	50,000	254,654	50,000	304,654	50,000	354,654
Property Investment Fund	To provide funding for the acquisition and development of new land and property assets	999,476	0	(733,641)	(733,641)	265,835	(265,835)		0	0	0	0	0	0	0
Property Company	To fund potetial housing development and property related schemes	2,000,000	0	0	0	2,000,000	(2,000,000)		0	0	0	0	0	0	0
Restructuring & Invest to Save Proposals	To fund one-off redundancy and pension strain costs and invest to save initiatives. Transfers from this reserve will be allocated against business cases as they are approved. Timing of the use of this reserve will depend on when business cases are approved.	1,669,383	130,453	(330,140)	(199,687)	1,469,696	40,654		1,510,350	130,453	1,640,803	0	1,640,803	0	1,640,803
Sports Hall Equipment & Sports Facilities	To support renewals for sports hall equipment. Amount transferred in the year represents over or under achievement of income target.	2,640	0	(740)	(740)	1,900	0		1,900	0	1,900	0	1,900	0	1,900
Treasury	To smooth impacts on the Revenue account of movement in fair value changes of the Councils holdings in Pooled Funds	0	0	0	0	0	500,000		500,000		500,000		500,000	0	500,000
Total Reserves		18,866,917	13,971,886	(4,719,978)	9,251,908	28,118,825	(558,316)	(9,545,768)	18,014,741	(723,309)	17,291,432	(19,224)	17,272,208	335,418	17,607,626

2020/21 Under spends and Grants - Requests to Roll Forward

Appendix H

Ref	Service Area	Service	Amount £	Amount Agreed by Management Team	Under spend and details of request	Request Made by (Service Mgr/Budget Holder)	Recommended Treatment / Reserve Allocation
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1) Requests to roll forward service underspends.

US1	Corporate	Elections	10,000	10,000	I would like to request that some of the under spend within the Electoral Services staffing budgets is rolled forward to assist with the delivery of the Elections in 2021 for the planned elections in May and any subsequent by elections, until April 2022.	Tracey Holmes	Elections
US2	Environmental & Leisure Services	Environmental Health	30,000	30,000	The underspend on the vacant Commercial Officer post will allow the service to plan its restructure accordingly and employ additional temporary support staff in the short-term to complete statutory work that was delayed and outstanding due to the Covid pandemic. This will help ensure that businesses are operating safely and compliantly. It will also allow for staff to catch up with their CPD training which has not been achieved during the pandemic.	Tracy Howard	Environmental Health
US3	Sustainable Growth	Sustainable Growth	10,000	10,000	It is proposed that the rollover underspend from last year's cancelled Greenbuild event should be used to assist in funding the staff resource required to organize, garner sponsorship income and promote Greenbuild 2021 (or April 2022 subject to Member decision).	Annie Sommazzi	General Reserve
US4	Environmental & Leisure Services	Environmental Services	11,500	11,500	Underspent as we were awaiting the outcome of a funding bid related to litter bin provision. We have been awarded c. £14k when £25k was initially sought. Award has been made on basis of a whole project cost of £36k and it has not been possible to place orders and take delivery of any bins as yet as outcome was only recently communicated to us. Annual bin budget is £12k, as such we will require both 20/21 and 21/22 budget to implement the project in full (and meet the terms of the external funding). Therefore, the underspend will be fully utilised in 21/22.	Scott Martin	Environmental Health
US5	Sustainable Growth	Coast Protection	31,000	31,000	The roll forward is for funding maintenance works for sea protection at Overstrand. The works were to begin in 2020/21 and have been tendered, however, due to various factors the works will not be spend in 20/21 and will progress in 21/22. The value of the roll forward may change due to final payment of invoices from other works.	Rob Goodliffe	Coast Protection
US6	Corporate	Human Resources	31,000	31,000	Savings resulting from delays in the corporate training programme due to Covid. This would be ringfenced in 2021/22 to provide leadership development to the six newly appointed Assistant Directors and the Corporate Leadership team.	James Claxton	Organisational Development

123,500	123,500
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2020/21 Under spends and Grants - Requests to Roll Forward

Ref	Service Area	Service	Amount £	Amount Agreed by Management Team	Under spend and details of request	Request Made by (Service Mgr/Budget Holder)	Recommended Treatment / Reserve Allocation
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2) Unspent grants - grants received in the year that remain unspent at 31 March 2021

Grant 1	Sustainable Growth	Coast Protection	10,000	10,000	Coastal Partnership East is completing a project entitled 'Coastal Loss Innovative Funding and Finance', this project is part funded by third parties. The income has been received from a partner to contribute to the project costs, however due to type of the contract the vales will not be spent until the contracted tasks are completed. As such the request is to roll forward the grant received to contribute to the spend in 2021/22.	Rob Goodliffe	Coast Protection
Grant 2	People Services	Health & Communities	34,127	34,127	Ringfenced grant relating to funding for Social Prescribing posts. This grant will be used to extend a social prescribing post for 1 year until 31 March 2022	Sonia Shuter	Housing
Grant 3	People Services	Housing Adaptions	32,751	32,751	This request is to roll forward the unspent fee income generated from Diasbled facilities grant, to be used to support the staffing costs of the Housing Adaptions Team in 2021/22.	Karen Hill	Housing
Grant 4	People Services	Benefits Administration	55,539	55,539	Burdens funding through the DWP . The caseload for HB & CTS is continuing to rise as a result of Covid-19 and the financial and economic disruption to households and businesses. The service has seen an increase to the number of new claims and change of circumstances following Covid-19. It will need to rely on support of additional working through overtime and the use of agency to keep up with demand for our services from vulnerable people. The service is also continuing to improve accessibility and the customer journey to make it simple and easy for vulnerable people to access vital benefits they need. Underspends will be used to improve system functionality, accessibility, staff training, etc. These improvements could not be funded from the revenue budget	Trudi Grant/Lindsay Circuit	Benefits

132,417	132,417
255,917	255,917

TOTAL

Treasury Management Annual Report 2020/21

Introduction

The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2020/21 was approved at a meeting on 3rd February 2020. 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 risk remains central to the Authority's treasury management strategy.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 3rd February 2020.

External Context

Economic background: The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31st March.

A Brexit trade deal was agreed with only days to spare before the 11pm 31st December 2020 deadline having been agreed with the European Union on Christmas Eve.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside

risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for government help. Since March 2020, the government schemes have helped protect more than 11 million jobs.

Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay). Unemployment is still expected to increase once the various government job support schemes come to an end.

Inflation has remained low over the 12-month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected).

After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter. When released, figures for Q1 (Jan-Mar) 2021 are expected to show a decline given the national lockdown.

Financial markets: Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.

Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%.

1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

Credit review: After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.

Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a number of other UK institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.

The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

Local Context

On 31st March 2021, the Authority had net investments of £36.810m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The treasury management position at 31st March 2021 and the change during the year is shown in Table 1 below.

Table 1: Treasury Management Summary

	31.3.20 Balance £m	Movement £m	31.3.21 Balance £m	31.3.21 Rate %
Long-term borrowing	0.000	0.000	0.000	0.00
Short-term borrowing	5.000	2.000	7.000	0.29
Total borrowing	5.000	2.000	7.000	
Long-term investments	32.000	0.000	32.000	3.46
Short-term investments	6.265	3.545	9.810	0.11
Total investments	38.265	3.545	41.810	-
Net investments	33.265	5.545	36.810	-

Borrowing Update

In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26th November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing authority can confirm that it is not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

To take advantage of the reduction in the PWLB borrowing rate, the Authority removed from the capital programme the purchase of any investment assets primarily for yield within the next three years. The Authority is currently developing a rent recycling scheme that will enable future capital works of a commercial basis to be carried out within the PWLB stipulations.

Municipal Bonds Agency (MBA): The MBA revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency has issued 5-year floating rate and 40-year fixed rate bonds in 2020, in both instances Lancashire County Council is the sole borrower and guarantor. A planned third bond issuance by Warrington Borough Council was withdrawn in early December after the reduction in PWLB borrowing rates.

If the Authority intends future borrowing through the MBA, it will first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.

UK Infrastructure Bank: In his March 2021 budget the Chancellor confirmed that a UK Infrastructure Bank will be set up with £4bn in lending earmarked for local authorities from the summer of 2021. Loans will be available at gilt yield plus 0.60%, 0.20% lower than the PWLB certainty rate. A bidding process to access these loans is likely with a preference to projects likely to help the government meet its Net Zero emissions target. However other "high value and complex economic infrastructure projects" may also be considered.

Borrowing strategy

At 31st March 2021 the Authority held £7m of short-term loans, an increase of £2m to 31st March 2020, as part of its strategy for funding current years' capital programmes and cash flow. Outstanding loans on 31st March are summarised in Table 2 below.

Table 2: Borrowing Position

	31.3.20 Balance £m	Net Movement £m	31.3.21 Balance £m	31.3.21 Weighted Average Rate %	31.3.21 Weighted Average Maturity (years)
Local authorities (short-term)	5.00	2.00	7.00	0.29	<1
Total borrowing	5.00	2.00	7.00	-	-

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

With short-term interest rates remaining much lower than long-term rates, the Authority considered it more cost effective in the near term to use internal resources or borrowed rolling temporary / short-term loans instead.

PWLB funding margins have lurched quite substantially and there remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

Treasury Investment Activity

The Authority received central government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. £114.42m was received, temporarily invested in short-dated, liquid instruments such as Money Market Funds and the Debt Management Office. £98.60m was disbursed by the end of March.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £109.982m and £42.512 million due to timing differences between income and expenditure. The maximum range higher than normal due to additional cash inflows from central government in response to COVID. The investment position is shown in table 3 below.

Table 3: Treasury Investment Position

	31.3.20 Balance £m	Net Movement £m	31.3.21 Balance £m	31.3.21 Income Return %
Money Market Funds	6.265	3.545	9.810	0.11
Other Pooled Funds.				
- <i>Cash plus funds</i>	3.000	0.000	3.000	0.69
- <i>Short-dated bond funds</i>	3.000	0.000	3.000	0.56
- <i>Strategic bond funds</i>	5.000	0.000	5.000	3.07
- <i>Equity income funds</i>	8.000	0.000	8.000	3.97
- <i>Property funds</i>	5.000	0.000	5.000	5.77
- <i>Multi asset income funds</i>	8.000	0.000	8.000	3.89
Total investments	36.265	3.545	39.810	2.20

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Continued downward pressure on short-dated cash rate brought net returns on sterling low volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely around zero.

The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March, are now at or very close to zero; fund management companies have temporarily lowered or waived fees to avoid negative net returns.

Externally Managed Pooled Funds: £32m of the Authority's investments are invested in externally managed strategic pooled funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an income return of £1.1m, with a rate of return of 3.46%, used to support services in year. At the 31st March 2021, the funds were valued at £33.2m; capital growth of 1.2m on the original investment. This is an improvement of £3.1m from the position at 31st March 2020, where pooled funds were valued at 30.1m due to the impact of the global pandemic on equity funds.

The Authority is invested in bond, equity, multi-asset and property funds. During the initial phase of the pandemic in March 2020, the sharp falls corporate bond and equity markets

had a negative impact on the value of the Council's pooled fund holdings and was reflected in the 31st March 2020 fund valuations with every fund registering negative capital returns over a 12-month period. Since March 2020 there has been improvement in market sentiment which is reflected in an increase in capital values of these strategic bond, equity and multi-asset income funds in the Authority's portfolio.

Similar to many other property funds, dealing (i.e. buying or selling units) in the CCLA Local Authorities' Property was suspended by the fund in March 2020 and lifted in September. There was also a change to redemption terms for the CCLA Local Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days' notice for redemptions.

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 medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.

Following the cut in Bank rate from 0.75% to 0.10% in March 2020, the Authority had expected to receive significantly lower income from its cash and short-dated money market investments, including money market funds in 2020/21, as rates on cash investments are close to zero percent. As a guide, comparing 2020/21 to 2019/20, the Council received 48.85% less income from cash investments, though the full effect was partly mitigated by increased COVID related payments from central government, increasing the Authority' overall cash balances.

Income from most of the Authority's externally managed funds will also be lower than in 2019/20 and earlier years. Whilst the arrival and approval of vaccines against COVID-19 and the removal of Brexit uncertainty that had weighed on UK equities were encouraging developments, dividend and income distribution was dependent on company earnings in a very challenging and uncertain trading environment as well as enforced cuts or deferral required by regulatory authorities.

Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. *For English and Welsh Authorities:* This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held £3.401m of such investments in

- directly owned property £0.843m
- loans to housing associations £2.558m

A full list of the Authority's non-treasury investments is below:

- Grove Lane Depot, Holt, Norfolk – valued at £0.390m
- Fair Meadow House, Itteringham, Norfolk – valued at £0.453m
- Loan to Broadland Housing Association – outstanding value £2.558m

These investments generated £0.148m of investment income for the Authority after taking account of direct costs, representing a rate of return of 3.76%. This rate of return compares favourably to that generated by treasury investments. These investments represent a different risk to the Authority, as property investments do not carry the same interest rate or credit risk, but there is the risk of loss of income through voids and other market factors. They also require more staff time to manage than externalised pooled investments. The Authority does not currently rely on these funds from Non-Treasury investments to balance the budget, but in a climate of reduced Government funding, is likely to do so more in the future. To guard against the risk of reducing levels of income from these investments, they are proactively managed by experienced and qualified individuals within the Authority, with external advice as required.

Treasury Performance

The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 4 below.

Table 4: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Short-term Borrowing from other LAs	0.0022	0.0100	Under	0.29	0.84	Under
Long-term Borrowing	0.0000	0.3481	Under	N/A	2.74	N/A
Total borrowing	0.0022	0.3581	Under	0.29	2.58	Under
Term deposits (incl MMFs)	0.0207	0.0455	Under	0.11	0.85	Under
Pooled Funds	1.1077	1.1729	Under	3.46	3.67	Under
Total treasury investments	1.1284	1.2184	Under	2.20	3.26	Under

Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 5 below.

Table 5: Debt Limits

	2020/21 Maximum	31.3.21 Actual	2020/21 Operational Boundary	2020/21 Authorised Limit	Complied? Yes/No
Borrowing	£7.000m	£7.000m	£22.680m	£27.400m	Yes
Total debt	£7.000m	£7.000m	£22.680m	£27.400m	Yes

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

Table 6: Investment Limits

	2020/21 Maximum	31.3.21 Actual	2020/21 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£0.000m	£0.000m	£6m each	Yes
UK Central and Local Government	£60.000m	£0.000m	Unlimited	Yes
Any group of organisations under the same ownership	£0.000m	£0.000m	£6m per group	Yes
Any group of pooled funds under the same management	£7.000m	£7.000m	£15m per manager	Yes
Negotiable instruments held in a broker's nominee account	£0.000m	£0.000m	£10m per broker	Yes
Limit per non-UK country	£0.000m	£0.000m	£6m per country	Yes
Registered providers and registered social landlords	£2.827m	2.558m	£10m in total	Yes
Unsecured investments with building societies	£0.000m	£0.000m	£5m in total	Yes
Loans to unrated corporates	£0.000m	£0.000m	£5m in total	Yes
Money Market Funds	£16.000m	£9.810m	£16m in total	Yes
Real Estate Investment Trusts	£0.000m	£0.000m	£10m in total	Yes

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.

	31.3.21 Actual	2020/21 Target	Complied?
Portfolio average credit score	4.6	6.0	Yes

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

	31.3.21 Actual	2020/21 Target	Complied?
Total sum borrowed in past 3 months without prior notice	£7m	£10m	Yes

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 interests was:

Interest rate risk indicator	31.3.21 Actual	2020/21 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£0.04m	£0.6m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£0.04m	£0.6m	Yes

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment 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 all borrowing were:

	31.3.21 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	N/A	100%	0%	Yes
12 months and within 24 months	N/A	100%	0%	Yes
24 months and within 5 years	N/A	100%	0%	Yes
5 years and within 10 years	N/A	100%	0%	Yes

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 were:

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	£32m	£32m	£32m
Limit on principal invested beyond year end	£50m	£50m	£50m
Complied?	Yes	Yes	Yes

Other

CIPFA consultations: In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee’s recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.

In the Prudential Code the key area being addressed is the statement 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”. Other proposed changes include the sustainability of capital expenditure in accordance with an authority’s corporate objectives, i.e. recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the “gross debt and the CFR” with the liability benchmark as a graphical prudential indicator.

Proposed changes to the Treasury Management Code include requiring job specifications and “knowledge and skills” schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.

IFRS 16: The implementation of the new IFRS 16 Leases accounting standard has been delayed for a further year until 2022/23.

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Debt Recovery 2020-21

Summary: This is an annual report detailing the council's collection performance and debt management arrangements for 2020/21
The report includes a:

- A summary of debts written off in each debt area showing the reasons for write-off and values.
- Collection performance for Council Tax and Non- Domestic Rates.
- Level of arrears outstanding
- Level of provision for bad and doubtful debts

Recommendations: 1) To approve the annual report giving details of the Council's write-offs in accordance with the Council's Debt Write-Off Policy and performance in relation to revenues collection.

Cabinet member(s): Eric Seward
Wards: All
Contact Officer, telephone number, and e-mail: Sean Knight 01263 516347
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1. 1. Introduction

1.1. The Corporate Debt Management annual report is one of the performance management measures to provide members with outturn figures for 2020/21 for the following:

- A summary of debts written off in each debt area showing the reasons for write off and values.
- Collection performance for Council Tax and Non - Domestic Rates (NNDR).
- Level of arrears outstanding
- Level of provision for bad and doubtful debts

2. Background

2.1. Writing off bad debts is a necessary function of any organisation collecting money. The Council is committed to ensuring that debt write offs are kept to a minimum by taking all reasonable steps to collect monies due. There will be situations where the debt recovery process fails to recover some or all of the debt and will need to be considered for write off. The Council views such cases very much as exceptions and this report identify those debts.

3. Performance

3.1. Below are a summary of the Council's three main income streams and the level of debt associated with each, for the last four financial years.

Table 1

Income Area	Year/Date	Total Arrears at 31 st March All Years (after write offs)* (£)	Current Years Arrears Included (after write – offs)** (£)	% of Current Arrears v Net Debit	Provision for Bad/Doubtful Debt for all years (£)
Council Tax	2017/18	2,289,564	942,469	1.43%	755,756
	2018/19	2,297,629*	997,954**	1.40%	778,470
	2019/20	2,599,769	1,192,173	1.60%	863,985
	2020/21	3,451,400	1,610,836	2.10%	1,155,777

Table 2

Income Area	Year/Date	Total Arrears at 31 st March All Years (after write offs)* (£)	Current Years Arrears Included (after write – offs)** (£)	% of Current Arrears v Net Debit	Provision for Bad/Doubtful Debt for all years (£)
NNDR	2017/18	387,822	129,877	0.51%	228,797
	2018/19	323,870	192,064	0.71%	195,124
	2019/20	1,655,968	724,063	2.60%	958,258
	2020/21	410,374*	179,520**	1.40%	243,423

3.2. *This is the cumulative arrears (excludes costs) for all years including 2020/21.

3.3. ** This is the arrears figure as at 31/3/2021. Collection of the 2020/21 debt is ongoing and £423k council tax and £69k NNDR has been collected since 17 August 2021 against the previous 2020/21 year's arrears.

3.4. The table below shows the level of sundry debt outstanding at the year-end. For 2020/21, this will exclude the residue of Housing Benefit Overpayments, which is shown separately.

Table 3

Income Area	Year	Total Arrears at 31 st March All Years (after write offs) (£)	Net Debit Raised End of Year (£)	% outstanding against debit at year end (£)	Provision for Bad/Debt for all years (£)
Sundry Income	2017/18	1,710,721	6,918,600	24.72%	794,015
	2018/19	1,330,004	5,579,524	23.84%	762,096
	2019/20	610,999	22,839,235	2.68%	78,407
	2020/21	1,111,194	5,585,812	19.89%	210,170

3.5. The above figures for 2017/18 and 2018/19 previously included overpayments being recovered through weekly reclaim against ongoing Housing Benefit. The value of overpayments from 2019/20 onwards are not treated as a corporate debt as they have not been invoiced. The value of these debts are recorded against the subsidy claim.

3.6 The table below shows the breakdown of 2020/21 residual housing benefit overpayments in finance and the level of housing benefit overpayments in Benefits outstanding at the year-end.

Table 4

Income Area	Year	Total Arrears at 31st March All Years (after write offs) (£)	Net Debit Raised End of Year (£)	% outstanding against debit at year end (£)	Provision for Bad/Debt for all years (£)
Sundry Income Residual Housing Benefit Overpayments (in Finance)	2020/21	75,581	0.00	100	72,926
Housing Benefit Overpayments (put to invoice in the Benefits Service)	2020/21	769,139	147,641	88.06%	549,075

3.7. During 2020/21, work to recover benefit overpayments was put on hold by LAs and the DWP in response to the Covid-19 outbreak. The change meant that many households claiming welfare benefits saw an increase in the amount of money they received in benefits during the outbreak. Deductions from ongoing DWP benefits were paused, and North Norfolk District Council offered a payment break or a payment plan for those who were suffering financial hardship. Recovery of overpayments has now restarted but the options of a payment plan or deferred payment are still being by North Norfolk District Council.

During the pandemic we saw a significant shift from the number of people claiming Housing Benefit moving across to claim their Housing Costs through Universal Credit instead. This has increased the debt outstanding and also makes recovery of Housing Benefit more difficult and time consuming as we are not allowed to recover directly from Universal Credit.

Table 5

Income Area	Year/Date	Net Collectable Debit (£)	Number of Accounts	Average Amount per Account (after adjustments) (£)	Total of all Years Arrears (£)
Council Tax	2017/18	65,861,821	54,530	1,208	2,289,564
	2018/19	71,201,165	54,938	1,296	2,297,629
	2019/20	74,697,433	55,169	1,354	2,599,769
	2020/21	77,133,527	55,463	1,391	3,451,400
NNDR	2017/18	25,544,969	7,174	3,561	387,822
	2018/19	27,210,079	7,334	3,710	323,870
	2019/20	27,870,878	7,652	3,642	1,655,968
	2020/21	12,809,134	7,879	1,626	410,374
Sundry Income	2017/18	6,918,600	5,433	1,273	1,710,721
	2018/19	5,579,524	6,093	1,870	1,329,966
	2019/20	5,585,812	5,364	1,041	1,111,194
	2020/20	5,585,812	5,364	1,041	1,111,194

3.8. The above figures for 2016/17 to 2018/19 previously included Housing Benefit Overpayments being recovered through weekly reclaim against the ongoing Housing Benefit. The value of overpayments from 2019/20 onwards does not treat these as a corporate debt as they have not been invoiced. The value of these debts are recorded against the subsidy claim.

3.9. The Provision for Bad/Debt for Sundry Income for all years is £622,001 which includes (£72,926 + £549,075 see table 3) for housing benefit overpayments. £769,139 is the level of housing benefit overpayments in the Benefit Service and £58,486 is the residual housing benefit overpayments in the Finance.

3.10 The table below shows the breakdown of 2020/21 residual housing benefit overpayments in finance and the level of housing benefit overpayments in Benefits outstanding at the year-end.

Table 6

Income Area	Year/Date	Net Collectable Debit (£)	Number of Accounts	Average Amount per Account (after adjustments) (£)	Total of all Years Arrears (£)
Sundry Income (residual Housing Benefit overpayments in finance).	2020/21	58,486	12	4,874	58,486
Housing Benefit overpayments put to invoice in the Benefits Service.	2020/21	873,380	538	1,623	769,139

Table 7

Income Area	2016/17	2017/18	2018/19	2019/20	2020/21	Target 2020/21
Council Tax	98.7%	98.74%	98.72%	98.51%	98.01%	98.4%
NNDR	99.36%	99.40	99.15%	97.32%	98.41%	99.1%

3.11. There have been a number of changes over the past few years that have affected council tax charges. From April 2013, support for council tax was localised. The Government reduced the level of funding that it had previously provided to cover the cost of the support (council tax benefit). All those of working age who had previously been on 100% benefit had to pay a minimum of 8.5%. In addition some people on benefits were also affected by other welfare reform changes – e.g. under occupation of properties in the social sector, the benefit cap and Universal Credit, putting additional pressure on incomes. In addition to the welfare, changes there were a number of technical changes to council tax. These included an increase in the charge for empty properties with additional premiums for those empty for more than two, five and ten years, a reduction in the second homes discounts and those properties undergoing structural repair and alteration. These changes affected the level of council tax to be collected and the ability of some residents to pay. The target for council tax collection continues to be challenging given the above.

3.12 There are no longer national indicators for the collection of Council Tax and Non-Domestic (Business) Rates. The performance indicator (PI) is retained as a local PI, and continues to be monitored monthly. An important part of debt management is to ensure that bills are sent out accurately and timely and that council tax and business ratepayers are aware of any appropriate discounts, exemptions, reliefs and benefit entitlement they may apply. Information is sent with the annual bills and is shown on our web site with service information being provided on these. The ongoing promotion of Direct Debit also forms an important part of debt management where 75% of council taxpayers are paying by direct debit and 29% of NNDR customers pay by direct debit.

3.13 The Government has made the Small Business Rate Relief (SBRR) scheme more generous from 1 April 2017. Small businesses with a Rateable Value below £12,001 are now entitled to receive 100% relief (increase funded by Government). Small businesses with a Rateable Value between £12,000 and £15,001 may now be entitled to receive a percentage reduction in their rates bill. There has been a number of new relief schemes to help small businesses with Non-Domestic Rates over the past few years.

3.14 The Government's NDR Retail Discount Scheme was implemented from 2019/20 to award retail businesses with a third off their net rates bill. This was increased to 50% from 2020/21 and then changed to the 100% NDR Expanded Discount Scheme. A Nursery Discount Scheme for 100% was also implemented alongside the Business Grant Schemes.

3.15 The temporary NDR Growth person that we employed to identify growth and increase revenue to NNDC was offered a permanent position in another service so this position no longer exists.

3.16 Since March 2020 because of the pandemic and the effect of this on customers' ability to pay, we took the unprecedented step to stop all council tax and Non-Domestic Rates recovery work. Customers were given the opportunity to defer or delay paying us whilst they

sort out their personal and business finances. We started sending out soft reminders from August 2020 with court attendances starting again later in the same year. This has impacted on the collection performance for 2020/21.

4. Write-Offs

4.1. The table below shows in summary the amounts of debts that have been written off over the last four years. From 2020/21 Sundry Income is now illustrated separately to the residual Housing Benefit overpayments.

Table 8

Income Area	2017/18 (£)	2018/19 (£)	2019/20 (£)	2020/21 (£)
Council Tax	116,965	141,522	165,133	65,638
NNDR	47,404	135,839	45,671	94,863
Sundry Income (includes residual Housing Benefit write-offs)	17,038	11,380		
Housing Benefit	42,160	37,070		
Sundry Income only			9,248	9,962
Sundry Income (residual Housing Benefit overpayments in finance).			12,497	1,382
Housing Benefit overpayments put to invoice in the Benefits Service.			20,556	40,391

4.2. The table below details the category of debts that have been written off over the year 2020/21 (includes costs) for all years.

Table 9

Category	Council Tax(£)	NNDR(£)	Sundry Income(£)	Sundry Income (£) (residual Housing Benefit overpayments in finance)	Housing Benefit overpayments put to invoice in the Benefits Service (£)
Unable to collect Uneconomic/ bailiff unable to collect	980	13	159	333	607
Debtor deceased	11,532	0	0	0	13,494
Debtor absconded	19,721	11,360	1,402	1,061	4,015
Debtor in bankruptcy Or liquidation or other Insolvency proceedings	15,313	78,753	8,269	0	18,092
Debt cannot be proved (conflict of evidence)	783	-266	330	0	235
Ill health & no means	14	2,504	0	0	983
Undue hardship	8,007	2,498	0	0	1,619
Debt remitted by the Court	0	0	0	0	
Irrecoverable	6,178	0	140	8	221
Detained/Prison	0	0	0	0	1,125
Other	3,111		-338	-20	
Totals	65,638	94,863	9,962	1,382	40,391

4.3 The level of Non-Domestic (Business) Rates debts written off has reduced since last year. The Council Tax and Non-Domestic (Business) Rates debts that have been written off are principally debts from insolvency and people absconding. Whilst every effort is made to trace debtors there is a number of debtors that cannot be traced and the debt has to be written off.

5. Implications and Risks

5.1. The information gained from this report will help improve monitoring and our ability to consider the risks in a more accurate way.

6. Financial Implications and Risks

6.1. The Council is already required to make provision for bad and doubtful debts. The additional information gained from this report will help improve monitoring and our ability to consider the appropriateness of the provisions in a more accurate way.

7. Sustainability

7.1 This report does not raise any issues relating to Sustainability.

8. Equality & Diversity

8.1 The Debt Management & Recovery Policy takes account of the impact that getting into debt can have on people and their families, so it also encourages people to pay, and aims to provide reasonable facilities and assistance for them to do so.

8.2 Before writing off debt, the Council will satisfy itself that all reasonable steps have been taken into account to collect it and that no further recovery action is possible or practicable. It will take into account the age, size and types of debt, together with any other factors that it feels are relevant to the individual case. All write-offs are dealt with in the same fair and consistent way in line with equality and diversity issues.

8.3 While you can be sent to prison for up to 3 months if the court decides you don't have a good reason to not pay your Council Tax and you refuse to do so it is not our Council's policy to take such action where there is an inability to pay and there is a range of support which the Council offers in order to avoid this.

9. Section 17 Crime and Disorder considerations

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

CORPORATE DEBT MANAGEMENT AND RECOVERY POLICY

INTRODUCTION

Effective debt management is crucial to the success of any organisation. It is essential that this authority has clear policies and strategies to help prevent debt in the first instance and then manage the recovery of debt where prevention has failed. If the Council is to achieve its aim of first class resource management, then it must seek to recover all debts due and sustain collection rates. It also has a key role in the prevention of debt, and in providing advice and assistance to clients where there is genuine hardship.

This policy has therefore been designed to address these concerns. Its implementation aims to deliver measurable service improvement and adherence to recognised good practice. Members need to be confident that debt is being managed within the parameters set by this document.

The following policies have been prepared within this framework:

Debt Write -Off policy as shown in Appendix 2.

POLICY AIMS

The key aims of this policy are as follows:

- ◆ To identify debtors as early as possible, and consider fully the debtors circumstances and ability to pay, and so distinguish from the outset between the debtor who won't pay, and the debtor who genuinely can't pay.
- ◆ To work with the client to clear the debt as soon as possible. To ensure a professional, consistent and timely approach to recovery action across all of the Council's functions.
- ◆ To cost effectively pursue all debts owed to the Council, seeking to maintain and improve on the levels of income collected by the authority.
- ◆ To promote a co-ordinated approach towards sharing debtor information and managing multiple debts owed to the Council. To actively work alongside approved advice agencies to seek early identification of clients who are failing to meet multiple debt liabilities.
- ◆ To only write debt off once all avenues have been exhausted for the recovery of debt. This is in accordance with the Council's write-off policy.
- ◆ To treat individuals consistently and fairly regardless of age, sex, gender, disability, ethnicity, race or sexual orientation, and to ensure that individual's rights under General Data Protection Regulations (GDPR) and Human Rights legislation are protected.

SUPPORTING THE COUNCIL'S CORPORATE PRIORITIES

This Policy supports the Council's drive towards continuous improvement whilst recognising equality and diversity issues. It is reflective of the values and standards adopted by this Council within the Corporate Plan and contribute towards the following priorities:

First Class Resource Management – To manage the Council's resources efficiently and effectively and to make sensible choices in setting priority led service budgets which do not burden council tax payers with unnecessary or unjustifiable costs.

Better Access to Council Services – To improve customer service through all access channels, and to move towards a fully integrated front office with multi-agency enquiry-handling capacity.

The Policy also supports the wider aim of improving service provision through partnership working by seeking to maximise the benefits of external debt advisory agencies.

DEBTS COVERED BY THIS POLICY

The main section involved in debt recovery is Finance.

The debts involved are primarily:

- Council Tax
- National Non Domestic Rates
- Overpaid Housing Benefit
- Sundry Income

The policy will apply to all sections of the Council and focus on collecting the charge set rather than how the charge is arrived at. Ability to pay is a paramount concern when considering debt recovery. For Council Tax a discretionary scheme (Council Tax Support) is provided on application, which is designed to offset the effects of low income on ability to pay.

Charging policy, statutory or discretionary will never completely remove the problems of people and families on low incomes. The approach to recovery must therefore be sensitive to individual circumstances and take into account multiple debts owed to ensure that arrangements are manageable. The primary aim remains the recovery of debt and improved data sharing will support this aim.

THE LEGAL AND POLICY FRAMEWORK FOR RECOVERY

The Council has a legal duty to ensure cost-effective billing, collection and recovery of all sums due to the Council. This policy is in addition to existing legislation and will provide a framework for procedures to be developed and improved.

This debt recovery policy is concerned primarily with the recovery of debts prior to legal action being taken, but the principles should still be applied wherever appropriate even if litigation has commenced.

Local Taxation

Council Tax recovery procedures are laid down by statute in The Council Tax (Administration and Enforcement) Regulations 1992 and subsequent amendments.

National Non-Domestic Rates recovery procedures are laid down by statute in The Local Government Finance Act 1988 and subsequent regulations and amendments.

The Council appoints Enforcement Agents to recover local taxation arrears in accordance with an enforcement protocol. Changes to legislation came in from April 2014 under The Taking Control of Goods (Fees) Regulations 2014 nationally standardising fees and charges and an enforcement protocol for bailiffs. Since this date, bailiffs became known as Enforcement Agents. The changes to the legislation are to ensure that the rates and charges added by the Enforcement Agents are transparent and nationally set making it easier for debtors to understand the consequences of non-compliance and the powers available to Enforcement Agents. The Enforcement Agent Code of Practice & Enforcement Agent Instructions with the statutory fees recoverable is shown in Appendix 3.

Housing Benefits

Housing Benefit overpayments are reclaimed in accordance with Regulations 98-105 of The Housing Benefit (General) Regulations 1987 (as amended) And Sections 105 & 106 of the Welfare Reform Act 2012 and Social Security Overpayment and Recovery) Regulations 2013. The Benefit Overpayment Policy sets out the basis under which these debts are recovered and is shown in Appendix 4.

Miscellaneous Income

Sundry Debt arrears are collected within a well-established framework, but written guidelines are required. On certain debts, interest may be charged for late payment. The debtor will be made aware of any additional costs in advance so that they have the opportunity to avoid this wherever possible. Customers will also be made aware of legal fees and costs that will be incurred for non-payment.

THE POLICY

- Full names, contact address, email address and a phone number will be established wherever possible prior to service provision or invoicing/billing.
- All Council bills and invoices will be raised as soon as practicable on a daily basis and will include clear, relevant and full information as to:
 - What the bill is for;
 - When payment is due;
 - How to pay;
 - How to contact us if there is a query in relation to the bill or in relation to making payment.
- All letters and reminders will:
 - Be written in plain English;
 - Explain fully what has been agreed and the consequences of non-payment;
 - Include appropriate contact details.
- Debtors will be encouraged to make prompt contact if they disagree with a bill or have difficulty in making payment on time. Contact can be made by:
 - Website
 - Email
 - Telephone
 - Letter
 - In person at the Council Offices.

- Problems and bill discrepancies raised will be resolved as quickly as possible to prevent unnecessary delays in payment and incorrect debits.
- All debtors seeking help due to financial difficulties will:
 - Be given the opportunity to have their ability to pay assessed by the relevant collection unit;
 - Be invited to provide details of their means by listing their income and expenditure. (Evidence to confirm the accuracy of the means statement will be requested if necessary);
 - Be invited to use the money and debt advice services available from the Citizens Advice Bureau (CAB) and other similar organisations;
 - Be asked if they have other debts owing to the Council that they also wish to be considered;
 - Be given access to the Council's interpreter service if required.
- If legal proceedings have already commenced, consideration will be given to whether the debt can firstly be attached to earnings or benefits, the priority of the debts owed and the level of repayments currently being made.
- If a specific recovery action has already commenced e.g. attachment of earnings or the debt has been passed to an Enforcement Agency, the action taken will usually continue. However, any arrears not included in the action will be considered in line with existing arrangements and this policy.
- If it is found that the debtor has the ability to pay, but refuses to pay, then recovery action will continue promptly within the existing arrangements for the type of debt.
- If it is found that the debtor is suffering severe hardship or has difficulty managing their own affairs, the following will be considered:
 - Can we reduce the debt? Are they entitled to take up relevant benefits, discounts, exemptions, reliefs or any other reductions to minimise the potential for debt accrual?
 - Does the debtor owe money to other Council services? If so the debtor will be advised that, with their consent, all their Council debts may be taken into consideration when deciding on an arrangement. The advantage to the debtor in making a common arrangement is that they may save time and costs. However, it is for the debtor to decide if this is an option they want to pursue.
- If a debtor takes up the offer to deal with all Council debts collectively, the various services will communicate the debtor's details confidentially between themselves and will endeavour to take a holistic approach to collection without prejudice to their own service. An officer will be identified as a single point of contact for the debtor and will act as a liaison between services.
- Where there is no continuous liability a special long-term arrangement may be made according to the ability to pay and the existing recovery provisions such as an attachment of earnings.
- Where liability is continuous e.g. Council Tax, NNDR any arrangement made will normally require payments over and above the on-going monthly liability. Future instalments must be paid when due as a condition of the arrangement.

Longer term arrangements for older arrears will be strictly monitored and reviewed. If there is no improvement by the review date and if the amount payable cannot be reduced (by awarding Council Tax Support or other reliefs, discounts, exemptions etc.), the Council will reserve the right to continue with legal action, and in the case of Local Taxation, obtain a Liability Order from the Magistrates' Court. This is to protect the Council's interests and prevent the debt from becoming statute barred and irrecoverable. Nevertheless regular contact with the debtor will be made and part payments will be accepted to reduce the overall debt. Furthermore it is not in the debtor's best interest to have a long term arrangement when liability is continuous, since the level of debt will increase as time goes by and the debtor's situation deteriorate rather than improve.

- If a debtor is receiving Income Support or Job Seekers Allowance, this will usually limit the ability to pay to no more than the amount that can be paid directly to creditors by the Department of Work and Pensions (DWP). Where appropriate, a separate agreement will be made for additional debts and Liability Orders depending on the individual's circumstances.
- Debtors given time to pay will be advised to contact the Council immediately should they experience a change of circumstances affecting their ability to pay. This is to discuss the options available to prevent recovery action and additional costs.

If a debtor fails to co-operate by:

- Refusing to provide details of their means, and/or
 - Not consenting to multiple debts being dealt with together, and/or
 - Failing to pay a special arrangement on time without contact, then recovery action will be taken promptly in the normal way.
- If there are council tax arrears on properties of over £1,000, then we are able to apply for a charging order. This basically means we register our interest against a property and when it is sold, we receive the payment out of the proceeds of sale. Some customers ask us to use this method where they have no or low income and are in the process of selling their property. This method is also used where other recovery action has not been successful and the property is empty or a second home. This helps bring the property back into use. Where the property is occupied and there is very large debt because of repeated non-payment, then this method will be considered on a case by case basis with the portfolio member.

LIMITATIONS ON DEBT RECOVERY

All Enforcement Agents appointed will work to an agreed Enforcement Agent Code of Practice & Enforcement Agent Instructions as shown in Appendix 3.

PROCEDURES AND TRAINING

This policy will be made available to all staff dealing with income collection and recovery. This will be reinforced with training and management supervision of all staff involved in collecting debt.

MONITORING

Each section will be responsible for ensuring that this policy is adhered to and effective. Management information will be required for each debt stream on a monthly basis.

Revised 25
August 2021.

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DEBT WRITE OFF POLICY

1. This forms part of the Council's Corporate Debt Management and Recovery policy (Appendix 2).
2. The Council is committed to ensuring that debt write offs are kept to a minimum by taking all reasonable steps to collect monies due. There will be situations where the debt recovery process fails to recover some or all of the debt and will need to be considered for write off. The Council views such cases very much as exceptions and this document provides the framework within which procedures must be documented and followed.
3. The Debt Management and Recovery policy takes account of the impact that getting into debt can have on people and their families, so it also encourages people to pay, and aims to provide all reasonable facilities and assistance for them to do so. Before writing off debt, the Council will satisfy itself that all reasonable steps have been taken to collect it and that no further recovery action is possible or practicable. It will take into account the age, size and types of debt, together with any other factors that it feels are relevant to the individual case.
4. The Council will only consider write off in the following circumstances:

Category	Requirement	Action
De-minimus / Uneconomic to collect	Debts less than £25.00 would not be cost effective to pursue. Sundry Income Debts of £100 plus which have been returned from tracing agents and where legal costs will exceed the debt.	Submit for Write Off
Debtor deceased – No Estate	Insufficient funds in estate to discharge debt.	Submit for Write Off
Debtor absconded / Unable to Trace / Detained or Imprisonment *	All attempts to trace debtor have failed. Including tracing agent for debts over £25.00. Including long-term imprisonment (12 months) or more.	Submit for Write Off
Debtor in bankruptcy or liquidation or other insolvency proceedings including Debt Relief Orders**	A claim against the debtor has been lodged with the administrators. No dividend is to be paid or the balance after the dividend is submitted.	Submit for Write Off
Debt cannot be proved (conflict of evidence)	An explanation should be given as to why recovery cannot be made.	Submit for Write Off
Ill Health & no means	Written evidence of one of the following criteria: 1. Terminal illness and limited means 2. Where payment would cause further ill health 3. Old age and frailty and no financial	Submit for Write Off

Appendix 2

	assistance 4. Severely mentally impaired and no financial assistance 5. Long term hospitalisation or residential care and no means to pay	
Undue hardship and debt remaining following negotiated settlement.	Where the debtor can provide written evidence of genuine financial difficulty, showing evidence of inability to pay even small instalments, or that such payment will cause undue hardship.	Submit for Write Off
Debt remitted by the Court	Action in the Magistrates Court has resulted in the Magistrates remitting the debt, leaving the Council with no alternative but to write off the amount.	Submit for Write Off
Irrecoverable / Out of Jurisdiction***	The debtor has moved out of legal jurisdiction or the debt has been returned nulla bona and all other recovery avenues have failed.	Submit for Write Off

** If a debtor's whereabouts become known after the write-off has been approved, then the debt should be written back on.*

*** If a dividend is subsequently paid, then the debt should be written back on.*

**** If the debtor subsequently moves back into legal jurisdiction, then the debt should be written back on.*

5. Debts will normally only be considered for write off where the account is "closed" (i.e. no recurring debt). Only in exceptional circumstances will amounts on "live" (i.e. ongoing accruing debt) accounts be considered for write off. Such cases must demonstrate that further recovery action will not achieve collection of the debt.
6. The Director for Resources will be accountable to Cabinet Committee for the effective management of debt write offs and will ensure that appropriate performance management arrangements are introduced across all Council service and debt areas.
7. Decisions on the write off of individual debts will be taken in accordance with the Council's Scheme of Delegation. They must also comply with all relevant statutory requirements and those of the Director for Resources or designated representative(s).
8. Cabinet Committee will receive an annual report from the Director for Resources summarising performance on debt write offs during the previous year.
9. Each Service Head will be responsible for the initial recovery of debt within their service. Where the debt is collected through Sundry Income the Director for Resources will be responsible. Once recovery action is required, this must be passed to the recovery section who will then take ownership of the debt.
10. The Heads of Service will be responsible for the regular review of debts and will consider the need for write off of individual debts within their jurisdiction, monthly.

11. Negotiated settlements generally result in the need for a write off. Any negotiation of a settlement at court will be the responsibility of the Court Officer, as such, situations cannot be planned and we need to respond immediately. Any other negotiated settlement will require approval according to the Scheme of Delegation i.e. the write off amount is the sum being remitted through negotiation.
12. Prior to write off being proposed, the debt will be reviewed to ensure that no further recovery action is possible or practicable.
13. Following the appropriate investigation, those debts still considered irrecoverable will be proposed for write off. The following information needs to be provided for each debt to the officer who authorises the write offs:
 - Debtors name
 - Debtors address
 - Description of debt
 - Period of debt and / or date of invoice
 - Amount to be written off
 - Reason for write offSupporting documentation must be retained and available that shows:
 - Evidence to support write off
 - Recovery history
 - Details of tracing and enquiries carried outIn considering a debt for write-off, the following conditions will apply:
 - Each case will be considered on its merits
 - Each request will be supported by relevant documentation
 - Each case will receive authorisation from the appropriate authorised officer.
14. Appropriate records of all authorised write offs will be maintained and reviewed periodically against live caseload. This will enable any trends to be identified and will support the review of the Policy every 12 months.
15. Authorisation levels are reflected in the Scheme of Delegation within the following parameter.

Section Manager / Team Leader	up to £2,000
Head of Service / Revenues Manager	up to £10,000
Section 151 Officer or Deputy Section 151 Officer	up to £20,000
Director for Resources or Chief Executive in consultation with the Portfolio Member	over £20,000
16. The revenues manager will record all write-off decisions, and provide a summary to the Director for Resources. This will be available for further Scrutiny, for Audit purposes and for reporting to Cabinet.
17. The Director for Resources will submit an annual report to Cabinet identifying the following:
 - A summary of debts written off in each debt area showing reason for write-off, values and number of cases.
 - Collection performance for each service area
 - Level of arrears outstanding
 - Level of provision for bad and doubtful debts

Appendix 2

Reviewed 25 August 2021.

Enforcement Agent Code of Practice

Any Enforcement Agent engaged by this Council shall adhere strictly to the provisions contained in the appropriate legislation relevant to taking control of goods and any other instructions laid down by this Council as may be in force at the relevant time.

The Enforcement Agent will not raise or charge any costs or fees in excess of the costs and fees allowed under the regulations in force as shown in the table below:-

Schedule of Enforcement Fees (other than under a High Court Writ)

Fee Stage	Fixed Fee	Percentage fee (regulation 7): percentage of sum to be recovered exceeding £1500
Compliance Stage	£75.00	0%
Enforcement Stage	£235.00	7.5%
Sale or disposal stage	£110.00	7.5%

The above figures are not including VAT.

The Enforcement Agent shall not represent himself as an employee or representative of the Council, unless directly employed by the Council.

- The Enforcement Agent shall not follow any irregular practices with regard to taking control of goods or attempting to take control of goods, or in the execution of warrants and shall not cause nuisance or trespass in the execution of his duties.
- The Enforcement Agent may conduct his business out of normal office hours, (8:30 - 5:00) but shall at all times consider the reasonableness of the time and the debtor's personal and business movements.

- The Enforcement Agent shall not discriminate against or in favour of a debtor on the grounds of ethnic origin, sex, religion, status, race, colour, creed or disability.
 - No removal of goods is to be undertaken without prior authorisation, preferably in writing, by the Client, against the long term sick, the disabled (either mental or physical) those in hospital, those recently bereaved, those on Income Support, or those where in the opinion of the attending Enforcement Agent to do so would cause the Council unwarranted publicity.
 - All Enforcement Agents are required to be Certificated Enforcement Agents of the County Court and either corporate or individual members of CIVEA or working towards it and shall not have, nor permit any of his personnel to have, any criminal convictions or disqualification including those under the Rehabilitation of Offenders Act 1974 and shall sign a declaration to that effect.
 - Debtors are to be given a minimum 14 days notice before enforcement visits commence.
 - The Enforcement Agent shall indemnify the Council against any and all actions arising from any act or omission not occasioned by the Council and those where the Enforcement Agent was aware that there was an act or omission prior to the action taking place.
 - Cases where the taking control of and removal of “Tools of the Trade” over the statutory £1350 limit is being sought shall be referred on a case by case basis to the Revenues Team Leaders/Revenues Manager. No such removal shall take place without this referral having been made.
 - Whilst permitted in legislation, visits are not to be made on Sundays.
-
- **Enforcement Agent Instructions**



1. General

1.1 It is the Council's policy to be firm yet fair when dealing with our taxpayers.

1.2 Although the Council's preferred method of recovery is Attachment of Earnings or Benefits the Council's Policy is that the most appropriate method shall be used from information available to recover the sums due.

1.3 No method of recovery shall be used which is either not in the Council's best interests or which may bring the Council into disrepute. At all times an attempt should be made to minimise the detrimental effect on the family of the taxpayer whilst ensuring the debt is paid. Special care shall be taken when dealing with vulnerable groups i.e. the elderly, the long term sick, the disabled (either mental or physical) those in hospital, those recently bereaved, or those on Income Support/Job Seekers Allowance Income Based.

1.4 If there is a genuine inability to pay and the debt is small the Enforcement Agent should pass the information and circumstances to the office so that an informed decision as to the appropriate action can be made.

2. ENFORCEMENT AGENT WORKING PRACTICES.

2.1 The Contractor shall not sub-contract the provision of the service or any parts thereof to any person.

2.2 Work shall be issued to the Enforcement Agent electronically.

2.3 The Enforcement Agent shall conduct his/her affairs in accordance with statutory requirements and comply with the [North Norfolk District Councils Code of Conduct for Enforcement Agents](#), Enforcement Agent Guidelines, Enforcement Agents Code of Practice, and any nationally approved Code of Practice.

2.4 All visits shall be carried out in accordance with legislation.

2.5 The Enforcement Agent shall commence processing all cases issued to him within 3 days of instruction unless otherwise agreed by the Council.

2.7 The Enforcement Agent shall, on each visit to a debtors premises, present his identification without being requested to do so once it has been confirmed that he is speaking to the debtor.

2.8 The Enforcement Agent shall thoroughly and accurately complete the appropriate visiting documentation provided to him by his employer.

2.11 The Enforcement Agent shall seek completion of signed controlled goods agreements where required.

2.12 The Enforcement Agent shall have regard to the Council's [Special Arrangement Policy](#) when considering entering into Controlled goods agreements with the debtor.

2.13 Goods taken into control shall be detailed on the appropriate Enforcement Agency documentation. In the case of electrical goods, serial numbers shall be listed on the inventory.

2.14 In exceptional circumstances, i.e. where the Council or the Enforcement Agent is aware of a debtors imminent intention to move away or another Enforcement Agents' imminent involvement in one of our cases, the normal process will be by-passed and immediate action to take control of/remove goods to secure the Councils' position shall take place.

2.17 The Enforcement Agent shall provide sufficient and accurate evidence, including a nulla bona certificate, in cases where required.

2.18 The Enforcement Agent shall obtain authorisation from the Revenues Manager or Revenues Team Leader prior to the removal of goods taken control of.

2.19 The Enforcement Agent shall attend Court to act as witness if so required.

2.20 The Enforcement Agent shall immediately inform the Revenues Manager or Revenues Team Leader of any cases of physical or verbal abuse or where any action could lead to an official complaint or legal challenge being directed at the Council.

2.21 The Enforcement Agent shall be notified by the Council within five working days of the posting to an individual's account of payments received or amendments made which alter the balance of any Liability Order currently being processed by him/her.

COUNCIL'S SPECIAL ARRANGEMENT POLICY

- When making special payment arrangements the Enforcement Agent shall endeavour to ensure the arrangement ends within the same financial year, or

does not exceed a period of 12 months, having sought approval from a member of the Revenues Team.

- Debtors can be offered the option of weekly or fortnightly instalments instead of monthly.
- If the debtor requests that the instalment profile is extended over a year end or twelve month period written or verbal authorisation shall be sought from a member of the Revenues Team
- Remember when making these arrangements to notify the Debtor that the new year's instalments will need to be paid when due.
- All arrangements shall be made subject to the debtor signing a controlled goods agreement.
- Any failure by the debtor to maintain the special arrangement shall result in further recovery action being taken.

Revised 25 August 2021

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BENEFIT OVERPAYMENT POLICY

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- 2.0 BEST PRACTICE
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- 4.0 IDENTIFICATION OF OVERPAYMENTS
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- 6.0 CLASSIFICATION OF OVERPAYMENTS
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- 12.0 MAXIMUM PERIOD OF RECOVERY
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BENEFIT OVERPAYMENTS POLICY

1.0 COUNCIL RESPONSIBILITIES

1.1 The Council recognizes that overpayments of benefit do occur. In order to reduce the loss to public funds the Council ensures that firm but fair action must be applied in the administration of overpayments. Positive action in the recovery of overpayments has a deterrent effect. However, in the overpayments process and that of recovering any overpayment of benefit the Council has the responsibility to:

- a) Act in accordance with Primary Legislation (being that of an Act of Parliament, Order or other Statutory Requirement);
- b) Comply with the requirements of Secondary Legislation (being that of the Housing Benefit Regulations, Claims and Payment Regulations, Decision Making and Appeals Regulations etc);
- c) Comply with any changes to the above stated Primary or Secondary Legislation;
- d) Identify the overpayment promptly;
- e) Stop the overpayment continuing;
- f) Classify the overpayment correctly;
- g) Determine if the overpayment is recoverable;
- h) If recoverable:
Determine from whom recovery should be sought, and

- Determine the most appropriate method of recovery;
- i) Notify claimants and other affected persons of any decision in accordance with the regulations;
 - j) Ensure implementation of effective financial control during the overpayments process.
 - k) Pursue debt by the most effective recovery method.

2.0 BEST PRACTICE

- 2.1 This policy reflects best practice in the procedure for dealing with and the recovery of overpaid housing benefit.
- 2.2 The policy should be flexible in its approach to recovery of overpayments. Each case will be considered on its own merits. The Council recognises that a policy, which, for example, requires recovery in all cases or where recovery is always made from specific categories of claimants, is unlawful.
- 2.3 This policy has regard for the rights of individuals and obligations of the Council under the provisions of the Human Rights Act 1998.

3.0 APPLICATION OF THE POLICY

- 3.1 The policy should be applied to all cases where an overpayment of benefit may occur and all identified recoverable overpayments; that is any amount of housing benefit which has been paid, but to which there is no entitlement whether on initial decision or on a subsequent revised or superseded decision. In most cases overpayments can arise in consequence of:
- a) Payments being made in advance;
 - b) Late disclosures of changes in circumstances;
 - c) Errors made by the claimant in completing the application form or subsequent review form;
 - d) Claimant fraud;
 - e) Official errors made by the Council or other Statutory Benefits Departments; Overpayments in the case of e) above are only recoverable if the claimant or person from whom recovery is sought could reasonably have been aware that the overpayment was occurring at the time when the overpayment occurred.

4.0 IDENTIFICATION OF OVERPAYMENTS

- 4.1 The Council will endeavour to act on any information received in relation to a claimant's change of circumstances within service target of having sufficient information to identify an actual or potential overpayment which has occurred or may be occurring.
- 4.2 Such action should, in the first instance, include suspending further ongoing payments of incorrect benefit.
- 4.3 The Council will endeavour to identify any changes of circumstances, resulting in an overpayment by:

- a) Identifying communications from the DWP notifying of Income Support or Income based Jobseekers Allowance having stopped.
- b) Identifying communications from fraud sections requiring action;
- c) Identifying incoming post that indicates a change of circumstances.
- d) Identifying internal post from area and other NNDC offices which indicates a change of circumstances

5.0 DECISIONS ON RECOVERABILITY

- 5.1 In all cases where an overpayment of benefit has arisen NNDC will have regard for legislative procedures in deciding whether an overpayment is recoverable?
- 5.2 In doing so the Council will consider whether an official error caused or contributed to the overpayment.
- 5.3 The Council will have regard for legislative requirements in deciding to recover any overpayment or part thereof, which was caused by official error, or to which an official error materially contributed.

6.0 CLASSIFICATION OF OVERPAYMENTS

- 6.1 All overpayments, whether recoverable or not, must be classified by an officer of the Council who is appropriately trained to sufficient standards that will allow for the correct application of the law in this decision making process.
- 6.2 Officers responsible for the classification of an overpayment must record the classification and reasons for it on file.

7.0 WHO SHOULD THE OVERPAYMENT BE RECOVERED FROM?

- 7.1 Before recover action is undertaken, in each case consideration should be awarded to the relevant facts of the individual case. This may mean that further specific information will need to be obtained from affected parties prior to a decision being made. Recovery should be made from the most appropriate person who may be:
 - a) The claimant, or
 - b) The person to whom the payment was made, or
 - c) The person who misrepresented the material fact or failed to disclose the Fact or
 - d) The partner of the claimant. However regulations provide that this can only be the case where the partner was living as a member of the claimant's family at the time of the overpayment and at the time of the decision being made in respect of recovery.
- 7.2 Recovery of fraudulent overpayments should, in the first instance, be sought to be made from the person who misrepresented or failed to disclose material facts giving rise to the overpayment.

8.0 METHOD OF RECOVERY

8.1 Appropriate means of recovery should be considered in all cases under **Regulation 102 of the Housing Benefit Regulations 2006**. Recovery action should be taken by one of the following methods:-

- a) **Ongoing housing benefit deductions;** - The Regulation prescribes the maximum weekly deduction that can be made to recover an overpayment from ongoing entitlement. There are prescribed rates of deduction depending on whether the overpayment has arisen as a result of fraud or not. These rates may be updated annually by the Department for Work and Pensions on the 1st April.
- b) **Deductions from other DWP benefits** – Where there is no ongoing entitlement to Housing Benefit recovery can be sought from an attachment of other DWP welfare benefits through the Payment Deduction Programme. This is the electronic method of requesting an attachment of benefit.
- c) **Deductions from housing benefit payments made by other local authorities;** – If a debtor has moved to another Council area and is in receipt of Housing Benefit there, a letter can be sent to the Authority requesting that they make deductions from the claimants ongoing benefit entitlement at the suitable rate. The Housing Benefit overpayment would be passed to a Sundry Debtor to create an account in order for payments to be credited to NNDC.
- d) **Invoices** – An invoice will be raised for overpayments which cannot be recovered from ongoing Housing Benefit. Invoices will be raised for overpayments of £25 or more. The first principle will be to seek payment in full. Where a claimant can show that this is unaffordable, then instalments will be negotiated, by officers in accordance with the Corporate Debt Policy and Department for Works and Pensions best practice guidance.
- e) **Direct Earnings Attachment** – The Welfare Reform Act 2012 allows NNDC to ask employers to make deductions from the employees pay. Where a debt is at invoice stage, the debtor will be sent a reminder. Where the debt remains outstanding, the debt can be recovered directly from the debtor's earnings.
- f) **Collection of Overpayments from Landlords** – Where the claimant is no longer entitled to Housing Benefit, the overpayment will be sought from the landlord where they have failed to report a material change which they would have reasonably expected to realise had occurred. The overpayment will be invoiced. Where the landlord fails to settle the account the overpayment will be recovered directly from future Housing Benefit payments for other current tenants. The current tenants are protected and the deduction counts as their rent payment. This is referred to as Blameless Tenant recovery.
- g) **Debt Collection Agencies** – where an invoice has been raised and the payment has not been received the debt can be passed to a debt collection agency to collect.
- h) **Court action** - where an invoice has been raised and a reminder issued and nonpayment of the debt continues the debt can be passed to legal services for action in the County Court via a County Court Judgement. A Claim Letter will be sent to the debtor first as a pre-warning that County Court action will take place. This gives the debtor a further opportunity to dispute the debt, or advise the authority that they are seeking financial assistance.
- i) **Recovery action (Post County Court Judgement)** – the HB overpayment is registered as a judgement of the court. Unpaid debts can be recovered by a number of enforcement methods – warrant of execution, attachment of earnings, third party debt order, charging order, bankruptcy or High Court Enforcement (see 8.2 below).

The Council will determine the most appropriate option for recovery of the debt.

Recovery action will commence after taking into consideration the claimants eligibility to underlying entitlement or a new claim pending. This will allow for the claimant to provide further information or make any reapplication for housing benefit, thereby reducing any overpayment, in addition to allowing time for the affected persons to register any appeal rights that they may wish to enact, and or to reach a mutually acceptable arrangement for the recovery of the overpayment.

- 8.2 From 12th April 2018, we now have access to a new recovery tool called the Housing Benefit Debt Service (HBDS). This is administered by the DWP and allows us to retrieve debtor's employment, self-employment, private pension information and address details directly from the HMRC.

Following the introduction of HBDS, we anticipate more debts being recovered via a Direct Earnings Attachment. Where these recovery options do fail and we are unable to engage with the debtor and once a County Court Judgement has been obtained, we are able to consider use of High Court Enforcement. This is where a Writ of Execution (a cost to NNDC of £66 if not successful) will be obtained from the High Court authorising a High Court Enforcement Officer to recover the amount owed by the debtor or take sufficient goods to be sold at auction to raise what is owed. The Enforcement Agent will not raise or charge any costs or fees in excess of the costs and fees allowed under the regulations in force as shown in the table below:-

Schedule of Enforcement Fees (other than under a High Court Writ)

Fee Stage	Fixed Fee	Percentage fee (regulation 7): percentage of sum to be recovered exceeding £10,000
Compliance Stage	£75.00	0%
First enforcement Stage	£190.00	7.5%
Second enforcement Stage	£495.00	0%
Sale or disposal stage	£525.00	7.5%

The above figures are not including VAT.

- 8.3 In respect of ongoing housing benefit deductions, the standard rates should be applied as per the amounts laid down by Regulations, unless having regard to the health and/or financial circumstances and/or housing risk or need of the person from whom recovery is sought a lesser sum is deemed appropriate. Regulations provide that in all cases a minimum of 50p per week housing benefit must remain in payment.

- 8.4 Where recovery is sought from a bankrupt, recovery should be sought via ongoing benefit entitlement or from other prescribed benefits before considering any court action.
- 8.5 Where the case involves the death of a claimant, the deceased's representative or executor should be approached to seek recovery from the estate. However, the overpayment should not be recovered from ongoing benefit deductions from the surviving spouse.
- 8.6 'Excess Council Tax Benefit/Support ' will be added back onto the Council Tax account and collected in accordance with the Council Tax recovery Regulations.

9.0 PERIOD OF OVERPAYMENT CALCULATION

- 9.1 The period over which the overpayment is calculated should be from the start date of the overpayment.

10.0 CALCULATION OF OVERPAYMENTS

- 10.1 Where an overpayment is identified the Council will invite claimants to provide sufficient information to establish any underlying benefit entitlement.
- 10.2 The Council will endeavour to carry out the calculation of the overpayment within 14 days of its receipt of any written notice of change and any further information that is reasonably required for the correct administration of the overpayments procedure as is required by regulations.

11.0 MAXIMUM AMOUNT

- 11.1 The full amount of the overpayment should be recovered, unless after having regard to the health and or financial circumstances and/or housing risk or need of the person from whom recovery is sought, a lesser amount would be more appropriate.

12.0 MAXIMUM PERIOD OF RECOVERY

- 12.1 In all cases the overpayment should be recovered as quickly as possible. However, the maximum period over which the debtor should be allowed to repay the overpayment is that of six years.
- 12.2 The maximum period of six years may be exceeded if the method of recovery is deductions from ongoing benefit entitlement of other DWP benefits, having regard to the maximum deductions allowed by the regulations.

13.0 DECISION NOTICES

- 13.1 All decision notices must be dated and issued to all the "affected persons" as prescribed by regulations within 14 days of the Council having reached that decision.

13.2 All decision notices must fully comply with the requirements of legislation, including the reasons for the decision, the right to request a statement of reasons and time limits for doing so, the affected person's right of revision/appeal and time limit for doing so.

13.3 Copies of the actual decision notice must be retained on file for a period of not less than 13 months in order that they may be retrieved and produced in the event of a future review/appeal/complaint or civil proceedings.

14.0 RECOVERY OF OVERPAYMENT DEBT

14.1 The Council will seek to recover all recoverable overpayments of benefit in its statutory duty to reduce any loss to public funds. In doing so the Council will have regard for:

- a) The period of time that the debt may take to be recovered;
- b) The effect of recovery on the affected person from whom recovery is sought;
- c) The ability to repay of the affected person from whom recovery is sought.

14.2 All methods of recovery may be considered at any time, having regard for the circumstances of any individual case.

14.3 The Council may reconsider the methods used to recover overpayments at the end of each financial year for effectiveness and efficiency.

15.0 Policy Performance

15.1 From April 2005 there are three performance measures that Councils have to report quarterly on to the Department of Works & Pensions in relation to overpayments:-

- The amount of HB overpayments recovered during the period as a percentage of the total amount of HB overpayments identified during the period.
- The amount of overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period.
- The amount of overpayments written off during the period as a percentage of the total amounts of HB overpayment debt outstanding at the start of the period plus amount of overpayments identified during the period

Revised June 2019

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Employment and Appeals Committee – Membership and Terms of Reference

Summary: To approve new Terms of Reference for the Council's Employment and Appeals Committee as detailed in the report so as to strengthen the authority's governance arrangements.

Recommendations: Council is asked:-

- 1. To agree the revised Terms of Reference for the Employment and Appeals Committee**
- 2. To nominate members to form a "pool" of members to serve on the Committee with appropriate training**

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1. Introduction

- 1.1 The District Council has an Employment and Appeals Committee (EAC) which deals with matters relating to the appointment, discipline and grievances of Chief Officers in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015). The Terms of Reference of the established Employment and Appeals Committee, as included within the Council's Constitution, is attached at Appendix 1 to this report.
- 1.2 Further guidance issued by the Joint National Council (JNC) in April 2019 detailed that, in the event of disciplinary proceedings being brought against a Chief Officer, an Investigations and Disciplinary Committee should operate as a Panel or sub-Committee of the EAC to investigate such matters.
- 1.3 A review of the Council's governance framework has established that, whilst the authority has an established Employment and Appeals Committee, it has not put in place or adopted other key requirements to ensure that a sound and robust governance framework is in place to manage such situations should they arise.
- 1.4 This report therefore proposes a series of actions to strengthen the Council's arrangements in this regard and proposes amended / revised Terms of Reference for the Employment and Appeals Committee to be included within the Council's Constitution.

2. Current Position

- 2.1 The April 2019 JNC guidance on Investigation and Disciplinary Committees suggests that in addition to operating an Investigation and Disciplinary Committee (perhaps as a Panel or Sub-Committee of an Employment Committee), local authorities should appoint an Independent Persons Panel to support any complaint investigation process and ensure that both the members of the Committee and any Independent Person(s) have relevant training such that they understand how any allegations should be considered, any “investigation” process taken forward, the sensitivity of such matters and potential outcomes / appeal processes etc. At the present time the Council does not have an Independent Persons Panel established.
- 2.2 Whilst reference is made to the Council having an Employment and Appeals Committee within the Council’s Constitution, the annual meeting of Council held on 15th May 2019 did not appoint members to the Committee (the Terms of Reference state “*The members shall be drawn from a rota of Councillors willing to serve. It will not necessarily be politically balanced*”); and no Chair or Vice Chair was nominated (again the Terms of Reference state that the “*Chairman and Vice-Chairman appointed by: The Committee at each meeting*”).
- 2.3 In respect of the latter issue, this meant that no Chair of the Committee was identified with whom any concerns or allegations relating to the conduct of the Council’s Chief and Statutory Officers could be raised.
- 2.4 Further, no training for any members was arranged in the summer of 2019 such that a Committee could be formed to hear any disciplinary cases and no “appeal mechanism” established; as per the JNC guidance. Some training of members in Employment and Appeals processes was subsequently delivered in October 2020.
- 2.5 Given these shortcomings in the Council’s existing arrangements, it is now considered necessary to review and clarify these arrangements moving forward such that the Council’s governance framework is strengthened.

3. Proposed changes

- 3.1 In light of the above, consideration has been given to how the Council’s systems and processes with respect to the Employment and Appeals Committee might be strengthened. The key requirements of the procedure are as follow:-
 - A politically balanced “Investigations and Disciplinary Committee” (which should include at least one member of Cabinet);
 - A politically balanced “Appeals” Committee (again containing at least one member of Cabinet, different to the member sitting on the Investigations and Disciplinary Committee);
 - An “Independent Persons Panel” made up of at least two people. This can include the Independent Person appointed by the Council under

the Localism Act and such a person appointed by another local authority.

- 3.2 It is believed that these requirements could be achieved by the Employment and Appeals Committee being made up of a “pool” of fifteen (15) members, who are trained in all aspects of the EAC responsibilities – ie appointment, discipline and grievances of Chief Officers, from which a group of five (5) members can be drawn at any time, dependent on circumstances.
- 3.3 In order to meet the JNC guidance an Independent Person Panel requires at least two persons. The District Council has an Independent Person appointed to consider Member conduct issues under the Localism Act, who could equally fulfil the role of Independent Person for complaints against Chief Officers. It will be necessary for the Council to recruit at least one other Independent Person and this could be achieved through an arrangement with another local authority.
- 3.4 Whilst the appointment of Chief Officers would involve quite long lead in times, on the rare occasions the Committee might need to come together to consider disciplinary issues or grievances, the Committee might need to be formed or brought together quite quickly and dependent on the nature of the issues involved some members of the “pool” of members might not be able to participate in the workings of the Committee at that time due to potential conflicts of interest.
- 3.5 Further, the establishment of a pool of members from which a Committee of five members could be drawn at any time would also build in a degree of capacity should a separate “Appeals Panel” need to be formed to hear any appeal into a disciplinary matter or grievance as any such appeal would need to be heard by a new group of trained members.
- 3.6 Following appointment to the “pool” of EAC members, a new programme of training has been provisionally arranged for delivery on the 3rd November 2021 such that the Committee can be brought together as necessary in the future.
- 3.7 The annual meeting of Council held in May 2021 nominated Cllr Eric Seward as Chair of the Committee, such that the issue of there being an identified Chair of the Committee is already addressed.
- 3.8 A new / revised Terms of Reference which seeks to reflect the proposed changes outlined above is attached as Appendix 2 to this report for members’ reference / agreement.

4. Corporate Plan Objectives

- 4.1 Not applicable – this report does not raise issues with respect to the delivery of Corporate Plan priorities or objectives; it is part of the Council’s strong governance framework.

5. Medium Term Financial Strategy

- 5.1 No issues raised in this report have an implication on the Council's Medium Term Financial Strategy.

6. Financial and Resource Implications

- 6.1 There are no direct financial or resource implications arising from this report beyond the costs of member training for those members nominated to sit on the Committee.

7. Legal Implications

- 7.1 The Council is required by legislation to have an Investigation and Disciplinary Committee which, under the Council's Constitution, can be incorporated within the remit and Terms of Reference of its established Employment and Appeals Committee.

8. Impact on Climate Change

- 8.1 Not applicable.

9. Equality and Diversity

- 9.1 There are no equality and diversity issues raised by this report.

10. Section 17 Crime and Disorder considerations

- 10.1 Not applicable.

11. Recommendations:-

Council is asked:-

- 1. To agree the revised Terms of Reference for the Employment and Appeals Committee**
- 2. To nominate members to form a "pool" of members to serve on the Committee with appropriate training**

APPENDIX 1

EMPLOYMENT AND APPEALS COMMITTEE – Existing Terms of Reference

The Council has determined that the Employment and Appeals Committee shall be constituted and shall have delegated authority for the discharge of the Council’s responsibilities as set out below. This is not a public committee.

EMPLOYMENT AND APPEALS COMMITTEE	
Appointed by: The Council	Number of Elected Members: Minimum of Five
Chairman and Vice-Chairman appointed by: The Committee at each meeting	Political Proportionality: The members shall be drawn from a rota of Councilors willing to serve. It will not necessarily be politically balanced.
Quorum: Five	Co-opted members to be appointed by Employment and Appeals Committee: None
Frequency of Meetings: On an arising basis	
Terms of Reference: The Employment and Appeals Committee shall deal with matters concerning the appointment, discipline and grievances of Chief Officers in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2015). Including the appointment of the independent panel.	

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APPENDIX 2

EMPLOYMENT AND APPEALS COMMITTEE TERMS OF REFERENCE

The Council has determined that the Employment and Appeals Committee shall be constituted and shall have delegated authority for the discharge of the Council's responsibilities as set out below. **This is not a public committee.**

EMPLOYMENT AND APPEALS COMMITTEE	
Appointed by: The Council	Number of Elected Members: Pool of (a minimum) of 15 (trained) members from which a Committee or Panel of five members can be drawn together as necessary
Chairman and Vice-Chairman appointed by: Full Council	Political Proportionality: The members shall be drawn from a pool of suitably trained councillors willing to serve. Each Committee or Panel should be politically balanced.
Quorum: Five	Co-opted members to be appointed by Employment and Appeals Committee: Independent Persons Panel to operate in the case of any disciplinary or grievance processes
Frequency of Meetings: On an arising basis and as a when training needs dictate	
Terms of Reference: The Employment and Appeals Committee shall deal with matters concerning the appointment, discipline and grievances of Chief Officers in accordance with the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2015).	

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