Public Document Pack

Cabinet

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Friday, 21 January 2022

A meeting of the **Cabinet** of North Norfolk District Council will be held in the Council Chamber - Council Offices on **Monday, 31 January 2022** at **10.00 am**.

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

Members of the public who have requested to ask a question or speak on an agenda item should arrive at least 15 minutes before the start of the meeting. 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-WyEzg

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: Mrs W Fredericks, Mrs S Bütikofer, Mrs A Fitch-Tillett, Ms V Gay, Mr R Kershaw, Mr N Lloyd, Mr E Seward, Miss L Shires and Mr J Toye

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

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

A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. MINUTES 1 - 4

To approve, as a correct record, the minutes of the meeting of the Cabinet held on 05 January 2022.

3. PUBLIC QUESTIONS AND STATEMENTS

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

4. ITEMS OF URGENT BUSINESS

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

5. DECLARATIONS OF INTEREST 5 - 6

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. MEMBERS' QUESTIONS

To receive oral questions from Members, if any

7. RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE

The following recommendations were made to Cabinet by the Overview & Scrutiny Committee at the meeting held on 12 January 2022:

PRE-SCRUTINY: REVIEW OF CAR PARKING CHARGES

RESOLVED

1. **To recommend to Cabinet that consideration is given to increasing car parking charges in-line with the following options:**

    - **Option 1 (b) – consideration of seasonal price increases for coastal car parks with prices tied to CPI inflation from date of previous increases.**
    - **Option 2 – consideration of season ticket price increase with prices tied to CPI inflation from date of previous increases.**

8. NET ZERO STRATEGY AND ACTION PLAN 7 - 58

Summary: North Norfolk District Council's (NNDC) Corporate Plan commits to the delivery, and adoption, of an Environmental Charter and

Action Plan.

In May 2021 The Council adopted an Environmental Charter and, subsequently, began developing the ‘Action Plan’ element of this commitment.

This report presents the Draft Action Plan for achieving Net-Zero Carbon emissions by 2030 in the format of a Draft Net-Zero Strategy and Action Plan (referred to from here on in as the NZSAP).

The NZSAP also documents NNDC’s existing pathway by providing carbon emission figures for the years 2018/2019, 2019/2020, and 2021/2022.

Options considered:

Option One: To recommend adoption the Draft NZSAP. This option fulfils the Corporate Plan commitment to develop an Action Plan and provides a route map from which the Council will continue to address the Climate Emergency.

Option Two: To recommend not adopting the Draft NZSAP. This option however contradicts the Council’s Corporate Plan objectives and commitments to addressing the Climate Emergency.

Option three: to recommend adopting an amended version of the Draft NZSAP. This could risk not achieving the carbon reduction outcomes and will necessitate alternative actions by which these might be achieved.

Conclusions:

The NZSAP is a fundamental step in the Council’s approach to dealing with the Climate Change Emergency declared in April 2019 and the subsequent net-zero 2030 target. Its significance stems from the fact that it outlines how a net-zero 2030 target can be achieved as well as reporting on The Council’s existing emissions pathway for the years 2018/2019 through to 2020/2022.

The NZSAP is also an important internal, and external, document which clearly communicates The Council’s commitment to environmental excellence and a net-zero carbon emissions future.

It is therefore recommended that the Council should adopt the NZSAP and in doing so commit to delivering the actions made within the NZSAP.

Recommendations: **To recommend the adoption of the Draft Net Zero Strategy and Action Plan.**

Reasons for Recommendations**:** The NZSAP is a hugely important document as it outlines how a net-zero 2030 target can be achieved as well as reporting on NNDC's existing emissions pathway for the years 2018/2019 through to 2020/2022.

NNDC's Corporate Plan commits to delivering an Action Plan. Once approved the NZSAP will become an adopted Council document which will set the framework for achieving the Environmental Charter's Net Zero objective whilst simultaneously reinforcing NNDC's commitment to addressing the climate change emergency, which it declared in April 2019.

Cabinet Member: Cllr Nigel Lloyd	Ward(s) affected: District Wide

Contact Officer: annie.sommazzi@north-norfolk.gov.uk

9. CROMER PIER PAVILION THEATRE - PIER MANAGEMENT CONTRACT 59 - 66

Summary: This report provides members with an update in respect of the pier management contract operated by Openwide Coastal in the context of the ongoing uncertainty around the covid pandemic.

The report details the current arrangements for management of the contract of the Pier Pavilion theatre in Cromer, in the context of when the current contract was awarded in early 2019; and considers the changed circumstances, issues and risks being faced by the operator during the 2020 and 2021 seasons and looking into the future due to the Covid pandemic

The report details a number of options available to the council in seeking to support the current operator respond to these unprecedented circumstances in future years thereby maintaining the unique end of the pier show and other theatre offering provided through the Cromer Pier Pavilion theatre.

Conclusions:

The Coronavirus pandemic, including periods of lockdown and subsequent restrictions during the twenty-two months since March 2020, and ongoing uncertainty for the arts sector through 2022 and beyond, has presented significant challenges to the Council's operating partner for Cromer Pier and Pavilion Theatre - Openwide Coastal.

Whilst Openwide has competently managed this challenging situation, this is not without significant risks to the business relative to the contract awarded by the Council in February 2019, and in order to secure its long term future it is appropriate for the Council to consider how it might work with the company to manage future risks in the operation of the Pavilion Theatre, if not the wider Pier offering.

Recommendations:

Cabinet is therefore recommended to:-

a) Agree now to the extension of the pier management contract at the end of its current ten-year term for five years to March 2033 (as allowed for under the contract) so that the additional costs / losses incurred by Openwide in supporting the contract over the past two years due to COVID might be recovered – i.e. Option 1 as detailed within Section 5 of the report.

b) Agree that the Council is prepared, in principle, to explore further with Openwide a risk-sharing approach in underwriting the costs of investment in the 2022 Seaside Special production recognising the challenges presented by the COVID pandemic on audience figures during 2021 and the continued uncertainty for the 2022 summer season given that planning and investment in the 2022 production is already underway - i.e. Option 3 as detailed within Section 5 of the report.

c) The Council agrees to make budgetary provision in the current financial year of up to £45,000 to upgrade the bar and food service area within the Pavilion Theatre

d) Agree that the Council works closely with Openwide to explore broadening the offer of the Pier as outlined in Options 4 and 5 of Section 5 of the report so as to

attract new audiences, visitors and income to the Pier.

Cabinet member(s): Cllr Virginia Gay, Cabinet member for Health, Wellbeing and Culture	Ward(s) affected: Cromer Town / All given the significant of the Cromer Pier and Pavilion Theatre to the District's tourism offering
Contact Officer, telephone number, and e-mail:	Karl Read Leisure and Cultural Services Manager Tel: 01263 516002 Email:-Karl.Read@north-norfolk.gov.uk

10. CAPITAL STRATEGY 2022 – 2023 **67 - 76**

Summary:	This report sets out the Council's Capital Strategy for the year 2022-23. It sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.
Options Considered:	This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
Conclusions:	The Council is required to approve a Capital Strategy to demonstrate compliance with the Codes and establishes the strategic framework for the management of the capital programme.
Recommendations:	That Cabinet recommends to Full Council that; (a) The Capital Strategy and Prudential Indicators for 2022-23 are approved.
Reasons for Recommendation:	Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

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

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

11. NORTH NORFOLK DISTRICT COUNCIL INVESTMENT STRATEGY 2022/23 **77 - 84**

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

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

Contact Officer, telephone number and email: Lucy Hume, 01263 516246

12. NORTH NORFOLK DISTRICT COUNCIL TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23 **85 -100**

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

guidance.

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

Contact Officer, telephone number and email: Lucy Hume, 01263 516246

13. **FEES AND CHARGES 2022-23** 101 - 122

Summary:	This report recommends the fees and charges for 2022-23 that will come into effect from April 2022.
Options considered:	Alternatives for the individual service fees and charges now being proposed will have been considered as part of the process in arriving at the fees presented within the report.
Conclusions:	The fees and charges as recommended have been used to inform the income budgets for the 2022/23 budget.
Recommendations:	**That Cabinet agree and recommend to Full Council: a) The fees and charges from 1 April 2022 as included in Appendix A. b) That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required as outlined within the report**
Reasons for Recommendations:	To approve the fees and charges as set out in the report that will have been used to support the 2022/23 budget process.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Current fees and charges

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

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

14. RATE RELIEF POLICY 123 - 152

Summary:

1. In the Budget on 27 October 2021 the Chancellor announced the Government would award a 50% Retail Hospitality and Leisure Discount for properties up to a cash limit of £110,000 per business for the 2022/23 financial year.

2. In the Budget on 27 October 2021 the Chancellor announced the Government would extend Supporting Small Business Relief (SSB) for another year until 31 March 2023. This is for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the revaluation and consequently lost Small Business Rates Relief or Rural Rate Relief. This relief to be awarded will limit any increase in the rates to £600 per year.

3. In the Budget on 27 October 2021 the government announced that it would extend the current transitional relief scheme and for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

3. On 25 March 2021 the government announced it would make available a discretionary fund to North Norfolk DC to support businesses for one year only for the period 1 April 2021 to 31 March 2022 affected by COVID-19 but not eligible for existing support linked to business rates. The COVID-19 Additional Relief Fund (CARF) of £1.580,862 will be allocated relief as agreed by the Norfolk councils working party.

4. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020 including the extension of the £1,500 business rates discount for office space occupied by local newspapers that will apply for an additional 5 years until 31 March 2025. The scheme will be available to local newspapers that occupy office space. Under the scheme, eligible local newspaper businesses will continue to receive up to a £1,500 discount on their bill for the 2022/23 financial year.

5. The 2016 Autumn Statement confirmed the doubling of rural rate relief available to eligible businesses from 50% to 100%. The Government subsequently set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the Government expects local authorities to continue to use their discretionary relief powers to grant 100% rural rate relief to eligible ratepayers in 2022/23, as they have done previously.

The Government expects local authorities to use their discretionary relief powers to grant these reliefs. All the above will be compensated in full for our loss of rates income because of these changes. This compensation except the CARF will be paid by section 31 grant and calculated based on the returns that the council makes under the rates retention scheme.

The Council's Discretionary Rate Relief Policy has been revised to reflect these changes.

Conclusions: The policy has been updated to reflect the extended schemes announced and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.

Recommendations: **That Cabinet recommends to Full Council that the Revenues Manager has delegated authority to make decisions up to the NNDC cost value of £2k as indicated in Appendix A.**

That Cabinet recommends to Full Council that the Revenues Manager has delegated authority to make Covid-19 Additional Relief Fund (CARF) decisions as indicated in Appendix C.

That Cabinet notes this report and recommends to Full Council that the Rate Relief Policy is revised as indicated in Appendix A, B and C.

Reasons for Recommendations: The new policy will enable the Retail Hospitality and Leisure Discount, Supporting Small Business Relief, transitional relief scheme, COVID-19 Additional Relief Fund, the scheme for local newspaper discount and the Rural Rate Relief to be awarded discretionary reliefs in 2019-20 onwards.

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

Contact Officer, telephone number and email:
Sean Knight. Sean.Knight@north-norfolk.gov.uk 01263 516347

15. DRAFT MEDIUM TERM FINANCIAL STRATEGY 2023/26 INCLUDING BASE BUDGET PROJECTIONS 2022/23 153 - 216

Summary: To provide Members with the opportunity to discuss assumptions around Medium Term Financial Planning and the impact on NNDC finances.

Options considered: The Council is required by law to set a budget in advance of the financial year. The report to Full Council will present options for budget setting with respect to Council Tax and other items.

Conclusions: The Council is required to agree a budget in advance of each financial year. This is done is February of each year at Full Council, after meetings of Cabinet and Overview and Scrutiny. To aid the Committee, an early draft of the Medium Term Financial Plan is presented here for scrutiny and discussion.

Recommendations: **It is recommended that Cabinet agree and where necessary recommend to Full Council:**

1) **The 2021/22 revenue budget as outlined at Appendix A1;**
2) **The demand on the Collection Fund for 2021/22, subject to any amendments as a result of final precepts still to be received be:**
    a. **£6,512,488 for District purposes**
    b. **£2,579,591 (subject to confirmation of the final precepts) for Parish/Town Precepts;**
3) **The statement of and movement on the reserves as detailed at appendix D;**
4) **That £500,000 be transferred from the Business Rates Reserve to the Delivery Plan Reserve to support the delivery of the Council's corporate objectives;**
5) **The updated Capital Programme**

and financing for 2021/22 to 2023/24 as detailed at appendix C1;

6) The capital bids contained within Appendix C2, with delegated authority given to the Section 151 Officer in conjunction with the Portfolio Holder for Finance to decide on the most appropriate means of funding;

7) That Members note the current financial projections for the period to 2024/25;

Reasons for Recommendations:	To recommend a balanced budget for 2021/22 for approval by Full Council.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Budget Monitoring Reports 2021/22
Outturn Report 2020/21
Medium Term Financial Strategy 2022-25

Cabinet Member(s)	Ward(s) affected
Cllr Eric Seward	All

Contact Officer, telephone number and email:
Lucy Hume, Chief Technical Accountant, 01263 516246

16. CAR PARK CHARGES REVIEW 217 - 250

Summary: Car parking income represents a significant income source to the Council and as such has a substantial contribution to make to the Council's longer term financial sustainability and helping to set and maintain a balanced budget.

There are significant costs associated with a range of Council services which support the tourism economy, with provision of public conveniences, foreshore activities, parks, open spaces and woodlands representing a combined annual revenue spend in excess of £2.2m. It is appropriate for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience. These are all discretionary areas of spend but help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate.

The current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible.

Car park charges have not been increased since July 2016. This report considers the current car park fees and charges and provides the Cabinet with an opportunity to consider changes to the fee structure as appropriate.

At their meeting on 12 January 2022 Overview and Scrutiny Committee were provided with an opportunity to pre-scrutinise the officer report to consider the range of potential options prior to any consideration by Cabinet and the recommendations from the Committee are therefore now included within this report for further consideration.

Options considered: A number of options are considered within the report as follows;

1. Do nothing – the Council could opt to do nothing and not change the current fees and charges.

2. Alternatively the report considers a number of different proposals to fee structures for potential introduction from July 2022.

Conclusions: As one of the Council's largest external income sources, car parking charges have a significant contribution to make in terms of the Council's financial sustainability in the medium to long term. Financial Sustainability and Growth is one of six key themes within the Corporate Plan and links directly with objective 2.2 of the Delivery Plan.

The Council incurs significant levels of expenditure on discretionary service areas which help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate. These costs cover a range of Council services which support the tourism economy, from provision of public conveniences, maintenance and operation of Cromer pier, foreshore activities, parks, open spaces and woodlands which represent a combined annual revenue spend in excess of £2.2m. It is appropriate therefore for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

There are clearly multiple variations on the possible range of pricing options and initiatives for car parks. Due to the nature of parking charges and for simplicity it is best to make any increases to the nearest 10p. Even a relatively modest annual increase of 3.5% from 2016 would have increased the hourly charge at our 'Coastal' car parks from £1.50 per to £1.84 (unrounded) by April 2022.

To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position and to strengthen day to day car park management to minimise losses by more timely resolution of machine breakdowns etc, Cabinet are invited to consider and comment on the issue of resource for improved management of the service.

The Overview and Scrutiny Committee have pre-scrutinised the officer report and their recommendations are included as part of this updated report for further consideration by Cabinet.

Recommendations: **Cabinet considers the options and proposals contained within this report and make recommendations to Full Council on;**

- **the preferred way forward in terms of pricing changes so that these changes can be considered as part of the budget setting process for 2022/23 and inform the future financial strategy;**
- **changes to car park designations as outlined within the report;**
- **implementing any new pricing changes from July 2022 and instigating the Car Park order (CPO) consultation process;**
- **budgetary provision of £25k to cover implementation costs resulting from any changes.**

Reasons for Recommendations: Car parking income represents a significant income source to the Council and as such has a substantial contribution to make to the Council's longer term financial sustainability and helping to set and maintain a balanced budget.

Car parking income needs to be considered against the context of our discretionary service provision which people value but which is often difficult to charge for, such as we public conveniences, the seafront environment and Blue Flag beaches, beach lifeguards, additional street cleansing, litter bins etc. It is becoming increasingly more difficult for the Council to continue to provide these services at the level expected by local residents, businesses and tourist visitors from Council Tax payers alone.

Further to this it is not fair or equitable across the District as a whole and doesn't operate under the 'user pays' principle.

Car park charges have not increased since July 2016, there are a number of options that Members need to consider in relation to any potential changes to the car park fees and charges so that any alterations can be implemented through a new Car Park Order (CPO). Members of the Overview and Scrutiny Committee were given the opportunity to pre-scrutinise the officer report ahead of consideration and their recommendations are included now for further consideration.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Cabinet Member(s); Cllr Eric Seward	Ward(s) affected; All

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

17. EXCLUSION OF PRESS AND PUBLIC

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

18. PRIVATE BUSINESS

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CABINET

Minutes of the meeting of the Cabinet held on Wednesday, 5 January 2022 at the Council Offices, Holt Road, Cromer, NR27 9EN at 10.00 am

Committee Members Present:

Mrs W Fredericks
Mrs A Fitch-Tillett
Mr R Kershaw
Mr E Seward
Mr J Toye
Mrs S Bütikofer (Chair)
Ms V Gay
Mr N Lloyd
Miss L Shires

Members also attending: Cllr T Adams
Cllr A Brown
Cllr Dr C Stockton

Officers in Attendance:

Chief Executive, Democratic Services Manager and Director for Resources/Section 151 Officer), the Assistant Director for Finance, Legal & Assets (Monitoring Officer) and the Democratic Services Manager

Officers in attendance remotely: Assistant Director for People Services and the Surveyor.

181 MINUTES

The minutes of the meeting held on 29th November were approved subject to the following amendment on page 4, paragraph 4:

Cllr Seward 'said that there had been some data relating to *usage of* nine of the Council's toilets'

181 MINUTES

The minutes of the meeting held on 29th November were approved subject to the following amendment on page 4, paragraph 4:

Cllr Seward 'said that there had been some data relating to *usage of* nine of the Council's toilets'

182 PUBLIC QUESTIONS AND STATEMENTS

None received.

183 ITEMS OF URGENT BUSINESS

None received.

184 DECLARATIONS OF INTEREST

None.

185 MEMBERS' QUESTIONS

The Chairman advised members that they could ask questions as matters arose during the meeting.

186 RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE

The Chairman informed members that there were no recommendations from the Overview & Scrutiny Committee to Cabinet.

187 SUPPORT IN SAFE ACCOMMODATION STRATEGY FOR NORFOLK 2021-2024

Cllr W Fredericks, Portfolio Holder for Housing, introduced this item. She said that she endorsed the strategy, as required, but added that officers at NNDC provided a lot more support to survivors of domestic abuse and this should be acknowledged and recognised.

The Chairman invited the Assistant Director for People Services to speak. She explained that the Domestic Abuse Act 2021 included new duties for Tier 1 authorities in England regarding the provision of support for victims and their children residing within relevant safe accommodation to assess the need for safe accommodation and support and to develop a strategy to meet these needs. The District Council, as a Tier 2 authority, had a duty to co-operate as a key stakeholder and partner in undertaking the needs assessment and then developing and implementing the strategy. She added that the remit of the strategy was narrow as it related to the provision of support for survivors of domestic abuse and their children and also only to those residing in safe accommodation (which had a very specific definition). She went on to explain that only a small number of people were placed in safe accommodation and that the Council tended to place domestic abuse victims in a wider range of accommodation types. In addition, it was important to note that the strategy document did not refer to the services provided by other agencies and she referenced the launch of a new service - the Norfolk Integrated Domestic Abuse Service (NIDAS) which would see a consortium of specialist support services working together with victims and their children across the county, ensuring people have access to a full range of help and guidance regardless of where they live. The service would work with victims of domestic abuse aged 16 and above of any gender.

In conclusion, the Assistant Director for People Services said that whilst the Council recognised the shortcomings of the strategy, it had been developed in partnership and would develop further in the future as dialogue with the Government continued.

Cllr V Gay reiterated that the Council was only required to endorse the strategy. She reiterated that the Council was already undertaking a substantial amount of additional work to support survivors of domestic abuse.

It was proposed by Cllr W Fredericks, seconded by Cllr V Gay and

RESOLVED

To endorse the Support in Safe Accommodation Strategy for Norfolk 2021-2024.

Reason for decision:

Endorsing the strategy demonstrates acknowledgement of our role in developing and implementing the strategy and reflect the importance of the need to support survivors of domestic abuse.

188 LEASE PROPOSAL AT D, E AND F HORNBEAM ROAD

The Chairman reminded Members that there were exempt appendices to the report and that if they wished to discuss the contents of these then the meeting would need to go into private business.

Cllr E Seward, Portfolio Holder for Assets, introduced the report. He explained that 12 months previously the Council had acquired three industrial units at Hornbeam Road, North Walsham for investment purposes. An offer had now been received from a national operator to lease all three units for 15 years. This was compliant with the current planning permission for the site and was a sound and attractive offer which met the Council's agreed policies around return on investments made on commercial property.

He concluded by saying that two other expressions of interest in the site had been received to date but neither had resulted in the lease being taken up.

RESOLVED

A. To withdraw from the current proposed lease, which is not yet legally completed
B. To approve the lease terms as described in Appendix A

Reason for the decision:

Principally to support the financial sustainability and growth of the Council by leasing the premises and generating rental income that is used to support Council services.

189 STATEMENT FROM THE LEADER

Before closing the meeting, the Leader said that she wanted to make a short statement. She began by saying that over the last two years, Covid had caused turmoil and it had been hard for many people for many different reasons – including those who had worked tirelessly to provide support (including Council staff) local businesses which had been put on hold and young people. She said that it had been particularly hard for those who had lost loved ones, friends and family. She said that in the last year she had lost both her parents and now her husband was seriously ill. For this reason she was no longer able to give the time and dedication required to fulfil her role as Leader of the Council. She said that she was therefore, giving notice of her intention to resign as Leader of the Council as soon a new leader could be elected by the Liberal Democrat Group and then Full Council. Until then she would remain in office and continue to complete her duties.

Cllr Butikofer concluded by saying that it had been an immense honour and privilege to have led the council for the last three years and to have been the Leader of the Liberal Democrat Group for the last 5 and a half.years.

190 EXCLUSION OF PRESS AND PUBLIC

191 PRIVATE BUSINESS

The meeting ended at 10.13 am.

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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

NORTH NORFOLK DISTRICT COUNCIL

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

What matters are being discussed at the meeting?

Pecuniary Interest

Do any relate to an interest I have?

A Have I declared it as a pecuniary interest?
OR
B Does it directly affect me, my partner or spouse's financial position, in particular:

- employment, employers or businesses;
- companies in which they are a director or where they have a shareholding of more than £25,000 face value or more than 1% of nominal shareholding;
- land or leases they own or hold;
- contracts, licenses, approvals or consents

YES

The interest is pecuniary – disclose the interest, withdraw from the meeting by leaving the room. Do not try to improperly influence the decision

If you have not already done so, notify the Monitoring Officer to update your declaration of interests

NO

Related Pecuniary

Does the matter indirectly affect or relate to a pecuniary interest I have declared, or a matter noted at B above?

YES

The interest is related to a pecuniary interest. Disclose the interest at the meeting. You may make representation as a member of the public, but then withdraw from the room

NO

Other Interest

Have I declared the interest as an 'other' interest on my declaration of interest form? OR

Does it relate to a matter highlighted at B that impacts upon my family or a close associate? OR

Does it affect an organisation I am involved with or a member of? OR

Is it a matter I have been, or have lobbied on?

YES

The interest is not pecuniary nor affects your pecuniary interests. Disclose the interest at the meeting. You may participate in the meeting and vote

No

You are unlikely to have an interest. You do not need to do anything further.

NET ZERO STRATEGY AND ACTION PLAN

Summary:	North Norfolk District Council's (NNDC) Corporate Plan commits to the delivery, and adoption, of an Environmental Charter and Action Plan. In May 2021 The Council adopted an Environmental Charter and, subsequently, began developing the 'Action Plan' element of this commitment. This report presents the Draft Action Plan for achieving Net-Zero Carbon emissions by 2030 in the format of a Draft Net-Zero Strategy and Action Plan (referred to from here on in as the NZSAP). The NZSAP also documents NNDC's existing pathway by providing carbon emission figures for the years 2018/2019, 2019/2020, and 2021/2022.
Options considered:	**Option One:** To recommend adoption the Draft NZSAP. This option fulfils the Corporate Plan commitment to develop an Action Plan and provides a route map from which the Council will continue to address the Climate Emergency. **Option Two:** To recommend not adopting the Draft NZSAP. This option however contradicts the Council's Corporate Plan objectives and commitments to addressing the Climate Emergency. **Option three:** to recommend adopting an amended version of the Draft NZSAP. This could risk not achieving the carbon reduction outcomes and will necessitate alternative actions by which these might be achieved.
Conclusions:	The NZSAP is a fundamental step in the Council's approach to dealing with the Climate Change Emergency declared in April 2019 and the subsequent net-zero 2030 target. Its significance stems from the fact that it outlines how a net-zero 2030 target can be achieved as well as reporting on The Council's existing emissions pathway for the years 2018/2019 through to 2020/2022. The NZSAP is also an important internal, and external, document which clearly communicates The Council's commitment to environmental excellence and a net-zero carbon emissions future. It is therefore recommended that the Council should

	adopt the NZSAP and in doing so commit to delivering the actions made within the NZSAP.
Recommendations:	**To recommend the adoption of the Draft Net Zero Strategy and Action Plan.**
Reasons for Recommendations:	The NZSAP is a hugely important document as it outlines how a net-zero 2030 target can be achieved as well as reporting on NNDC's existing emissions pathway for the years 2018/2019 through to 2020/2022. NNDC's Corporate Plan commits to delivering an Action Plan. Once approved the NZSAP will become an adopted Council document which will set the framework for achieving the Environmental Charter's Net Zero objective whilst simultaneously reinforcing NNDC's commitment to addressing the climate change emergency, which it declared in April 2019.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

N/A

Cabinet Member: Cllr Nigel Lloyd	Ward(s) affected: District Wide

Contact Officer:
annie.sommazzi@north-norfolk.gov.uk

1. Introduction

1.1 In April 2019 North Norfolk District Council (NNDC) declared a climate change emergency and committed to the development of an Environmental Charter and Action Plan with the view that these documents would outline a pathway for achieving environmental excellence and a net-zero carbon emission position by 2030.

1.2 In May 2021 an Environmental Charter was adopted. This paper provides an overview of the next phase of work that has been undertaken; a Net Zero Strategy and Action Plan (NZSAP).

1.3 The NZSAP deals with the first phase of the Environmental Charter, which focuses upon the Council's own estates and operations and route to net-zero carbon emissions by 2030.

1.2 The Council engaged consultants, Net-Zero East, in the preparation of the Draft NZSAP which includes:

- NNDC's carbon emission data for the years 2018-2019, 2020/2021 and 2021/2022
- The contextual analysis of emissions in North Norfolk; and
- A framework of actions (up to 2024) which are necessary for the Council to deliver in order to enable a net-zero emission position by 2030

1.3 The Draft NZSAP is therefore a key corporate strategic document which sets the course for consequent decisions throughout the Council regarding policy, projects and other activities.

1.4 In addition to providing an overview of the net-zero target, the NZSAP also identifies a series of recommendations regarding forthcoming capital 'decarbonisation' projects which will need to be delivered over the coming years if the Council is to meet its ambitious net-zero 2030 target.

Current position

2.1 A Draft NZSAP has been prepared and is appended to this report. See Appendix One.

2.2 The proposed adoption route for the NZSAP is outlined below:

Action	Deadline
Net Zero East issues complete draft report	1st December 2021
CLT consider DRAFT NZSAP	14th December 2021
Cabinet Business Planning consider DRAFT NZSAP	22nd December
Climate Change and Environment Team and Net Zero East training sessions for Assistant Directors and Operational Managers (x7)	1 January – 15th February 2022
Overview and Scrutiny Committee consider Draft NZSAP	12 January 2022
Cabinet consider Draft NZSAP (officer recommendation: to delegate minor changes required to the final document to the Assistant Director for Sustainable Growth in consultation with the Portfolio Holder for Environmental Services, Climate Change and The Environment)	31 January 2022
Full Council consider Draft NZSAP (officer recommendation: to delegate minor changes required to the final document to the	23 February 2022

Assistant Director for Sustainable Growth in consultation with the Portfolio Holder for Environmental Services, Climate Change and The Environment)	
Final report published	1 March 2022

2. Corporate Plan Objectives

2.1 The development of the NZSAP meets a range of key corporate priorities as contained within the current Corporate Plan, but specifically addresses 3.1:

Undertake a baseline carbon audit and formulate an action plan to set out:

- *The actions that can be implemented in the short-term to reduce carbon emissions from Council's activities*
- *The trajectory needed to reduce emissions to zero by 2030*
- *The longer-term activities and investments necessary to maintain the identified course.*

4. Financial and Resource Implications

4.1 The budget for the preparation of the draft NZSAP has already been approved and there are nominal financial and resource implications associated with the adoption of strategy.

4.2 Despite this, the financial implications of the specific actions which will deliver the recommendations contained within the strategy will have a significant associated cost for the Council. These costs have yet to be fully identified and will need to be considered in a separate piece of work at a later stage.

4.3 Whilst decarbonisation projects identified through the NZSAP will have an initial cost the projects should, overtime, realise significant savings as they will increase the efficiency of Council owned assets which will, not only decrease expenditure on utility bills, but will increase the market value of the assets in their own right.

5. Legal Implications

5.1 There are no legal implications, whilst the Government have set a national 2050 target for achieving net-zero carbon emission, the development of a NZSAP is not a statutory requirement, and is therefore not legally binding

6. Communication Implications

6.1 The NZSAP is a public facing document which will clearly set out the commitments that the Council will uphold in order to address the climate change emergency and deliver a net-zero carbon emission position by 2030. It will itself be a key means of communicating the Council's environment and climate change commitments but further publicity will be necessary in order to ensure stakeholders are aware of the Council's intent. It is hoped that publicising the document will also help encourage other organisations to take similar steps. We will develop novel means of publicising the adoption of the NSZAP, in ways similar to that which was done for the Environmental Charter.

7. Risks

7.1 The Council is obliged to act upon its declaration of the Climate Emergency and net-zero 2030 target; the NZSAP is a consequence of the declaration and subsequent commitments. The Council will be expected to proactively deliver the recommendations within the NZSAP and it is anticipated that this will be scrutinised by external organisations.

7.2 Failure to take action on the points raised within the NZSAP may expose the Council to reputational damage.

7.3 Failure to deliver a timely and well considered NZSAP may also expose the Council to reputational damage.

8 Equality and Diversity

No matters relating to equality and diversity arise from the contents of this report.

9 Section 17 Crime and Disorder considerations

This report raises no matters of concern in relation to crime and disorder.

10 Sustainability implications

The report identifies the ways in which the Council can make a positive impact on sustainability.

11 Conclusions

The NZSAP is a fundamental step in the Council's approach to dealing with the Climate Change Emergency declared in April 2019 and the subsequent net-zero 2030 target. Its significance stems from the fact that it outlines how a net-zero 2030 target can be achieved as well as reporting on The Council's existing emissions pathway for the years 2018/2019 through to 2020/2022.

The NZSAP is also an important internal, and external, document which clearly communicates The Council's commitment to environmental excellence and a net-zero carbon emissions future.

It is therefore recommended that the Council should adopt the NZSAP and in doing so commit to delivering the actions made within the NZSAP.

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Net Zero Strategy & Action Plan

NORTH NORFOLK DISTRICT COUNCIL

Setting a pathway for decarbonisation across the Council and the wider district

Foreword

North Norfolk was the first district council in Norfolk to declare a climate emergency in early 2019. It also adopted a Net Zero Target for 2030 – 20 years in advance of the national target set by the Government.

The recent Conference of the Parties (CoP 26) meeting in Glasgow in November 2021 has brought home graphically the need for wide-ranging global action to address dangerous and accelerating climate change. It provided a timely reminder of the imperative for all players across the economy to substantially raise our game. Local government - as well as national – is a key element of the response, and district councils such as North Norfolk District Council (NNDC) have a crucial role to play both in reducing our own organisational emissions and wider emissions in the district we serve.

NNDC welcomed the publication of the Government's Net Zero Strategy in October 2021. It provides a direction of travel. However, a large part of the response needs to be addressed through the lens of local communities and businesses and will be place-specific. The Council needs to "step up", and we also recognise the importance of engagement with our stakeholders in the district and achieving as high a level of buy-in as possible from our council taxpayers to our carbon reduction plans and actions. By adopting a leadership role within the district, we can show what a mainly rural council can achieve, and we are committed to acting as a catalyst and partner for wider action within Norfolk and East Anglia.

The Council believes it is possible to achieve a Net Zero Target by 2030, but we need to take and accelerate decarbonisation across our operations. This includes improving the energy efficiency of our buildings, decarbonising our vehicle fleet and services, generating renewable energy and supporting staff to work in more energy efficient ways, including travelling less. The emissions produced by the businesses we buy goods and services from must also be reduced, and we will be exploring as a priority how contracts with our suppliers can be varied if necessary and how we can shift to more sustainable procurement.

NNDC has already taken many actions and they include:

- Adoption of our first Environmental Charter in April 2021
- Commencement of an ambitious tree planting programme, which is well underway
- Installing 150kW of solar PV capacity at our Cromer HQ, which has helped us avoid up to 23.2 tonnes of CO_2 annually
- Obtaining funding for deployment of over 30 electric vehicle (EV) charging points at council sites and taking other measures to decarbonise our vehicle fleet, including already replacing eight vehicles that support refuse collection with EVs
- Agreeing with local electricity distributor UKPN priority reinforcement of the Reef in Sheringham so we can deploy new solar generation and further EV charging facilities
- As part of the Norfolk Warm Homes Consortium, recently succeeding with a bid for £3.85mn of public support to provide energy efficiency improvement works to homes occupied by low-income households
- Making an application into the Public Sector Decarbonisation Scheme to gain support for replacement of the gas heating system at the Cedars in North Walsham, with applications for other buildings likely to follow
- Supporting third party work to look at future decarbonisation potential at the Bacton Gas Terminal

- Building staff awareness of the climate challenge through training and briefings
- Promoting flexible working for staff, with a reduction of staff attending the office and off-site meetings/visits to reduce carbon emissions
- Delivering our Greenbuild event, the most recent of which coincided with CoP 26, and
- Active engagement with other regional councils and stakeholders through the Norfolk Climate Change Partnership and Net Zero East.

A key priority since the Council declared the climate emergency has been measuring and understanding our own carbon footprint and then developing credible and targeted actions to reduce it. Examining assessments of our emissions since 2018/19 suggests we have already made progress from in-house actions, and this is in addition to the wider decarbonisation of the electricity system, although the COVID pandemic has also had an impact. But we can do a lot more.

This document, our first Net Zero 2030 Strategy, identifies over [40] ambitious and specific measures that we now propose to take over the two financial years 2022/23 and 2023/24. Not only will they have a targeted impact on our emissions, but many elements of the Climate Action Plan it sets out are based on an “invest to save” philosophy. In the years ahead we will then update the Strategy annually, always looking two full years ahead, so we maintain the trajectory we need to follow to meet the 2030 target across our operations.

The Strategy is very challenging. It is inevitable that there will be areas, many of them outside our control, where residual emissions will arise. Where this is the case, we will take steps to offset these through nature-based solutions within the district, so that our local environment, council taxpayers and residents also see additional benefits.

This is the start of the journey, one which we must complete with you. The Council is embedding a process whereby we monitor progress on reducing our emissions and routinely report on progress. We are also committing to engage with our communities and businesses to ensure their needs and preferences are met as we evolve the Strategy and Action Plan, and that the approach we adopt works for the district and allows us to play a full part in the green recovery regionally.

Thank you for taking the time to read this document, and we welcome your feedback.

Steve Blatch - Chief Executive
Cllr. Nigel Lloyd – Portfolio Holder for Environmental Services, Climate Change & Environment

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Appendix A: Emissions across North Norfolk **38**

1 Introduction

Nearly 200 governments from across the world signed the Paris Agreement in 2015, which set a legally binding target to "limit global warming to well below 2, preferably 1.5 degrees Celsius, compared to pre-industrial levels".

In response to this, the UK Government became the first major economy in the world in June 2019 to pass legislation to end its contribution to global warming by 2050, by aiming to reduce all greenhouse gas emissions to Net Zero by that year. It was also a prime mover behind, and signatory of, the Glasgow Climate Action Pact executed after CoP 26.

Box 1: What is "Net Zero"?

The UK has committed to Net Zero greenhouse gas emissions by 2050. The term Net Zero refers to the balance of emitted and sequestered/captured emissions coming into and out of the atmosphere.

Net Zero is different from Gross Zero, which would mean stopping all emissions, something that would be virtually impossible to achieve across all sectors and aspects of daily life. Therefore, Net Zero still allows for a defined number of unavoidable emissions, balancing this output into the atmosphere with technologies and actions that take emissions from the atmosphere or from afforestation and other nature-based solutions.

The Government also considered and endorsed in December 2020 the recommendations of the Climate Change Committee (CCC) for its Sixth Carbon Budget. This has resulted in a tightening of the targets for emissions reduction to a 78% cut by 2035. In the supporting papers to its report, the CCC identified a key role of Local Authorities in support of delivery of the targets.

Box 2: What are carbon budgets?

These are set by the Government on the recommendation of the independent Climate Change Committee.

A carbon budget is a permitted and cumulative amount of carbon dioxide emissions that are emitted over a specified period of time – in the UK's case, five years - in order to keep within a certain temperature threshold.

Every carbon budget provides a cap on the total greenhouse gas emissions, which should not be exceeded, to meet emissions reduction commitments.

As a result of the Government's Net Zero 2050 Target, many Local Authorities across the country have declared climate emergencies and are making their own ambitious Net Zero delivery targets and programmes.

In 2019, North Norfolk District Council (NNDC) became the first Local Authority in Norfolk to make such a declaration,[i] and we set an ambitious target of reaching Net Zero across all council operations by 2030, 20 years in advance of the Government's own target.

We did this for two reasons. First, it is the right thing to do; and second, our local communities are already having to adapt to climate impacts and challenges.

However, the wider framework of government policies and enabling actions to meet the Sixth Carbon Budget and Net Zero Target is only just emerging. The Net Zero Strategy published by the Government in October 2021[ii] ahead of CoP 26 recognises the need for local climate action, but it is light on resourcing and specific measures to better equip councils. It recognises the need to rationalise support and better equip Local Authorities but does not say how.

Various initiatives were set out at a high level, and the next two to three years will be about learning, identifying local priorities and setting in place governance arrangements and reporting frameworks. We need to recognise that predominantly rural local councils such as NNDC are starting from a relatively low base and have high costs of delivery owing to the dispersed nature of our communities and the older nature of many of our buildings and local infrastructure. The same of course applies not only to the Council but to the North Norfolk district.

To support us on this journey, NNDC has already issued our Environmental Charter.[iii]

Box 3: NNDC's Environmental Charter

An Environmental Charter has already been adopted by the Council in [April 2021]. It is comprised of three main sections that address:

- **How the Council will deliver change across the Council's own internal estates and operations**
- **How the Council will act as a community leader and influencer to meet challenges presented by the climate change crisis, and**
- **How residents/citizens can address the climate emergency and promote environmental excellence.**

It defines a clear level of ambition to meet a Net Zero 2030 Target and in terms of the NNDC's emissions set out a commitment to "measure, manage and mobilise". As such, it has cleared the way for this Strategy and Action Plan.

In this document we set out our first Net Zero 2030 Strategy and Climate Action Plan ("Strategy and Action Plan"). Our Strategy and Vision is summarised at Box 4 over the page.

After this introduction**, Section 2** explains the existing emissions profile of the Council and the actions we are already taking both with regard to our own organisational emissions and how we are supporting local stakeholders.

Section 3 looks at important changes being implemented to our governance and processes, including how we engage with you and other stakeholders to ensure understanding of our Strategy and Action Plan.

Section 4 examines in more detail the Council's organisational carbon footprint and our priority focus areas. In turn it considers in more detail the eight key areas used to group and report our organisational emissions. They are electricity purchasing, gas use, our vehicles, business travel, emissions associated with the buildings we lease to third parties, water, waste, and Council contracts. For each of these categories, we explain the emissions baseline and how this has trended over the past three years. We then explain what we are proposing to do to reduce the baseline over the next two financial years, being 2022/23 and 2023/24. Finally, we set out the commitments we are making to you going forward to deliver emissions reduction in each of these eight areas.

Section 5 summarises some of the specific steps we intend to take that comprise our Net Zero 2030 Strategy and the Climate Action Plan for the period 2022-24 set out in it.

Section 6 then looks at how we are seeking to promote wider district decarbonisation, including our advocacy of Nature-based Solutions (NbS) and the measures we are developing to address climate adaptation and to support biodiversity net gain in North Norfolk.

Section 7 identifies high-level actions that we are already taking and some thoughts on what our residents, businesses and visitors can do to support wider efforts to address climate action in North Norfolk.

Appendix A sets out information on recent trends on territorial emissions within the wider North Norfolk district.

Finally, a glossary of key terms is at **Appendix B**.

The Strategy and Action Plan was adopted by the Council at its [March] 2022 meeting. From here on we will be measuring progress on a half-yearly basis, and each year we will consult and engage with council ratepayers, residents, and stakeholders on changes to it for the following financial year.

Box 4: Our Strategy and Vision

North Norfolk District Council intends to play a pivotal role in increasing both its and the wider district's ability to decarbonise. By setting an extremely challenging 2030 Net Zero target for our own operations, the council will demonstrate leadership and ambition in the areas where it has most control. We will also support meeting the government's 2050 target, sooner if possible, within the district more generally.

The Council will ensure that our efforts to reduce emissions do not undermine the essential services that we provide. To make sure that limited resources are focused where they can have most impact, the action plan is focused on the major transformations that need to happen to make the most significant impact.

The transformations we need to make and that provide the key pillars of this action plan are:

- **A shift within the Council to low-carbon buildings and energy, by improving energy efficiency replacing gas heating with low-carbon alternatives (for instance, heat pumps) and increasing local renewable electricity generation**
- **A transition in our transport fleet and the replacement of the remaining vehicle stock to zero- and low-carbon alternatives where powered vehicles are needed. We will also encourage our work force away from transport based on fossil-fuels, in favour of where practical walking, cycling and public transport, and**
- **A change towards the green economy: facilitating the supply and purchasing of more sustainable products and services with less waste.**

Our ambition is to have a thriving green and circular economy within North Norfolk, with businesses providing accessible low-carbon services and offering sustainable commercial and health locally products. The Council, residents and stakeholders will consider the environment impact of what they buy and sell due to increased climate awareness. Our residents will reuse, repair and share products, avoiding unnecessary packaging and single-use plastics, so very little waste will be generated. Any remaining waste streams will be reused or recycled where possible.

2 How NNDC is supporting climate action

In this section, we set out the context for the Strategy to deliver the Council's Net Zero 2030 Target and how we can support wider emissions reduction within the North Norfolk district.

2.1 Council operations

2.1.1 Measuring our carbon footprint

The first essential step has been to understand our own emissions and how they arise.

NNDC's own emissions have shown a decrease over the past two financial years. External consultants have calculated the following figures, which already show a downward trajectory:

- 6,633t CO2e in 2018/19
- 5,031t CO2e in 2019/20, and
- 4,866 CO2e in 2020/21.

The first, 2018/19 estimate for NNDC was produced by the Carbon Trust. It benchmarked several key sites and services using generic assumptions. The 2019/20 and 2020/21 assessments were produced by local consultancy Net Zero East, who adopted a more granular, bottom-up assessment. The decrease in emissions in 2020/21, which we term the baseline year, is complicated by the COVID-19 pandemic.

This position corresponds to only 1.06% and 0.83% of government-assessed territorial emissions in North Norfolk for 2018/19 and 2019/20 respectively (with no data available yet on 2020/21). See Appendix A. It suggests a reduction of 25% over the three-year period.

Under the Greenhouse Gas Protocol, an organisation's emissions are categorised under three scopes (see Box 5).

Box 5: What are the three Scopes?

Scope 1 emissions include direct emissions from an organisation, and Scope 2 and 3 emissions both cover indirect emissions that the organisation has a reduced ability to control.

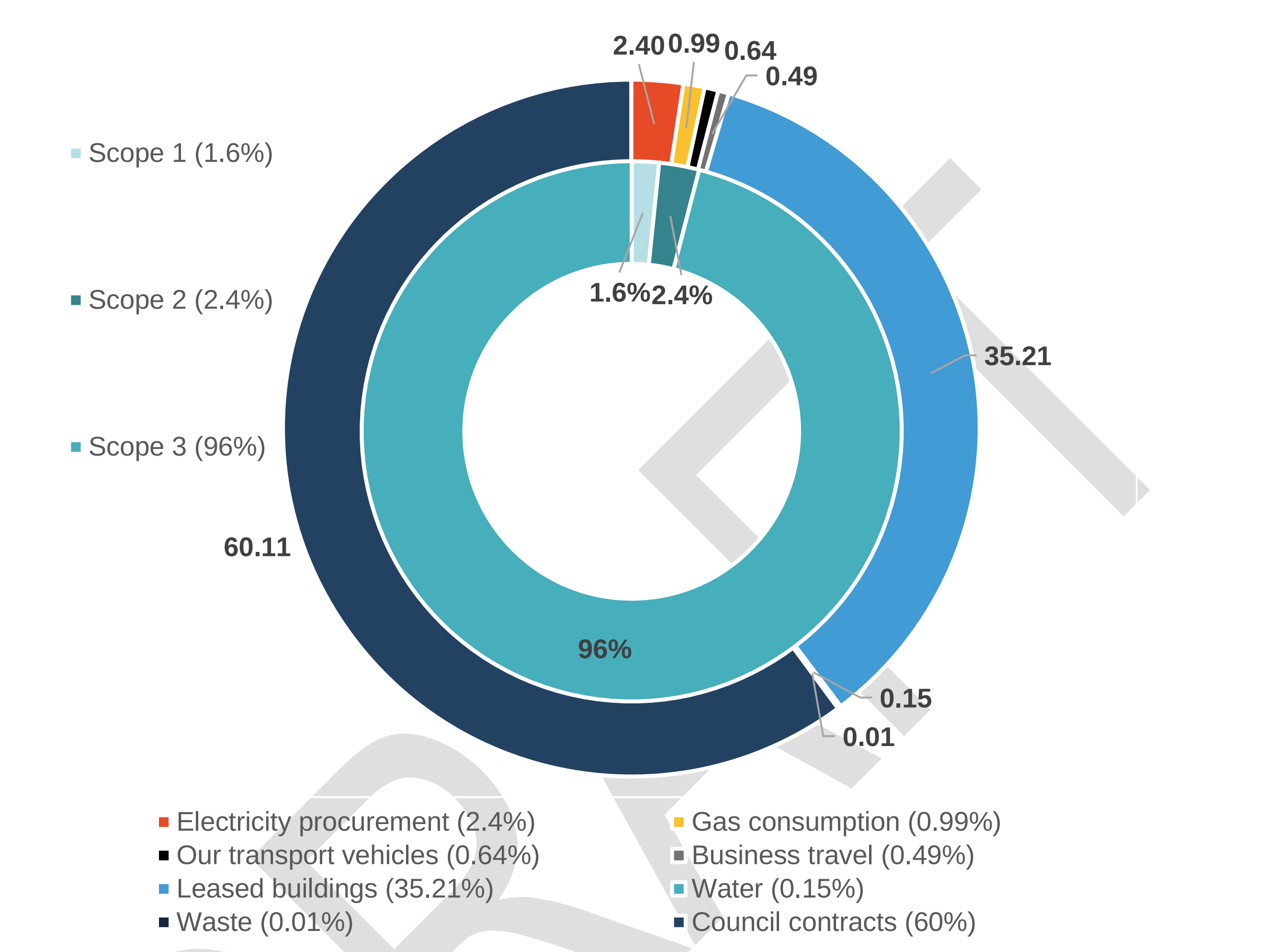
Scope 1 emissions are emitted from the combustion of fossil fuels from sources and operations that are owned or controlled by the organisation. They include emissions from on-site energy use in buildings (from oil or gas boilers) and from company vehicles that are owned or leased.

Scope 2 emissions are from the generation of electricity from an energy supplier, as well as from steam, heating or cooling. These arise at the point of production. One method of reducing Scope 2 emissions includes purchasing energy from renewable sources instead of fossil fuels.

Scope 3 emissions are indirect emissions that are not included in Scope 2 but occur because of the use of goods or services provided to the organisation These indirect emissions arise from travel, employee commuting, leased assets, waste arising from operations and investments. The organisation has little control over these emissions, unlike Scope 1 and 2., save as part of the procurement process. Scope 3 can often be the largest contributor to an organisation's carbon footprint. In the absence of actual data, benchmarking can be carried out to give estimated figures to facilitate inclusion in the organisation's carbon "foot-printing".

As Figure 1 illustrates, in 2020/21 96% of the Council's emissions are Scope 3 emissions. Consequently, our key focus must be on partnerships with our suppliers and contractors.

Figure 1: NNDC's emissions by sector and scope, 2020/21



Source: Net Zero East based on NNDC data

The Council recognises it needs to establish appropriate structures to further improve information gathering and reporting on its operational emissions. The approach for years 2019/20 and 2020/21 has included benchmarking, and reporting mechanisms are now being implemented to make sure we can routinely repeat the exercise for future years with implementation of a formal reporting process commencing from April 2022 with the aim of having the new system in place by September.

2.1.2 Management and mitigation

Establishing the emissions baseline (or "carbon footprint") and having a process in place to routinely update it are only the first steps. We now need to manage our emissions and mitigate them as we set a trajectory for Net Zero 2030.

Important steps we have already taken, include:

- Adoption of our first Environmental Charter in April 2021

- Installing 150kW of solar PV capacity at our Cromer HQ, which has helped us avoid up to 23.2 tonnes of CO_2 annually associated with displaced emissions from the public electricity system as well as supporting installation of electric vehicles (EV) charge points
- Obtaining funding for deployment of over 30 Council-owned EV charge points at council sites and taking other measures to decarbonise our vehicle fleet, including already replacing eight vehicles that support refuse collection with EVs
- Agreeing with local electricity distributor UKPN priority reinforcement of the Reef in Sheringham so we can deploy further solar generation and EV charging facilities
- Making an application into the Public Sector Decarbonisation Scheme to gain support for replacement of the gas heating system at the Cedars in North Walsham, with applications for other buildings and other funding likely to follow
- Building staff awareness of the climate challenge through training and briefings, and
- Promoting flexible working for staff, with a reduction of staff attending the office and off-site meetings/visits to reduce carbon emissions.

This Net Zero 2030 Strategy & Climate Action Plan ("Strategy and Action Plan") seeks to document the Council's emissions in detail and demonstrate how we intend to continue to reduce them. It sets out proposed measures on how the Council can further reduce emissions arising from our operations both directly and indirectly. It focusses on specific actions over the next two financial years (that is, 2022/23 and 2023/24).

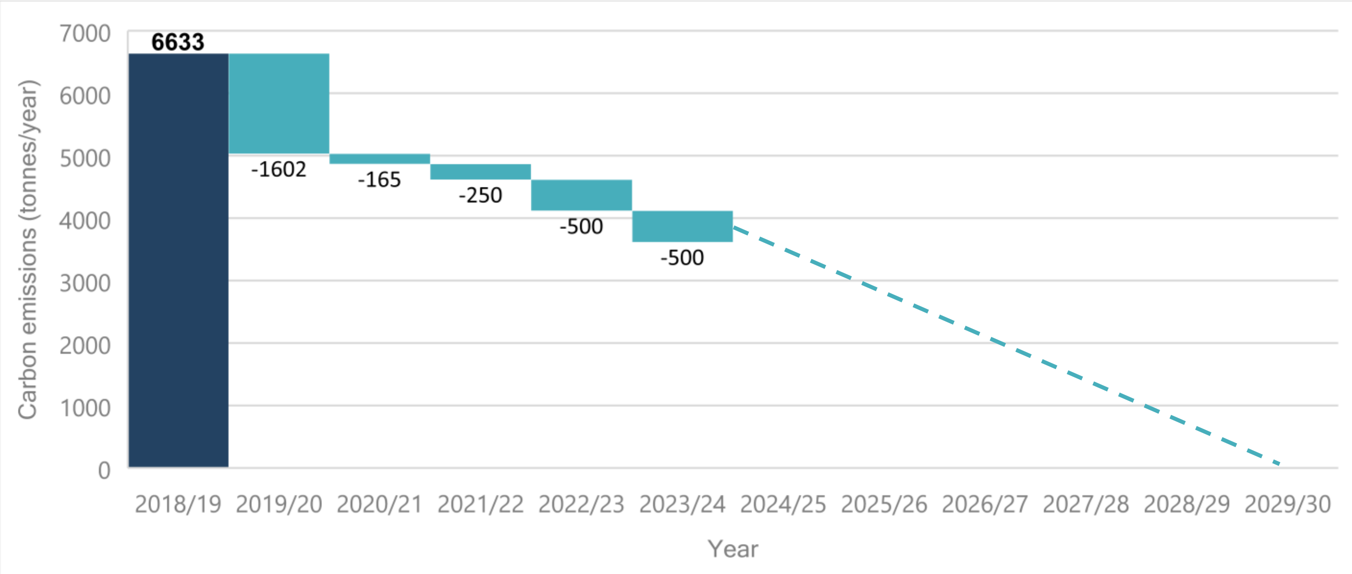
To start with we are targeting annual emissions reduction of [500] tonnes a year over the initial two Strategy and Plan years for 2022/23 and 2023/24. We are reasonably confident that the measures set out in this document should enable us to meet these targets.

We recognise that this is the first time the Council has embarked on an ambitious emissions reduction strategy. Our approach is therefore to provide two updates on progress annually within three months of closure of each calendar half year to identify an updated Climate Action Plan for the two immediate years ahead. This approach will allow us to assess at reasonably frequent intervals how we are progressing, and it should keep in front of us our commitment to reach Net Zero by 2030 for emissions from our own operations.

In the event we fall short of annual emission reduction targets, we will identify back-up measures and accelerate other actions where possible. We will also identify learnings as we move through time and incorporate these in our proposals for future years.

The approach to setting this emissions pathway to Net Zero 2030 is shown at Figure 2.

Figure 2: NNDC emissions reduction pathway



Source: Net Zero East based on its emissions assessments and the Net Zero 2030 Target

The 2030 Target is an extremely challenging one, especially for a district with dispersed communities and few economies of scale. The figure for the 250 tonne reduction in 2021/22 is estimated; the reductions shown for 2022/23 and 2023/24 are also estimates and flow out of the actions described in this plan.

Over the remaining nine years leading up to 2030 – which includes the year we are already well into – NNDC must find on average over 540 tonnes every year of carbon reductions.

If it turns out that Net Zero cannot be fully achieved by 2030 by direct emissions reduction, we will invest in local nature-based solutions such as carbon offset schemes that deliver co-benefits[iv]. However, a condition of this approach is that any such investment wherever possible must be in schemes within the district and which provide benefits to council ratepayers in North Norfolk.

Box 5: What is a "carbon offset?"
A carbon offset is a reduction in emissions made to compensate for emissions arising from Council estate. There are a range of offsetting carbon options, including zero carbon electricity generation that exceeds the Council's electricity consumption or tree planting. The Woodland Trust estimates that it costs £25 to offset one tonne of CO_2. We are already committed to a tree planting programme, which so far has seen over 50,000 trees planted. We address this and other "nature-based solutions" in more detail in section 6.

Our commitments about reducing the Council's own emissions and meeting the Net Zero 2030 target are shown at Box 6.

Box 6: Our promises about Council emissions
The Council is committing to target Net Zero emissions in its own operations by 2030, twenty years ahead of the national target.

We will benchmark ourselves against comparable rural local authorities and strive to be in the upper quartile of performers in reducing our organisational emissions and aim to be an exemplar of good practice.

Where we are faced with residual emissions from our activities, we will invest in carbon offsetting schemes and other nature-based solutions - wherever possible within the district - that benefit our council taxpayers and residents.

2.2 Supporting Net Zero across North Norfolk

Local Authorities are enablers of change in delivering Net Zero and have the potential to play a transformative role outside of their own operations in their districts.

While the Council's emissions typically account for around 1% of emissions in the North Norfolk district, government analysis suggests we can influence upwards of a third of territorial emissions through place-shaping and through building on local relationships. The impact extends to piloting new initiatives and sharing best practice, to bringing organisations together and creating a platform for ideas for local solutions.

We also intend to work to improve understanding of the need to decarbonise across the district. To do this, we will work on three fronts separately focussing on residents, businesses, and other regional stakeholders.

2.2.1 Involving residents and communities

Taking residents with us on the Net Zero journey is essential to ensuring success, and we are already taking steps in this direction. Highlights include:

- In April 2021 the Cabinet approved the Environmental Charter.[v] This has provided the foundations for the work now set out in this Strategy and Action Plan. We have also published an animation sharing key points from our Environmental Charter, which has already been viewed over 20,000 times[vi]
- NNDC, as part of the Norfolk Warm Homes Consortium, has been successful in a bid for £3.85mn of public funding to provide energy efficiency improvement works to homes occupied by low-income households. The government grant has a dual purpose, to reduce fuel poverty and greenhouse gas emissions
- Norfolk Warm Homes will use the grant to provide thermal insulation and low carbon heating to replace oil and gas heating systems. Households are eligible if they live in a home with an EPC of D or below and have a gross household income of less than £30,000. The scheme is open to owner-occupiers and landlords of privately rented housing. In most cases, eligible owner-occupiers will not need to pay anything towards the costs, although landlords will pay a minimum of a third of the cost of works[vii]
- The Council is already investing in sustainable communities. As part of a programme introduced in 2019, we are providing up to £15,000 for green initiatives, including community transport schemes, to parish councils and community groups[viii]
- We have also started "the big tree giveaway", which should see 60,000 new trees planted in the district by April 2022, with a further 50,000 to follow in 2022/23

- Following a successful bid to the Office for Zero Emission Vehicles, the Council was awarded funding to develop EV charge-points across Council-owned car parks. There are now 34 Council-owned charge points across the district, and these can be found at North Walsham., Wells-next-the-Sea, Holt, Sheringham, Fakenham, and Cromer
- NNDC also coordinates an annual Greenbuild festival, which last year coincided with COP 26. The programme provided a range of opportunities for residents to engage with climate and sustainability issues in a local context. The festival featured online workshops, seminars, debates open to comments and questions from anyone interested in working together to build a greener future for North Norfolk
- The Council will continue to promote Greenbuild and develop a suite of engagement activities focussed on highlighting options for taxpayers and businesses to take action to reduce their own carbon emissions
- In August 2019, we held our first Environment Forum. The COVID-19 pandemic has restricted subsequent events, but we are planning a series of further events in 2022, and
- We are also encouraging residents and visitors to support local businesses that are proactively making changes to improve the local environment and reduce their own carbon footprint.

2.2.2 Involving businesses

Businesses also have a key role to play, both through their own actions and through supporting their employees.

We will continue to work in partnership with our businesses and contractors. For instance, Everyone Active will continue to reduce emissions across sports and fitness centres. We also work with our waste contractor Serco to reduce its fleet emissions.

Our ambitions go far beyond our contractors and service providers. As a district council we can participate in district infrastructure development and transport projects, and we will actively look to engage with local businesses – including the Holkham, Walsingham and other estates - in formulating and delivering our plans.

Emissions from travelling to and from work can be reduced through using public transport, walking, cycling or by car share, and we will look to promote such opportunities. Since the COVID-19 pandemic, working from home has become 'the norm' for a large majority of the population, and this also acts as another effective way to reduce emissions caused by traveling for work.

When at work, other emissions reduction measures can be taken, such as keeping windows closed to preserve heat inside of buildings, turning off equipment when it is not in use, as well as teleconferencing which would reduce business travel.

We will also look to attract new low-carbon businesses and services into the area especially at our enterprise zones, to support regional growth and new jobs in the green economy.

2.2.3 Involving other stakeholders

The Council already has relationships with private and third-party organisations active in the district such as the Coastal Partnership, the Rivers Trust and the Woodland Trust, which we want to develop.

We will also look to reach out to other third sector organisations to ensure more coordinated action on carbon abatement within the district and beyond.

The partnership with other councils in the region can also help create a snowball effect. Improved communication across Norfolk councils and other relevant councils is essential to efficient problem-solving, identifying best practice and solutions-sharing and development of shared objectives.

We also intend to be more actively involved in the Norfolk Climate Change Partnership to expedite emissions reduction and adopt a leadership role within the county.

Box 7: Our promises about supporting emissions reduction in North Norfolk

We will actively engage and take steps to influence emissions reduction action across the district and support achievement of Net Zero by 2050 at the latest.

We will support council taxpayers and stakeholders by place-shaping and forming partnerships to move businesses and householders in the same direction as the Council.

We will provide information and examples of good practice for council taxpayers and local businesses to fully play their part.

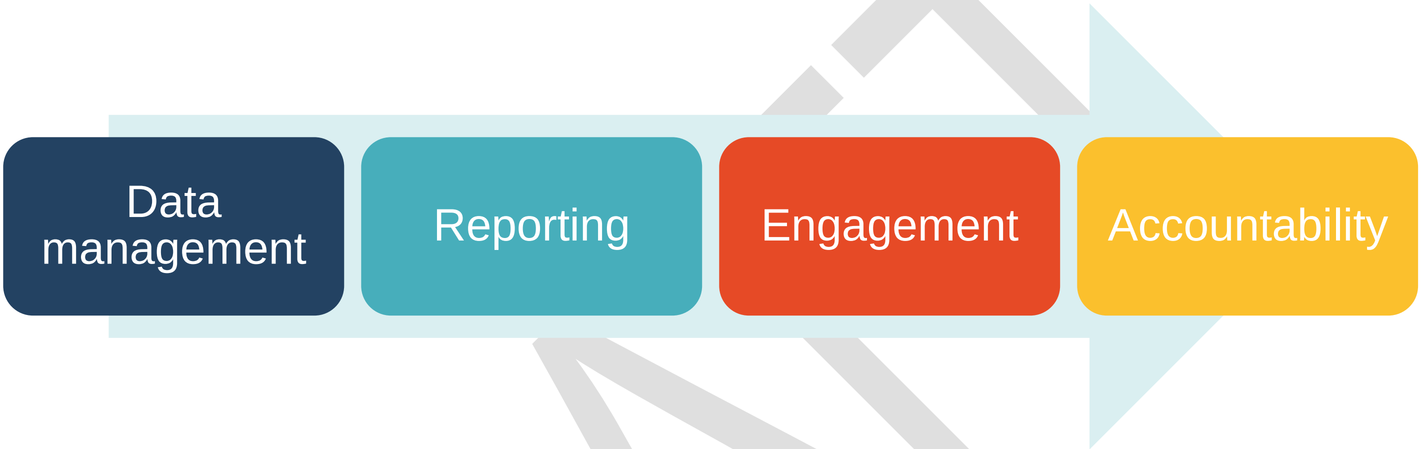
We will lead by example, and we will be an exemplar among rural councils.

3 Governance and process

To help us deliver against our Net Zero 2030 target, NNDC is changing the way it thinks about carbon emissions across the organisation and how we measure our progress. This section identifies some of key changes we will need to make to better understand and monitor our emissions.

The process is based on four enabling activities that will sit within our overall governance framework. This is shown at Figure 3.

Figure 3: Reworking our processes



Source: NNDC

3.1 Governance

We will measure our carbon emissions routinely based on an auditable process and publish twice yearly snapshots of changes in the form of a scorecard with supporting commentary. The reports will be validated by management and submitted to Cabinet for discussion and feedback.

Our Corporate Leadership Team will be charged with overseeing new processes and ensuring we deliver on our climate commitments. A portfolio owner on the Cabinet will take on specific responsibility for delivery of the Net Zero 2030 Strategy and development of the Climate Action Plan

All senior management and Council decisions will be assessed and tested for consistency against the Strategy and Climate Action Plan.

3.2 Data management

We have adopted manual processes to date to calculate our emissions and carbon footprint, combining disparate information flows from our internal accounting processes. We intend to Implement a data management process to accurately track and monitor emissions going forward, and our aim is to have that new system in place for September 2022.

In the short term, we will need to retain additional resource to support data collection, information gathering and reporting. However, this should quickly permit us to target emissions reductions and make savings in how we deliver our services and to better understand the options and choices that we make.

We understand what an appropriate data management system might look like, and we are taking early steps to design and implement it.

3.3 Reporting

We intend to produce half yearly reports on our progress and the emissions reduction we can achieve. It is expected these reports - will be made available at end-year covering the first half of the financial year and mid-year covering the second half to make sure our workforce, managers, Cabinet, council taxpayers and stakeholders understand the progress we are making.

Every year we will also update the Net Zero 2030 Strategy and Climate Action Plan and share proposed changes with our council taxpayers and other stakeholders.

We also intend to develop a scorecard so that our performance can be seen at a glance, and these will be prominently displayed on the NNDC website.

3.4 Engagement

NNDC already organises events such as the Greenbuild festival, which provides a range of opportunities for engagement through online workshops, seminars, debates and Q&A sessions. We will build on that experience and continue to explore new ways of participation and channels of communication.

We will provide the opportunity to influence our plans and we will consult on changes to the Net Zero 2030 Strategy and proposed new measures adopted in our Climate Action Plan annually including alternatives and any additional steps that are needed.

We will also engage with other Norfolk councils, other rural councils and stakeholders to share learnings and discuss best practice.

3.5 Accountability

We expect to be held to account for our performance and delivery against the Climate Action Plan, including publication twice yearly of the scorecard.

Each six-monthly reporting cycle will be supported by a report, and we will hold different forms of engagement to explain our actions and plans, and we will hold other information sharing events.

Box 8: Our promises about governance and reporting

All senior management and Council decisions will be assessed and tested for consistency against the Net Zero 2030 Strategy and Climate Action Plan.

We will establish a new data management and reporting system by September 2022.

We will develop a scorecard so that council ratepayers and stakeholders can readily assess how we are performing and our progress.

We will build engagement with you every year around our proposals and changes to the Strategy and Action Plan

We will update the Strategy and Action Plan annually always making sure it covers the period running two years ahead.

4 NNDC's emissions and priority focus areas

In this section, we set out the priority actions for NNDC based on the information currently available to us.

The baseline and focus for action in 2022/23 and 2023/24 are shown by the Council's primary activities, with an indication of how the activity contributes to the three "Scopes".

We have segmented our emissions into eight main categories conventionally used in government guidance for reporting emissions. It covers in order:

- Electricity purchasing
- Gas use
- Our vehicles
- Business travel
- Emissions from the buildings we lease to third parties
- Water
- Council contracts, and
- Council's own waste.

In each case we set our assessment of emissions over the past three years. We then set out the early-stage actions we are already moving ahead with or are proposing to take. We also set out the initiatives we are committing to start in this area so that we can report and be assessed and held to account by our council taxpayers and stakeholders.

The main actions and projects are summarised at Figure 4. The focus is the actions required over the two years covered by the Strategy and Plan. It considers:

- The priority actions to take
- Measures to enable the actions
- Priority capital projects, and
- Plans to develop over the plan period so that more specific and granular actions can be identified when the Strategy and Plan is renewed.

Figure 4: NNDC's Priority actions and projects in the Net Zero 2030 Strategy

Actions to take	Lighting systems and replacement with LEDs	Buildings audit	Design, order and scheduled installation of heat pump systems at priority properties	Identify priority sites for additional renewables	Identify priority sites for wave 2 EV chargers	Update carbon footprint for 2021-/22 and 2022/23	Review all leases and third-party contracts
Measures to enable the actions	Full audit of buildings with heating systems to establish remedial energy efficiency work	Create centralised hub of information, included profiles for al Council-owned building Identify funding sources	Heat assessment of Design, order and scheduled installation of heat pump systems at properties	Council land use assessment, identifying priority sites	Engage with UKPN over Local Area Energy planning framework	Embed annual process for data capture and updating Net Zero Strategy	Adopt carbon offsetting policy and review biodiversity net gain measures
Priority capital projects	Energy efficiency improvements programme	Tender for design of zero-carbon leisure centre. Secure innovation or grant funding for conversion	Tender for design of heating systems at selected sites	2,5MW solar development per annum	Invest in further [35] EV chargers	Not applicable	To be determined
Plans to develop	Building retrofit plan for six years beyond this plan	Building retrofit plan for six years beyond this plan	Heating decarbonisation plan for six years beyond this plan	Renewables development plan for six years beyond this plan	Transport decarbonisation plan for Council vehicle fleet for six years beyond this plan	Implement green procurement policy and commence	Identify priority options and plan for water saving measures

4.1 Electricity procurement

4.1.1 Current emissions

Electricity consumption is defined under Scope 2 emissions. It is spread across the Council's building and assets. Highest use is associated with the main council offices, NNDC Cromer Office and Fakenham Connect, which make up around 30% of all the council's electricity consumption. The electricity consumption figure includes amenity lighting.

194
tCO2e for 2020/21

The emissions from electricity consumptions in the last three years were:

- 184tCO2e in 2018/19
- 253.6tOO2e in 2019/20, and
- 194tCO2e in 2020/21.

4.1.2 Actions we are taking

Decarbonisation of the electricity system has led to significant reductions in emissions associated with electricity procurement over recent years. While coal burn has been almost eliminated from the generation mix and largely replaced by low or zero carbon renewable technologies, gas is still an important source of emissions during periods of low wind and/or high demand.

We will enter a new electricity contract in April 2022 with EDF, which will supply the Council with zero carbon electricity from wind, solar and nuclear sources of generation. The contract will run from April 2022 to March 2025.

Upon expiry, the Council will ensure the new electricity contract adopted is again zero carbon.

Even though our electricity consumption will be carbon neutral over the Plan period, we will still look to use less energy across our estate, as this should free up resources for other services and programmes. To enable us to better understand the scope for reduction, we will carry out a lighting audit of our buildings in 2022/23 with a view to an early switch over to LED systems from 2023/24.

We will also actively look for opportunities to install solar PV across the Council estate, using the power to supply our own buildings. The council already have 150kW of solar PV on the Cromer Office rooftop, which generated 100.6MWh in 2019/20 and 79.4MWh in 2020/21.[ix] The solar PVs contributed to the reduction in electricity consumption from the electricity grid by around 30%, resulting in emissions savings of 46.4tCO2e since April 2019.

Additionally, works have already been approved to establish a 300kW solar carport at the new Reef leisure centre in Sheringham, which could produce around 293MWh/year and be consumed at the site and power EV chargers.

We will be targeting a further renewable generation over the initial two-year Climate Action Plan period ana subsequently. We will also look to locate some of these facilities with other EV charging points at strategic locations.

In a related move, we will be working with consultants to see what measures can be taken locally to boost the take up of renewable energy sources in our area to reduce wider territorial emissions associated with energy supply in the NNDC area. There is already 120MW of renewable generation capacity located in North Norfolk, and we will aim to increase this to 200MW by 2025 subject to obtaining the necessary planning approvals.

4.1.3 Our commitments

We will over the Plan period:

1. Contract 100% zero carbon tariff from April 2022, and reduce emissions from Scope 2 to zero
2. Seek to reduce total electricity consumption by end 2023-24 by 10% over the 2021/22 baseline
3. Carry out lighting audit of sites to determine and quantify benefits of switching to LED lighting
4. Review our street lighting policy
5. Establish [5MW] of additional solar PV on or close to council estate by [2025]
6. Consider enabling measures to support deployment within the district of additional renewables generation subject to developers obtaining appropriate planning consents, and
7. Look to work with offshore renewable operators off the Norfolk Cost to ensure the benefits of these developments is captured by the district and that they support wider net zero efforts within the area.

4.2 Gas

4.2.1 Current emissions

Direct gas consumption by the Council is classed as Scope 1. It accounts for less than 2% of our carbon footprint. Current emissions from this source have remained consistent with the levels seen in 2018/19, with a significant drop of around a third in 2019/20 due to lower gas consumption in the Cromer Office over the summer months.

There are two key buildings contributing to the Council's gas consumption; NNDC Cromer Office and Fakenham Connect. NNDC Cromer Office accounts for around 80% of total gas emissions due to significantly higher gas demand.

The emissions from gas consumptions over the past three years were:

- 67tCO2e in 2018/19
- 48CO2e in 2019/20, and
- 69tCO2e in 2020/21.

69

tCO2e for 2020/21

4.2.2 What we are doing

We have already undertaken an assessment of the gas heating system at our NNDC Cromer Office to inform decision-making on a future low-carbon heating system and ensure readiness for future funding calls.

The Council has also already submitted a funding application under the Public Sector Decarbonisation Scheme for energy efficiency upgrades and a new ground source heat pump for the currently vacant Cedars building in North Walsham. Once leased, this building will form a part of our leased asset emissions, and so taking the opportunity to decarbonise its heating system now whilst it is in the process of being refurbished will ensure emissions are not increased across the estate and district.

We have also supported regional work on the role for clean hydrogen across heat, power and transport through the Bacton Energy Hub study carried out by Hydrogen East and supported wider discussions around distributed hydrogen development across the district.

Over the lifetime of the first Plan period, we will also explore development of a district heat strategy to prioritise areas and developments that could benefit from applications of new, lower-carbon heating systems.

4.2.3 Our commitments

We will:

1. As a priority, track and seek support from national heat decarbonisation funding competitions across 2022/24
2. Review NNDC's fossil fuel-based heating systems in 2022/23, with a view to establishing additional actions in the next annual update of this Action Plan
3. Focus on increasing energy efficiency across our estate and increased use of smart controls for buildings where it is not viable or economic to switch over the heating system
4. Seek to reduce total gas consumption across our estate by [25%] by end 2023/24. This can be achieved partially by implementing smart heating systems that allow for specific areas/rooms of offices to be heated in the winter rather than the heating the whole building
5. Making upgrades to energy efficiency across both the NNDC Cromer Office, Fakenham Connect and the Cedars by 2024
6. Assess alternative options for meeting heat demand at Council properties (e.g., heat pumps, community heating), and decide on the replacement gas systems at NNDC Cromer Office and Fakenham by 2026 at the latest (when the Government has issued clarity on the role of hydrogen for heat)
7. Continue support for work on the role of hydrogen for heat (but also transport and power) in the district, and
8. Commence development of a district heat strategy and produce a check list of priority areas for action.

4.3 Our transport vehicles

4.3.1 Current emissions

Emissions from NNDC's own transport vehicles also fall under Scope 1. We have 20 transport vehicles used by several teams within the Council such as Environmental Protection Team, Environmental Services Team, Leisure and Localities, Countryside and Parks and Property Services.

tCO2e for 2020/21

The nature of the work of these teams it difficult to use any other form of transport than cars and vans. Currently all the operating vehicles are diesel cars, vans and SUVs. Total emissions from that sector amount to about 0.6% of all emissions.

The emissions from our transport vehicles over the past three years were:

- 65tCO2e in 2018/19
- 56tCO2e in 2019/20, and
- 51.8tCO2e in 2020/21.

4.3.2 What we are doing

We are actively investigating options for vehicle upgrade, analysing leases and expiry dates. In the absence of specific incentives (such as scrappage schemes), it is essential to acquire new vehicles only at the end of life of the previous vehicle, as the carbon footprint of car production is an emission-intensive process. We will adopt EV and other low-emissions vehicles in place of every vehicle at the end of life.

Where replacement is not immediately contemplated, we will seek to use lower carbon fuels such as HVO, and we will also look to reduce fuel consumption across the fleet.

4.3.3 Our commitments

We will:

1. Produce a timeline for switchover of certain larger vehicles to HVO as soon as possible
2. Produce a timeline for switching the current smaller fleet to electric-based vehicles on refreshed leases. The vehicles will be replaced normally at the end of life by EVs throughout the 2020s
3. Tender for, and work with suppliers, to establish low-carbon vehicle contracts
4. Consider options for switching our Refuse Collection Vehicles to clean, green hydrogen through the Solar to Hydrogen Infrastructure for Transport (SHIfT) project as part of the Net Zero Norfolk programme of works being funded under the Community Renewal Fund (CRF)
5. Aim to reduce emissions from our vehicles by at least [5tCO2e] a year, and
6. Improve infrastructure for an increased number of EVs such as electric vehicle charging points in the car parks owned by the Council. As NNDC transitions to EVs, electrical grid upgrades may be needed at building depots to enable large-scale charging.

4.4 Business travel

4.4.1 Current emissions

Business travel refers to all employee travel for work-related reasons using their own vehicles. Most of the vehicles used for business travel are small to medium petrol and diesel cars. They fall under Scope 3.

tCO2e for 2020/21

Overall, business travel makes up 0.5% of NNDC's total emissions. Even though this percentage is small, it remains a challenge to reduce emissions in this sector. Business travel falls under Scope 3 emissions, which are emissions that the Council does not directly control, and we need to work with our workforce to push through change in this sector.

The emissions from business travel over the past three years were:

- 112tCO2e in 2018/19
- 75tCO2e in 2019/20, and
- 40tCO2e in 2020/21.

The drop in car usage and resulting fall in emissions was most likely caused by the COVID-19 pandemic and decreased business travel needs.

4.4.2 What we are doing

The Council's ability to provide employees with the option of working from home has greatly improved throughout the COVID-19 pandemic, and we will be promoting measures to enable flexible working where our workforce wishes to and is able to do so.

For those who prefer to work regularly at our office sites, we will provide information on alternatives and ensure there is attractive terms for EV charging. We are also building awareness and support for active travel options, such as cycling and working.

4.4.3 Our commitments

We will:

1. Reduce transport needs as far as possible through home working, fewer face-to-face meetings, transition to 'active' transport (cycling and walking) and avoiding car use for work-related activities
2. Provide information to our workforce on lower-carbon transport options
3. Look into strategies for incentivising public transport use where possible through initiatives such as providing loans for season tickets and also active travel
4. Support continued home working where our workforce wishes to take advantage of this
5. Make the case for early action to convert the Bittern rail line away from diesel, and
6. Engage with bus operators in North Norfolk around decarbonising fleets and identify areas where the Council can provide support.

4.5 Leased buildings

4.5.1 Current emissions

Leased buildings emissions fall under Scope 3. They are the second most emitting sector in North Norfolk District Council after council contracts. Based on the benchmarking applied, the emissions have remained broadly constant.

The emissions from leased buildings over the past three years were:

- 3,906tCO2e in 2018/19
- 2,874tCO2e in 2019/20, and
- 2,850tCO2e in 2020/21.

2,850

tCO2e for 2020/21

4.5.2 What we are doing

We have undertaken a detailed assessment of the gas heating system across three Council-owned assets contributing to emissions across the Council's estate, including two assets currently (or to be) leased; Rocket House and The Cedars.

We have also submitted a funding application to government for energy efficiency upgrades and a new ground source heat pump for the currently vacant Cedars building in North Walsham.

We will commence a review of building leases in 2022 to ensure there is as much alignment as possible between Council actions and the measures adopted by the tenants of our leased buildings.

4.5.3 Our commitments

We will:

1. Create a timeline of lease expiry dates and implement a sustainable/green approach to new tenancy agreements
2. Review all current leases for NNDC-owned buildings with a. view to better understanding carbon impacts
3. Work with our tenants to produce action plans for reducing gas use and its carbon intensity at premises under existing leases and start negotiations with occupiers on reducing energy usage, improving energy efficiency and switching to green electricity supply
4. Take necessary action at point of lease termination and develop strategy for reducing building emissions before issue of new lease
5. On heating systems – judge options based on criteria of property type and existing infrastructure, and
6. Produce a priority listing to replace gas boilers with heat pump and other alternative systems based on building characteristics and usage
    - Replace old gas boilers with new equivalents as an interim measure
    - Explore potential to initiate community heating schemes and heat zones
    - Review again in 2025 when the picture on hydrogen for heat is clearer.

4.6 Water

4.6.1 Current emissions

The emissions from use of water across the Council's estate fall under Scope 3. Total emissions from this source were around 12tCO2e in 2020/21. This is significantly lower than previous years (41tCO2e in 2019/20), primarily due to the COVID-19 pandemic, which saw a reduction in water use across most public conveniences in the district. It was also caused by lower water consumption at the Council's Cromer Office.

11.8
tCO2e in 2020/21

The emissions from water supply to our premised over the past three years were:

- 33tCO2e in 2018/19
- 41.1tCO2e in 2019/20, and
- 11.8tCO2e in 2020/21.

4.6.2 What we are doing

We will identify priority actions for reducing water consumption, including deployment of water saving devices.

As most of the inefficiency in water systems comes from leaks from pipes, plumbing fixtures and fittings, the Council is already looking into installing water meters into public conveniences and office buildings to monitor and detect leaks quicker.

We will also be considering the local water environment and how this is dealt with in the Council's planning and enforcement activities.

4.6.3 Our commitments

We will:

1. Reduce water consumption across our estate by implementing water efficiency measures and introduce a staff awareness campaign. We will aim to reduce emissions to less than half of 2019/20 levels by the end of 2023/24 with a target of [20tCO2e]
2. Designate a member of staff to monitor and drive improvements in water environmental issues from 2022
3. Work with Anglian Water to devise water usage strategies and decarbonisation of processing activities
4. Identify sites where rainwater harvesting, and use could be deployed by the end of 2022/23
5. Offset any remaining emissions from water consumption prior to 2030, and
6. Integrate sustainable drainage requirements into all the Council's new developments from 2022.

4.7 Council contracts

4.7.1 Current emissions

Emissions under Council contracts also fall under Scope 3. A large portion of these is a result of the Serco waste and street cleaning contract fleet, which accounts for 15% of overall NNDC emissions.

Council contracts are variable year-on-year and so this value is expected to fluctuate most depending on the need for building repairs and contracted support. There is also limited visibility currently on emissions from organisations falling under contracted work, and so the Council will put in place a mechanism to better understand emissions in this area.

Another key service provider is Everyone Active, who manages our leisure centres.

The emissions from council contracts over the past three years were:

- 2,023 tCO2e in 2018/19
- 1,701 tCO2e in 2019/20, and
- 1,656 tCO2e in 2020/21.

1,656

tCO2e in 2020/21

4.7.2 What we are doing

We will be working with our contractors to reduce fleet emissions and have already started the process of seeking emissions reductions through switching over part of the fleet associated with refuse collection to EVs. We also will be joining forces with Serco and our other key suppliers on the Council's Net Zero 2030 Target and we will ensure we engage with them proactively on our carbon reduction programmes.

All new suppliers will need to meet our sustainable procurement policy once this has been adopted. We will also consider further measures to limit demand for services and goods procurement.

4.7.3 Our commitments

We will:

1. Review all current service contracts with a. view to better understanding carbon impacts and reduction options
2. In particular, look into exploring the feasibility of improving emissions reduction from waste collection vehicles in partnership with our contractors Serco
3. As above for our leisure centres with Everyone Active
4. Adopt by mid-2023 a sustainable procurement policy
5. Target reductions in the emissions arising under the Council's contracts of not less than [15%] a year, with an overarching objective of reducing emissions to [1.200tCO2e] by end 2023/34, and
6. Deliver the Solar to Hydrogen Infrastructure for Transport (SHIfT) project as part of the Net Zero Norfolk programme of works funded under the Community Renewal Fund (CRF).

4.8 The Council's own waste

4.8.1 Current emissions

Waste from the Council's own operations are also Scope 3. This category does not include emissions associated with our transport fleet, including our waste vehicles, which are included under Council Contracts (section 4.7)..

The emissions from waste generated from the Council's own operations were close to 1tCO_2e across both 2019/20 and 2020/21, which is less than 0.02% of all emissions. Although the percentage is low in comparison with other sectors, this number is still significant given the number of sites it covers (mainly the waste from two office buildings, country park and information centre). Much can be done to reduce waste from these assets.

1.1

tCO_2e in 2020/21

The emissions from our in-house waste management activities over the past three years were:

- 1tCO_2e in 2018/19
- 1tCO_2e in 2019/20, and
- 1.1tCO_2e in 2020/21.

4.8.2 What we are doing

The Council is shortly to embark on a review of Council in-house waste activities and mitigations in the New Year.

4.8.3 Our commitments

We will:

1. Reduce our own waste wherever possible. Even though the waste reduction relies in big part on behaviour change by our workforce, there are still facilities that can make it easier for people to change their habits
2. Manage our waste by becoming a single-use plastic free council by 2023, as stated in our Environmental Charter
3. Enforce key principles for waste reduction in our office operations, which include buying in bulk, avoiding single use items and foods, encouraging staff to bring in their own lunch, and making sure waste is properly segregated
4. We will start an office furniture re-homing and re-use scheme, and
5. We will also work on improving North Norfolk's capacity for processing materials, which would include better sorting facilities and higher number of drop off points for sorted waste, such as clothes and electronic waste.

5 The Climate Action Plan 2022-24

NNDC has already been quick to take significant actions that are already beginning to drive down emissions across its building and activities. Some of these have been set out in section 2. However, we need to go further, faster if we are to push meaningfully towards a Net Zero 2030 target.

In this section we summarise the key actions contemplated in our Net Zero 2030 Strategy in the next two financial years. We call this the NNDC Climate Action Plan 2022-24.

In all, we are proposing additional CO2 savings of around 500 tonnes in each of Years 1 (2023/24) and 2 (2023/24) respectively, reducing our carbon footprint by roughly 10% per annum. By the end of year 2, our aim is to reduce emissions to below.

In the rest of this section, we first set out the changes to our how we manage and govern the Council's carbon footprint, and how we will report progress. We then set out the priority actions and interventions we have identified for Year 1 (2022/23) and Year 2 (2023/24).

5.1.1 Governance

Action G1 – Implement new carbon reporting process (By no later than mid-year 1)

Action G2 – Appoint new carbon data officer (Q1 Year 1)

Action G3 – Complete 2021/22 footprint (Mid-year 1)

Action G4 – Establish new governance rules on compliance of the Council's actions with Net Zero 2030 Target

Action G5 – Revise and publish Climate Action Plan for Year 2 (End year 1)

Action G6 – Upgrade reporting process in light of Year 1 lessons (Start year 2)

Action G7 – Complete 2022/23 footprint (Mid-year 2)

Action G8 – Adopt emissions reduction targets for Year 3 and Year 4 (End year 2)

Action G9 – Review biodiversity policy

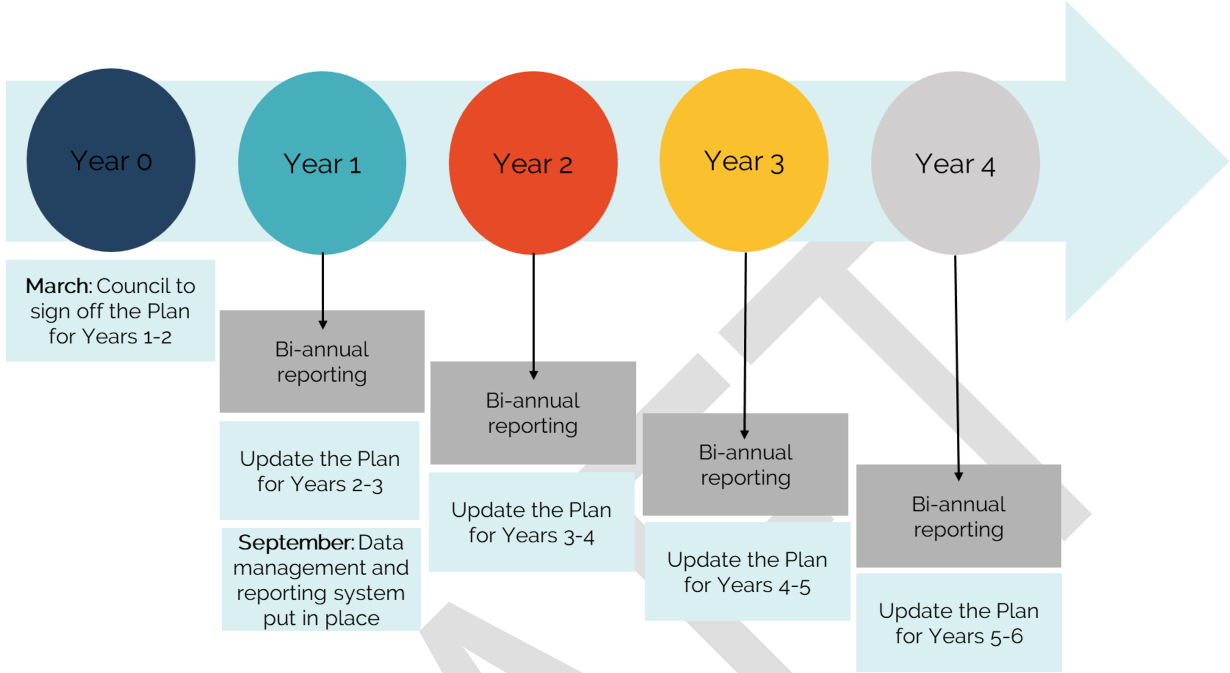
Action G10 – Adopt sustainable procurement policy

Action G11 – Review other policies in need of review (End year 2)

Action G12 - Revise and publish plan for Year 3 (End year 2)

The new Net Zero and Climate Action governance framework is shown at Figure 5.

Figure 5: NNDC's governance reporting



5.1.2 Interventions

We split the actions we will take between the following twelve areas.

5.1.2.1 Buildings and energy

Action BE1 - Move urgently to the purchase of 100% renewable energy from April 2022 (Year 1)

Action BE2 - Undertake energy audits of all our buildings and prepare a priority carbon reduction and energy efficiency plan (Year 2)

Action BE3 - Prioritise efforts to switch away from oil and carbon-intensive fuels by 2030

Action BE4 - Carry out review of change-over to LED systems and smart controls in council-owned buildings (Year 1)

Action BE5 - Implement new LED and control system in the Cromer office (Year 1)

Action BE6 - Implement new LED and control system in the Fakenham office (Year 2)

Action BE7 - Make sure any new council-controlled buildings or refurbishments are designed to achieve Net Zero emissions by 2030s (from Year 1)

Action BE8 - Granular assessment of heating requirements and heat loss by property to create priority conversion list for heating system replacement (Year 1)

Action BE9 – Develop "invest to save" plan energy efficiency projects across our estate (Year 2)

5.1.2.2 Renewable generation

Action RE1 – Assess renewable energy generation opportunities across the Council Estate (Year 1)

Action RE2 – Develop plan for supporting renewable energy for the district (H1, Year 2)

Action RE3 – Develop plan for supporting community energy for the district (H2, Year 2)

Action RE4 – Develop plan for collaboration with offshore developers for maximising benefits to North Norfolk from regional funds

5.1.2.3 Gas

Action G1 – Develop heating decarbonisation plan for Council estate using gas (year 1)

Action G2 – Identify energy reduction plan for legacy sites using gas supply (Year 2, H1)

Action G3- Assess options for green gas strategy (Year 2, H2)

5.1.2.4 Transport

Action T1 - Develop a plan for increasing EV charge points at council-owned buildings and carparks (Year 1)

Action T2 – Adopt target to [double] Council-owned EV charge-points each year

Action T3 – Instigate shift over to HVO for Council RCVs (Year 1)

Action T4 Assess options for decarbonisation of all other Council-owned vehicles (Year 2)

Action T5 – Agree a replacement programme for all Council-owned vehicles to ensure they are all low-carbon by 2030 (Year 2)

Action T6 – Establish Active Transport plans (Year 2)

- Sub-action T3A – for all NNDC towns (Year 1)
- Sub-action T3B – for all other NNDC areas (Year 2)

Action T7 – Develop strategy to work alongside local rail operators to decarbonise diesel and coal-fired railway lines. (Year 2)

5.1.2.5 Business travel

Action Bt1 – Review home working policy (Year 1)

Action Bt2 – Endorse staff active travel policy (Year 2)

5.1.2.6 Leased buildings

Action Lb1 - Carry out lease review and establish handover schedule (Year 1)

Action Lb2 - Carry out energy efficiency review of leased buildings (Year 2)

5.1.2.7 Council contracts

Action Cc1 – Review Council contracts (Year 1)

Action Cc2 – Develop contracts carbon remediation plan (Year 2)

5.1.2.8 Water

Action $0_2$1 – We will appoint a cabinet member to be responsible for coordinated cross-party work for water management (Year 1)

Action $0_2$2 – We will identify priority actions for saving water at Council-owned and occupied properties (Year 1)

Action $0_2$3 – We will identify priority actions for improving water management across the district.

5.1.2.9 Waste

Action W1 - Identify opportunities to reduce waste across the Council’s own operations (Year 1)

Action W2 – Develop “Reduce plastic pollution from Council operations” (Year 1)

Action W3 – Identify circular economy options (Year 2)

5.1.2.10 Procurement

Action P1 - Review procurement policies and develop green procurement strategy (Year 1)

Action P2 – Implement green procurement strategy (Year 2)

Action P3 – Commence pensions review (Year 2)

5.1.2.11 Supporting staff and councillors

Action Ssc1 – Briefing to staff and councillors in June and March (Years 1 and 2)

5.1.2.12 Offsetting

Action Of1 – Adopt Council offsetting policy (Year 1)

Action Of2 - Explore carbon offsetting opportunities, especially those that can create co-benefits for the region (Year 1)

Action Of3 - Carry out geo-spatial mapping assessment of natural capital and biodiversity across North Norfolk, identifying the existing state of play and opportunities for further action (Year 2).

6 The wider regional challenge

In this section we set out some initial thoughts on how we will aim to mobilise carbon reduction and climate mitigation actions within the North Norfolk district.

6.1 Addressing climate adaptation

Reducing emissions to as close to Net Zero as possible (climate-change mitigation) by 2030 across our operations and within the North Norfolk area wherever possible remains the key priority. In this context, we are already committed to increasing biodiversity within the district by planting 110,000 trees by 2023.[x] Many Impacts of climate change are however Inevitable, and we will need to be both resilient and adaptable In response.

As a maritime district, with widespread low-lying floodable landscapes and soft erodible cliffs, we are perhaps more exposed to the impacts of global heating, particularly sea level rise, than many. As a Council we have been at the forefront of developing and implementing adaptable solutions to the challenges faced by our coastal communities and coastal habitats. We have also developed new methods of safeguarding our coastline through dynamic natural processes, such as 'sandscaping'. We will continue to develop the resilience of our coastal areas and to ensure coastal adaptation is featured strongly in shoreline management solutions.

The target of Net Zero by 2030 might be hard to achieve due to the infrastructural, technological, and funding constraints in some sectors. Therefore, many councils are planning to use carbon offsetting and other Nature-based Solutions (NbS)[1] to tackle residual emissions.

Such solutions entail an integrated approach that can address climate change and biodiversity loss, while supporting sustainable development. Although well-designed NbS can deliver multiple benefits for people and nature, much of the recent limelight has been on tree planting for carbon sequestration. It is often referred in shorthand as carbon offsetting.

Box 9: What is carbon Offsetting?
A carbon offset is a reduction or removal of emissions of carbon dioxide or other greenhouse gases made to compensate for emissions made elsewhere. Offsets are measured in tonnes of CO2e.
Trees for Life calculates six trees offset 1 tonne of CO2, so one tree = 0.16 tonnes CO2.
There are presently [three] carbon offset providers in the UK that have a focus on delivering carbon offset schemes in the UK.

NbS is an umbrella term covering a range of types of projects:

- Restoring and protecting forests and wetlands in catchments
- Increasing number of green spaces in the cities and towns
- Coastal habitat restoration
- Carbon sequestration through tree planting and peat bog restoration
- Rewilding
- Aquaculture, and
- Regenerative agriculture

Due to their cross-cutting nature, the projects can provide a blend of ecosystem services. The gains include carbon sequestration, as well as nutrient balancing and numerous mental health benefits. We will actively support such activities but will only do this for the purposes of offsetting as a last resort. Should this be necessary we will target schemes in our own area. This should enable maximisation of economic, social, environmental and other co-benefits for local taxpayers at the same time as reducing emissions.

Given that the district of North Norfolk is relatively rural, agriculture, forestry and other land use potentially offer great benefits in terms of NbS. However, NNDC does not own a substantial amount of land, and the land already owned is used for different purposes. This means that nature-based initiatives will require partnerships with local landowners. The Council has therefore already started identifying and engaging with landowners interested in developing projects in line with our Biodiversity and Geology policy,[xi] which we will develop and review during 2022/23 to ensure consistency with this Net Zero 2030 Strategy.

6.1.1 Leveraging North Norfolk's natural assets

NNDC is home to a wide variety of natural environments. We have segmented our activites under six headings, being:

- Land
- Soil and sub-surface
- Habitats and species
- Freshwater
- Coast and marine, and
- Atmosphere.

6.1.1.1 Land

Land provides ecosystem services across food production, regulating carbon cycle, recreational use and habitats for many species contributing to biodiversity. North Norfolk is a rural district with above the country's average farming land area, and it is nationally important for cereal and horticultural crops production. There are good examples of land-use and agricultural practices in the North Norfolk and wider Norfolk region. It is important that NNDC builds on its record of facilitating sustainable local practices and works to identify opportunities in the shorter-term.

Key areas of focus for NNDC include:

- Investigating opportunities to increase open green spaces, and
- Working with local landowners, farmers and organisations such as NFU to encourage sustainable land-use and farming practices across the district.

6.1.1.2 Soil and sub-surface

Soils are a mixture of minerals, organic matter and organisms all interacting with each other. They provide important ecosystem services ranging across holding water and preventing flooding, providing food and non-food plants with nutrients, influencing gas exchanges between the roots and the atmosphere. Soil types in North Norfolk are largely gravel, sand, silt and clay.

NNDC has one of the highest rates of soil erosion in the country., and this position is expected to be exacerbated as the climate continues to shift towards heavier rainfall and thunderstorms.

Key areas of focus for NNDC include:

- Working with local landowners, farmers and organisations such as NFU to encourage sustainable land-use and farming practices across the district,
- Building awareness of projects such as the Wendling Beck Exemplar Project (see Case Study 1 box), and
- Supporting better understanding among council taxpayers and stakeholders around soil erosion and the need to develop coordinated policies in the district to tackle this.

6.1.1.3 Habitats and species

Habitats and species have intrinsic value as they promote biodiversity and add aesthetics to the landscape. Habitats provide spaces for species of plants and animals to thrive, helping maintain genetic diversity and gene-pool which can provide beneficial medicines and food sources in the future. They also play a role in carbon sequestration and storage.

North Norfolk is, of course, home to a significant amount of coastal habitats, in addition to areas with deciduous woodland enabling biodiversity to thrive. We will look to protect, re-generate and expand these by working with key local organisations such as the Coastal Partnerships Network, amongst others.

Key areas of focus for NNDC include:

- Investigating options for rewilding in the NNDC region
- Increasing engagement with WildEast[xii]
- Seeking to increase habitat connectivity as well as creating new habitat areas, and
- Examining which coastal habitats can be protected, re-generated and expanded.

6.1.1.4 Freshwater

Rivers, lakes, ponds, groundwaters, wetlands and all organisms living within them are described as freshwater. The availability and quality of freshwater for drinking, crop irrigation and living organisms is fundamental for us. North Norfolk has got a dry climate compared to the rest of England, making the stress on water resources more prominent. Maintenance of water resources will be crucial as the climate is predicted to enhance the drying of the region.

Key areas of focus for NNDC include:

- Identifying five priority locations where sewage, fertilizer run-off or industrial discharge are affecting water quality and implement management programme. Chalk streams should be an early focus
- Exploring whether desalination plant supported by offshore renewable energy could deliver benefits for the district, and
- Collaborating with the Broads Authority on water quality management within the Broads.

6.1.1.5 Coast and marine

Our marine environment and coastal zone provide food, add to landscape aesthetics and provide recreational opportunities. They are also home to important habitats, vital to supporting populations of marine mammals such as grey and harbour seals, as well as an array of seabirds. In the case of saltmarsh, they are also an important source of carbon sequestration.

Unfortunately, it is also a repository of human-produced pollutants. North Norfolk region is especially vulnerable to the effects of climate change, particularly sea level rise, with its sensitive habitats and already eroding coastline.

Key areas of focus for NNDC include:

- Working with and promoting the Norfolk Coastal Partnership
- Collaborating with Anglian Water to continually improve quality of wastewater being discharged into the sea, and
- Supporting robust visitor management at vulnerable coastal sites.

6.1.1.6 Atmosphere

Our atmosphere consists of gases that are essential for life on Earth and functioning of our ecosystems. The composition of these gases has a big impact on climate regulation and climate changes. Humans, animals and plants require clean air, free of chemicals and particulate matter, to live healthily. The atmosphere, however, is often a recipient of pollution from human activity.

Key areas of focus for NNDC include:

- Establishing pollution-free zones (or ultra-low emission zones)
- Building dialogue with the top five point-source emitters in the private sector to encourage and support their decarbonisation
- Strengthening air quality monitoring, targeting priority locations at schools and medical premises, and
- Exploring viability of deploying micro-scale pollutant capture and storage.

7 A role for us all

We know from our communication with residents and businesses that there is a shared concern about climate change, and the effect this might have on families, livelihoods, and communities.

NNDC therefore intends to engage with you and want you to work with us to be part of the process to help create a safe and secure environment for you and your families. We particularly want to work with communities and young people to build engagement to understand your views, concerns, ideas and priorities.

In this section, we set out some ideas on how all our council taxpayers and stakeholders can play a part focussing on measures that we are already taking outside of the specific commitments set out in this Strategy and Action Plan.

Following the adoption of our Environmental Charter in April 2021, this Strategy and Action Plan is the next essential step in that process. We want to continue the conversation, assisting in translation of the national Net Zero 2050 target to the local context but much sooner, by 2030.

7.1 If you live in North Norfolk

For residents of North Norfolk, there are a variety of actions that can be taken to reduce carbon emissions. They include:

- Growing some of your own food (in your garden or on an allotment), buying locally sourced produce (which will also support local businesses)
- Reducing waste where possible
- Installing renewable energy or buying green energy through your energy provider
- Improving the energy efficiency of your home, through improving insulation and utilising smarter controls to benefit from time-of-use pricing
- Take steps to consciously save water, as well as installing a water meter and water butts, and
- Recycling, which is an easy action that can benefit the wider environment.

7.2 If you visit North Norfolk

Visitors to North Norfolk can help the district reach Net Zero by using the existing public transport system, walking or cycling, and visitors with EVs should also use the fast-expanding local charging system.

You should seek out local food and drink providers, especially those who meet the “green mark” accreditation system.

You can also visit and support natural sites that look to boost biodiversity.

We will also promote to visitors recycling options.

7.3 If you go to school in North Norfolk

Walking, cycling or using public transport is an ideal way to reduce emissions from travelling to and from school, while increasing well-being.

You can also encourage your school to support the local environment through creating bio-diverse habitats on site.

You can share these experiences with your families and friends.

7.4 If you run a business in North Norfolk

Reducing emissions from running a business in North Norfolk is possible through a range of actions, including:

- Having green fleet vehicles and installing EV charge-points on site for you and your employees, to encourage the transition away from petrol and diesel cars
- Applying for Green Grants as they become available
- Carrying out your own carbon audit to determine the priority areas to target for decarbonization
- Reducing waste and managing water consumption
- Buying green energy through your energy company to power your business, and
- Exploring the use of green gases, using accredited low-carbon service providers and servicers.

Appendix A: Emissions across North Norfolk

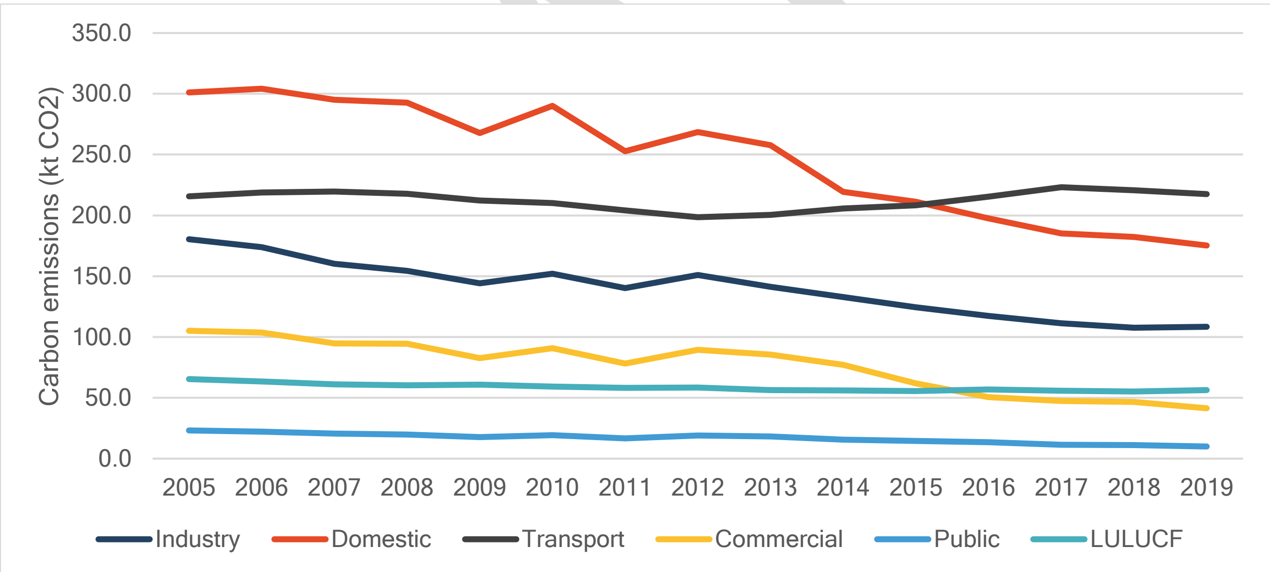
Emissions in the wider North Norfolk area are termed territorial emissions, and they too are usually expressed as tonnes of CO2 equivalent (CO2e). in 2019, the year that has the most recent complete data from the Government, were 609kt CO2 for the North Norfolk area. As noted, we estimate that about 1% arose from Council operations. Over recent years estimated territorial for the district have been falling because of wider changes particularly in the electricity sector.

In 2019, NNDC served an estimated population of close to 105,000, with average per capita emissions of 5.8 tonnes, across our area. This is down by over a third from 8.9 tonnes in 2005. District carbon emissions were the third lowest of the areas covered by the seven District Councils in Norfolk. Emissions/km2 were also down 0.6kt, a 33% reduction, down from 0.9kt emissions/km2 in 2005, when comparable government data start.

The main trends in emissions by the six sectors used by BEIS are shown for the period 2005-19 at Figure A1. These cover industrial, commercial, domestic and public sector use, transport and land use.

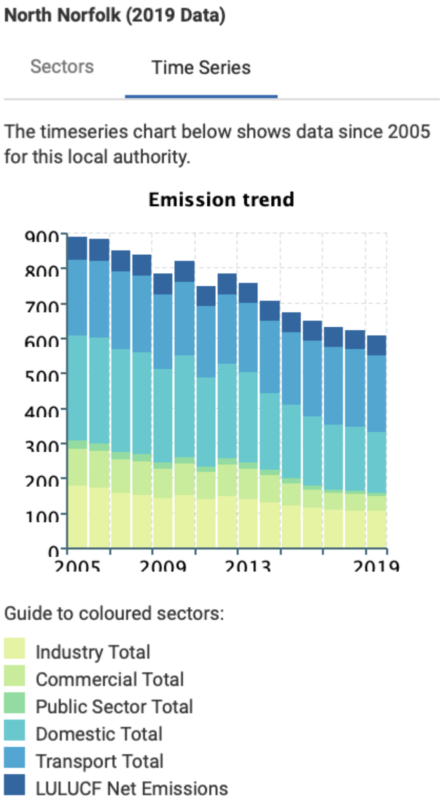
The break-down for the NNDC district for 2019 using government classifications and BEIS data derived from the National Atmospheric Emissions Inventory is then shown at Figure A2 This is shown alongside aggregated sub-totals by the main categories with a comparison looking back over a further four years.

Figure A1: NNDC emissions trends 2005 to 2019[xiii]



Source: Net Zero East (data source: BEIS LA territorial CO2 emissions (2019))

Figure A2: Emissions profile for NNDC 2005 to 2019 (kt CO2e)



Sector Name	CO_2(kt)
Industry Total[1]	108.5
Commercial Total[2]	41.4
Public Sector Total[3]	10.0
Domestic Total[4]	175.3
Transport Total[5]	217.6
LULUCF Net Emissions[6]	56.3
Grand Total	**609.0**

Source: National Atmospheric Emissions Inventory

This data shows that total territorial emissions have decreased steadily over the past five years. Most emissions in North Norfolk are sourced from the district's Transport and Domestic sectors, largely due to the rurality of the district, which means that there is a heavy reliance on private cars and transport within the population, and many domestic properties and businesses having oil central heating, rather than being supplied by the gas grid. These characteristics are consistent with other predominantly rural districts and is a shared national issue but is particularly prominent in NNDC.

Furthermore, Industrial emissions are also very low, with only two major point sources of emitters, being the Bacton Gas Terminal and the [Fakenham Crisp Maltings].

Advances in EVs and decarbonisation of heavier transport will be key to reducing emissions in the district. Creating awareness of the need to replace heating systems, especially in areas off the gas grid where oil and high-carbon fossil fuels are extensively used, will also be key to local decarbonisation. Active tracking of take up of incentives to participate in energy efficiency programmes, including retrofitting properties, will also be very important. The Council will support and promote such initiatives where possible.

[1]*Industrial sector emissions are comprised of: industrial electricity, industrial as, industrial 'other fuels', large industrial installations and agriculture*

[2]*Commercial sector emissions are comprised of commercial electricity, commercial gas and commercial 'other fuels'*

[3]*Public sector emissions are comprised of public sector electricity, public sector gas and public sector 'other fuels'*

[4]*Domestic sector emissions are comprised of domestic electricity, domestic gas and domestic 'other fuels'*

[5]*Transport sector emissions are comprised of road transport (A roads, motorways and minor roads), diesel railways and transport other*

[6]*LULUCF emissions are comprised of net emissions from forest land, cropland, grassland, wetlands, settlements, and harvested wood products.*

Word	Definition
1MW	One megawatt (1MW) is approximately equivalent to the amount of electricity used by 330 homes during one hour. 1MW is equivalent to 1,000 kilowatt hours (1,000 kilowatts of electricity used for one hour).
Adaptation	Action that helps cope with the effects of climate change – for example construction for barriers to protect against rising sea levels, or conversion to crop capable of surviving high temperatures and drought.
Anthropogenic climate change	Man-made climate change – climate change cause by human activity as opposed to natural processes.
Biofuel	A fuel derived from renewable, biological sources, including crops such as maize and sugar cane, and some forms of waste.
Black carbon	The soot that results from the incomplete combustion of fossil fuels, biofuels, and biomass (wood, animal waste, etc.). It I the most potent climate-warming aerosols. Unlike greenhouse gases, these particles absorb all wavelengths of sunlight and then re-emit this energy as infrared radiation.
Carbon budgets	A carbon budget is a permitted and cumulative amount of carbon dioxide emissions that are emitted over a period of time in order to keep within a certain temperature threshold. Every carbon budget provides a cap on the total greenhouse gas emissions which should not be exceeded, in order to meet emissions reduction commitments.
Carbon capture and storage	The collection and transport of concentrated carbon dioxide gas from large emission sources, such as power plants. The gases are then injected into deep underground reservoirs. Carbon capture is sometimes referred to as geological sequestration.
Carbon dioxide (CO_2)	Carbon dioxide is a gas in the Earth's atmosphere. It occurs naturally and is also a by-product of human activities such as burning fossil fuels. It is the principal greenhouse gas produced by human activity.

Carbon dioxide equivalent (CO_2e)	A carbon dioxide equivalent (CO_2e) is a unit of measurement that is used to standardise the climate effects of greenhouse gases. CO_2e is therefore the number of metric tons of CO_2 emissions with the same global warming potential as one metric ton of another greenhouse gas. Six greenhouse gases are limited by the Kyoto Protocol and each has a different global warming potential. The overall warming effect of these gases is standardised through carbon dioxide equivalent – the amount of CO_2 that would cause the same amount o warming/
Carbon footprint	The amount of carbon emitted by an individual or organisation in a given period of time, or the amount of carbon emitted during the manufacture of a product.
Carbon neutral	Carbon neutral refers to the balance between carbon dioxide released in to the atmosphere and the equivalent removal of carbon dioxide from the atmosphere.
Carbon offset	A carbon offset is a reduction in emissions made to compensate for emissions arising from Council estate. There are a range of offsetting carbon options, including zero carbon electricity generation that exceeds the Council's electricity consumption or tree planting.
Climate change	A pattern of change affecting global or regional climate, as measured by yardsticks such as average temperature and rainfall, or an alteration in frequency of extreme weather conditions. This variation may be caused by both natural processes and human activity. Global warming is one aspect of climate change.
Co-benefits	Co-benefits are defined by the Government as improved resource efficiency for businesses, lower household costs, and wider health co-benefits. There could also be beneficial impacts from improved air quality, and reduced emissions from other pollutants, as well as improvement in agricultural soil and peatland restoration, which in turn could positively impact water quality.
Conference of the Parties (CoP)	A Conference of the Parties is the supreme governing body of an international convention, in this case a series of United Nations climate change conferences and is the main decision-making body of the UNFCCC.
Deforestation	The permanent removal of standing forests that can lead to significant levels of carbon dioxide emissions.
Electric Vehicles (EVs)	An electric vehicle is a vehicle that is powered entirely or partially by electricity from a battery that requires recharging.

Energy efficiency	Energy efficiency is achieved by using less energy to carry out the same tasks in order to reduce energy waste.
Fossil fuels	Natural resources, such as coal, oil and natural gas, containing hydrocarbons. These fuels are formed in the Earth over millions of years and produce carbon dioxide when burnt.
Global warming	The steady rise in global average temperature in recent decades, which experts believe is largely caused by man-made greenhouse gas emissions. The long-term trend continues upwards, they suggest, even though the warmest year on record, according to the UK's Met Office, is 1998.
Greenhouse gases (GHGs)	Greenhouse gases refers to the collection of gases that contribute to the greenhouse effect by absorbing and trapping infrared radiation that is already in the Earth's atmosphere.
Greenhouse effect	The insulating effect of certain gases in the atmosphere, which allow solar radiation to warm the earth and then prevent some of the heat from escaping. See also Natural greenhouse effect.
IPCC	The Intergovernmental Panel on Climate Change is a scientific body established by the United Nations Environment Programme and the World Meteorological Organization. It reviews and assesses the most recent scientific, technical, and socio-economic work relevant to climate change, but does not carry out its own research. The IPCC was honoured with the 2007 Nobel Peace Prize.
Kyoto Protocol	A protocol attached to the UN Framework Convention on Climate Change, which sets legally binding commitments on greenhouse gas emissions. Industrialised countries agreed to reduce their combined emissions to 5.2% below 1990 levels during the five-year period 2008-2012. It was agreed by governments at a 1997 UN conference in Kyoto, Japan, but did not legally come into force until 2005. A different set of countries agreed a second commitment period in 2013 that will run until 2020.
LULUCF	This refers to Land Use, Land-Use Change, and Forestry. Activities in LULUCF provide a method of offsetting emissions, either by increasing the removal of greenhouse gases from the atmosphere (i.e. by planting trees or managing forests), or by reducing emissions (i.e. by curbing deforestation and the associated burning of wood).
Mitigation	Action that will reduce man-made climate change. This includes action to reduce greenhouse gas emissions or absorb greenhouse gases in the atmosphere.

Nature-based solutions (NbS)	Nature-based Solutions (NbS) are defined by IUCN as “actions to protect, sustainably manage, and restore natural or modified ecosystems, that address societal challenges effectively and adaptively, simultaneously providing human well-being and biodiversity benefits”.
Net Zero	The UK has committed to Net Zero greenhouse gas emissions by 2050. The term Net Zero refers to the balance of emitted and sequestered/captured emissions coming into and out of the atmosphere.
Per capita emissions	The total amount of greenhouse gas emitted by a country per unit of population.
Renewable energy	Renewable energy is energy created from sources that can be replenished in a short period of time. The five renewable sources used most often are: biomass (such as wood and biogas), the movement of water, geothermal (heat from within the earth), wind, and solar.
UNFCCC	The United Nations Framework Convention on Climate Change is one of a series of international agreements on global environmental issues adopted at the 1992 Earth Summit in Rio de Janeiro. The UNFCCC aims to prevent "dangerous" human interference with the climate system. It entered into force on 21 March 1994 and has been ratified by 192 countries.

Endnotes

[i] [Link to Council decision.]
[ii] https://www.gov.uk/government/news/uks-path-to-net-zero-set-out-in-landmark-strategy
[iii] https://www.north-norfolk.gov.uk/media/6917/environmental-charter-v5.pdf
[iv] Co-benefits are defined by the Government as improved resource efficiency for businesses, lower household costs, and wider health co-benefits. There could also be beneficial impacts from improved air quality, and reduced emissions from other pollutants, as well as improvement in agricultural soil and peatland restoration, which in turn could positively impact water quality.
[v] https://www.north-norfolk.gov.uk/media/6917/environmental-charter-v5.pdf
[vi] https://www.north-norfolk.gov.uk/projects/climate-emergency/
[vii] For further information contact Norfolk Warm Homes.
[viii] https://www.north-norfolk.gov.uk/tasks/community-grants-and-funding/north-norfolk-sustainable-communities-fund-details/
[ix]. Decrease in the generation was caused by maintenance works in early 2020.
[x] [Ref to Local Plan]
[xi] https://www.north-norfolk.gov.uk/info/planning-policy/current-local-plan/policies/policy-en9-biodiversity-and-geology/
[xii] https://www.wildeast.co.uk
[xiii] LULUCF is emissions associated with land use, land use change and forestry, which can be positive or negative. In NNDC the figure is positive, meaning a detrimental contribution to emissions.

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CROMER PIER PAVILION THEATRE – PIER MANAGEMENT CONTRACT

Summary:

This report provides members with an update in respect of the Pier Management Contract operated by Openwide Coastal in the context of the ongoing uncertainty around the COVID pandemic.

The report details the current arrangements for management of the contract of the Pier Pavilion Theatre in Cromer, in the context of when the current contract was awarded in early 2019; and considers the changed circumstances, issues and risks being faced by the operator during the 2020 and 2021 seasons and looking into the future due to the COVID pandemic

The report details a number of options available to the Council in seeking to support the current operator respond to these unprecedented circumstances in future years thereby maintaining the unique End of the Pier Show and other theatre offering provided through the Cromer Pier Pavilion Theatre.

Conclusions:

The Coronavirus pandemic, including periods of lockdown and subsequent restrictions during the twenty-two months since March 2020, and ongoing uncertainty for the arts sector through 2022 and beyond, has presented significant challenges to the Council's operating partner for Cromer Pier and Pavilion Theatre - Openwide Coastal.

Whilst Openwide has successfully managed this challenging situation, this is not without significant risks to the business relative to the contract awarded by the Council in February 2019, and in order to secure its long term future it is appropriate for the Council to consider how it might work with the company to manage future risks in the operation of the Pavilion Theatre, if not the wider Pier offering.

Recommendations:

Cabinet is therefore recommended to:-

a) **Agree now to the extension of the pier management contract at the end of its current ten-year term for five years to March 2033 (as allowed for under the contract) so that the additional costs / losses incurred by Openwide in supporting the contract over the past two years due to COVID**

might be recovered – i.e. Option 1 as detailed within Section 5 of the report.

b) **Agree that the Council is prepared, in principle, to explore further with Openwide a risk-sharing approach in underwriting the costs of investment in the 2022 Seaside Special production recognising the challenges presented by the COVID pandemic on audience figures during 2021 and the continued uncertainty for the 2022 summer season given that planning and investment in the 2022 production is already underway - i.e. Option 3 as detailed within Section 5 of the report.**

c) **The Council agrees to make budgetary provision in the current financial year of up to £45,000 to upgrade the bar and food service area within the Pavilion Theatre**

d) **Agree that the Council works closely with Openwide to explore broadening the offer of the Pier as outlined in Options 4 and 5 of Section 5 of the report so as to attract new audiences, visitors and income to the Pier**.

Cabinet member(s): Cllr Virginia Gay, Cabinet member for Leisure, Culture and Wellbeing	Ward(s) affected: Cromer Town / All given the significant of the Cromer Pier and Pavilion Theatre to the District's tourism offering
Contact Officer, telephone number, and e-mail:	Karl Read Leisure and Localities Manager Tel: 01263 516002 Email:- Karl.Read@north-norfolk.gov.uk

1. Introduction:-

1.1. The District Council owns Cromer Pier and the Pavilion Theatre and has a contract arrangement with Openwide Coastal, an entertainment company, which operates the Theatre, Tides Restaurant and Footprints Gift Shop at the pier entrance, under a ten-year contract, operational until 31 January 2028. Within the contract there is an option for the Council to extend the contract term by up to five years.

1.2. Under the contract, the District Council is responsible for the repair and maintenance of the pier itself and the buildings occupied by Openwide, with the contractor responsible for the programme of events/shows in the Pavilion Theatre and maintenance of (non-structural) internal fixtures and fittings in the theatre, restaurant and gift shop / booking office.

1.3. The main “event” that Openwide manages and stages is the Summer “End of the Pier” Show, which has historically attracted a large audience of approximately 33,000 visitors attending the show for its 13 week run each summer. The “End of the Pier” Show has received national recognition and is the last remaining show of its kind, with a full summer season, in the world.

1.4. Openwide Coastal also programmes a large number of other performances throughout the year which attract diverse audiences. The company also hires out the facilities for events such as “Folk on the Pier” and the “Cromer and Sheringham Operatic Society” which draw additional audiences and visitors to the Pier and Theatre. All of these events support the local economy through enhancing the local tourism offer and visitor numbers at the Theatre in 2019/20 totalled over 66,000 visitors.

1.5 The COVID pandemic over the past 22 months has created significant uncertainty in the performing arts sector nationally and the Council’s partner, Openwide Coastal, has not been protected from this situation. This report therefore outlines the issues Openwide Coastal faces in meeting the terms of the contract for the management of the Theatre and wider operation of the Cromer Pier based upon the experience of the past twenty-two months and the uncertainties faced in planning future productions / programmes and rebuilding audiences.

2. Background

Contractor Performance

2.1 In 2001, the District Council advertised a ten-year contract for the operation of the Cromer Pavilion Theatre and ancillary facilities on Cromer Pier. The contract was awarded to Openwide International (later changed to Openwide Coastal).

2.2 In 2011 the contract was extended by five years (as allowed in the contract), due to the operator performing to a sufficiently high standard during the first 10 years of the contract.

2.3 In 2018 the Council advertised procurement of a new 10-year contract. The Council received three initial bids and, through a negotiated procurement process, the Council awarded the contract to Openwide Coastal, commencing from 1 February 2019.

2.4 Openwide’s contract bid included continuing with the Summer and Christmas “End of the Pier” Shows, and taking a more commercial approach to the operation of the Pier’s facilities in order to reduce the Council’s previous subsidy of c£82k per annum to a zero subsidy. The Council agreed to Openwide’s bid, which proposed reducing the subsidy as shown in the table below, particularly taking a more commercial approach to food and drink service and concessions on the Pier as a means of providing finance or subsidy of the theatre productions:

Year	Subsidy
1. 2018/19	£40,000

2.	2019/20	£20,000
3.	2020/21	£0
4.	2021/22	£0
5.	2022/23	£0
6.	2023/24	£0
7.	2024/25	£0
8.	2025/26	£0
9.	2026/27	£0
10.	2027/28	£0

2.7 In addition to the above table, a profit share arrangement was proposed, whereby the Council would receive a 15% share of the net profit.

2.8 In the first two years of the new contract, the operator performed very well, seeing an increase in visitor / audience numbers, and sufficiently hitting their financial target to reduce the Council's subsidy: in 2019 the Council received £31k in profit share due to the good performance of the contract.

3.0 Impact of COVID

3.1 Due to the COVID pandemic, the Council closed all public access to the Pier in the period 23rd March – late May 2020 and the Theatre remained closed until mid-August 2020 when a COVID-safe indoor show commenced in the theatre entitled 'Strictly Variety. This was undertaken by an independent promoter, and was very successful. All except four shows were completely sold out.

3.2 A Christmas Show was then planned and staged in November / December 2020, but with rising COVID case numbers nationally and locally all theatres had to close from 26th December 2020 meaning the planned run of the show was cut short.

3.3 Theatres were then unable to re-open for any performances until 19th July 2021 and Openwide Coastal launched its End of the Pier Show for the summer 2021 season on this date for a shortened run (missing the period mid-June – mid-July as was traditional). This meant that production costs had to be recovered or set against a shorter programme period, at a time when many members of the public remained cautious about attending indoor performances and attractions. Notwithstanding this uncertainty, the 2021 Summer End of the Pier Show production recorded audiences of 64% of 2019 numbers, which compares well with theatre productions elsewhere in the country over the same timeframe.

3.4 The COVID pandemic has therefore had a significant effect on the operation of the Pier and its facilities, with a massive reduction in income generation and subsequent financial sustainability compared to when Openwide Coastal bid for the contract in 2018.

3.5 During the pandemic, Openwide has attempted to minimise its local cost base through furloughing the majority of its staff and accessing Government Arts Support grants. Post the first lockdown in June 2020, Openwide started trading from The Tides Restaurant to offer a take-away service. This proved successful and allowed the operator to cover staff costs and maintain awareness of the brand with a view to re-opening the theatre once restrictions allowed. However, this income has not provided any "cushion" to support the planning of future large productions at the theatre and therefore represents some risk to the contract moving forward.

4.0 Current position

4.1 Over the past 22 months the Council has maintained regular dialogue and contact with Openwide's management so as to understand the issues the company faces in the short, medium and longer terms, with the Cabinet member for Leisure, Culture and Wellbeing, the Chief Executive and Leisure and Localities Manager meeting Openwide's Director at the end of November 2021 to review the 2021 season and discuss the future opportunities and risks associated with the contract.

4.2 Whilst it was considered that audience figures for the 2021 Summer End of the Pier Show held up reasonably well, this was achieved through discounting ticket prices, lower rates of VAT and attracting some new audiences associated with the very large number of staycation tourist visitors to the District. Concern was expressed however that some historic core markets – such as some groups for the Summer Show and school parties for the Christmas Show were very reluctant to make bookings and that this might be a long-term trend which might be difficult to recover or rebuild from and this was a concern to the company.

4.3 Drink sales on the pier from the Pavilion Theatre bar had performed well during 2021, again due to the large numbers of tourist visitors and people's willingness to drink outdoors, but comment was made that it had been difficult to offer a consistent food offer in Tides Restaurant due to the difficulties of recruiting skilled chefs / cooks meaning that a more simple takeaway / hot food offer had been provided rather than a dining experience and that this had reduced margins. Challenges in the recruitment and retention of kitchen staff is an issue across the District which it is envisaged might extend into future years such that a different food offering from Tides is being considered moving forward.

4.4 In terms of the theatre productions, Openwide Coastal recognise the "unique" End of the Pier Show offering and are committed to retaining the quality of that programme. The company recognises however that to retain and rebuild audiences the show has to be of a high quality in terms of acts, costumes, staging etc such that investment in the show totals some £300,000 per annum and that this money is essentially at risk given the ongoing uncertainties around COVID, certainly during 2022. A request was made therefore by Openwide as to whether the Council might be prepared to share this risk during 2022.

4.5 Discussion also took place as to the opportunities which might exist to accommodate further "commercial" food operations / concessions on the Pier Forecourt area during the peak summer weeks – again recognising the importance of staycation visitor numbers and the trend, certainly over the past couple of years, to street-food and outdoor eating; with the "open-book" profits from such initiatives being reinvested back into the contract, thereby giving Openwide more confidence in the financing of the remainder of the contract.

4.6 Further, a periodic inspection of the Pier Pavilion Theatre and Tides food and beverage facilities by the Council's Commercial Team has identified the need for improvements to be made to the bar and food service area within the Pavilion Theatre. The facilities – bar and food service area surfaces, splash-backs, sinks, wash-hand basins and storage areas – are now some 15 years old and show signs of significant use and wear such that it is recommended that all are now replaced. Responsibility for fixed assets and fixtures (as against individual pieces of equipment) rest with the Council and therefore the authority will need to meet the costs of this investment before the commencement of the new season in April of this year. Budgetary provision of up to £45,000 is required for these works (materials and labour).

5.0 Options

5.1 Based on the conversations had with the management of Openwide International regarding building back from the COVID pandemic it would appear that there are a number of potential actions open to the Council with regards the future operation of the Cromer Pier and Pavilion Theatre.

5.2 Some of these, such as considering terminating the contract and re-procuring and/or "mothballing" the Pavilion Theatre, shop and restaurant until further notice; would result in reputational damage to both the Council and Openwide and are deemed to be unpalatable given the importance of the Pier and Pavilion Theatre to the Cromer and wider North Norfolk Coast tourism product and offering.

5.3 It is not therefore proposed to pursue either of these courses of action, and instead consideration has been given to the following options, which the Council can pursue individually, collectively or through a mix and match approach in partnership with Openwide Coastal, as the pier management contract looks to recover from the impacts of the COVID pandemic.

5.4 **Option 1:** Agree now to the extension of the current contract with Openwide Coastal for a period of five years, as allowed for in the contract. Formally taking this decision now, at this early point in the contract (ie Year 3) would allow Openwide to secure additional investment and provide sufficient time to recoup the losses that they have already suffered. This option would be at no direct cost to the Council at least in the short-term.

5.5 **Option 2:** Do not extend the contract and enter into negotiations with Openwide as to how the Pier can be operated in the future. This brings the likely potential of varying the current contract and re-introduction of an ongoing, but as yet unspecified subsidy, paid by the Council to Openwide, as the authority is unlikely given the current uncertainty facing the performing arts sector to easily identify another contract partner and doesn't have the experience or skills to manage this area of activity directly by bringing the service "in-house".

5.6 **Option 3:** That the Council advises Openwide Coastal that it is prepared, in principle, to consider underwriting some costs of the End of the Pier Show production for the summer 2022 season based on open book accounting principles. Details of any such arrangement to be agreed under delegation through the Chief Executive or Director of Resources in consultation with the Cabinet portfolio holder for Leisure, Culture and Wellbeing

5.7 **Option 4:** Allow Openwide to operate some food concessions (in agreed formats – eg traditional vehicles) during the peak summer holiday weeks (June to September) from the Pier Forecourt as a means of generating additional income to the wider Pier Management contract.

5.8 **Option 5:-** Explore with Openwide Coastal and other potential partners the staging of a small number of themed weekend events on the Pier to attract new visitors / audiences – details to be discussed and agreed.

6.0. Risks and Implications for Council:-

6.1 Reputational Risks - Members have previously expressed very strongly that Cromer Pier and its facilities are of very real and genuine significance to the local tourism offer. It is therefore important that the contract remains finically viable to maintain reputation of both the Council and Openwide Coastal.

7. Financial Implications:

7.1 Should the Council not feel able to extend the current contract or other options detailed above and the contract then fails there would be significant costs to bring the contract back in house, and re-procure in what would be a very different market.

8. Legal issues

8.1 There are no specific legal issues raised by this report at this time. A five-year contract extension is allowed as part of the existing contract terms.

9. Conclusions

9.1 The current Coronavirus pandemic, lockdown period and subsequent Government restrictions has presented severe challenges to the Pier operator Openwide Coastal. Whilst the operator has competently managed the situation since March 2020, and successfully secured external Arts Council funding, in order to secure its long term future it requires an extension to the contract of five years.

10. Recommendations

Cabinet is therefore recommended to:-

a) Agree now to the extension of the pier management contract at the end of its current ten-year term for five years to March 2033 (as allowed for under the contract) so that the additional costs / losses incurred by Openwide in supporting the contract over the past two years due to COVID might be recovered – i.e. Option 1 as detailed within Section 5 of the report.

b) Agree that the Council is prepared, in principle, to explore further with Openwide a risk-sharing approach in underwriting the costs of investment in the 2022 Seaside Special production recognising the challenges presented by the COVID pandemic on audience figures during 2021 and the continued uncertainty for the 2022 summer season given that planning and investment in the 2022 production is already underway - i.e. Option 3 as detailed within Section 5 of the report.

c) The Council agrees to make budgetary provision in the current financial year of up to £45,000 to upgrade the bar and food service area within the Pavilion Theatre

d) Agree that the Council works closely with Openwide to explore broadening the offer of the Pier as outlined in Options 4 and 5 of Section 5 of the report so as to attract new audiences, visitors and income to the Pier.

Capital Strategy 2022-23

Summary:	This report sets out the Council's Capital Strategy for the year 2022-23. It sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.
Options Considered:	This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
Conclusions:	The Council is required to approve a Capital Strategy to demonstrate compliance with the Codes and establishes the strategic framework for the management of the capital programme.
Recommendations:	That Cabinet recommends to Full Council that; (a) The Capital Strategy and Prudential Indicators for 2022-23 are approved.
Reasons for Recommendation:	Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

None

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

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

1 Introduction

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

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

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

2 Capital Expenditure

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

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

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

2.2 All capital projects are considered and prioritised as part of the Council's overall budget process, with affordability in relation to the Medium Term Financial Strategy (MTFS) being a key issue. The revenue implications and funding of any approved bids are included within the Council's revenue budget forecasts to identify the resultant effects on future Council Tax levels.

2.3 The business case and options appraisal methodology is applied to all significant projects (those with a capital cost of over £50,000). The options appraisal should be undertaken by the relevant manager (project leader) initially.

2.4 The business case considers the full options appraisal as evidence to support the recommended option as required. The options analysis will cover elements such as risk, sensitivity and cost benefit analysis and will seek to identify the option that delivers maximum benefit at the lowest or most appropriate cost.

2.5 Projects that generate future income streams for the Council, for example industrial estates and other Commercialisation projects are also viewed positively within the evaluation process. The Asset Management Plan framework helps to identify these assets in order to ensure the revenue implications are again fully accounted for in the decision-making process for the disposal of assets.

2.6 The Current approved Capital Programme (as at December 2020) can be found as part of the Council's draft Budget papers (Appendix C1).

3 Medium and Long Term Funding Strategy

3.1 There are a number of sources of funding available to the Council for capital schemes (capital grants/contributions, capital receipts, borrowing etc). Revenue funding is also available via a Revenue Contribution to Capital Outlay (RCCO), however it should be noted that the scope for using revenue resources for capital purposes is limited.

3.2 Funding from capital receipts is forecast for the next three years to ensure a level of internal resources is maintained and can support future projects. It should however be noted that these are only forecasts at the present time and anticipated balances at the end of the period are based on the current approved capital budget.

3.3 The current Capital Programme is funded from grants and contributions, capital receipts from the disposal of assets and from the Council's own reserves, internal and external borrowing. Whilst capital funding is available to invest in new assets or in improving existing assets, the impact on the revenue account due to the loss of investment income is always a key consideration.

3.4 The Council has access to short or long term borrowing if required to finance capital expenditure. Although business cases for new capital projects are modelled on the assumption that borrowing will be required (to reflect a 'worst case scenario' in terms of cost), the decision to borrow externally is ultimately a treasury one, and is made closer to the time when expenditure is actually incurred, taking into account available cash balances, the opportunity cost of investments, and the exposure to interest rate and credit risks.

3.5 It is a requirement of the new CIPFA code that the Council consider alternative means of financing if required. The Council is aware of the opportunities that may be realisable through a Private Finance Initiative (PFI). The Procurement Strategy includes guidance on appraising Private Public Partnerships in the context of service delivery, and emphasises that obtaining 'value for money' means choosing the optimum combination of whole life costs and benefits to meet the customer's requirements. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue/resource implications as well as initial capital investment.

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

4 Asset Management and Commercial Activities

4.1 The Council has a diverse range of land and property held to meet its Corporate Objectives and values as outlined in the Council's Corporate Plan. Land and property assets can play a key role in reducing Council budget deficits and generating both capital and revenue income. The Council can use its assets more effectively to meet tough financial targets both through reducing costs and generating income.

4.2 In the main the Council will adopt a "buy and hold" strategy for property investments. This is where the Council purchases an asset and lets it to generate revenue income, whilst retaining it for the long term. A long term investment is considered to be of 10 years and over. Whilst it cannot be guaranteed, in the long term a good overall rate of return is anticipated allowing for a cyclical property market.

4.3 In terms of development opportunities, the Council may seek to "buy and hold" assets for the medium term where it sees a strategic advantage of doing so, for example land assembly for town center regeneration or acquiring land to develop in a phased approach to minimise risk of oversupply and for cash flow purposes.

4.4 The Council may also seek to "buy and sell on" an asset in the short to medium term of between 1 – 5 years. For example, where there is opportunity to secure good terms or a low price enabling a surplus to be made from a sale or redevelopment.

4.5 Further information can be found in the Council's Land and Property Acquisition Policy.

4.6 The Council seeks to achieve a spread of risk across a greater number of assets and by acquiring properties across the range of commercial property types, including: retail, leisure/tourism, office and industrial assets.

4.7 The Council has a small portfolio of commercial assets to rent within the district. These are identified within the Asset Management Plan as being held by the Council primarily for the purpose of generating income to support the Councils, revenue and capital budgets. Whilst generating income, returns and financial independence to support the delivery of services, there are a number of benefits to the Council, the community, tourist and business sector from the Council commercial portfolio including promoting strategic regeneration, increasing business rate and council tax income and supporting tourism.

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

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

4.10 Asset management undertaken includes:

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

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

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

5 Debt Management and MRP Statement

5.1 Where a local authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP). There has been no statutory minimum amount to be applied since 2008, although the Local Government Act 2003 does require authorities to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision 2012, which is currently undergoing a revision, subject to consultation.

5.2 The Guidance requires that the Council approve an Annual MRP Statement in advance of each financial year, and identifies a number of options for calculation of a prudent provision for MRP. Whilst there are four alternative methods available for this calculation, only two apply to new borrowing under the

Prudential system for which no Government support is being given, i.e. borrowing which is intended to be self-financed.

5.3 All Council decisions made in relation to capital expenditure will be reviewed on their own merits and the most equitable treatment will be introduced in respect of the financing of these schemes. For the purposes of existing schemes and those proposed for the coming financial years where borrowing has been assumed, the Council will be applying the Asset Life Basis (Option 3 under the DLUHC Guidance). This allows MRP to be charged to the revenue account across the estimated life of the assets that are being funded, in accordance with the regulations.

5.4 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

5 Prudential Indicators

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

5.2 *Authorised Limit for External Debt*

The Council has an integrated Treasury Management Strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council, and not just those arising from capital spending reflected in the CFR. The Council is required to set for the coming year and he following two financial years an authorised limit for its total gross external debt, separately identifying borrowing from other long term liabilities. The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured against all external debt items (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). The indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council’s existing commitments, its proposals for capital expenditure and financing and its approved Treasury Management policy statement and practices. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

	2022/23	**2023/24**	**2024/25**	**2025/26**

	£m	£m	£m	£m
Authorised limit for borrowing	28.400	28.400	28.400	28.4000
Authorised limit for other long-term liabilities	3.000	3.000	3.000	3.000
Authorised limit for external debt	31.400	31.400	31.400	31.400

5.3 *Operational Boundary for External Debt*

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

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Operational boundary for borrowing	23.530	23.530	23.530	23.530
Operational boundary for other long-term liabilities	2.000	2.000	2.000	2.000
Operational boundary for external debt	25.530	25.530	25.530	25.530

5.4 *Capital Expenditure*

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

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Estimated Capital Expenditure	7.297	2.227	1.970	1.870

5.5 *Capital Financing Requirement*

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

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
CFR	9.208	8.217	7.225	6.234
Less: Other Debt Liabilities	0.000	0.000	0.000	0.000
Estimated Capital Financing Requirement	9.208	8.217	7.225	6.234

5.6 *Proportion of Financing Costs to Net Revenue Stream*

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

	2022/23 £m	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Financing cost (net)	(0.989)	(0.984)	(1.080)	(1.080)
Net Revenue Stream	15.578	14.203	13.436	13.751
Ratio	-6.35%	-6.93%	-8.04%	-7.86%

6 Links to other Strategies and Plans

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

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

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

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

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

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

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

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

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North Norfolk District Council Investment Strategy 2022/23.

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

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

Contact Officer, telephone number and email: Lucy Hume, 01263 516246

Introduction

The Authority invests its money for three broad purposes:

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

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

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

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

- Financial Sustainability and Growth
- Quality of Life

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

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £32.9m and £46.5m during the 2022/23 financial year.

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

Further details: Full details of the Authority’s policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy, available elsewhere on this agenda.

Service Investments: Loans

Contribution: The Council lends money to housing associations and community housing entities to support local public services and stimulate local economic growth. As part of the Councils ‘Local Homes for Local Need’ agenda, these loans are made to improve the supply of affordable housing within the District.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	**31.3.2021 actual**			**2022/23**
	Balance owing	**Loss allowance**	**Net figure in accounts**	**Approved Limit**
Housing associations	2.557m	0.003m	2.574m	£10m
Community Housing Entities	0.192m	0.000m	0.192m	£5m
TOTAL	**2.749m**	**0.003m**	**2.746m**	**£15m**

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

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

<u>Service Investments: Shares</u>

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

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

Table 2: Shares held for service purposes in £ millions

Category of company	**31.3.2021 actual**			**2022/23**
	Amounts invested	**Gains or losses**	**Value in accounts**	**Approved Limit**
Subsidiaries	Nil	Nil	Nil	£5m
Suppliers	Nil	Nil	Nil	£5m
Local businesses	Nil	Nil	Nil	£5m
TOTAL	**Nil**	**Nil**	**Nil**	**£15m**

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

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

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

Commercial Investments: Property

Contribution: The Council invests in local commercial property with the intention of making a profit that will be spent on local public services. The Council currently holds one main investment property, the Depot building at Grove Lane, Holt, which is rented to a private sector developer.

Table 3: Property held for investment purposes in £ millions

Property	Actual	31.3.2021 actual		31.3.2022 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Grove Lane Depot	-	0.062m	0.453m	-	0.453m
TOTAL	**-**	**0.062m**	**0.453m**	**-**	**0.453m**

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

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2021/22 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

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

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

Loan Commitments and Financial Guarantees

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

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

Proportionality

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

Table 4: Proportionality of Investments

	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget
Investment income	1.128m	1.015m	1.134m	1.121m	1.208m
Gross service expenditure	163.6m	62.2m	61.7m	60.8m	59.1m
Proportion	0.69%	1.63%	1.84%	1.84%	2.04%

Borrowing in Advance of Need

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

Capacity, Skills and Culture

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

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

Corporate governance: Budgets for investment purchases are agreed by Full Council in line with corporate objectives. Treasury Investments are subject to governance checks through the agreement of the Treasury Strategy for the year, as well as half-yearly updates.

Investment Indicators

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

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

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2021 Actual	31.03.2022 Forecast	31.03.2023 Forecast
Treasury management investments	44.368	41.892	39.000
Service investments: Loans	2.557	2.449	2.157
Commercial investments: Property	0.453	0.453	0.453
TOTAL INVESTMENTS	**47.378**	**44.794**	**41.610**
Commitments to lend	0.00	0.00	0.00
Guarantees issued on loans	0.00	0.00	0.00
TOTAL EXPOSURE	**47.378**	**44.794**	**41.610**

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

Table 6: Investment rate of return (net of all costs)

Investments net rate of return	2020/21 Actual	2021/22 Forecast	2022/23 Forecast
Treasury management investments	2.20%	2.60%	2.90%
Service investments: Loans	3.80%	3.74%	3.74%

Commercial investments: Property	0%	7.28%	7.28%

Table 7: Other investment indicators

Indicator	**2020/21 Actual**	**2021/22 Forecast**	**2022/23 Forecast**
Debt to net service expenditure ratio	Nil	Nil	Nil
Net Commercial income to net service expenditure ratio	0.15%	0.19%	0.16%

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North Norfolk District Council Treasury Management Strategy Statement 2022/23

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

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

Contact Officer, telephone number and email: Lucy Hume, 01263 516246

Introduction

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

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

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy, which is included elsewhere on this agenda.

External Context

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

Credit outlook: Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

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

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 2.9%, and that new long-term loans will be borrowed at an average rate of 2.2%.

Local Context

On 31st December 2021, the Authority held £5m of borrowing and £40m of treasury investments. This is set out in further detail at ***Appendix B***. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.21 Actual £m	**31.3.22 Estimate £m**	**31.3.23 Forecast £m**	**31.3.24 Forecast £m**	**31.3.25 Forecast £m**	**31.3.26 Forecast £m**
General Fund CFR	11.243	21.572	25.380	24.354	23.327	22.300
Less: External borrowing **	0.000	-8.004	-11.342	-10.680	-10.018	-9.356
Internal borrowing	**11.243**	**13.568**	**14.039**	**13.674**	**13.309**	**12.944**
Less: Balance sheet resources	-47.212	-36.975	-34.343	-33.337	-33.992	-34.790
Treasury investments	**35.969**	**23.407**	**20.304**	**19.663**	**20.682**	**21.846**

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

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Authority is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments are forecast to fall as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2022/23.

Borrowing Strategy

The Authority currently holds £5 million of loans, as in the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority does not expect to need to borrow in 2022/23. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

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

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

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

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

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

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

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

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

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

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

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

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

Treasury Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £35.6 and £71.7 million, and lower levels are expected to be maintained in the forthcoming year as we are not expecting to receive further cash balances relating to COVID 19 business grants, which inflated our cash balances this year.

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

Negative interest rates: The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2022/23 where cash balances allow. This diversification will represent a continuation of the strategy previously adopted.

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

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the limits shown.

Table 2: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£6m	Unlimited
Secured investments *	25 years	£6m	Unlimited
Banks (unsecured) *	13 months	£2m	£5m
Building societies (unsecured) *	13 months	£2m	£5m
Registered providers (unsecured) *	5 years	£2m	£10m
Money market funds *	n/a	£6m	£20m

Strategic pooled funds	n/a	£6m	Unlimited
Real estate investment trusts	n/a	£6m	£10m
Other investments *	5 years	£2m	£5m

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

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

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

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

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

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

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

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

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

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

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

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

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

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Authority has revenue reserves available to cover investment losses. In order that no more than an acceptable level of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £2m in operational bank accounts count against the relevant investment limits.

Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£6m per country

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

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

<u>Treasury Management Indicators</u>

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

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

Credit risk indicator	Target
Portfolio average credit score	6.0

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

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

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

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

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

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

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

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

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

Price risk indicator	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£50m	£50m	£50m

Related Matters

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

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

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

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

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

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

Financial Implications

The budget for investment income in 2022/23 is £1.132 million, based on an average investment portfolio of £39.0 million at an interest rate of 2.90%. The budget for debt interest paid in 2022/23 is £0.14 million, based on an average debt portfolio of £4 million at an average interest rate of 1.15%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then a proportion of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

Other Options Considered

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

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

Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2021

Underlying assumptions:

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.

- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month money market ra													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
10yr gilt yield													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
20yr gilt yield													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
50yr gilt yield													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix B – Existing Investment & Debt Portfolio Position

	31/12/2021 **Actual portfolio £m**	31/12/2021 **Average rate %**
External borrowing:		
Local authorities	**5.000**	**0.10**
Other loans	**0.000**	
Total external borrowing	**0.000**	
Other long-term liabilities:		
Private Finance Initiative	0.000	
Leases	0.000	
Transferred Debt	0.000	
Total other long-term liabilities	0.000	
Total gross external debt	5.000	
Treasury investments:		
The UK Government	0.000	
Local authorities	0.000	
Banks (unsecured)	0.000	
Registered providers	2.557	3.80
Money market funds	5.550	0.02
Strategic pooled funds	32.000	2.91
Total treasury investments		
Net debt	(35.108)	

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FEES AND CHARGES 2022-23

Summary:	This report recommends the fees and charges for 2022-23 that will come into effect from April 2022.
Options considered:	Alternatives for the individual service fees and charges now being proposed will have been considered as part of the process in arriving at the fees presented within the report.
Conclusions:	The fees and charges as recommended have been used to inform the income budgets for the 2022/23 budget.
Recommendations:	**That Cabinet agree and recommend to Full Council:** **a) The fees and charges from 1 April 2022 as included in Appendix A.** **b) That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required as outlined within the report**
Reasons for Recommendations:	To approve the fees and charges as set out in the report that will have been used to support the 2022/23 budget process.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Current fees and charges

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

1. Introduction

1.1 The setting of the fees and charges for the next financial year forms part of the annual budget setting process. This year, service managers were asked to fundamentally review their fees and charges as part of the Zero Based Budgeting exercise, to determine a suitable level of charging. This was particularly important in services where full cost recovery is to be achieved.

2. Fees and Charges 2022/23

2.1 Fees and charges proposals for 2022/23 have been reviewed by the relevant budget managers so that income budgets can be updated as part of the budget process. Appendix A to this report provides the detail of the proposed charges for 2022/23 from 1 April 2022, these have been discussed by Cabinet.

2.2 Where appropriate, some services will experience an inflationary increase in charges. The exceptions to this are for those fees and charges which are set by central government, for example planning and premises licence fees. Also a number of the Council's fees are calculated on a cost recovery basis and will be excluded for example Land Charges, Building Control and the majority of our locally set licence fees. In addition Council facilities operated by an external contractor will also be excluded as the Council has no discretion on the setting of these fees.

2.3 Some fees are not published as part of this process such as those relating to trade waste collection and garden bin fees. This is due to the fact that some of our costs are not known this early in the year and in order to ensure that the services operate in a financially effective manner, the setting of the associated fees is done separately under delegated powers once we are more certain of future costs.

2.4 As part of the Zero Based Budgeting exercise, service managers were asked to review their fees and charges and, where appropriate, revise these. Gold and Silver options were presented and the relevant option was selected in line with the wider Zero Based Budgeting prioritisation exercise.

3. Conclusion

3.1 The report makes recommendations for the fees and charges that will come into effect from 1 April 2022. These have informed the service income budgets that are included within the detailed 2022/23 budget when it is presented for recommendation and approval in February 2022.

4. Financial Implications and Risks

4.1 For demand led services there is a risk that income will not be received as budgeted. When producing income budgets assumptions will be made around the level of income to be achieved from services, these will be based on service managers best estimates with assistance from Finance.

5. Sustainability – none as a direct impact.

6. Equality and Diversity – none as a direct impact.

7. Section 17 Crime and Disorder considerations - none as a direct impact.

Corporate Leadership Team / Corporate Service Area	Statutory Charge?	2021/22 Charge £ : p	2022/23 Proposed Charge £ : p
ELECTIONS			
Sale of Edited Register of Electors - Printed Copy - Basic Charge (per first 1,000 names, or part thereof).	S	£10.00	£10.00
Printed copy as above, extra 1,000 names or part thereof.	S	£1.50	£1.50
Sale of edited Register of Electors - Data Form - Basic Charge (per first 1,000 names or part thereof).	S	£20.00	£20.00
Data form as above, extra 1,000 names or part thereof.	S	£1.50	£1.50
Supply of Full Register and monthly updates (to credit reference agencies and government departments) - Printed Copy - Basic Charge (per first 1,000 names or part	S	£10.00	£10.00
Printed copy as above, extra 1,000 names or part thereof.	S	£1.50	£1.50
Supply of Full Register and monthly updates (to credit reference agencies and government departments) - Data Form - Basic Charge (per first 1,000 names or part	S	£20.00	£20.00
Data Form as above, extra 1,000 names or part thereof.	S	£1.50	£1.50
Sale of Marked Registers - Printed Copy - Basic Charge.	S	£10.00	£10.00
Printed copy of Marked Registers - 1,000 names or part thereof.	S	£2.00	£2.00
Data form of Marked Registers - 1,000 names or part thereof.	S	£1.00	£1.00
Sale of Overseas Elector List - Printed Copy - Basic Charge (per first 100 names or part thereof).	S	£10.00	£10.00
Printed copy as above, extra 100 names or part thereof.	S	£1.50	£1.50
Sale of Overseas Elector List - Data Form - Basic Charge (per first 100 names or part thereof).	S	£20.00	£20.00
Data form as above, extra 100 names or part thereof.	S	£1.50	£1.50

Customer Services & ICT Service Area	Statutory Charge?	2021/22 Charge £ : p	2022/23 Proposed Charge £ : p
CUSTOMER SERVICES			
Foreign Pension Verification	S	N/A	£10.00
TOURIST INFORMATION CENTRES			
Concessionary Fares			
Application processing	S	£10.00	£10.00
Renewals (Lost)	S	£10.00	£10.00
FILMING*			
TV drama/advertisements/feature films			
Per Day	D	£1,650.00	£1,650.00
Per Hour	D	£280.00	£280.00
Exclusive use of NNDC owned location (e.g. Cromer Pier)	D	From £1,500.00 per day	From £1,500.00 per day
Documentaries and charities (depending on nature of organisation, subject and crew size			
Per Day	D	From £500.00	From £500.00
Per Hour	D	From £100.00	From £100.00
Administration Charge (only charged where a fee and/or contract is appropriate)			
Standard	D	£40.00	£40.00
Less than 7 day's notice	D	£90.00	£90.00
Stills (specifically commercial advertising with props, etc.)	D	£100 - £500	£100 - £500
Education/news/weather/student/individual photographers	D	Discretionary	Discretionary
Parking (if required)	D	£17.00	£17.00
PHOTOCOPYING			
A4 and below - black and white	D	£0.15	£0.20
A4 and below - colour	D	£0.20	£0.25
A3 - black and white	D	£0.30	£0.35
A3 - colour	D	£0.60	£0.70
A2 - black and white	D	£1.20	£1.40
A2 - colour	D	£2.40	£2.85
A1 - black and white	D	£2.40	£2.85
A1 - colour	D	£4.80	£5.70
A0 - black and white	D	£3.60	£4.30
A0 - colour	D	£7.20	£8.65

Environmental Health Service Area		Statutory Charge?	2021/22 Charge £ : p	2022/23 Proposed Charge £ : p
WASTE COLLECTION SERVICES				
Clinical Waste - Commercial & Prescribed		D	Charges set separately under Delegated Power	Charges set separately under Delegated Power
Commercial Waste Bins - Collection & Hire		D		
Commercial Recycling Bins - Collection & Hire		D		
Prescribed Waste Bins - Collection & Hire		D		
Prescribed Recycling Bins - Collection & Hire		D		
Sacks - Commercial & Prescribed		D		
Bulky Items - Commercial, Prescribed & Household		D		
Garden Bin Collection - Per Annum		D		
EDUCATION & PROMOTION				
(CIEH) Foundation Certificate in Food Hygiene				
Resident or employed in North Norfolk		D	£60.00	£62.00
Other		D	£77.00	£80.00
Specially arranged courses for businesses - held at business premises for their staff only	for up to 15 candidates	D	£740.00	£770.00
	per additional candidate up to maximum of 18	D	£50.00	£50.00
COMMERCIAL SERVICES				
Food Inspections				
Unfit food inspections		D	£44.00	£46.00
Food export certificates		D	£35.00	£36.00
Officer time per hour (plus VAT)		D	£40.00	£42.00
Sunday Trading Application for loading consent		D	£100.00	£104.00
Food Hygiene Rerating Visits		D	£156.00	£162.00
Registration of Food Premises				
Charge for copies of Register (or parts of)	- Single Entry	D	£18.00	£19.00
	- Part of Register	D	£482.00	£501.00
	- Complete Register	D	£1,024.00	£1,065.00

PRIVATE WATER SUPPLY CHARGES				
Private Water Supplies Sampling Regulations				
Laboratory Analysis of a sample		**D**	The cost of sample transportation and laboratory analysis is recovered in full from the Relevant Person(s).	The cost of sample transportation and laboratory analysis is recovered in full from the Relevant Person(s).
Sampling - per visit		**D**	£59.00	£61.00
Other Investigations (e.g. Investigating failure)		**D**	£106.50	£111.00
Granting an authorisation to depart from the standard authorisation		**D**	£106.50	£111.00
Risk Assessments	- Single Private Dwelling	**D**	£106.50	£111.00
	- Small Domestic Supplies	**D**	£106.50	£111.00
	- Large Domestic Supplies	**D**	£213.00	£222.00
	- Commercial or Public Small	**D**	£213.00	£222.00
	- Commercial or Public Medium	**D**	£320.20	£333.00
	- Commercial or Public Large	**D**	£533.50	£555.00
	- Commercial or Public Very Large	**D**	£533.50	£555.00
Risk Assessment Reviews	- Single Private Dwelling	**D**	£54.00	£56.00
	- Small Domestic Supplies	**D**	£54.00	£56.00
	- Large Domestic Supplies	**D**	£106.50	£111.00
	- Commercial or Public Small	**D**	£106.50	£111.00
	- Commercial or Public Medium	**D**	£160.00	£166.00
	- Commercial or Public Large	**D**	£213.00	£222.00
	- Commercial or Public Very Large	**D**	£296.00	£308.00
HOUSING ACT NOTICES				
Hazard Awareness Notice		**S**	Free	Free
Improvement / Suspended Improvement Notice	Notice with up to 3 hazards identified	**S**	£357.00	£350.00
(Section 11 & 12)		**S**	£357.00	£350.00
Prohibition/Suspended Prohibition Order		**S**	£357.00	£350.00
Emergency Remedial Action		**S**	£357.00	£350.00
Emergency Prohibition Order	For each additional hazard included in Notice	**S**	£51.00	£50.00
Demolition Order		**S**	£51.00	£50.00
Service of second and subsequent HA2004 Statutory Notices (inc. Schedule 3 Notices for works in default)		**S**	£71.50	£70.00
Review of suspended HA 2004 Statutory Notices		**S**	£71.50	£70.00

HMO LICENSE FEES				
HMO License application fee (up to 6 units of accommodation		**S**	£535.50	£530.00
Additional Unit Charge		**S**	£25.50	£25.00
ENVIRONMENTAL PROTECTION SERVICES				
Statutory Release Fee - Dogs (Charge includes VAT)		**S**	£25.00	£25.00
Collection Fee		**S**	£100.00	£100.00
Kennel Charges - Base Cost (Daily Kennel Charge is paid ontop of this fee)		**S**	£83.00	£83.00
Daily Kennel Charge Per Day (Maximum 7 Days)		**S**	£9.50	£9.50
Land Enquiry (Charge includes VAT)		**S**	£34.00	£34.00
Contaminated Land Enquiry		**S**	£31.00	£30.00
Temporary Stopping Place Fee		**S**	£40.00	£40.00
FIXED PENALTY NOTICES				
Breach of CPN or PSPO	- Full Amount	**S**	£80.00	£80.00
	- New Licence valid for 1 year	**S**	£60.00	£60.00
Depositing Litter	- Full Amount	**S**	£80.00	£80.00
	- New Licence valid for 1 year	**S**	£60.00	£60.00
Fly Tipping (Section 33 EPA 1990)	- Full Amount	**S**	£300.00	£300.00
	- New Licence valid for 1 year	**S**	£200.00	£200.00
Failure to Produce Waste Documentation (Section 34 EPA 1990)		**S**	£300.00	£300.00
TAXI LICENCE FEES				
Taxi Licences				
Licence to Drive Hackney Carriages or Private Hire Vehicles	- New Licence valid for 1 year	**D**	£173.00	£180.00
	- New Licence valid for 3 years	**D**	£173.00	£180.00
	- Renewal valid for 1 year	**D**	£173.00	£180.00
	- Renewal valid for 3 years	**D**	£173.00	£180.00
Hackney Carriage Vehicle Licence	- New valid for 1 year	**D**	£149.00	£155.00
	- Renewal valid for 1 year with plate	**D**	£149.00	£155.00
	- Renewal valid for 1 year with no plate	**D**	£130.00	£135.00
Private Hire Vehicle Licence	- New valid for 1 year	**D**	£149.00	£155.00
	- Renewal valid for 1 year with plate	**D**	£149.00	£155.00
	- Renewal valid for 1 year with no plate	**D**	£130.00	£135.00
Private Hire Operators Licence	- New or Renewal valid for 5 years	**D**	£153.00	£159.00
Taxi Licence Charges				
Replacement Badge & Licence (Name Change)		**D**	£15.00	£16.00
Replacement Licence (Address Change)		**D**	£11.00	£11.00
Replacement drivers badge holder with lanyard		**D**	£3.00	£3.00
Windscreen pouches (additional or replacement)		**D**	£2.00	£2.00
Replacement plate for vehicle		**D**	£40.00	£42.00

OTHER LICENSING

Premises Licence Fees - Gambling Act 2005

Betting Premises (excluding tracks)	- New Application	**D**	£2,800.00		£2,800.00
	- Annual Fee	**D**	£560.00		£560.00
	- Application to Vary	**D**	£1,400.00		£1,400.00
	- Application to Transfer	**D**	£1,130.00		£1,130.00
	- Application to Reinstatement	**D**	£1,130.00		£1,130.00
	- Application for Prov. Statement	**D**	£2,800.00		£2,800.00
	- Application (Prov. State Holders)	**D**	£1,130.00		£1,130.00
	- Copy Licence	**D**	£25.00		£25.00
	- Notification of Change	**D**	£50.00		£50.00
Tracks	- New Application	**D**	£1,400.00		£1,400.00
	- Annual Fee	**D**	£930.00		£930.00
	- Application to Vary	**D**	£1,150.00		£1,150.00
	- Application to Transfer	**D**	£880.00		£880.00
	- Application to Reinstatement	**D**	£880.00		£880.00
	- Application for Prov. Statement	**D**	£2,300.00		£2,300.00
	- Application (Prov. State Holders)	**D**	£880.00		£880.00
	- Copy Licence	**D**	£25.00		£25.00
	- Notification of Change	**D**	£50.00		£50.00
Family Entertainment Centres	- New Application	**D**	£1,900.00		£1,900.00
	- Annual Fee	**D**	£700.00		£700.00
	- Application to Vary	**D**	£935.00		£935.00
	- Application to Transfer	**D**	£880.00		£880.00
	- Application to Reinstatement	**D**	£880.00		£880.00
	- Application for Prov. Statement	**D**	£1,900.00		£1,900.00
	- Application (Prov. State Holders)	**D**	£880.00		£880.00
	- Copy Licence	**D**	£25.00		£25.00
	- Notification of Change	**D**	£50.00		£50.00
Adult Gaming Centre	- New Application	**D**	£1,900.00		£1,900.00
	- Annual Fee	**D**	£935.00		£935.00
	- Application to Vary	**D**	£935.00		£935.00
	- Application to Transfer	**D**	£1,130.00		£1,130.00
	- Application to Reinstatement	**D**	£1,130.00		£1,130.00
	- Application for Prov. Statement	**D**	£1,900.00		£1,900.00
	- Application (Prov. State Holders)	**D**	£1,130.00		£1,130.00
	- Copy Licence	**D**	£25.00		£25.00
	- Notification of Change	**D**	£50.00		£50.00
Bingo	- New Application	**D**	£3,000.00		£3,000.00
	- Annual Fee	**D**	£935.00		£935.00
	- Application to Vary	**D**	£1,630.00		£1,630.00
	- Application to Transfer	**D**	£1,130.00		£1,130.00
	- Application to Reinstatement	**D**	£1,130.00		£1,130.00
	- Application for Prov. Statement	**D**	£3,000.00		£3,000.00
	- Application (Prov. State Holders)	**D**	£1,130.00		£1,130.00
	- Copy Licence	**D**	£25.00		£25.00
	- Notification of Change	**D**	£50.00		£50.00

Permits				
Family Entertainment Centres	- Application Fee	**D**	£300.00	£300.00
	- Change of Name	**D**	£25.00	£25.00
	- Copy of Permit	**D**	£15.00	£15.00
Prize Gaming	- Application Fee	**D**	£300.00	£300.00
	- Annual Fee	**D**	£300.00	£300.00
	- Change of Name	**D**	£25.00	£25.00
	- Copy of Permit	**D**	£15.00	£15.00
Small Lottery Society	- Application Fee	**D**	£40.00	£40.00
	- Annual Fee	**D**	£20.00	£20.00
	- Change of Name	**D**	£25.00	£25.00
	- Copy of Permit	**D**	£15.00	£15.00
Club Gaming	- Application Fee Permit	**D**	£200.00	£200.00
	- Application Fee Machine Permit	**D**	£200.00	£200.00
	- Annual Fee Permit	**D**	£50.00	£50.00
	- Annual Fee Machine Permit	**D**	£50.00	£50.00
	- Change of Name	**D**	£25.00	£25.00
	- Change of Name Machine Permit	**D**	£25.00	£25.00
	- Copy of Permit	**D**	£15.00	£15.00
	- Copy of Permit Machine	**D**	£15.00	£15.00
License Premises Gaming Machine Permit	- Application Fee (2 or less)	**D**	£50.00	£50.00
	- Application Fee (3 or more)	**D**	£150.00	£150.00
	- Annual Fee	**D**	£50.00	£50.00
	- Change of Name	**D**	£25.00	£25.00
	- Copy of Permit	**D**	£15.00	£15.00
	- Variation	**D**	£100.00	£100.00
	- Transfer	**D**	£25.00	£25.00

Licences and certificates of suitability				
Skin piercing premises	- Registration (one-off)	**D**	£253.00	£263.00
Skin piercing each additional operative at same premises	- Registration (one-off)	**D**	£34.00	£35.00
Scrap Metal Dealer	New/Renewal (3 years)	**D**	£452.00	£470.00
Scrap Metal Dealer	Variation	**D**	£340.00	£354.00
Scrap Metal Collector	New/Renewal (3 years)	**D**	£113.00	£118.00
Scrap Metal Collector	Variation	**D**	£86.00	£89.00
Sex Shop or sex cinema		**D**	£2,040.00	£2,122.00
Sexual Entertainment Venue		**D**	£3,060.00	£3,182.00
Street Trading Consents	- Non profit	**D**	Free	Free
	- Commercial	**D**	£78.50	£82.00
Animal Boarding	- New/Renewal	**D**	£308.50	£321.00
	- Variation	**D**	£99.00	£103.00
	Verification Inspection Fee for Variation if required.	**D**	£46.00	£48.00
Dangerous Wild Animals (and vet fees where appropriate)	- New/Renewal	**D**	£183.00	£190.00
Dog Breeding (and vet fees where appropriate)	- New/Renewal	**D**	£385.00	£400.00
	- Variation	**D**	£53.50	£56.00
	(Plus Vet inspection fees if required for the above).	**D**	As appropriate	As appropriate
Pet Shop	- New/Renewal	**D**	£308.50	£321.00
	- Variation	**D**	£99.00	£103.00
	Verification Inspection Fee for Variation if required.	**D**	£46.00	£48.00
Riding Establishment (and vet fees where appropriate)	- New/Renewal	**D**	£385.00	£400.00
	Plus DBS fee if required (per employee).	**D**	£53.60	£56.00
	- Variation	**D**	£53.50	£103.00
	(Plus Vet inspection fees ontop if required for the above).			
Zoo (and vet fees where appropriate)	- New/Renewal	**D**	£237.00	£246.00
Keeping Animals for Exhibition	- New/Renewal	**D**	£293.00	£305.00
	- Variation	**D**	£99.00	£103.00
	Verification Inspection Fee for Variation if required.	**D**	£46.00	£48.00
Combination of Activities		**D**	Equal to the highest activity fee.	Equal to the highest activity fee.
Variation to reduce the licensable activities or numbers of animals		**D**	£53.50	£56.00
Transfer due to death of licensee		**D**	£53.50	£56.00
Reissue of Licence (Copy or Name/Address Change).		**D**	£11.00	£11.00

Premises Licences (Alcohol)				
Premises Licences, under the Licensing Act 2003, are based on bands determined by the nor				
The fees relating to applications for premises licences, club premises certificates and variations or conversions to existing licences are:				
Band	**Non-domestic rateable value**			
A	£0 - £4,300	**D**	£100.00	£100.00
B	£4,301 - £33,000	**D**	£190.00	£190.00
C	£33,001 - £87,000	**D**	£315.00	£315.00
D	£87,001 - £125,000	**D**	£450.00	£450.00
E	£125,001 and over	**D**	£635.00	£635.00
Annual charges relating to the above are:				
Band	**Non-domestic rateable value**			
A	£0 - £4,300	**D**	£70.00	£70.00
B	£4,301 - £33,000	**D**	£180.00	£180.00
C	£33,001 - £87,000	**D**	£295.00	£295.00
D	£87,001 - £125,000	**D**	£320.00	£320.00
E	£125,001 and over	**D**	£350.00	£350.00
Personal Licence	- Initial Fee	**D**	£37.00	£37.00
Additional Fees and Charges				
Application for copy of licence or summary on theft, loss etc. of premises licence or summary		**D**	Free	Free
Notification of change of name or address (holder of premises licence)		**D**	£10.50	£10.50
Application to vary to specify individual as premises supervisor		**D**	£23.00	£23.00
Application to transfer premises licence		**D**	£23.00	£23.00
Interim authority notice		**D**	£23.00	£23.00
Application for making of a provisional statement		**D**	£315.00	£315.00
Application for copy of certificate or summary on theft, loss etc. of certificate or summary		**D**	£10.50	£10.50
Notification of change of name or alteration of club rules		**D**	£10.50	£10.50
Change of relevant registered address of club		**D**	£10.50	£10.50
Temporary event notices		**D**	£21.00	£21.00
Application for copy of notice on theft, loss etc. of temporary notice		**D**	£10.50	£10.50
Application for copy of notice on theft, loss etc. of personal licence		**D**	£10.50	£10.50
Notification of change of name or address (personal licence)		**D**	£10.50	£10.50
Notice of interest in any premises		**D**	£21.00	£21.00
Application for a minor variation to a premises licence or club premises licence		**D**	£89.00	£89.00

Mobile Home Act 2013 (MHA 2013)				
New Park Home Licence	Units - 1-5	**D**	£214.00	£223.00
	Units - 6-24	**D**	£229.00	£238.00
	Units - 25-29	**D**	£245.00	£255.00
	Units - 100 plus	**D**	£275.00	£286.00
Annual Licence Fee	1-3	**D**	£0.00	£0.00
	4-5	**D**	£122.00	£127.00
	6-24	**D**	£184.00	£191.00
	25-29	**D**	£245.00	£255.00
	100 plus	**D**	£275.00	£286.00
Licence Transfer		**D**	£99.00	£103.00
Licence Variation		**D**	£99.00	£103.00
Deposit of Site Rules		**D**	£46.00	£48.00
Pre-application advisory licensing visit		**D**	N/A	£180.00
Check and send service - guaranteed check and verification		**D**	N/A	£60.00
Pre-inspection food safety/business advisory visit and SFBB pack		**D**	N/A	£225.00
Gain or retain - pre-inspection food hygiene rating assessment		**D**	N/A	£225.00
Revisit request for a food hygiene rating assessment		**D**	N/A	£225.00
Fit and Proper Person - Caravan Sites		**D**	N/A	£180.00
Replacement internal taxi plates/signs		**D**	N/A	£10.00
Knowledge Tests (New Taxi Driver Applications)		**D**	N/A	£40.00
Street Trading Consent (FOOD) Annual Fee		**D**	N/A	£252.00
Street Trading Consent (NON-FOOD) Annual Fee		**D**	N/A	£210.00
ENFORCEMENT TEAM CHARGES				
High Hedges Complaint			£447.00	£445.00

Leisure Service Area		Statutory Charge?	2021/22 Charge £ : p	2022/23 Proposed Charge £ : p
CAR PARKING				
Pay & Display Car Parks. Charges Apply Between 08:00 - 18:00				
	Coastal Car Parks			
Cromer	- Runton Road	D	60p for 30 minutes only, £1.50 per hour thereafter. £7 for 24 hours.	*To be reviewed under separate paper*
East Runton	- Beach Road			
Happisburgh	- Cart Gap			
Mundesley	- Beach Road			
Overstrand	- Pauls Lane			
Sea Palling	- Clink Road			
Sheringham	- Beach Road			
	- Station Road			
Wells	- Stearmans Yard			
Weybourne	- Beach Road			
Other Car Parks				
Cromer	- Cadogan Road	D	60p for 30 minutes only, £1.30 for the first hour, £1 per hour thereafter. £7 for 24 hours.	
	- Meadow			
	- Promenade (Disabled only)			
Holt	- Albert Street			
	- Station Road			
Sheringham	- Chequers			
	- Morris Street			
Wells	- Staithe Street			
Fakenham	- Bridge Street	D	50p for 30 minutes only, £1.00 for 2 hours, 70p per hour thereafter. £5 for 24 hours.	
	- The Limes			
	- Queens Road			
North Walsham	- Bank Loke	D	£2.50 per day.	
	- New Road			
	- Vicarage Street			
	- Mundesley Road			
	- Hornbeam Road			
Stalham	- High Street	D	50p for 30 minutes only, £1.00 for 2 hours, 70p per hour thereafter. £5 for 24 hours.	

Other Charges			
Coach Parking (where permitted)	- Half day (up to 4 hours)	**D**	£5.00
	- All day ticket	**D**	£10.00
Carnival Day (Runton Road)	- Per Car, Per Entry	**D**	£7.00
	- Per Motorcycle, Per Entry	**D**	£4.00
Weekly Permit		**D**	£28.00
Annual Permit	- 3 hour permit	**D**	£56.00
	- 24 hour permit	**D**	£204.00
Half Year Permit	- 3 hour permit	**D**	£31.00
	- 24 hour permit	**D**	£122.00
Quarter Year Permit	- 3 hour permit	**D**	£16.00
	- 24 hour permit	**D**	£66.00
Penalty Charge Notice	- Full	**D**	£50.00
	- Prompt Payment	**D**	£25.00
Change of Permit (change of registration)		**D**	£10.00
Addition of second car registration onto Permit		**D**	Free

MARKETS					
Cromer, Stalham and Sheringham (Weds) - Per Site					
Weekly	- April, May, June, Oct, Nov, Dec	**D**	£19.00		£19.00
	- July, August, Sept	**D**	£28.00		£28.00
	- Jan, Feb, March	**D**	£15.00		£15.00
Quarterly	- April - June	**D**	£138.00		£138.00
	- July - September	**D**	£224.00		£224.00
	- October - December	**D**	£102.00		£102.00
	- January - March	**D**	£82.00		£82.00
Half Yearly (Up to 2 pitches, £ per pitch)	- April - Sept	**D**	£255.00		£255.00
	- October - March	**D**	£133.00		£133.00
Half Yearly (3rd pitch +, £ per pitch)	- April - Sept	**D**	£204.00		£204.00
	- October - March	**D**	£102.00		£102.00
Sheringham (Saturday) - Per Site					
Weekly	- April, May, June, Nov, Dec	**D**	£31.00		£31.00
	- July, August, Sept, Oct	**D**	£41.00		£41.00
	- Jan, Feb, March	**D**	£22.00		£22.00
Quarterly	- April - June	**D**	£306.00		£306.00
	- July - September	**D**	£469.00		£469.00
	- October - December	**D**	£224.00		£224.00
	- January - March	**D**	£179.00		£179.00
Half Yearly (Up to 2 pitches, £ per pitch)	- April - Sept	**D**	£592.00		£592.00
	- October - March	**D**	£306.00		£306.00
Half Yearly (3rd pitch +, £ per pitch)	- April - Sept	**D**	£449.00		£449.00
	- October - March	**D**	£230.00		£230.00
Yearly		**D**	£872.00		£872.00
Other Charges					
Full Annual Payment in Advance		**D**	10% discount		10% discount
Refunds - Administration Fee		**D**	£15.00		£15.00

CHALETS & BEACH HUTS					
Chalets					
Sheringham	Old Chalets	**D**	Charges set separately under Delegated Power		N/A
	New Chalets (inc. electricity)	**D**			N/A
Cromer	West Beach	**D**	Charges set separately under Delegated Power		N/A
	East Beach	**D**			N/A
Weekly Lets - Cromer & Sheringham	Low Season	**D**	£85.00		N/A
	High Season	**D**	£210.00		N/A
Weekly Lets - Cromer East & Sheringham New (Serviced)	Low Season	**D**	£95.00		N/A
	High Season	**D**	£260.00		N/A
Winter Lets					
Per Month		**D**	£65.00		N/A
Per Week		**D**	£21.00		N/A
40 Week Lets (October - July)	Cromer West	**D**	TBC		N/A
40 Week Lets (October - July)	Cromer East	**D**	TBC		N/A
Hut Sites					
Cromer, Overstrand & Sheringham	One Year (Excluding Rates)	**D**	Charges set separately under Delegated Power		N/A
Mundesley	One Year (Excluding Rates)	**D**			

Huts - Weekly Lets					
Low Season		**D**	£70.00		N/A
High Season		**D**	£195.00		N/A
Mundesley - Seasonal Let		**D**	Charges set separately under Delegated Power		N/A
Beach Huts/Chalets - Administration Fee		**D**	N/A		40% of the booking amount if cancelled within the 4 weeks prior to the start date and 25% at any other time subject to a £40 minimum fee.
Chalets	- Peak unserviced Per Week	**D**	N/A		£230.00
	- Peak serviced Per Week	**D**	N/A		£285.00
	- Mid unserviced Per Week	**D**	N/A		£135.00
	- Mid serviced Per Week	**D**	N/A		£150.00
	- Low unserviced Per Week	**D**	N/A		£95.00
	- Low serviced Per Week	**D**	N/A		£105.00
	- Winter season unserviced Per Season	**D**	N/A		£350.00
	- Winter season serviced Per season	**D**	N/A		£385.00
Beach Huts	- Peak per Week	**D**	N/A		£210.00
	- Mid per Week	**D**	N/A		£115.00
	- Low per week	**D**	N/A		£80.00
	- Winter per season	**D**	N/A		£295.00
Extras:					
Charge to go onto beach hut or chalet waiting list	Per List	**D**	£25.00		£45.00
HOLT COUNTRY PARK					
School visits where Ranger's assistance required (Per Child)		**D**	£6.00		£6.00
Car Park					
Per car per occasion		**D**	£2.00		£2.00
SPORTS CLUBS AND HUBS					
Price per session			£3.00		£3.00

Finance, Assets and Legal	Statutory Charge?	2021/22 Charge £ : p		2022/23 Propsed Charge £ : p
LEGAL SERVICES				
Legal Work (exclusive of VAT charged)				
Mortgage Redemption	D	At Solicitors Hourly Rate.		At Solicitors Hourly Rate.
Preparation of a new lease				
Sale of land				
Preparation of License				
Private Mortgage				
Quest re: second Mortgage				
Agreement - section 18 Public Health Act 1936				
Legal Work in connection with release of covenant				
PROFESSIONAL ESTATE SERVICES				
Application fee for Events (per application).	D	£50.00		£55.00
Application fee for Events (per application) - Charitable Events	D	£25.00		£35.00
Estate Service (Land and Property Transactions) - Hourly Rate	D	£70.00		From £450
Licence Admin Fee	D	£50.00		£55.00
Disposal of Assets/Asset Proposal Admin Fee	D	£50.00		£55.00
Licence for table with three chairs	D	£65.00		£70.00
PARKLANDS CARAVAN SITE				
Site Per Year		Increased by RPI as under Mobile Homes Act.		Increased by RPI as under Mobile Homes Act.

Planning Service Area		Statutory Charge?	2021/22 Charge £ : p	2022/23 Propsed Charge £ : p
LAND CHARGES				
LLC1				
Official Search of - One Part		S	£0.00	£0.00
Official Search of - Whole	- Electronic Search	S	£24.00	£24.00
	- Additional Parcel	S	£2.00	£2.00
CON 29 Enquiries				
One Parcel	- Electronic Search	S	£79.00	£79.00
	- Additional Parcel	S	£17.50	£17.50
Optional Enquiries				
Printed		S	£18.00	£18.00
Additional		S	£20.00	£20.00
Other Fees relating to Local Land Charges				
Registration of a charge in Part 11 of the Register (Light Obstruction Notice)		S	£74.00	£74.00
Filing a judgement order or application for variation or cancellation of any entry in Part 11 of the Register (Light Obstruction Notice)		S	£7.00	£7.00
Filing a definitive certificate of the Lands Tribunal under rule 10 (3) of the Local Land Charges Rules 1977		S	£3.00	£3.00
Inspection of documents filed under Rule 10 in respect of each parcel of land		S	£3.00	£3.00
Office copy of any entry in the Register (not including a copy or extract of any plan or document filed pursuant to 1977 Rules)		S	£0.00	£0.00

PLANNING				
Pre-Application Service - Major Applications				
*These fees will be charged upon the submission of proposals for pre-application advice. For advice on the service provided see separate note.				
Outline Applications				
Site area up to 2.5 ha.	Per 0.1 ha. (Plus £36 per additional 0.1 ha.a)	**D**	£120.00	£120.00
Site area over 2.5 ha.	(Plus £36 per additional 0.1 ha.) - Maximum £36,000	**D**	£3,000.00	£3,000.00
Erection of Dwellings (Full or Reserved Matters) - Includes change of use to dwelling				
10 to 50 dwellings	Cost for ten. (Plus £120 per additional dwelling)	**D**	£1,200.00	£1,200.00
Over 50 dwellings	(Plus £36 per additional dwelling) - Maximum £72,000	**D**	£6,000.00	£6,000.00
Erection of Buildings (Non-residential)				
Floor space 1,000 - 3,750 sq.m.	Per 75 sq.m.	**D**	£960.00	£960.00
Floor space over 3,750 sq..m.	(Plus £36 per additional 75 sq.m.) - Maximum £36,000	**D**	£6,000.00	£6,000.00
Erection of Agricultural Buildings				
Floor space 1,000 - 4,215 sq.m.	For 1st 1000 sq.m. (Plus £120 per additional 75 sq.m. after 1000 sq.m.)	**D**	£120.00	£120.00
Floor space over 4,215 sq.m.	(Plus £36 per additional 75 sq.m.) - Maximum £72,000	**D**	£6,000.00	£6,000.00
Erection of Glasshouses				
Floor space over 1000 sq.m.		**D**	£600.00	£600.00
Erection, Alteration or Replacement of Plant or Machinery				
Site area up to 5 ha.	(Plus £120 per additional dwelling)	**D**	£1,200.00	£1,200.00
Site area over 5 ha.	(Plus £36 per additional dwelling) - Maximum £72,000	**D**	£6,000.00	£6,000.00
Engineering or Other Operations	Over 1 ha. (Maximum £600)	**D**	£600.00	£600.00
Car Parks and Service Roads for existing uses (In relation to Major planning application)		**D**	£60.00	£60.00
Change of Use of Land or Building to Dwellings				
10 to 50	(Plus £120 per additional dwelling)	**D**	£1,200.00	£1,200.00
Over 50	(Plus £36 per additional dwelling) - Maximum £72,000	**D**	£6,000.00	£6,000.00
Other Changes of Use		**D**	£120.00	£120.00
Variation/Removal of a condition		**D**	£60.00	£60.00
Renewal of a temporary permission		**D**	£60.00	£60.00

Bronze				
Householder or Commercial up to 50 sq. metres		**D**	£95.00	£95.00
1-9 dwellings on sites less than 0.5 ha. or Commercial floorspace up to 999 sq. metres		**D**	£295.00	£295.00
Commercial floorspace 51 - 499 sq.m. and new telecommution masts		**D**	£195.00	£195.00
Other (Advert, agricultural, telecoms)		**D**	Free	Free
Silver				
Householder or Commercial up to 50 sq. metres		**D**	£195.00	£195.00
1-9 dwellings on sites less than 0.5 ha. or Commercial floorspace up to 999 sq. metres		**D**	£595.00	£595.00
Commercial floorspace 51 - 499 sq.m. and new telecommution masts		**D**	£395.00	£395.00
Other (Advert, agricultural, telecoms)		**D**	Free	Free
Extras:				
Additional Plans				
Householder - up to 50 sq. metres		**D**	£95.00	£95.00
1-9 dwellings - up to 999 sq. metres		**D**		
10-49 dwellings - up to 2,500 sq. metres		**D**		
50+ dwellings - over 2,500 sq. metres		**D**		
Other (listed building, tree advice, advert, agricultural, telecoms)		**D**		
Additional Meeting				
Householder - up to 50 sq. metres		**D**	£95.00	£95.00
1-9 dwellings - up to 999 sq. metres		**D**		
10-49 dwellings - up to 2,500 sq. metres		**D**		
50+ dwellings - over 2,500 sq. metres		**D**		
Other (listed building, tree advice, advert, agricultural, telecoms)		**D**		
Monitoring Fee for S106 / IL Obligations	The charge will generally be levied at a rate of £500 per obligation covering each District Council related covenant and a monitoring fee will be sought for each. On more complex sites where greater monitoring costs will likely be incurred, a proportionate charge will be levied at a rate of £500 per obligation covering each District Council related covenant or 1 % of the value of the District Council's total obligations up to a maximum of £10,000 per agreement, whichever is the higher.	**D**	N/A	from £500
Building Control Fees	*Hourly rate included within calculated fee.*	**D**	£60.00	TBC

PLANNING - MISCELLANOUS				
High Hedges Complaint		**S**	£447.00	£445.00
<u>Supply of Information on Permitted Use/History</u>				
Administrative Staff - per hour		**D**	£49.50	£49.50
Professional Staff - per hour		**D**	£97.00	£97.00
<u>Check compliance with Conditions (for Solicitors, Agents)</u>				
Administrative Staff - per hour		**D**	£49.50	£49.50
Professional Staff - per hour		**D**	£97.00	£97.00
<u>General Research</u>				
Administrative Staff - per hour		**D**	£49.50	£49.50
Professional Staff - per hour		**D**	£97.00	£97.00
Naming of new street, consultation process and notification of decision	Single Street	**S**	£125.00	£125.00
	2-5 Streets	**S**	£250.00	£250.00
	5+ Streets	**S**	£500.00	£500.00
Street numbering Schemes	1-5 Plots	**S**	£80.00	£80.00
	6-10 Plots	**S**	£70.00	£70.00
	11-50 Plots	**S**	£60.00	£60.00
	50+ Plots	**S**	£50.00	£50.00
Change of property name		**S**	£25.00	£25.00
PLANNING - POLICY				
<u>Inset Maps</u>				
A1 Maps		**D**	£5.52	£5.52
A2 Maps		**D**	£3.12	£3.12
A3 Maps		**D**	£1.32	£1.32
Admin Fee to join the Customer & Self Build Housing Register		**D**	£25.00	£25.00

Rate Relief Policy

Summary:

1. In the Budget on 27 October 2021 the Chancellor announced the Government would award a 50% Retail Hospitality and Leisure Discount for properties up to a cash limit of £110,000 per business for the 2022/23 financial year.

2. In the Budget on 27 October 2021 the Chancellor announced the Government would extend Supporting Small Business Relief (SSB) for another year until 31 March 2023. This is for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the revaluation and consequently lost Small Business Rates Relief or Rural Rate Relief. This relief to be awarded will limit any increase in the rates to £600 per year.

3. In the Budget on 27 October 2021 the government announced that it would extend the current transitional relief scheme and for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value).

3. On 25 March 2021 the government announced it would make available a discretionary fund to North Norfolk DC to support businesses for one year only for the period 1 April 2021 to 31 March 2022 affected by COVID-19 but not eligible for existing support linked to business rates. The COVID-19 Additional Relief Fund (CARF) of £1.580,862 will be allocated relief as agreed by the Norfolk councils working party.

4. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020 including the extension of the £1,500 business rates discount for office space occupied by local newspapers that will apply for an additional 5 years until 31 March 2025. The scheme will be available to local newspapers that occupy office space. Under the scheme, eligible local newspaper businesses will continue to receive up to a £1,500 discount on their bill for the 2022/23 financial year.

5. The 2016 Autumn Statement confirmed the doubling of rural rate relief available to eligible businesses from 50% to 100%. The Government subsequently set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the

Government expects local authorities to continue to use their discretionary relief powers to grant 100% rural rate relief to eligible ratepayers in 2022/23, as they have done previously.

The Government expects local authorities to use their discretionary relief powers to grant these reliefs. All the above will be compensated in full for our loss of rates income because of these changes. This compensation except the CARF will be paid by section 31 grant and calculated based on the returns that the council makes under the rates retention scheme.

The Council's Discretionary Rate Relief Policy has been revised to reflect these changes.

Conclusions:	The policy has been updated to reflect the extended schemes announced and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.
Recommendations:	**It is agreed that Cabinet recommend to Full Council that the Revenues Manager has delegated authority to make decisions up to the NNDC cost value of £2k as indicated in Appendix A.** **It is agreed that Cabinet recommend to Full Council that the Revenues Manager has delegated authority to make Covid-19 Additional Relief Fund (CARF) decisions as indicated in Appendix C.** **It is agreed that Cabinet note this report and recommend to Full Council that the Rate Relief Policy is revised as indicated in Appendix A, B and C.**
Reasons for Recommendations:	The new policy will enable the Retail Hospitality and Leisure Discount, Supporting Small Business Relief, transitional relief scheme, COVID-19 Additional Relief Fund, the scheme for local newspaper discount and the Rural Rate Relief to be awarded discretionary reliefs in 2019-20 onwards.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information, and which are not published elsewhere)

Cabinet Member(s)	Ward(s) affected
All	All
Contact Officer, telephone number and email: Sean Knight. Sean.Knight@north-norfolk.gov.uk 01263 516347	

1. Introduction

1.1 National Non-Domestic Rates (NNDR) are paid by those occupying non-domestic property and collected by the local authorities. Under the business rate retention scheme introduced from April 2013, 50% of the business rates paid is kept locally, 40% by North Norfolk District Council (NNDC) and 10% Norfolk County Council and the balance is paid back to government, an element of which is then paid back to local authorities through the Formula Grant System. As part is retained by local authorities, they are incentivised to increase their NNDR yield as they now benefit directly from it.

1.2 There are currently several different reductions available to businesses. Empty properties – Business rates will not be payable in the first three months that a property is empty (six months for certain industrial properties). After this period empty rate is payable at the full charge. There are a few exemptions such as listed buildings and land used as storage.

1.3 Small business rate relief (SBRR) – the relief supports small businesses who generally occupy only one property. SBRR was available at 100% for eligible properties up to £6,000 rateable value (RV) and was tapered for properties with a RV up to £12,000. The 100% relief was extended until 31 March 2017 and if a ratepayer receiving small business rate relief took on an additional property, they continued to receive their existing relief for 12 months (previously if they had taken on a second property they would have been disqualified from the relief).

1.4 At Budget 2016, the Government confirmed that the doubling of the SBRR from 50% to 100% would be made permanent from 1 April 2017.

1.5 The relief has been increased from 2017/18 to 100% for eligible properties up to £12,000 rateable value (RV) and is tapered for properties with a RV up to £15,000 and if a ratepayer receiving SBRR takes on an additional property or properties within the threshold RV they will continue to receive their existing relief for 12 months.

1.6 Charity and discretionary reliefs –Charities are entitled to an 80% reduction in their bills. The Council has discretion to grant reliefs in other circumstances and the report covers these areas of discretion.

2. Discretionary Rate Relief

2.1 Under Section 47 of the Local Government Finance Act 1988 billing authorities have discretion to grant relief to certain ratepayers (certain types of charitable and non –profit organisations) from all or part of their non-domestic rates payable. The Localism Act 2011 amended section 47 of the Local Government Finance Act 1988 to enable local authorities to grant relief in a wider range of circumstances.

2.2 The cost of granting discretionary relief varies according to the circumstances. Full details of the circumstances are in the policy and guidelines within Appendix A.

2.3

Type of Relief	% Funded by the Council	% Funded by central government
Mandatory Relief for charities and community amateur sports clubs (CASCs) (80%)	40%	50%
Up to 20% discretionary relief to top up mandatory	40%	50%
Up to 100% discretionary relief for other eligible organisations	40%	50%

2.3 Should a local authority choose to award discretionary rate relief under the Localism Act powers to a business or profit organisation the Council will bear the full 100% cost.

3. New Schemes

3.1 In the budget statements since 2016 onwards the government announced new schemes of discretionary rate reliefs to assist and encourage the development and occupation of business premises.

3.2 The new schemes are all fully funded by central government.

4. Conclusion

4.1 The Rate Relief Policy and guidelines have been amended to reflect the changes introduced by central government.

5. Implications and Risks

5.1 It is important that the Council's policy and guidelines are clear about the criteria under which it will make an award as all potential applicants need to be aware of the grounds for eligibility for discretionary relief, what their own responsibilities are and why their application has either been accepted or refused.

6. Financial Implications and Risks

6.1 The new schemes are fully funded by central government.

6.2 The other discretionary and mandatory relief schemes are funded as indicated in paragraph 2.2 through the business rate retention scheme.

7. Sustainability

7.1 The granting of reliefs assists organisations to be viable, particularly in rural areas, and this aids the development of sustainable communities and ensures that people have access to goods, services, leisure, and other opportunities.

8. Equality and Diversity

8.1 On considering this policy against the categories looked at within the Equality Impact Assessment process – age, disability, gender, race, religion or belief, sex, sexual orientation, the policy has no adverse impact.

9. Section 17 Crime and Disorder considerations

9.1 There are no crime and disorder implications arising from the policy.

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Appendix A

Discretionary Rate Relief Policy

1 Introduction

If an organisation occupies a property on which it pays National Non-Domestic Rates (NNDR) it may be eligible for up to 100% Discretionary Rate Relief if it is operated within some or all of the following guidelines appropriate to the particular organisation.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will be judged on its merits taking into account the contribution which each organisation/business makes to the districts amenities and its residents lifestyles and wellbeing.

2 Eligibility Criteria

Eligibility Criteria for Rate Relief	**Rate Relief**	**Amount of Relief**
Property wholly or mainly used for charitable purposes which is occupied by a registered charity, charity shop or registered Community Amateur Sports Club (CASC)	Mandatory (Charity) Discretionary	80% 20% (maximum)
Property, all or part of which is occupied for the purposes of a non-profit making: a) Institution or other organisation whose main objects are philanthropic or religious or concerned with social welfare, science, literature or the fine arts. b) Club ,society or other organisation and is used for the purposes of recreation	Discretionary	100%(maximum)
Property is a qualifying: Food Shop General Store Post Office Sole Public House Sole Petrol Filling Station	Mandatory (Rural Rate Relief) Discretionary (Rural Rate Relief)	50% 50%(maximum)

3 Scope

The policy will be adhered to by all staff and members involved with consideration of Discretionary Rate Relief applications.

4 Applications

Applications must be supported by the organisations constitution, main purposes and objectives e.g. written constitution, memorandum of association, membership rules etc.

A full set of audited accounts for the latest financial year at the application date.

Details of how organisations/ businesses meet the criteria within the guidelines.

Applications from excepted businesses/organisations can not be considered. These are properties which are occupied by a billing or precepting authority e.g. District Council. County Council.

5 Factors to be taken into account

North Norfolk District Council is keen to ensure that any relief awarded is justified and directed to those organisations making a valuable contribution to the well-being of local residents. The following factors will therefore be considered:

a. The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide

b. The organisation should provide training or education for its members, with schemes for particular groups to develop skills

c. It should have facilities provided by self-help or grant aid. Use of self-help and / or grant aid is an indicator that the club is more deserving of relief

d. The organisation should be able to demonstrate a major local contribution.

e. The organisation should have a clear policies on equal opportunity, freedom of access and membership.

f. It should be clear as to which members of the community benefit from the work of the organisation.

g. Membership should be open to all sections of the community and the majority of members should be NNDC residents.

h. If there is a licensed bar as part of the premises, this must not be the principle activity undertaken and should be a minor function in relation to the services provided by the organisation.

i. The organisation must be properly run and be able to produce a copy of their constitution and fully audited accounts.

j. Those organisations applying for relief, whose work involves young children, young people or vulnerable adults must be able to demonstrate that appropriate checks have been carried out on staff and volunteers, and that sound child protection policies are in place.

k. The organisation must not have any unauthorised indebtness to NNDC.

Rates are due and payable until a claim for discretionary rate relief is agreed.

6 Period of Relief

Relief will be granted for one year at a time.

The granting of relief will be reviewed annually and those in receipt of relief will be asked to supply or confirm relevant information for the purposes of the review.

7 Approval

Approval of discretionary rate relief applications up to £2,000 cost to NNDC will be approved by the Revenues Manger under delegated authority shown below.

Initial recommendations are to be made by the Revenues Manager to the Discretionary NDR Relief Panel for all other cases with a cost to NNDC of £2,000 and above, plus any new cases which the policy does not cover and needs further discussion.

The Discretionary NDR Relief Panel will consist of the following:

Revenues Manager
Section 151 Officer/Director for Resources and
Portfolio Member for Revenues and Finance.

Authorities must determine applications within six months after the end of the financial year for which the application for relief is made. Determinations after this time are invalid.

8 No Right of Appeal

Once the application has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal right of appeal process against the Council’s decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

9 Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

10 Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

11 Costs to the Council

The Local Government Finance Act 2012 introduced the Business Rate Retention Scheme in England from 1 April 2013. The Business Rate Retention Scheme currently provides for 50% of rate revenue to be retained by local authorities (40% NNDC and 10% NCC) and 50% by central government. As a result of this most discretionary reliefs are paid for by the local authority and central government, in these proportions.

Enterprise Zone Discount

The District Council, alongside other Local Authorities, was invited by the Anglia Local Enterprise Partnership (LEP) in 2015 to submit applications for sites within the District area to be included in a New Anglia ‘Space to Innovate’ multi-site Enterprise Zone programme.

Two Sites have been agreed within North Norfolk District Council commencing 1 April 2016. Egmere Business Zone and Scottow Enterprise Park are geographically defined areas, hosted by Local Enterprise Partnerships in which commercial and industrial businesses can receive incentives.

Businesses that started up or relocating to the enterprise zone and were occupied by 31 March 2021 could qualify for business rates relief. This relief is applied if the hereditament is within the Enterprise Zone.

Up to 100% business rate discount can be awarded subject to subsidy controls.

Eligibility criteria

The discount is for businesses occupied within the Enterprise Zone defined area from 1 April 2016 up to 31 March 2021.

Amount of Relief

The Enterprise Discount is awarded at 100% of the rates liability.

Time Limited Relief – Rural Rate Relief

In the Autumn 2016 Budget Statement, the chancellor announced the doubling of rural rate relief from 50% to 100% with effect from 1 April 2017.

Rate relief for businesses in rural areas

Rural Rate Relief of 50% is currently awarded as mandatory relief under legislation.

Certain types of properties in a rural settlement (see Appendix B) with a population below 3,000 may be entitled to this relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property has to be occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill.

Currently NNDC can award up to 50% discretionary top up relief.

The 2016 Autumn Statement confirmed the doubling of rural rate relief from 50% to 100% from 1st April 2017. The Government set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Local authorities were expected to use their discretionary rate relief powers to grant 100% rural rate relief to eligible ratepayers from 1st April 2017. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the Government announced it expects local authorities to continue to use their powers to grant 100% rural rate relief to eligible ratepayers, as they have done so since 2017/18. The 50% top up discretionary rate relief will be fully funded by government through a Section 31 Grant.

Time Limited Relief – Relief for Local Newspapers

In the March 2016 Budget Statement, the government announced a new scheme of discretionary rate reliefs to assist and encourage the development and occupation of business premises.

Relief for Local Newspapers

This relief is government funded to local authorities so that they can provide a rates discount for office space occupied by local newspapers worth up to £1,500 a year.

This was originally for 2 years only from 1st April 2017 however the Government extended this in the 2018 Autumn Budget to include 2019/20. On 27 January 2020, the Financial Secretary to the Treasury made a Written Ministerial Statement announcing additional business rates measures that will apply from 1 April 2020 including the extension of the £1,500 business rates discount for office space occupied by local newspapers that will apply for an additional 5 years until 31 March 2025.

This is up to a maximum of one discount per local newspaper title and per hereditament, and up to subsidy controls. The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended).

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

The relief will provide £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament.

Local Newspapers

The relief is to be specifically for local newspapers and by that we mean what would be considered to be a "traditional local newspaper." The relief will not be available to magazines.

Office Space

The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

Amount of Relief

The amount of relief is limited to a maximum of one discount per newspaper title (e.g. per newspaper name) and per hereditament.

The case for a business rates relief for local newspapers, can be obtained at www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Time Limited Relief – Supporting Small Businesses Relief

At the Budget on 8 March 2017 the Chancellor announced the Government would make available the following business rate reliefs at the Spring Budget 2017. At the Budget on 27 October 2021 the Chancellor announced the Government would extend this by another year until 31 March 2023.

The Supporting Small Businesses Relief

This relief is government funded to local authorities so that they can provide relief for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the 2017 NDR revaluation and as a consequence lost Small Business Rates Relief or Rural Rate Relief. This relief will limit any increase to £600 per year subject to subsidy control rules.

This scheme was due to end on 31 March 2022 however the government has extended this scheme by a further year until 31 March 2023.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

This relief will limit any increase to £600 per year subject to subsidy control rules until 31 March 2023.

Amount of Relief

The amount of relief will limit these rate increases to £600 per year.

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Time Limited Relief – Retail, Leisure and Hospitality Discount and Nursery Discount

This relief was announced in the budget on 29 October 2018 for a two-year period that ended on 31 March 2021. This discount was extended and expanded to include Retail, Leisure and Hospitality Discount plus Nursery Discount until 31 March 2022.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

To qualify for retail, Leisure and Hospitality discount the business must be a:

- shop
- restaurant, café, bar or pub
- cinema or music venue
- hospitality or leisure business - for example, a gym, a spa, a casino or a hotel

To qualify for nurseries discount, it must have the following:

- the nursery is on Ofsted’s Early Years Register
- and the premises is wholly or mainly used to provide the Early Years Foundation Stage of education

Amount of Relief

If eligible, the business could get:

- 100% off your business rates bills for the period 1 April 2020 to 31 March 2021.
- 100% off your business rates bills for the first 3 months of the 2021 ie for the period 1 April 2021 to 30 June 2021.
- 66% off your business rates bills for the rest of the 2021 ie for the period 1 July 2021 to 31 March 2022 - up to a total value of £2 million

The above amounts have a cash cap up to up to £110,000 per business.

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Time Limited Relief – COVID-19 Additional Relief Fund (CARF)

This relief was announced by government on 25 March 2021 to support businesses in England for one year only for the period 1 April 2021 to 31 March 2022 affected by COVID-19 but not eligible for existing support linked to business rates.

Guidance on this support package, the COVID-19 Additional Relief Fund (CARF), applies to England only and can be found at CARF Guidance.docx (publishing.service.gov.uk)

The guidance is intended to support billing authorities in administering the CARF business rates scheme and includes information on the eligibility criteria and operation of the scheme.

The government has allocated £1.5 billion to be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund.

NNDC has received an allocation of £1.580,862 and has been working with other Norfolk councils to develop a scheme which shares commonality and best practice across Norfolk. Please see Appendix C for the details of the scheme.

Time Limited Relief – Retail, Leisure and Hospitality Discount

At the Budget on 27 October 2021 the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties in 2022/23.

The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible retail, hospitality and leisure properties with a 50% relief, up to a cash cap limit of £110,000 per business.

The relief will be delivered through local authority discretionary discount powers (under section 47 of the Local Government Finance Act 1988 as amended). Eligibility criteria for this relief are set out below.

This relief will be fully funded by government through a Section 31 Grant.

Eligibility criteria

To qualify for retail, Leisure and Hospitality discount the business must meet the following conditions:

- be an occupied property and
- it is wholly or mainly

i. as shops, restaurants, cafes, drinking establishments, cinemas or live music venues
ii. for assembly and leisure; or
iii. as hotels, guest & boarding premises or self-catering accommodation

For more information regarding the above types of properties and what we consider them to mean, please visit the government's guidance 2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK (www.gov.uk)

Amount of Relief

If eligible, the business could get:

- 50% off the business rates bills for the period 1 April 2022 to 31 March 2023.

The above amounts have a cash cap up to up to £110,000 per business.

No Right of Appeal

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

Notification of Change of Circumstances

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

Withdrawal of relief

The business may refuse this relief for each eligible property anytime up to 30 April 2023. The ratepayer cannot withdraw their refusal for either all or part of the financial year.

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

Discretionary Transitional Relief

At revaluation, the Valuation Office Agency (VOA) adjusts the rateable value of business properties to reflect changes in the property market.

It usually happens every 5 years. The most recent revaluation came into effect in England and Wales on 1 April 2017, based on rateable values from 1 April 2015.

There was due to be a revaluation from 1 April 2022 however this has been delayed by government.

At the Budget on 27 October 2021 the government announced that it would extend the current transitional relief scheme and for one year to the end of the current revaluation cycle. The scheme will restrict increases in bills to 15% for businesses with small properties (up to and including £20,000 rateable value) and 25% for medium properties (up to and including £100,000 rateable value) subject to control limits.

Costs to the Council

The above reliefs are government funded.

Discretionary Rate Relief - Guidelines

There are two ways in which Discretionary rate relief is granted

a) To ‘top-up’ mandatory relief already awarded
b) To award up to 100% based on various criteria

Mandatory Relief is granted where:-

- the ratepayer of a property is a charity or the trustees of a charity and
- the property is wholly/mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purposes of the charity)
- the ratepayer of a property is registered with Her Majesty’s Revenues and Customs (HMRC) as a Community Amateur Sports Club (CASC)

or

in the case of Mandatory Rural Rate Relief, the property is a qualifying:-

- food shop
- general store
- post office
- public house
- petrol filling station

Registration under the Charities Act 1993 as amended is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are excepted from registration or are exempt charities are also eligible for mandatory relief. Providing the above criteria are met 80% mandatory relief will be granted.

Discretionary Rate Relief

When deciding whether to award discretionary rate relief consideration should be given to the interests of the taxpayers of North Norfolk District Council. The factors outlined in the policy should be taken into account when considering any application for relief.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will be judged on its merits taking into account the contribution which each organisation/business makes to the Districts amenities and its residents lifestyles and wellbeing.

Discretionary Rate Relief Criteria ‘Top –Up’

The Council has the discretion to award up to a further 20% additional rate relief to reduce the liability still further and the policies detailed below are to be followed when dealing with an application.

Up to 20% Discretionary Rate Relief may be given.

Charity Shops

Mandatory relief will be granted where the ratepayer for a property is

- a charity or the trustees of a charity and
- donated goods relate to more than 50% of total sales and
- the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity

Providing the above criteria are met 80% mandatory relief will be granted.

Up to 20% Discretionary Rate Relief may be given in exceptional circumstances. Generally relief will be limited to the 80% mandatory entitlement.

1	Meets local needs in the district and benefits local people	• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief • if the premises are used for a local organisation the extent to which the District and its residents benefit from the organisation will be taken into account.
2	As a guide does not have more than 12 months spending available as "free reserves" (not legally restricted)	• unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community

<u>Non-Profit Organisations, Clubs and Societies</u>

The Council has the discretion to award up to 100% Discretionary Rate Relief to organisations whose main objects are charitable or philanthropic, or concerned with education, social welfare, science, literature or fine arts or recreation. The determination of charitable status largely relies on case law which has established 4 main divisions of charity:-

- relief of poverty
- advancement of religion
- advancement of education and
- other trusts beneficial to the community and not falling under the other headings.

Criteria

Discretionary relief can only be awarded if the organisation is not excepted (a billing authority or precepting authority) and:-

1	The main objects of the organisation are concerned with	• relief of poverty • advancement of religion • advancement of education • social welfare • science • literature • fine arts or • recreation or • in other ways are beneficial to the community
2	Meets local needs in the district and benefits local people	• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief • if the premises are used for a local organisation the extent to which the District and its residents benefit from the organisation will be taken into account.
3	Provides a valuable service to the community	• which is complimentary to those services provided by or supported by the Council or • which relieves the need for the Council to provide such services
4	Is open to all sections of the community	• or access is restricted by providing a service for a specific sector of the community for justifiable reasons such as addressing inequality
6	Is non-profit making	• as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community

Sports Clubs

There are additional considerations in the case of sports clubs.

If a club effectively discriminates by only accepting members who have already reached a certain standard, rather than seeking to promote the attainment of excellence by enhancing access and the development of sporting aptitude, then it does not have an open membership policy. So, a club selecting members on the basis of existing attainment would not come within the requirements.

Although clubs should be open to all without discrimination, single sex clubs may be permitted where such restrictions are not discriminatory in intent but a genuine result of physical restraints (such as changing room facilities) or the requirements of the sport

(2) Organisations with Licensed Bar Facilities

Sports Clubs/Other Organisations

Any Discretionary Rate Relief award will be aimed at the sporting activity of the club.

- If the bar income aids the overall operation and development of the organisation this would be allowable as long as the sporting activity remains the overall objective of the organisation. This will be particularly relevant where the organisation is the only such one in the Parish.

(3) Membership and Entry Fees

If the organisation requires a membership or entry fee the Council will give regard as to whether:-

- The subscription or fees are set at a high level which excludes the general community
- Fee reductions are offered for certain groups such as under 18s or over 60s
- Membership is encouraged from particular groups such as young people, older age groups, persons with disabilities or ethnic minorities
- Facilities are available to people other than members, e.g. schools, public sessions

Where the Council gives relief practice has been to award up to 80% to Clubs and organisations and up to 50% where organisations operate bar facilities.

<u>Community Amateur Sports Clubs (CASC)</u>

If a sport’s club is registered with HM Revenues and Customs (HMRC) as a CASC it will be entitled to 80% mandatory relief. The club may also be awarded 20% discretionary rate relief.
Normally sports clubs that can register with HM Revenues & Customs as a CASC and have not done so will not be awarded discretionary rate relief.

Details can be found on the HMRC website https://www.gov.uk/register-a-community-amateur-sports-club

Discretionary Rural Rate Relief

Rural Rate Relief applies to certain properties which are situated in a rural settlement (see Appendix B). A rural settlement is one which appears to have a population of not more than 3,000 on the 31st December preceding the financial year in question, which is wholly or partly within a designated area. The Rural Settlement list is published each year. If a business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given See details of mandatory relief for rural rate relief properties.

Sole - General Store/Post Office/Food Shops with a Rateable Value of £8,500 or less.

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

Criteria

- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

Sole - Public Houses/ Petrol Filling Stations Rateable Value of £12,500 or less

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

Criteria

- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

Any Other Business within a Rural Settlement

Up to 100% Discretionary Rural Rate Relief may be given.

Criteria

- Rateable Value above £8,500 and less than £14,000
- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

UK Subsidy Control

Following Brexit, the UK Subsidy Control Bill replace State Aid with Subsidy Control.

Providing relief under this policy is likely to amount to Subsidy. This policy is covered by the rules set out in the following guidance document:

CARF Guidance.docx (publishing.service.gov.uk)

Revised 21 January 2022.

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NORTH NORFOLK DISTRICT COUNCIL

Appendix B

Non-Domestic Rating Rural Settlement List 2022/2023

Background

The provisions of the Local Government and Rating Act 1997 relating to Rural Rate Relief for village stores, post offices and small businesses came into force on the 1 April 1998.

Before any business can be considered for mandatory or discretionary relief, it must be in a designated rural settlement. Initially, by the 31 December 1997, Local Authorities were responsible for compiling a rural settlement list comprising of settlements within rural areas where the population is less than 3,000 on the preceding December.

Maintaining the List

The Council has a duty to compile and maintain the list. The new proposed Rural Settlement list for North Norfolk District Council is shown overleaf.

S.P. Knight

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INVESTORS IN PEOPLE | Gold

Alby with Thwaite
Aldborough and Thurgarton
Antingham
Ashmanhaugh
Aylmerton
Baconsthorpe
Bacton and Edingthorpe
Barsham
and Houghton St Giles
Barton Turf and Irstead
Beeston Regis
Binham and Cockthorpe
Blakeney
Bodham
Briningham
Brinton and Sharington
Briston
Brumstead
Catfield
Cley Next The Sea
Colby and Banningham
Corpusty and Saxthorpe
Dilham
Dunton, Toftrees
and Shereford
East Beckham
East Ruston

Edgefield
Erpingham and Calthorpe
Felbrigg
Felmingham
Field Dalling
and Saxlingham
Fulmodeston and Barney
Gimingham
Great Snoring
Gresham
Gunthorpe and Bale
Hanworth
Happisburgh
Helhoughton
Hempstead
Hempton
Hickling
High Kelling
Hindolveston
Hindringham
Holkham
Honing and Crostwight
Horning
Horsey
Hoveton
Ingham
Ingworth

Itteringham
Kelling
Kettlestone
Knapton
Langham
Lessingham and Eccles
Letheringsett with Glandford
Little Barningham
Little Snoring
Ludham
Matlask
Melton Constable
Morston
Mundesley
Neatishead
Northrepps
Overstrand
Paston
Plumstead
Potter Heigham
Pudding Norton
Raynham
Roughton
Runton
Ryburgh
Salthouse
Scottow

Sculthorpe
Sea Palling and Waxham
Sidestrand
Skeyton
Sloley
Smallburgh
Southrepps
Stibbard
Stiffkey
Stody and Hunworth
Suffield
Sustead, Bessingham
and Metton
Sutton
Swafield and Bradfield
Swanton Abbott
Swanton Novers
Tattersett and Tatterford
Thornage
Thorpe Market
Thurning
Thursford
Trimingham
Trunch
Tunstead and Sco Ruston
Upper Sheringham
Walcott

Walsingham
Warham
Wells-next-the-Sea
West Beckham
Westwick
Weybourne
Wickmere
Wighton
Witton and Ridlington
Wiveton
Wood Norton
Worstead and Briggate

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Appendix C

COVID-19 Additional Relief Fund (CARF)

This policy covers the award of relief under the Covid-19 Additional Relief Fund (CARF). This relief is awarded under S47 of the Local Government Finance Act 1988. The fund is available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. It takes the form of a reduction in net rates bills in the 2021/22 financial year.

Conditions of relief

1. The relief will be available to reduce chargeable amounts in respect of 2021/22 only and the scheme will not extend beyond that financial year.

2. This scheme will:

    a. not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),

    b. not award relief to a hereditament for a period when it is unoccupied (other than properties that have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief),

    c. not award to relief to a type of hereditament listed below.

    d. direct support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

3. CARF relief is not available to businesses who already benefit from full rate relief for 2021/22 from another scheme e.g. Small Business Rate Relief.

4. The scheme has been designed to fall within the funding made available from government.

5. In order to be eligible for relief the ratepayer must be in occupation of the relevant property on 31 January 2022.

6. Relief is available for <u>occupied</u> properties only.

7. Relief will be calculated as a fixed percentage of net liability with a limit of £20,000 relief per eligible property.

8. Relief will terminate and be apportioned on a daily basis to the date of vacation. Relief will not be carried forward to a new property.

9. If there is a change in liability for any reason which leads to the original net

rates charge being reduced, CARF relief will be recalculated,

10. If a change in circumstances renders a property ineligible or reduces the value of the award, the relevant bill can be amended in the year to reflect the loss of the relief.

11. If a property ceases to be an eligible property during the period of entitlement, relief may be withdrawn.

12. Any overpaid relief will be payable and recoverable through the rates bill.

13. New occupiers who become rateable after 31 January 2022 will not be eligible for relief.

14. Ratepayers occupying excepted hereditaments will not qualify for relief. An excepted hereditament is defined as a property occupied by the billing authority or a precepting authority.

15. The scheme will close to applications on 31 March 2022 or sooner if the grant allocation is exhausted.

16. The council may award additional discretionary relief on a case by case basis with any unspent sums being allowed to ratepayers assessed as in greater need as a result of the pandemic. Such awards will be made at the discretion of the Revenues Manager. Evidence of need may be requested in the form of bank statements, financial accounts or other trading records.

17. Providing relief under this policy is likely to amount to Subsidy and this policy is covered by the rules set out in the following guidance document:

    CARF Guidance.docx (publishing.service.gov.uk)

18. Ratepayers may decline relief if they wish.

The Covid-19 Additional Relief Fund will be made direct to businesses without the need not apply via an application.

Appeal procedures - Discretionary Rate Relief applications

There is no right of appeal against an authority's decision not to award Discretionary Relief or against the amount of relief allowed. If however should an applicant wish to challenge the decision then they should contact the Revenues Manager who will take the case to the Non-Domestic Rate Relief Panel.

The Non-Domestic Rate Relief Panel decision will be final with respect to any decision not to award, to revoke or to vary the amount of relief allowed.

The following types of property are ineligible for CARF relief:

AIRFIELD

AMBULANCE STATION AND PREMISES

Anaerobic Digestion Gas To Grid Plant And Premises

Anaerobic Digestion Plant and premises

BANK AND PREMISES

BEACH HUT

BEACH HUT AND PREMISES

BOAT HOUSE- for private boats

BUILDING SOCIETY

CAR PARK

CAR PARK PUBLIC CONVENIENCES & PREMISES

Car Parking Space and premises

CAR PARKING SPACES

Car Storage and premises

CIVIC AMENITY SITE AND PREMISES

COLLEGE AND PREMISES

Communication Station and premises

Crematorium and premises

DELIVERY OFFICE AND PREMISES

Dock Hereditament and premises

ELECTRICITY GENERATING PLANT AND PREMISES

Electricity Hereditament and premises

FIELD STATION & PREMISES

GAS COMPRESSION STATION AND PREMISES

GAS PROCESSING PLANT & PREMISES

HEALTH CENTRE AND PREMISES

Hospital and premises

Independent Distribution Network Operator

LIFEBOAT HOUSE

LIFEBOAT STATION AND PREMISES

LIVERY STABLES AND PREMISES

MEAT CUTTING ROOM AND PREMISES Photovoltaic Installation and premises

PIPELINE AND APPURTENANCES

PIPELINE BULK LIQUID STORAGE DEPOT & PREMISES

Police station and premises

POST OFFICE AND PREMISES

PRISON AND PREMISES

RAF STATION

School and premises

SECURITY FACILITY

SEWAGE TREATMENT WORKS AND PREMISES

Sorting Office and premises

Surgery and premises

Veterinary Clinic and Premises

Draft Medium Term Financial Strategy 2023/26 including Base Budget Projections 2022/23

Summary:	To provide Members with the opportunity to discuss assumptions around Medium Term Financial Planning and the impact on NNDC finances.
Options considered:	The Council is required by law to set a budget in advance of the financial year. The report to Full Council will present options for budget setting with respect to Council Tax and other items.
Conclusions:	The Council is required to agree a budget in advance of each financial year. This is done is February of each year at Full Council, after meetings of Cabinet and Overview and Scrutiny. To aid the Committee, an early draft of the Medium Term Financial Plan is presented here for scrutiny and discussion.
Recommendations:	**It is recommended that Cabinet agree and where necessary recommend to Full Council:** **1) The 2021/22 revenue budget as outlined at appendix A1;** **2) The demand on the Collection Fund for 2021/22, subject to any amendments as a result of final precepts still to be received be:** **a. £6,512,488 for District purposes** **b. £2,579,591 (subject to confirmation of the final precepts) for Parish/Town Precepts;** **3) The statement of and movement on the reserves as detailed at appendix D;** **4) That £500,000 be transferred from the Business Rates Reserve to the Delivery Plan Reserve to support the delivery of the Council's corporate objectives;** **5) The updated Capital Programme and financing for 2021/22 to 2023/24 as detailed at appendix C1;** **6) The capital bids contained within Appendix C2, with delegated authority given to the Section 151 Officer in conjunction with the Portfolio Holder for Finance to decide on the most appropriate means of funding;** **7) That Members note the current financial projections for the period to 2024/25;**
Reasons for Recommendations:	To recommend a balanced budget for 2021/22 for approval by Full Council.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW
(Papers relied on to write the report, which do not contain exempt information and which are not published elsewhere)

Budget Monitoring Reports 2021/22 *Outturn Report 2020/21* *Medium Term Financial Strategy 2022-25*

Cabinet Member(s)	Ward(s) affected
Cllr Eric Seward	All

Contact Officer, telephone number and email: Lucy Hume, Chief Technical Accountant, 01263 516246

1. Introduction

1.1 A This report presents the detail of the 2022/23 revenue budget and the indicative projections for the following three financial years, 2023/24 to 2025/26.

1.2 An updated Capital Programme has also been included covering the periods 2022 to 2025/26 which takes account of slippage of schemes between financial years. Details of new proposed capital schemes are also included within the report.

1.3 A draft 2022/23 budget review report was provided to the Overview and Scrutiny Committee for pre-scrutiny at their meeting of 12 January.

1.4 The budget now presented reflects the Local Government Finance Settlement (LGFS) announced in December 2021, the final settlement is expected at some point during February. The final budget presented for approval to Full Council will be updated to reflect the final figures as applicable if they are received in time.

1.5 The following sections of the report present the detail and context within which the budget has been produced. The summary of the budget and service budget details are included at appendices A1, A2 and B respectively.

1.6 The Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan outcomes. The MTFS establishes how the Council's priorities will be achieved by setting out the framework within which resources are available over the medium term and the financial challenges facing the Council in terms of future funding gaps. It is the method by which the Council plans translates its long-term goals into action by considering;

- Where the Council is now
- Where the Council wants to be
- What the Council's plans are to get there

1.1 The MTFS helps to ensure that the Council is 'doing the right thing' while taking account of internal strengths/weaknesses and external threats/opportunities. It should also provide a link between the Council's long-term service objectives and its financial capacity, which effectively asks the question 'can the strategic objectives be achieved within the available financial envelope?'

1.2 The Medium Term Financial Strategy will be presented for final approval as part of the February Committee cycle and is provided here in draft format to allow discussion by the Overview and Scrutiny Committee.

2. 'Where we want to be' - The Council's Corporate Plan

2.1 In May 2019 a new Council was elected and has now adopted a new Corporate Plan which sets out the intent and ambition of the authority for the period 2019 – 2023 (which can be found here). The Corporate Plan provides the framework and context for the Council's service provision, project interventions and resource allocation (financial and staffing) for the period through to 2023. The Plan is subject to annual review to ensure that it continues to reflect the Council's priorities and objectives throughout the next four years in response to emerging trends, policy developments and legislation.

2.2 It reflects the essential needs and aspirations of our customers and communities and how we feel the Council can best use its resources to deliver services and outcomes that make a positive difference for everyone who lives in, works in or visits North Norfolk.

2.3 However, despite the District having a number of very positive attributes we also have some big challenges: – responding to environmental change, increasing housing supply, supporting economic growth, meeting the challenges of service delivery to rural communities and the needs of both our young people and a rapidly ageing population.

2.4 The Corporate Plan identifies six key themes where we would propose developing actions and allocating resources to respond to the challenges our district faces in the years to come as detailed below;

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

2.5 Planning for the future is challenging, especially given the broad range of services we provide, and the competing demands for increasingly scarce resources. All our services are committed to making improvements and finding savings, so that the Council remains efficient, effective and meets the day to day needs of the communities we serve. The purpose of the Corporate Plan is to focus on those priorities where we need to give specific attention. It will help us target better our dwindling capital and revenue resources and help direct and focus any bids for external grant support. The Plan also provides a framework against which we can assess our progress to support the needs of our customers and communities.

2.6 The Delivery Plan, which supports the objectives contained within the Corporate Plan, was approved by Full Council during 2020. This details how we will judge our performance; it will also be the means by which the Council agrees its improvement objectives. It includes the expected outcomes from each of the six key themes and be supported by a set of priority actions and measures through which the Council will undertake a self-assessment of the level of improvement made.

2.7 The Climate, Coast and Environment theme will help to ensure that the Council delivers on its Climate Emergency agenda and this element of the Corporate Plan will permeate and influence all of the other work stream and Delivery Plan themes so that it becomes embedded within the culture of the organisation. The Council will look to generate income from the Electric Vehicle Charging Points which have been installed in Council owned car parks across much of the District. Solar panels are also generating an income on the Council's main office block in Cromer. In addition to reducing the Council's running costs, these panels are projected to provide £10,000 per annum of income to support the Council's budget.

2.8 A number of the Delivery Plan projects will support the Climate Emergency agenda and the Council will try and ensure as far as possible that environmental considerations are built in to all areas of the Council's day to day business operations.

2.9 The Council is currently supporting its Climate Change agenda and motion on Climate Emergency by earmarking £330,000 from the Delivery Plan Reserve to facilitate the planting of 110,000 trees in the District. Two climate change officers are now in post and working on the draft Environment Charter and Action Plan. A further £150,000 is available within an earmarked reserve to support initiatives under this plan. Activities are likely to be related to:

- Monitoring and managing the Council's carbon footprint
- Alternative Energy Projects
- Biodiversity improvements
- Electric Vehicle Charging
- Waste reduction
- Raising awareness and creating behaviour changes through community engagement

2.10 Underpinning the Corporate Plan is the day to day business that departments undertake and which will be reflected in departmental Service Plans. All Service Plans are linked to the Corporate Plan. These plans also include the performance measures by which the delivery of wider improvement activity can be managed. The Corporate Plan is a living document and will be regularly reviewed throughout its life to reflect changes in the local, regional and national context.

2.11 The priorities within the Corporate Plan were developed by talking with, and listening to the community, Elected Members, staff and other key stakeholders all of whom have helped to shape the content of the Plan.

Our Strategic Priorities 2019 – 2023

2.12 The Delivery Plan includes a series of priority actions and measures that we will monitor to assess if we have made a difference. Progress and tracking against the identified actions and delivery of the outcomes will form a key part of the Council's performance management framework.

Investment in Priority Areas

2.13 Whilst the overall level of the Council's resources is reducing it is important that a clear focus is maintained on matching funding to priorities. This will remain a key focus over the coming years to ensure the aspirations contained within the new Corporate Plan and the projects contained within the Delivery Plan are realised.

Our Vision

2.14 In order to develop a long term plan, every organisation needs to set an aspiration of where the organisation is aiming to be in the future. This enables everyone to be united in a shared direction and purpose. The Council's aspiration is as follows:

North Norfolk District Council – putting our customers at the heart of everything we do

Our Values

2.15 Our values represent the beliefs and expected behaviour of everyone working for North Norfolk District Council. Our values, which aim to support quality services, we;

- Respect everyone and treat everyone fairly
- Are open and honest and listen
- Strive to offer the best value for money service
- Welcome new challenges and embrace change

'One Team' Team Approach

2.16 In order to deliver high quality services, we need to have excellent teams to deliver them. We recognise that our staff are our most important resource at the heart of the services we provide. We are committed to investing in staff and their development so that we have well trained and supported employees, providing professional services and who are happy and motivated in their work. The One Team approach also includes Members to ensure we work closely together to deliver our priority outcomes and that their training needs are also met as part of their ongoing development.

3. 'Where we are now' – Current financial projections and analysis

Provisional Local Government Finance Settlement

3.1 The Provisional Local Government Finance Settlement was announced on Thursday, 16th December. It was a single year settlement that was largely a rollover of the 21/22 settlement, with a few increases in resources. This is the fourth consecutive one-year settlement, and the third "roll-over" type settlement in a row. While this does its best to ensure financial sustainability in the short term for the largest number of Councils possible, it has not given us the stability needed for strong medium term financial planning.

3.2 The forecast financial projections included at Appendix A make assumptions around future spending forecasts but have now been updated following receipt of the provisional settlement figures for 2022/23 and attempt to predict future income levels.

3.3 A summary of grant income streams from Central Government, alongside recent projections made by the Finance team in November 2021 can be found in the table below. The majority of the variance relates to an additional allocation of New Homes Bonus for Year 11 of the scheme, which had not been expected. The entry for “NHB funding returned to sector” represents an assumption that any funding Councils would lose due to the quantum of New Homes Bonus funding reducing, would be somehow redistributed within the Local Government sector. The Finance team assumed this would be done on the previous assessment of Councils needs and resources. The Lower Tier Services Grant was billed as a one-off grant as part of the 2021-22 settlement which has been rolled forward. The Services Grant is a completely new allocation. These figures are all provisional until the Final Local Government Finance Settlement is announced in early February.

Table 1	Nov 2021 Projection (£)	Provisional Settlement Figure (£)	Variance (£)
Revenue Support Grant	(92,101)	(93,540)	(1,439)
New Homes Bonus	(486,536)	(886,575)	(400,039)
Rural Services Delivery Grant	(507,661)	(507,661)	0
Lower Tier Services Grant	0	(144,975)	(144,975)
NHB Funding Returned to sector	(334,899)	0	334,899
Services Grant	0	(222,339)	(222,339)
Total	(1,421,197)	(1,855,090)	(433,893)

3.4 NNDC is the billing authority for the district of North Norfolk. This means that NNDC send out the Council Tax bills to residents and collect the Council Tax, but most of this is then distributed to the County Council and Norfolk Police Authority with a further element then going to town and parish councils.

3.5 The charge on a Band D property which is retained by NNDC is currently £153.72 based on a tax base of 40,959 in 2021/22. Any increases on this amount are restricted by a cap put in place by the Government, which means that NNDC cannot increase its precept by more than 2% or £5 for next year, whichever is the greater.

3.6 The assumptions around council tax funding reflect a year on year £4.95 increase in council tax in line with the current referendum principles although it should be noted that any decision regarding increases to council tax will be made annually in line with the budget setting process.

3.7 In view of the Governments change in approach towards funding for Local Authorities with a greater emphasis on Council Tax rises, and the cumulative impact of grant reductions from RSG and New Homes Bonus, freezing council tax for 2022/23 is not an approach that can be recommended.

3.8 In the 2021/22 financial year, the shares of each pound of the Council Tax collected were as follows:

Authority	Share of £1 of Council Tax
Norfolk County Council	75p
Norfolk Police Authority	14p
North Norfolk District Council	8p
Town and Parish Councils (Average)	3p

Zero Based Budgeting

3.9 As part of the Corporate Plan, the Council committed to undertaking a trial of Zero Based Budgeting as a new method for setting its budget during the current administration. The draft budget has been prepared following an extensive Zero Based Budgeting exercise.

3.10 All service managers prepared Gold and Silver budget options for their service area, realigning their financial plans to the delivery of the Council's Corporate Plan. Cabinet made provisional allocations of Gold or Silver for each service area in November 2021, and these have been used to prepare the draft budget.

Revenue Account Base Budget 2022/23

3.11 The detail of the revenue budget now presented for approval is included within appendices A1 and B. Appendix A1 shows the overall position in the form of the General Fund Summary, the current budget forecast is balanced as shown in Table 1 below.

Table 1 – Current forecast 2022/23	
	£000
Total District amount to be met from Government Grant & Local Taxation	15,577
Less:	
Revenue Support Grant	(94)
Business Rates Retained & S31 Grant	(7,210)
New Homes Bonus	(887)
Rural Services Delivery Grant	(508)
Lower Tier Services Grant	(144)
Services Grant	(222)
District call on Collection Fund – excluding Parish Precepts	(6,512)
Surplus	**0**

3.12 Further detail on the individual service budgets is included at appendix B which shows the movement of the 2022/23 budget compared to the base budget for 2021/22 as set in February 2021 and amended following the Senior Management restructure, along with comments covering the more significant variances. The chart below highlights how the budget costs contained within the Net Cost of Services are split over the main subjective budget headings.

3.13 The General Fund Summary presented at appendix A1 shows a balanced budget and is summarised in the table below with the equivalent figures for 2021/22.

Table 2 – Variance of 2021/22 to 2022/23 Base Budget			
	2021/22 Base Budget	**2022/23 Base Budget**	**Variance**
	£000	**£000**	**£000**
Net cost of services (incl. Parishes)	20,337,502	24,194,169	3,856,667
Non service expenditure/ income	(2,671,136)	(6,037,000)	(3,365,864)
Net budget requirement	17,666,366	18,157,169	490,803
Funded by:			
Local Taxpayers - Parishes	(2,573,788)	(2,579,591)	(5,803)
Local Taxpayers - District Council	(6,253,465)	(6,512,488)	(259,023)
Retained Business Rates	(7,381,242)	(7,210,000)	171,242
Revenue Support Grant	(90,295)	(93,540)	(3,245)
Rural Services Delivery Grant	(507,661)	(507,661)	0
New Homes Bonus	(722,562)	(886,575)	(164,013)
Lower Tier Services Grant	(137,353)	(144,975)	(7,622)
Returned NHB & LTSG	0	(222,339)	(222,339)
Total Income	(17,666,366)	(18,157,169)	(490,803)
(Surplus)/ Deficit	0	0	0

3.14 Non-Service Expenditure and Income includes the adjustments for notional items that are required to be charged within Net Cost of Services, for example, International Accounting Standard 19 (IAS19) pension costs and capital charges. Table 3 provides a summary of the main movements in Net Cost of Services across the standard expenditure headings, with notional charges being shown separately.

Table 3 - Variance 2021/22 to 2022/23 Base Budgets (excl. notional charges)				
	2021/22 Base Budget	2022/23 Base Budget	Variance	Percentage Movement
	£000	£000	£000	%
Employees/Support Services	13,407,394	14,749,956	1,342,562	10.01
Premises	2,775,790	2,972,418	196,628	7.08
Transport	298,390	312,368	13,978	4.68
Supplies & Services	9,900,332	11,903,359	2,003,027	20.23
Transfer Payments	21,460,774	19,847,613	(1,613,161)	(7.52)
Income (External)	(32,758,228)	(32,039,760)	718,468	(2.19)
Total Direct Costs and Income	**15,084,452**	**17,745,954**	**2,661,502**	**17.64**
Notional Charges:				
Capital Charges	1,964,269	2,456,953	492,684	25.08
Reffcus [2]	977,167	1,677,167	700,000	71.64
IAS19 Notional Charges [2]	(262,174)	(265,496)	(3,322)	1.27
Total Notional Charges	**2,679,262**	**3,868,624**	**1,189,362**	**44.39**
Total Net Costs	**17,763,714**	**21,614,578**	**3,850,864**	**21.68**

3.15 A breakdown an analysis of the variance between years can be found at Appendix A1.

Reserves

3.16 The current position and forecast on the General and Earmarked Reserves is attached at appendix D. The statement provides the latest proposals for use of reserves in the current financial year along with the budgeted movements in 2022/23, and proposed movements in the following three financial years. The current recommended minimum balance on the general reserve is £1.9 million.

3.17 The Council holds a number of 'useable' reserves both for revenue and capital purposes which fall within one of the following categories:

- General Reserve
- Earmarked Reserves
- Capital Receipts Reserve

3.18 The *General Reserve* is held for two main purposes:

- To provide a working balance to help cushion the impact of uneven cashflows and avoid temporary borrowing and;
- A contingency to help cushion the impact of unexpected events or emergencies.

3.19 As part of setting the budget each year the adequacy of all reserves is assessed along with the optimum level of general reserve that an authority should hold. The optimum level of the general reserve takes into account a risk assessment of the budget and the context within which it has been prepared.

3.20 *Earmarked Reserves* provide a means of building up funds to meet known or predicted liabilities and are typically used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund restructurings. A number of contingency reserves are also held by the Council to reduce the impact on Council Tax payers of future uncertain events such as business rate appeals or clawback of benefit subsidy.

3.21 Use of reserves to balance a budget provides only a short term solution as the funds can only be used once. They can however be used to smooth the impact of funding gaps over the short to medium term and to allow for planning and implementing projects and work streams that will deliver a longer term financial benefit through reduced costs and/or additional income.

3.22 A comprehensive statement about the adequacy of the reserves and recommended balance will be included within the Chief Financial Officer's report, which forms part of the annual Council Tax and Budget report to Full Council in February.

Capital

3.23 The capital programme shows what the Council intends to spend on purchasing new assets and improving its existing ones over the next three years. As capital expenditure is incurred, a source of finance must be identified. This can be done through capital receipts, grants and other revenue resources or alternatively through borrowing.

3.24 Any expenditure that is financed through borrowing increases the Council's 'Capital Financing Requirement' (CFR). Each year a revenue charge (one that impacts on the bottom line of the budget) called the Minimum Revenue Provision (MRP) is made to reflect the funding of the CFR by the taxpayer, it is required to be set aside to cover the repayment of debt caused by the need to borrow for capital purposes. As the need to borrow increases, the CFR and MRP also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.

3.25 Any new projects included in the programme in the future will need to be financed by MRP if no capital resources such as capital grants or capital receipts from future asset sales are available. Alternatively, existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge.

3.26 An updated capital programme can be found at appendix C1 which shows slippage in schemes to future years.

3.27 In addition to the existing capital programme amendments, approval is also being sought for a number of new capital projects as outlined within appendix C2, for which bids were submitted as part of the Zero Based Budgeting exercise.

Scenario Analysis

3.28 As part of drawing up the draft budget for 2022/23 and future year's projections, a number of assumptions have had to be made about the scale and timing of the impacts of a number of factors. These assumptions are based on information currently available from the Government, plus the latest indications following various consultations. The assumptions have been sense checked with other local authorities and follow guidance from our funding advisors.

3.29 Readers should note that these projections and assumptions are made at a point in time, and will invariably change in response to Government announcements. The sensitivity analysis of the forecasting scenarios, as well as confirmation of the central case, can be found at Appendix F.

Financial Resilience Assessment

3.30 In December 2021, the Council's Corporate Leadership Team undertook a Financial Resilience Assessment supported by the Finance Team. A key action point on the Council's implementation plan for the CIPFA Financial Management Code was to undertake such an assessment for the 2022/23 year and annually thereafter. The Finance team worked with CIPFA and a team of academics specialising in Local Government financial resilience to trial a new Financial Resilience Toolkit which has been developed following extensive academic research across multiple countries [1,2]

3.31 This toolkit is in draft, but will be made publically available to Local Authorities in a beta version in the next few months following feedback from Councils who are trialling its use in a number of areas. With that in mind, we have not published the detail of the toolkit here, but have presented the findings under the relevant headings in Appendix E.

3.32 The Council's Management Team and Operational Management Team will now be tasked with preparing and delivering an action plan following the assessment undertaken by the Leadership Team.

4. 'How we get there' – Bridging the Budget gap

Financial Sustainability Strategy

4.1 The Local Government Association (LGA) are encouraging Councils to move towards a more efficient culture as a way of developing sustainable self-funding streams that reflect Council's individual priorities and place shaping aspirations and delivery of value for money (VFM) services for local residents. Consequently, the Council needs to think about how it can maximise revenue, efficiencies and VFM moving forwards – a Financial Sustainability Strategy is a key part of this in order to deliver managed change that is right for North Norfolk. Any strategy needs to be considered in the context of our key corporate objectives, flowing from the Corporate Plan and our post Covid world in terms of 'building back better'.

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[1] Barbera et al (2016), "Governmental financial resilience under austerity in Austria, England and Italy: How do local governments cope with financial shocks?", Public Administration, DOI: 10.1111/padm.12350

[2] Barbera et al (2018), Local government financial resilience: Germany, Italy and UK compared, CIMA executive report www.cimaglobal.com/FinancialResilienceToolkit

4.2 In terms of an approach there is no one size fits all, but developing a Financial Sustainability Strategy will help direct already stretched resources in a targeted way, focussing resources on our key priorities and generating income and efficiencies whilst at the same time investing in our local communities to generate social value, minimise environmental impact and ensure delivery of VFM services.

4.3 The Council should aim to stimulate innovation, grow existing services, develop new business and develop an efficient, sustainable approach which generates a greater financial and social return that assists the Council's financial resilience and sustainability. This will enable the Council to safeguard and deliver the services that people need, and more effectively deliver its corporate aims and objectives whilst demonstrating delivery of VFM.

4.4 A Financial Sustainability Strategy means that the Council can adapt to the changing financial climate by looking for efficiencies and generating income, putting customers at the centre of our service delivery and making every pound count.

4.5 The success of the Financial Sustainability Strategy will be highly dependent upon the way in which it is implemented, and will require NNDC to put initiatives in place which are focussed and realisable. A strategic focus will encourage the organisation to develop disciplined processes for feeding strategic initiatives across the organisation in a meaningful, realistic and achievable way and this process would feed in well to the newly established Corporate Delivery Unit (CDU).

4.6 There are now significant challenges around delivery based purely on taking a more commercial approach and this is mentioned in more detail below and as such requires a change to the focus and objectives of any Sustainability Strategy moving forward.

4.7 The Financial Sustainability Strategy is currently in draft and will come through the Committee cycle later this year.

4.8 A programme of asset valuations and condition surveys are currently underway which will help us better understand the costs of maintaining and improving our asset base over the medium to long term to ensure that it remains fit for purpose. Assets will be used to deliver a service benefit and deliver income for the Council where appropriate.

4.9 Further direct investment in property will be considered where there are additional benefits over and above income generation, such as regeneration and supporting the local economy or housing initiatives in line with guidance from MHCLG.

4.10 Opportunities for the most efficient utilisation of the Council's assets and maximising returns where appropriate are vital. Indirect property investments via treasury instruments, such as the purchase of pooled property funds, can potentially provide a return in terms of a regular income and growth in the value of the investment. Under the Treasury Management Strategy, the Council has made investments in a number of pooled funds which invest in property. One of these funds, the CCLA Local Authorities Pooled Property

Fund, invests exclusively in various property assets with the aim of achieving a regular income and growth in the value of the investment.

4.11 In addition to these investments, the Council has agreed to provide capital expenditure loans to registered providers of social housing to facilitate the delivery of housing in the district, along with achieving an income return on its investment. The Council can choose to use its capital resources to finance a programme of asset investment which aims to deliver long-term revenue streams for the Council and work on an ongoing basis is required to identify the most appropriate projects. This strategy of direct property investment can ensure a secondary benefit to the district as it is possible to generate an economic growth benefit when the investment is located in North Norfolk. This is, however, more resource intensive to manage than externalising these investments.

Growing the Rates and Tax bases

4.12 Under the current allocation method of New Homes Bonus (NHB) there was a direct financial benefit to the Council from growth in homes through the NHB funding and through increasing the council tax base and additional income generated from council tax. Whilst new housing growth has an impact on the demand for local services, there will still be a net gain in terms of overall income for delivery while the NHB remains and subject to potential changes to the scheme. The Government seems committed to an incentive based scheme to promote house building, so it is possible that this will continue to be an important income stream for the Council, however, the benefit of the continuation of the scheme to North Norfolk will depend ultimately on how the scheme is developed. Any growth in the Council Tax base will also increase the amount of income that the Council can collect through the District call on the Collection Fund.

4.13 For similar reasons growing the business rates base will have a direct impact on the level of business rates income retained locally. Equally, maintaining existing business rates remains a priority in that decline in business rates will reduce the amount of income retained.

4.14 Under the current Business Rates Retention Scheme, Shire District Councils keep a generous share of the above baseline growth. Retaining this under a new scheme will be an important request to make of Central Government.

4.15 The increased flexibilities around council tax discounts and increases following the removal of the tax freeze grant in 2016/17 provides a further potential income stream. Further review of the current level of discounts can also provide additional income, most recent recommendations on the level of council tax discounts were reported in December 2021.

Implementing CIPFA's Financial Management Code

4.16 The CIPFA Financial Management Code presented Councils will new principles and standards with respect to Financial Management, based on their view of what good Financial Management looks like in Local Government and in response to a spate of Section 114 notices across the sector.

4.17 The Council has developed an action plan to achieve compliance with the Code, which is currently being implemented. One large project which featured on this action plan was to undertake Zero Based Budgeting, which is mentioned in section 3 of this report.

4.18 Implementation of the Code's guidance will improve financial management at the Council and contribute positively to its financial sustainability in the medium to long term by helping officers to more effectively horizon scan, identify risks and plan accordingly.

Lobbying and Consultation

4.19 The Council will continue to lobby central government in terms of increased funding allocations and relaxation/increased flexibility in terms of the council tax referendum principles which will be one of the things required if income raising and decision making is ever to be truly local. We will also continue to respond to all relevant consultations, in particular at the present time on relation to the Business Rates and Fair Funding Reviews.

4.20 The Council has changed the way it runs the statutory ratepayer consultation on the draft Budget for 2022/23 in order to make it more interactive and easier for members of the public to participate in. This will allow the Council to achieve better Value for Money by aligning its budgets to Corporate Priorities which are reflective of the needs of the District.

Barriers to a commercial approach

4.21 The Department for Levelling Up, Housing and Communities (along with its predecessor) has raised concerns about Councils becoming directly invested in property for income generation purposes with taxpayers' money. It is his view that Councils do not have the expertise and resources to do this effectively, and are as such taking too great a risk with public funds. Government guidance states that Councils should not borrow in advance of need to spend on service provision, and that taking on debt to fund property purchases, unless it is primarily for a service related objective, is not allowed. The Public Works Loan Board's lending terms now specifically excludes Councils that have 'debt for yield' projects in their Capital Programme from borrowing for any purpose. This significantly restricts the commercial activity of Councils and removes a key potential income stream.

5. Conclusions

5.1 At the present time the forecast draft budget position for 2022-23 is balanced, subject to the assumptions listed within the report. There are challenges ahead as a budget gap remains in the future years. The Council will attempt to address this by taking the measures outlined within this report.

6. Medium Term Financial Strategy and Corporate Plan Objectives

The implications for the Medium Term Financial Strategy are set out in the report. With funding levels continuing as projected, we are expected to be dealing with deficits in the years going forward. These projections are regularly reviewed in light of Government announcements and consultations. The resources identified as available within the MTFS will directly affect the

Council's ability to deliver the Corporate Plan. This year the budget setting process has realigned service budgets to the Corporate Plan priorities in order to support this.

This report supports the Financial Sustainability work stream of the Corporate Plan. For a Council to be financially stable, it must be able to produce a balanced budget for each financial year and provide Medium term forecasts to aid future planning.

7. Financial Implications and Risks

7.1 A comprehensive financial risk assessment has been undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified. These are reviewed each year as part of the refresh of both the MTFS and the budget. The key strategic financial risks to be considered in developing the budget for 2021/22 are included within the table below.

7.2 Medium term financial planning, set against a backdrop of severe reductions in Government funding, carries with it a significant element of risk. Many factors may impact on the figures presented here and themes have been highlighted where appropriate. Most significant are the potential revisions in Local Government finance policy, continual cuts to general grant and significant revisions to the New Homes Bonus and its ultimate replacement. Should there be a change in emphasis, particularly around the assessment of need (Fair Funding Review) and business rates funding, there may be further reductions compared with those presented within this report that would place further pressure on the council to deliver balanced budgets, without impacting on frontline services.

7.3 Beyond this, Government policy announcements can have large impacts on our finances. We will continue to monitor announcements from Government departments and work with service managers to assess any potential impact on the Council's services and budget.

Despite these risks, we will continue to plan effectively to strengthen our culture of strong financial management so that the Council can continue to meet its Corporate Plan priorities and provide the best possible services to the district. The Council is currently working to deliver CIPFA's new Financial Management Code (as referenced elsewhere within this report) and build on its already positive culture of good financial management.

Risk	Likelihood	Impact	Risk Management
1. Future available resources less than assumed	Possible	High	Annual review of reserves and reserves policy to identify future resources. Assumptions on funding for 2022/23 and beyond are based on best estimates at this time. A prudent approach has been adopted based on previous years' experience as

			well as using regional network contacts to inform modelling.
2. Volatility of business rates funding given uncertainty around impact of appeals	Likely	High	Volatility of funding stream outside of council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning. Unknown impacts of proposed additional reliefs for 2022/23 if COVID 19 restrictions are in place during the year.
3. Pay Awards, fee increases and price inflation higher than assumed	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and care fees. Where pay awards have been agreed these will be factored into the future estimates.
4. Future spending plans underestimated	Possible	Medium	Service planning process identifies future budget pressures and these will inform the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures.
5. Anticipated savings/ efficiencies not achieved	Possible	High	Regular monitoring and reporting takes place but the size of the funding cuts increase the likelihood of this risk. Non-achievement of savings would require compensating reductions in planned spending within services. Greater scrutiny of savings has taken place since 2016/17 through the revenue monitoring process. History of delivering savings.
6. Revenue implications of capital programmes not fully anticipated	Unlikely	Low	Capital bid approval framework identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning.
7. Income targets not achieved	Possible	Medium	Current economic climate could impact. Regular monitoring and reporting takes place.
8. Budget monitoring not effective	Unlikely	Medium	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Regular

			reports to Cabinet and to O&S. Track record of delivering budget and savings.
9. Exit strategies for external funding leasing/tapering not met	Possible	Medium	Regular monitoring and reporting. Government policy to remove ring fencing provides greater flexibility.
10. Loss of principal deposit	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which balance security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions. It is the Council's policy to hold more volatile investments over a medium term time frame rather than using them for liquidity purposes, further reducing the risk that they will need to be sold at a price which represents a loss of principle.
11. Interest rates lower than expected	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2022/23 are incorporated into the budget. Interest rates are currently at historic lows; the likelihood of further reductions (or reductions into negative territory) remains low.
12. Collection rates for retained business rates and council tax lower than anticipated	Possible	High	Impact mitigated by the review of bad debt provisions and availability of reserves. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process.
13. Financial budget impacts of the COVID 19 pandemic	Likely	Medium /High	Continue to work collaboratively with central government departments to monitor and forecast additional expenditure and reduced income caused by restrictions introduced to curb the transmission of COVID 19. It is not possible to predict exactly what restrictions (if any) will be in place during the 2022/23 financial year.
14.Devolution/Unitary status –	Possible	Medium	Local Government reorganisation has been put on hold. Officers and Members will keep a watching brief in respect of this but again at present no

			budgetary impact is being assumed.
15. All MTFS risks not adequately identified	Unlikely	Low	Council’s Risk Management Framework ensures all operational and strategic risks are identified as part of the annual service planning process.

8. Sustainability

There are no sustainability issues as a direct consequence of this report.

9. Equality and Diversity

The Council is required to consider the equality duty in its decision-making and this includes the budget process. As part of any savings or investments the Council must consider how it can:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between different groups; and
- Foster good relations between different groups by tackling prejudice and promoting understanding.

No new specific savings proposals have been factored into the 2022-23 budget, so there are no equality issues arising.

10. Section 17 Crime and Disorder considerations

There are no Section 17 Crime and Disorder considerations as a direct consequence of this report.

General Fund Summary 2022-23

	2021-22 Base Budget £	2021-22 Updated Bugdet £	2022-23 Base Budget £	2023-24 Forecast £	2024-25 Forecast £	2025-26 Forecast £
Directorate						
Corporate Leadership/Executive Support	486,720	482,220	350,720	552,636	348,404	349,407
Communities	8,025,691	8,090,807	9,765,875	9,686,196	8,369,542	8,348,108
Place and Climate Change	4,925,244	4,925,244	5,530,289	5,307,423	4,883,431	4,880,804
Resources	4,326,059	4,531,733	5,967,695	4,980,908	4,221,112	4,927,658
Net Cost of Services	**17,763,714**	**18,030,004**	**21,614,579**	**20,527,163**	**17,822,489**	**18,505,977**
Parish Precepts	2,573,788	2,573,788	2,579,591	2,631,183	2,683,807	2,683,807
Capital Charges	(1,964,269)	(1,964,269)	(2,456,953)	(3,058,675)	(1,572,942)	(2,360,503)
Refcus	(977,167)	(977,167)	(1,677,167)	(300,000)	(300,000)	0
Interest Receivable	(1,014,929)	(1,014,929)	(1,136,652)	(1,120,923)	(1,207,725)	(1,207,725)
External Interest Paid	154,630	154,630	145,532	136,435	127,338	127,338
Revenue Financing for Capital:	614,741	614,741	1,173,426	250,000	0	0
MRP Waste Contract	744,000	744,000	562,500	744,000	744,000	744,000
IAS 19 Pension Adjustment	262,174	262,174	265,496	270,806	276,222	281,746
Net Operating Expenditure	**18,156,682**	**18,422,972**	**21,070,352**	**20,079,989**	**18,573,189**	**18,774,640**
Contribution to/(from) the Earmarked Reserves						
Asset Management	(142,574)	(167,574)	5,466	5,466	10,466	10,466
Benefits	0	0	(32,303)	(8,877)	0	0
Building Control	(28,876)	(28,876)	0	0	0	0
Business Rates	324,058	324,058	(18,000)	(18,000)	(18,000)	(18,000)
Coast Protection	(42,039)	(42,039)	(62,422)	0	0	0
Communities	(242,000)	(275,000)	(275,000)	(275,000)	0	0
Delivery Plan	1,521,913	1,415,686	(2,117,608)	(577,865)	0	0
Elections	50,000	50,000	50,000	(150,000)	50,000	50,000
Grants	(25,104)	(60,977)	(51,476)	0	0	0
Housing	(328,010)	(328,010)	(544,192)	(517,411)	(61,708)	**0**
Legal	(15,520)	(15,520)	(29,612)	(29,612)	0	0
Major Repairs Reserve	89,859	355,694	280,000	280,000	280,000	280,000
New Homes Bonus Reserve	(97,471)	(97,471)	(160,000)	0	0	0
Organisational Development	(92,751)	(88,258)	(12,446)	0	0	0
Pathfinder	(21,627)	(21,627)	0	0	0	0
Planning Revenue	36,728	36,728	0	50,000	50,000	50,000
Property Investment Fund	0	(265,835)	0	0	0	0
Property Company	(2,000,000)	(2,000,000)	0	0	0	0
Restructuring/Invest to save	109,439	40,654	130,453	0	0	0
Sports Facilities	0	(1,898)	0	0	0	0
Treasury Reserve	500,000	500,000	0	0	0	0
Contribution to/(from) the General Reserve	(86,341)	(86,341)	(76,043)	(63,206)	0	0
Amount to be met from Government Grant and Local Taxpayers	**17,666,366**	**17,666,366**	**18,157,169**	**18,775,484**	**18,883,947**	**19,147,106**
Collection Fund – Parishes	(2,573,788)	(2,573,788)	(2,579,591)	(2,631,183)	(2,683,807)	(2,683,807)
Collection Fund – District	(6,253,465)	(6,253,465)	(6,512,488)	(6,813,458)	(7,121,713)	(7,437,376)
Retained Business Rates	(7,381,242)	(7,381,242)	(7,210,000)	(7,390,250)	(6,314,026)	(6,314,026)
Revenue Support Grant	(90,295)	(90,295)	(93,540)	0	0	0
New Homes bonus	(722,562)	(722,562)	(886,575)	0	0	0
Rural Services Delivery Grant	(507,661)	(507,661)	(507,661)	0	0	0
Lower Tier Services Grant	(137,353)	(137,353)	(144,975)	0	0	0
Returned NHB + LTSG	0	0	(222,339)	0	0	0
Income from Government Grant and Taxpayers	**(17,666,366)**	**(17,666,366)**	**(18,157,169)**	**(16,834,891)**	**(16,119,546)**	**(16,435,209)**
(Surplus)/Deficit	**0**	**0**	**0**	**1,940,593**	**2,764,401**	**2,711,897**

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Environment and Leisure Services

Service	Base Budget 2021/22 £	Base Budget 2022/23 £	Variance Base to Base £
Commercial Services	312,007	318,842	6,835
Internal Drainage Board Levies	419,627	432,200	12,573
Travellers	46,336	47,600	1,264
Public Protection	1,682	(141)	(1,823)
Street Signage	12,000	12,000	0
Environmental Protection	597,380	637,127	39,747
Env Health - Service Mgmt	69,614	0	(69,614)
Environmental Contracts	291,455	310,998	19,543
Car Parking	(1,822,845)	(1,829,799)	(6,954)
Markets	12,659	16,250	3,591
Parks & Open Spaces	286,864	302,773	15,909
Foreshore	112,599	130,663	18,064
Leisure Complexes	71,332	141,946	70,614
Other Sports	91,738	80,749	(10,989)
Recreation Grounds	12,800	11,400	(1,400)
Pier Pavilion	(9,220)	9,000	18,220
Beach Safety	384,450	416,930	32,480
Woodlands Management	167,044	180,453	13,409
Cromer Pier	71,070	126,140	55,070
Waste Collection And Disposal	706,206	642,550	(63,656)
Cleansing	631,466	658,000	26,534
Leisure	210,670	194,607	(16,063)
Community Safety	32,178	25,873	(6,305)
Civil Contingencies	90,162	87,641	(2,521)
Ad Environmental & Leisure Svs	69,559	77,440	7,881
Total Net Costs	**2,868,833**	**3,031,242**	**162,409**
Capital Charges	845,537	1,282,827	437,290
Support Service Charges In	2,401,490	2,309,620	(91,870)
Support Service Charges Out	(1,123,806)	(830,146)	293,660
Total Net Cost of Services	**4,992,054**	**5,793,543**	**801,489**

General Fund Service Area Budgets 2022/23

Communities Directorate - Environment and Leisure Services

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Commercial Services				
Gross Direct Costs	321,007	343,342	22,335	(£20,540) Staffing costs - including a reduction in staffing, turnover savings and £42,875 higher professional fees relating to technical and legal advice.
Gross Direct Income	(9,000)	(24,500)	(15,500)	Additional income relating to re-rating visits and pre-inspections.
Support Service Charges	88,240	173,440	85,200	Higher recharges of £18,630 from the Computer teams, £9,640 from Fakenham Connect, £9,040 from Finance, £15,720 from Estates, £10,600 from Corporate Leadership Team and the Corporate Delivery Unit. The balance consists of miscellaneous variances reflecting higher costs within the services.
	400,247	**492,282**	**92,035**	
Internal Drainage Board Levies				
Gross Direct Costs	419,627	432,200	12,573	Inflation on Internal Drainage Board (IDB) Levies.
Support Service Charges	220	250	30	No Major Variances.
	419,847	**432,450**	**12,603**	
Travellers				
Gross Direct Costs	50,336	49,600	(736)	No Major Variances.
Capital Charges	(632,000)	23,173	655,173	Depreciation.
Gross Direct Income	(4,000)	(2,000)	2,000	No Major Variances.
Support Service Charges	980	6,940	5,960	Higher recharge from Estates.
	(584,684)	**77,713**	**662,397**	
Public Protection				
Gross Direct Costs	198,682	201,959	3,277	(£7,568) Staffing costs. £10,845 Professional fees for legal advice, training and subscriptions.
Gross Direct Income	(197,000)	(202,100)	(5,100)	Additional licencing income
Support Service Charges	127,850	127,140	(710)	No Major Variances.
	129,532	**126,999**	**(2,533)**	
Street Signage				
Gross Direct Costs	12,000	12,000	0	No Major Variances.
Support Service Charges	19,470	21,040	1,570	No Major Variances.
	31,470	**33,040**	**1,570**	
Environmental Protection				
Gross Direct Costs	660,455	682,127	21,672	£12,000 Higher costs relating to Private Water Sampling (PWS). £5,300 Higher training costs and subscriptions. The balance consists of miscellaneous minor variances.
Capital Charges	22,944	52,962	30,018	Depreciation and intangible amortisation.
Gross Direct Income	(63,075)	(45,000)	18,075	Less fee income relating to PWS and risk assessments.
Support Service Charges	201,390	227,770	26,380	Higher recharges of £9,720 from the Computer teams,£11,990 from Customer Services, £5,590 from Property Services/Admin Buildings, £9,580 from the CDU. Lower recharges of (£6,650) from Digital Transformation. The balance consists on miscellaneous variances reflecting higher costs within the services.
	821,714	**917,859**	**96,145**	

Communities Directorate - Environment and Leisure Services

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Env Health - Service Mgmt				
Gross Direct Costs	69,614	0	(69,614)	All budgets transferred to final services within the Environmental Health department.
Capital Charges	30,018	0	(30,018)	As above.
Support Service Charges	(203,870)	0	203,870	As above.
	(104,238)	**0**	**104,238**	
Environmental Contracts				
Gross Direct Costs	291,455	310,998	19,543	Higher staffing costs - inflation, training and professional subscriptions offset by turnover savings and pension costs.
Capital Charges	4,521	4,521	0	No Major Variances.
Support Service Charges	(295,976)	(315,519)	(19,543)	Increased recharges reflecting higher service costs.
	0	**0**	**0**	
Car Parking				
Gross Direct Costs	911,347	963,000	51,653	£9,431 - Repair and Maintenance, £13,174 - Rent of Land, £6,022 - Business Rates, £24,394 - Management fee (maintenance of machines).
Capital Charges	58,720	75,820	17,100	Depreciation.
Gross Direct Income	(2,734,192)	(2,792,799)	(58,607)	(£48,184) - Car park income (£10,444) - Rental income.
Support Service Charges	170,700	169,690	(1,010)	£3,020 - Recharge from Property Services, £3,750 - Recharge from Creditors, £5,770 - Recharge from Insurances, £6,290 - Recharge from Estates, (£24,850) - Recharge from Leisure Services, £4,540 - Recharge from Internal Audit.
	(1,593,425)	**(1,584,289)**	**9,136**	
Markets				
Gross Direct Costs	56,659	56,250	(409)	No Major Variances.
Gross Direct Income	(44,000)	(40,000)	4,000	£4,000 - Lower market stall income.
Support Service Charges	26,760	22,680	(4,080)	£3,140 - Recharge from Estates, (£8,240) - Recharge from Leisure Services, £2,720 - Recharge from Internal Audit.
	39,419	**38,930**	**(489)**	
Parks & Open Spaces				
Gross Direct Costs	298,014	311,273	13,259	£5,300 - Repair and Maintenance, £2,500 - Grounds maintenance contract, £6,000 - Repair and maintenance of pumps and sprinkler servicing and repairs.
Capital Charges	16,206	16,206	0	No Major Variances.
Gross Direct Income	(11,150)	(8,500)	2,650	No Major Variances.
Support Service Charges	116,120	127,370	11,250	£4,920 - Recharge from Property Services, £3,300 - Recharge from Insurances, £9,420 - Recharge from Estates, (£7,540) - Recharge from Leisure Services, £2,280 - Recharge from Internal Audit.
	419,190	**446,349**	**27,159**	
Foreshore				
Gross Direct Costs	112,599	130,663	18,064	£4,851 Higher repair and maintenance costs. £6,620 Higher running costs (insurance, business rates and utility costs). £3,000 equipment purchases.
Capital Charges	27,880	27,880	0	No Major Variances.
Support Service Charges	100,470	111,360	10,890	Higher recharge from Property Services reflecting a more accurate allocation of officer time.
	240,949	**269,903**	**28,954**	

Communities Directorate - Environment and Leisure Services

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Leisure Complexes				
Gross Direct Costs	113,486	141,946	28,460	£33,043 - Management charges as per contact.
Capital Charges	743,441	492,459	(250,982)	Depreciation.
Gross Direct Income	(42,154)	0	42,154	£42,154 - No income from profit share.
Support Service Charges	98,190	90,150	(8,040)	£7,960 - No recharge from Head of Assets and Finance, £3,520 - Recharge from Creditors, £4,710 - Recharge from Estates, (£10,160) - Recharge from Leisure Services.
	912,963	**724,555**	**(188,408)**	
Other Sports				
Gross Direct Costs	107,762	80,749	(27,013)	(£9,158) - Lower salaries and oncosts, (£20,655) - Mammoth Marathon not undertaken in 21/22, will be transferred to 22/23 to fund Marathon in that year.
Gross Direct Income	(16,024)	0	16,024	No Grant income.
Support Service Charges	67,320	60,520	(6,800)	(£8,820) - Recharge from Leisure Services.
	159,058	**141,269**	**(17,789)**	
Recreation Grounds				
Gross Direct Costs	13,800	12,400	(1,400)	No Major Variances.
Capital Charges	5,632	5,632	0	No Major Variances.
Gross Direct Income	(1,000)	(1,000)	0	No Major Variances.
Support Service Charges	5,040	3,410	(1,630)	No Major Variances.
	23,472	**20,442**	**(3,030)**	
Pier Pavilion				
Gross Direct Costs	10,780	9,000	(1,780)	No Major Variances.
Capital Charges	17,020	17,020	0	No Major Variances.
Gross Direct Income	(20,000)	0	20,000	No profit share income.
Support Service Charges	30,350	25,770	(4,580)	(£6,110) - Recharge from Leisure Services
	38,150	**51,790**	**13,640**	
Beach Safety				
Gross Direct Costs	384,450	416,930	32,480	£34,400 - RNLI Lifeguard service fee
Support Service Charges	75,140	69,990	(5,150)	£3,140 - Recharge from Estates, (£9,460) - Recharge from Leisure Services.
	459,590	**486,920**	**27,330**	
Woodlands Management				
Gross Direct Costs	192,574	214,413	21,839	£3,500 - Repair and Maintenance reactive; £3,180 - Repair and Maintenance Grounds; £2,825 - Petrol/diesel for café generator, £2,402 - Equipment purchases, £2,500 - Professional fees. The balance consists of minor variances.
Capital Charges	1,346	1,346	0	No Major Variances.
Gross Direct Income	(25,530)	(33,960)	(8,430)	(£5,000) - Holt Country Park car park income, (£3,000) - Rental income.
Support Service Charges	161,240	152,570	(8,670)	£2,150 - Recharge from Property Services, £3,140 - Recharge from Estates., (£22,270) - Recharge from Leisure Services, £2,270 - Recharge from Internal Audit, £2,560 - Recharge from Corporate Delivery Unit. The balance consists of minor variances
	329,630	**334,369**	**4,739**	
Cromer Pier				
Gross Direct Costs	71,070	126,140	55,070	£52,000 - Repair and Maintenance, £3,760 - Insurance (Fire/General).
Capital Charges	20,738	20,737	(1)	No Major Variances.
Support Service Charges	93,880	97,720	3,840	£4,650 - Recharge from Property Services, £3,300 - Recharge from Insurance, (£5,150) - Recharge from Coastal Management.
	185,688	**244,597**	**58,909**	

Communities Directorate - Environment and Leisure Services

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Waste Collection And Disposal				
Gross Direct Costs	4,240,328	4,467,050	226,722	£210k Contractor inflation. £21,848 Higher commercial waste disposal costs. (£5,100) Lower professional fees.
Capital Charges	443,571	459,571	16,000	Depreciation.
Gross Direct Income	(3,534,122)	(3,824,500)	(290,378)	(£230k) Additional fee income from commercial waste and garden bin customers. (£60k) Higher recycling credit income.
Support Service Charges	486,170	472,660	(13,510)	(£101,600) Lower recharge from Environmental Health. Higher recharges of £19,020 from Environmental Contracts, £61,500 from Customer Services and £10,690 from Creditors. The balance consists of miscellaneous variances reflecting a more accurate allocation of officer time.
	1,635,947	**1,574,781**	**(61,166)**	
Cleansing				
Gross Direct Costs	690,300	718,000	27,700	Contractor inflation.
Capital Charges	85,500	85,500	0	No Major Variances.
Gross Direct Income	(58,834)	(60,000)	(1,166)	No Major Variances.
Support Service Charges	64,330	46,540	(17,790)	(£22,320) Lower recharge from Environmental Health. The balance consists of misc. variances reflecting a more accurate allocation of officer time.
	781,296	**790,040**	**8,744**	
Leisure				
Gross Direct Costs	210,670	200,512	(10,158)	(£9,520) - Salaries and oncosts, £2,756 - Pensions deficit funding.
Gross Direct Income	0	(5,905)	(5,905)	Salaries charged to capital projects
Support Service Charges	(210,670)	(194,607)	16,063	£16,780 - Recharge from Assistant Director (Environment and Leisure), (£35,060) - Recharge from Customer Services, £9,430 - Recharge from Estates, (£20,990) - Recharge From Community and Economic Development Management, (£80,530) - No recharge from Digital Transformation. £123,698 - Lower recharges reflecting lower service costs.
	0	**0**	**0**	
Community Safety				
Gross Direct Costs	32,178	25,873	(6,305)	Staff turnover savings.
Support Service Charges	20,680	22,220	1,540	No Major Variances.
	52,858	**48,093**	**(4,765)**	
Civil Contingencies				
Gross Direct Costs	90,162	87,641	(2,521)	Staff turnover savings.
Support Service Charges	33,660	37,810	4,150	Higher recharge from Environmental Health.
	123,822	**125,451**	**1,629**	
Ad Environmental & Leisure Svs				
Gross Direct Costs	69,559	77,440	7,881	Employee inflation.
Support Service Charges	0	(77,440)	(77,440)	Recharges out to internal service areas
	69,559	**0**	**(69,559)**	
Total Environment and Leisure Services	**4,992,054**	**5,793,543**	**801,489**	

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Finance, Assets and Legal

Service	Base Budget 2021/22 £	Base Budget 2022/23 £	Variance Base to Base £
Industrial Estates	(150,076)	(146,800)	3,276
Surveyors Allotments	2,950	2,900	(50)
Parklands	(29,732)	(29,392)	340
Revenue Services	259,092	416,116	157,024
Benefits Subsidy	0	0	0
Non Distributed Costs	262,174	265,496	3,322
Estates	231,220	302,202	70,982
Admin Buildings	235,861	262,263	26,402
Corporate Finance	427,987	501,010	73,023
Insurance & Risk Management	200,357	211,059	10,702
Internal Audit	70,000	80,000	10,000
Chalets/Beach Huts	(175,015)	(185,701)	(10,686)
Investment Properties	(99,391)	(20,500)	78,891
Central Costs	96,965	94,080	(2,885)
Corporate & Democratic Core	505,679	229,700	(275,979)
Members Services	530,871	530,613	(258)
Legal Services	163,638	223,585	59,947
Ad Finance, Assets & Legal	73,823	80,898	7,075
Total Net Costs	**2,606,403**	**2,817,529**	**211,126**
Capital Charges	82,881	1,052,893	970,012
IAS19 Adjustment	(262,174)	(265,496)	(3,322)
Support Service Charges In	2,831,750	3,129,240	297,490
Support Service Charges Out	(1,964,623)	(2,520,682)	(556,059)
Total Net Cost of Services	**3,294,237**	**4,213,484**	**919,247**

General Fund Service Area Budgets 2022/23

Resources - Finance, Assets and Legal

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Industrial Estates				
Gross Direct Costs	31,734	44,200	12,466	£8,900 Higher marketing and professional fees. £4,520 higher repair and maintenance costs.
Capital Charges	15,912	19,246	3,334	Depreciation.
Gross Direct Income	(181,810)	(191,000)	(9,190)	(£5,420) Additional rental income. (£3,770) Higher recharges and service charge income.
Support Service Charges	51,640	89,740	38,100	Higher recharges of £5,000 from Property Services, £31,440 from Estates and £3,030 from Legal Services.
	(82,524)	**(37,814)**	**44,710**	
Surveyors Allotments				
Gross Direct Costs	3,000	3,000	0	No Major Variances.
Gross Direct Income	(50)	(100)	(50)	No Major Variances.
Support Service Charges	14,570	18,660	4,090	Higher recharges from Estates reflecting a more accurate allocation of officer time.
	17,520	**21,560**	**4,040**	
Parklands				
Gross Direct Costs	34,768	36,768	2,000	No Major Variances.
Gross Direct Income	(64,500)	(66,160)	(1,660)	No Major Variances.
Support Service Charges	40,390	47,560	7,170	Higher recharges from Estates and Property Services reflecting a more accurate allocation of officer time.
	10,658	**18,168**	**7,510**	
Revenue Services				
Gross Direct Costs	702,003	870,246	168,243	£61,598 Pension Deficit funding. £49,952 Additional fixed term posts including apprentices funded from earmarked reserves. £45,728 Provision to retain temporary staff beyond fixed term contracts. £2,922 Other employee movements including inflation. £8,043 Supplies and Services costs including postages and software costs,
Gross Direct Income	(442,911)	(454,130)	(11,219)	(£6,219) Cost of Collection allowance. (£5,000) Recoverable costs
Support Service Charges	444,750	605,740	160,990	Higher recharges of £11,360 from the Corporate Enforcement Team, £117,310 from Customer Services, £19,120 from Assistant Director, Finance Assets & Legal, £14,540 from the Computer teams and £11,550 from CDU. Lower recharges of (£8,500) from Digital Transformation,
	703,842	**1,021,856**	**318,014**	
Benefits Subsidy				
Gross Direct Costs	21,256,441	19,857,260	(1,399,181)	Anticipated level of Housing benefit payments to be made in 2022/23 off set by reduction in subsidy claimed.
Gross Direct Income	(21,256,441)	(19,857,260)	1,399,181	As above
	0	**0**	**0**	
Non Distributed Costs				
Gross Direct Costs	262,174	265,496	3,322	No Major Variances
IAS19 Adjustment	(262,174)	(265,496)	(3,322)	No Major Variances
	0	**0**	**0**	

Resources - Finance, Assets and Legal

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Estates				
Gross Direct Costs	231,220	313,916	82,696	£42,046 Staffing, travel related costs and professional subscriptions. £8,199 Higher insurance premiums due to revaluation of assets. £32,451 Professional fees - to include advice, surveys and feasibility studies.
Gross Direct Income	0	(11,714)	(11,714)	Contribution from capital for staffing.
Support Service Charges	0	(302,202)	(302,202)	Increased recharges reflecting higher service costs.
	231,220	**0**	**(231,220)**	
Admin Buildings				
Gross Direct Costs	521,817	590,702	68,885	Higher running costs: £10,750 - Health & Safety compliance works, £7,500 - professional fees. £48,814 - Higher repair and maintenance and utility costs.
Capital Charges	(24,159)	43,175	67,334	Depreciation.
Gross Direct Income	(285,956)	(328,439)	(42,483)	(£29,844) Higher rental income and service charges. (£12,966) Contributions towards capital costs.
Support Service Charges	(150,296)	(238,177)	(87,881)	Increased recharges reflecting higher service costs.
	61,406	**67,261**	**5,855**	
Corporate Finance				
Gross Direct Costs	427,987	501,010	73,023	£54,218 Apprentices and temporary staffing funded from earmarked reserves. (£15,444) Miscellaneous savings including mileage, public transport and subscriptions. Additional Staffing costs £33,200. £1,049 Pension deficit funding.
Capital Charges	16,145	13,631	(2,514)	Intangible amortisation.
Support Service Charges	(444,132)	(514,641)	(70,509)	Higher recharges of £19,120 - Recharge from Assistant Director, Finance, Assets and Legal, £10,500 from the Computer teams, £11,000 from Estates, £7,690 from CDU and £9,780 from Legal. Lower recharges of (£13,500) from Head of Assets and Legal, (£38,910) from Digital Transformation and (£19,380) from Internal Audit. (£59,939) - Higher recharges out as a result of higher service costs.
	0	**0**	**0**	
Insurance & Risk Management				
Gross Direct Costs	201,007	211,059	10,052	£6,481 - Public Liability Insurance
Gross Direct Income	(650)	0	650	No Major Variances
Support Service Charges	(200,357)	(211,059)	(10,702)	£9,560 - Recharge from Assistant Director, Finance, Assets and Legal, £9,430 - Recharge from Estates, £5,450 - Recharge from Internal Audit, (£34,532) - Higher recharges out as a result of higher service costs
	0	**0**	**0**	
Internal Audit				
Gross Direct Costs	70,000	80,000	10,000	Higher internal audit fees
Support Service Charges	(70,000)	(80,000)	(10,000)	£7,110 - Recharge from Assistant Director, Finance, Assets and Legal, (£17,410) - Higher recharges out as a result of higher service costs
	0	**0**	**0**	

Resources - Finance, Assets and Legal

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Chalets/Beach Huts				
Gross Direct Costs	54,347	50,599	(3,748)	£12.400 Professional fees for marketing and equipment. £4,724 Repair and maintenance and running costs. (£20,870) Admin staffing costs transferred to the management unit.
Gross Direct Income	(229,362)	(236,300)	(6,938)	Rental income.
Support Service Charges	97,250	102,760	5,510	Higher recharge of £12,570 from Estates, lower recharge of £14,840 offset by miscellaneous variances reflecting a more accurate allocation of officer time.
Sum:	**(77,765)**	**(82,941)**	**(5,176)**	
Investment Properties				
Gross Direct Costs	146,352	172,176	25,824	Higher running costs: £10,500 - marketing and management fees, £4,000 - grounds maintenance, £3,500 - Council Tax, £11,000 - higher utility costs and insurance premiums
Capital Charges	74,983	76,841	1,858	Depreciation.
Gross Direct Income	(245,743)	(192,676)	53,067	£30k Loss of rental income for Fair Meadow House. Lower rental income relating to Other Lettings. Lower service charges.
Support Service Charges	187,720	147,150	(40,570)	Lower recharges of (£47,880) from Property Services, (£6,340) from Leisure and (£7,750) from Legal Services. Higher recharge of £18,860 from Estates - all of which reflect a more accurate allocation of officer time.
	163,312	**203,491**	**40,179**	
Central Costs				
Gross Direct Costs	96,965	94,080	(2,885)	No Major Variances
Support Service Charges	(96,965)	(94,080)	2,885	£4,230 - Recharge from Corporate Enforcement Team, (£15,370) - Recharge from Customer Services, £4,990 - Recharge from Fakenham Connect, (£13,560) - Recharge from Creditors, £6,260 - Recharge from Corporate Leadership Team, (£34,520) - Recharge from Internal Audit, £50,355 - Lower recharges out as a result of lower service costs
	0	**0**	**0**	
Corporate & Democratic Core				
Gross Direct Costs	505,679	229,700	(275,979)	£10,000 - External audit fees (£19,930) - Professional fees, (£264,069) - Staff costs transferred to other areas
Capital Charges	0	900,000	900,000	Refcus
Gross Direct Income	0	0	0	
Support Service Charges	1,258,620	1,265,540	6,920	£9,980 - Recharge from Administrative Buildings, (£48,860) - Recharge from Property Services, £4,200 - Recharge from Accountancy, £42,780 - Recharge from Corporate Leadership Team
	1,764,299	**2,395,240**	**630,941**	
Members Services				
Gross Direct Costs	530,871	530,613	(258)	£5,462 - Salaries and oncosts, funded from the Delivery Plan Reserve, (£2,125) - Pension deficit funding
Support Service Charges	60,740	76,050	15,310	£9,560 - Recharge from Assistant Director, Finance Assets and Legal, £2,270 - Recharge from Administrative Buildings, £2,560 - Recharge from Corporate Delivery Unit.
	591,611	**606,663**	**15,052**	

Resources - Finance, Assets and Legal

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Legal Services				
Gross Direct Costs	493,584	553,481	59,897	£78,471 - Salaries and oncosts (£60,647 from reserves); (£22,598) - Pensions deficit funding; £3,840 - Qualification training, trainee solicitors
Gross Direct Income	(329,946)	(329,896)	50	No Major Variances
Support Service Charges	(326,803)	(223,585)	103,218	£19,120 - Recharge from Assistant Director, Assets, Finance and Legal, £4,830 - Recharge from Computer Web Team, £4,210 - Recharge from Administrative Buildings, £6,290 - Recharge from Estates, (£6,190) - Recharge from Digital Transformation, £4,540 - Recharge from Internal Audit, £8,330 - Recharge from Corporate Delivery Unit. £61,138 - Recharges out to other service areas.
	(163,165)	**0**	**163,165**	
Ad Finance, Assets & Legal				
Gross Direct Costs	73,823	80,898	7,075	Salaries and oncosts.
Support Service Charges	0	(80,898)	(80,898)	Recharges out to internal service areas.
	73,823	**0**	**(73,823)**	
Total Finance, Assets and Legal	**3,294,237**	**4,213,484**	**919,247**	

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Organisational Resources

Service	Base Budget 2021/22 £	Base Budget 2022/23 £	Variance Base to Base £
IT - Support Services	1,596,609	1,802,689	206,080
Poppyfields Canteen	24,700	22,814	(1,886)
Property Services	462,925	596,812	133,887
Playgrounds	57,414	77,200	19,786
Community Centres	9,978	5,800	(4,178)
Tic'S	84,798	65,410	(19,388)
Public Conveniences	559,902	603,314	43,412
Digital Transformation	172,248	164,485	(7,763)
Reprographics	75,989	75,389	(600)
Customer Services - Corporate	745,619	912,195	166,576
Ad Organisational Resources	62,179	76,955	14,776
Total Net Costs	**3,852,361**	**4,403,063**	**550,702**
Capital Charges	276,254	317,857	41,603
Support Service Charges In	1,468,370	1,560,499	92,129
Support Service Charges Out	(4,565,163)	(4,527,208)	37,955
Total Net Cost of Services	**1,031,822**	**1,754,211**	**722,389**

General Fund Service Area Budgets 2022/23

Resources - Organisational Resources

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
IT - Support Services				
Gross Direct Costs	1,596,609	1,802,689	206,080	£28,617 - Salaries and oncosts, funded from the Delivery Plan Reserve, £2,900 - Staff training, £6,805 - Overtime. (£9,787) - Pension deficit funding, £26,810 - Consultancy fees, (£3,858) - Mobile phone charges, £15,000 - Computer Hardware, Committee room revamp for Hybrid meetings from the Delivery Plan Reserve, £129,176 - Computer Software and Licences, £26,891 - Computer Maintenance, (£31,016) - Computer lines and modems, (£7,000) - Subscriptions. The balance consists of minor variances
Capital Charges	125,566	127,978	2,412	(£6,588) - Depreciation, £9,000 - Intangible Amortisation
Gross Direct Income	0	0	0	No Major Variances.
Support Service Charges	(1,722,175)	(1,930,667)	(208,492)	£33,600 - Recharge from Assistant Director, Organisational Resources, £6,180 - Recharge from Administrative Buildings, (£3,360) - Recharge from Central Costs, (£9,020) - Recharge from Digital Transformation, £12,180 - Recharge from Corporate Delivery Unit, (£250,281) - Higher recharges reflecting higher service costs
	0	**0**	**0**	
Poppyfields Canteen				
Gross Direct Costs	24,700	22,814	(1,886)	No Major Variances.
Support Service Charges	15,900	21,820	5,920	Higher recharge from Property Services reflecting a more accurate allocation of officer time.
	40,600	**44,634**	**4,034**	
Property Services				
Gross Direct Costs	472,925	606,812	133,887	£116k relates to additional staffing costs - salary, standby, travelling, training and vehicle costs. £10k relates to professional fees - architects, surveyors and planning fees in respect of preliminary enquiries relating to capital projects. The balance consists of minor variances.
Capital Charges	31,825	47,755	15,930	Depreciation and intangible amortisation.
Gross Direct Income	(10,000)	(10,000)	0	No Major Variances.
Support Service Charges	(710,651)	(644,567)	66,084	Higher recharges of £25,190 from the Assistant Director, Organisational Resources, £47,150 from Estates, £8,330 from the CDU and £4,210 from Admin Buildings. Lower recharges of (£23,010) from Digital Transformation, (£8,580) from Finance. The balance consists of minor variances reflecting a more accurate allocation of officer time.
	(215,901)	**0**	**215,901**	

Resources - Organisational Resources

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Playgrounds				
Gross Direct Costs	57,414	77,200	19,786	Higher repair and maintenance costs.
Support Service Charges	42,150	59,340	17,190	Higher recharges from Property Services and Estates reflecting a more accurate allocation of officer time.
	99,564	**136,540**	**36,976**	
Community Centres				
Gross Direct Costs	9,978	5,800	(4,178)	Lower running costs.
Support Service Charges	12,260	16,010	3,750	Higher recharges from Property Services and Estates reflecting a more accurate allocation of officer time.
	22,238	**21,810**	**(428)**	
Tic'S				
Gross Direct Costs	109,798	95,580	(14,218)	(£4,000) - No grants to be paid out. (£2,570) - Equipment repair and maintenance, (£2,870) - Contract cleaning. The balance consists of minor variances.
Capital Charges	6,040	6,040	0	No Major Variances.
Gross Direct Income	(25,000)	(30,170)	(5,170)	(£5,170) - Additional income from souvenir sales.
Support Service Charges	87,660	51,550	(36,110)	(£35,580) - Recharge from Digital Transformation, (£8,020) - Recharge from Customer Services. The balance consists of minor variances.
	178,498	**123,000**	**(55,498)**	
Public Conveniences				
Gross Direct Costs	559,902	603,314	43,412	Higher repair and maintenance and costs associated with legionella surveys plus higher running costs.
Capital Charges	58,767	82,028	23,261	Depreciation.
Support Service Charges	110,597	190,120	79,523	Higher recharges from Property Services and Estates reflecting a more accurate allocation of officer time.
	729,266	**875,462**	**146,196**	
Digital Transformation				
Gross Direct Costs	172,248	164,485	(7,763)	£4,405 - Overtime, £2,007 - Salaries and oncosts, (£12,846) - Pensions deficit funding
Support Service Charges	(56,870)	388,280	445,150	£12,910 - Recharge from Computer Applications Team, £21,930 - Recharge from Computer (Web Team), (£35,120) - Recharge from Digital Transformation, £4,190 - Recharge from Corporate Delivery Unit, (£26,250) - Recharge from Customer Services, £9,110 - Recharge from Computer Network and PCs, £462,040 - Staff costs and direct costs now go to a final service so there is no recharge out from a management unit.
	115,378	**552,765**	**437,387**	
Reprographics				
Gross Direct Costs	83,489	82,889	(600)	No Major Variances.
Gross Direct Income	(7,500)	(7,500)	0	No Major Variances.
Support Service Charges	(75,989)	(75,389)	600	(£8,930) - Reduced recharge from the Assistant Director, Organisational Resources, £9,900 - Lower recharges reflecting lower service costs.
	0	**0**	**0**	

Resources - Organisational Resources

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Customer Services - Corporate				
Gross Direct Costs	766,869	929,445	162,576	£136,138 - Salaries and oncosts, of which £103,273 is funded from the Delivery Plan Reserve, £15,830 - Pensions deficit funding, £2,786 - Equipment purchases, £4,780 - Staff training, £6,900 - Subscription funded from the Delivery Plan Reserve.
Capital Charges	54,056	54,056	0	No Major Variances.
Gross Direct Income	(21,250)	(17,250)	4,000	Reduced postal recharges.
Support Service Charges	(799,675)	(966,251)	(166,576)	£16,800 - Recharge from Assistant Director, Organisational Resources, (£14,880) - Recharge from Customer Services, £5,490 - Recharge from Computer Applications Team, £9,340 - Recharge from Computer Web Team, £8,050 - Recharge from Administrative Buildings, (£79,240) - Recharge from Digital Transformation, (£5,760) - Recharge from performance Management, £16,000 - Recharge from Corporate Delivery Unit, (£118,696) - Higher recharges out as a result of higher service costs.
	0	**0**	**0**	
Ad Organisational Resources				
Gross Direct Costs	62,179	76,955	14,776	Salaries and oncosts.
Support Service Charges	0	(76,955)	(76,955)	Recharges out to internal service areas.
	62,179	**0**	**(62,179)**	
Total Organisational Resources	**1,031,822**	**1,754,211**	**722,389**	

People Services

Service	Base Budget 2021/22 £	Base Budget 2022/23 £	Variance Base to Base £
Benefits Administration	588,636	628,960	40,324
Homelessness	(300,872)	92,851	393,723
Housing Options	376,857	493,333	116,476
Disabled Facility Grants	181,677	168,849	(12,828)
Community	496,473	626,573	130,100
Ad People Services	67,448	74,104	6,656
Total Net Costs	**1,410,219**	**2,084,670**	**674,451**
Capital Charges	599,825	837,349	237,524
Support Service Charges In	1,616,720	1,885,690	268,970
Support Service Charges Out	(593,127)	(835,377)	(242,250)
Total Net Cost of Services	**3,033,637**	**3,972,332**	**938,695**

General Fund Service Area Budgets 2022/23

Communities Directorate - People Services

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Benefits Administration				
Gross Direct Costs	940,329	1,033,784	93,455	£54,825 One-off costs funded from grant income. £19,335 Employee inflation. £8,877 Temporary post uplift funded from earmarked reserves. £5,399 pension deficit funding. £5,019 supplies and services including hybrid mailing.
Capital Charges	71,343	31,700	(39,643)	This reflects the updated capital programme for 2022/23.
Gross Direct Income	(351,693)	(404,824)	(53,131)	One-off revenue grants funding additional costs including temporary Staffing.
Support Service Charges	537,240	403,670	(133,570)	Higher recharges of £20,130 from Assistant Director, People Services and £16,000 from the CDU. Lower recharges of (£45,600) from Digital Transformation and (£140,660) from Customer Services.
	1,197,219	**1,064,330**	**(132,889)**	
Homelessness				
Gross Direct Costs	435,603	1,091,244	655,641	£317,009 Homelessness prevention grant to be allocated to specific projects. £196,900 Bed and Breakfast accommodation costs, partially offset by subsidy and client contributions. £124,841 Additional costs of homelessness properties, offset by subsidy and client contributions. £12,966 Additional costs Your Choice Your Home partially offset by contributions.
Capital Charges	28,482	28,482	0	No Major Variances.
Gross Direct Income	(736,475)	(998,393)	(261,918)	(£242,908) Additional Subsidy and client contributions on Temporary accommodation. (£6,708) Your Choice Your Home contributions. (£5,475) Rent deposit scheme.
Support Service Charges	603,790	873,130	269,340	Higher recharges of £201,610 from Customer Services - Housing, £6,290 from Estates and £49,500 from Property Services which reflect a more accurate allocation of officer time.
	331,400	**994,463**	**663,063**	
Housing Options				
Gross Direct Costs	376,857	493,333	116,476	£111,583 Temporary Staffing funded from the Housing reserve. £7,875 Additional costs including training and equipment. (£2,494) pension deficit Funding.
Support Service Charges	(376,857)	(493,333)	(116,476)	Increased recharges reflecting higher service costs.
	0	**0**	**0**	

Communities Directorate - People Services

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Disabled Facility Grants				
Gross Direct Costs	181,677	210,833	29,156	£69,362 Additional staff funded from the Housing reserve. (£31,434) non recurring staff costs (£4,562) Pension deficit funding.
Capital Charges	500,000	777,167	277,167	Updated to reflect the 2022/23 capital Programme.
Gross Direct Income	(39,860)	(41,984)	(2,124)	No Major Variances.
Support Service Charges	197,690	209,730	12,040	Higher recharges of £20,130 from Assistant Director, People Services. Lower recharges of (£10,490) from Community & Economic Development Management and (£8,170) from Housing Strategy and Communities.
	839,507	**1,155,746**	**316,239**	
Community				
Gross Direct Costs	544,747	690,674	145,927	£90,318 - Salaries and on costs as a result of staff restructure, funded from the Housing and Delivery Plan reserves; £7,691 - pensions deficit funding; £6,200 - mileage; £10,000 - early help & prevention grant 22/23 only. £33,000 - Transport Grants from the Sustainable Communities Reserve
Gross Direct Income	(48,274)	(64,101)	(15,827)	(£15,827) - Grant to partly offset additional staffing costs
Support Service Charges	101,590	131,220	29,630	£20,130 - Recharge from Assistant Director, People Services, £9,630 - Recharge from Customer Services, (£10,490) - Recharge from Community and Economic Development Management, £4,540 - Recharge from Internal Audit, £4,490 - Recharge from Corporate Delivery Unit.
	598,063	**757,793**	**159,730**	
Ad People Services				
Gross Direct Costs	67,448	74,104	6,656	Salaries and on costs
Support Service Charges	0	(74,104)	(74,104)	Recharges out to internal service areas.
	67,448	**0**	**(67,448)**	
Total People Services	**3,033,637**	**3,972,332**	**938,695**	

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Planning

Service	Base Budget 2021/22 £	Base Budget 2022/23 £	Variance Base to Base £
Development Management	246,189	224,722	(21,467)
Planning Policy	547,137	713,548	166,411
Conservation, Design & Landscape	154,751	415,826	261,075
Major Developments	249,824	390,652	140,828
Building Control	60,803	67,300	6,497
Combined Enforcement Team	172,597	232,648	60,051
Property Information	5,000	(15,921)	(20,921)
Ad Planning	125,542	91,203	(34,339)
Total Net Costs	**1,561,843**	**2,119,978**	**558,135**
Capital Charges	77,581	76,501	(1,080)
Support Service Charges In	1,270,850	1,430,160	159,310
Support Service Charges Out	(456,093)	(398,811)	57,282
Total Net Cost of Services	**2,454,181**	**3,227,828**	**773,647**

General Fund Service Area Budgets 2022/23

Place and Climate Change - Planning

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Development Management				
Gross Direct Costs	1,047,889	1,024,722	(23,167)	(£72,193) Staffing costs no longer charged direct to/(from) other service areas. £28,308 Temporary trainee post funded from earmarked reserves. (£14,781) Pension Deficit funding. £6,000 Additional qualification training costs. £14,026 reallocation of supplies and services budgets previously held centrally. £15,473 Employee Inflation.
Capital Charges	77,581	76,501	(1,080)	No Major Variances.
Gross Direct Income	(801,700)	(800,000)	1,700	No Major Variances.
Support Service Charges	643,250	751,570	108,320	£20,000 Internal recharge to Land charges. Higher recharges of £38,430 Corporate Enforcement, £19,720 Assistant Director, Planning, £15,570 Customer Services, £19,610 Computer teams, £8,730 Admin Buildings, £16,000 CDU and £8,150 Legal services. Lower recharges of (£11,410) Digital Transformation and (£42,710) Head of Planning.
	967,020	**1,052,793**	**85,773**	
Planning Policy				
Gross Direct Costs	547,137	713,548	166,411	£6,519 Employee Inflation. £2,000 reallocation of supplies and services budgets previously held departmentally. £36,000 Professional fees and contributions including Neighbourhood plan support. £128,473 Local Plan expenditure and examination costs funded from New Homes Bonus earmarked reserve. (£6,116) Pension deficit funding.
Support Service Charges	95,516	167,770	72,254	£49,000 - adjustment for staff costs previously charged to corporate. Higher recharges of £29,580 from Assistant Director, Planning, £6.280 from Estates and £5,130 from CDU. Lower recharges of (£17,800) from Head of Planning.
	642,653	**881,318**	**238,665**	
Conservation, Design & Landscape				
Gross Direct Costs	154,751	415,826	261,075	£163,696 staff time previously allocated to Development Management. £82,065 Temporary posts funded from earmarked reserves. £19,873 Pension Deficit funding.
Support Service Charges	76,300	89,550	13,250	Higher recharges of £14,790 Assistant Director, Planning, £3,140 from Estates, and £3,200 from CDU. Lower recharges of (£10,680) from Head of Planning.
	231,051	**505,376**	**274,325**	

Place and Climate Change - Planning

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Major Developments				
Gross Direct Costs	249,824	390,652	140,828	£93,451 Staff budgets previously charged to corporate budgets. £2,350 reallocation of supplies and services budgets previously held centrally. £41,164 Temporary section 106 post funded from earmarked reserves.
Support Service Charges	104,490	118,380	13,890	Higher recharges of £14,790 Assistant Director, Planning, £3,140 from Estates, £17,280 from Housing Strategy and £3,200 from CDU. Lower recharges of (£21,350) from Head of Planning and (£4,410) from Legal Services.
	354,314	**509,032**	**154,718**	
Building Control				
Gross Direct Costs	450,803	496,300	45,497	£56,410 Temporary trainee posts funded from earmarked reserves. (£9,692) Turnover savings
Gross Direct Income	(390,000)	(429,000)	(39,000)	Additional fee income.
Support Service Charges	142,050	174,840	32,790	Higher recharges of £36,750 from Customer Services and £6,400 from CDU. Lower recharges of (£8,540) from Head of Planning.
	202,853	**242,140**	**39,287**	
Combined Enforcement Team				
Gross Direct Costs	172,597	232,648	60,051	£22,882 Temporary trainee post funded from reserves. £28,880 New conditions monitoring officer post. £2,379 Pension deficit funding. £2,500 Training.
Support Service Charges	(172,597)	(232,648)	(60,051)	Increased recharges reflecting higher service charges
	0	**0**	**0**	
Property Information				
Gross Direct Costs	187,190	166,269	(20,921)	(£20,000) Direct recharge from Development Management.
Gross Direct Income	(182,190)	(182,190)	0	
Support Service Charges	51,290	53,090	1,800	No Major Variances.
	56,290	**37,169**	**(19,121)**	
Ad Planning				
Gross Direct Costs	125,542	91,203	(34,339)	Non staffing budgets previously held centrally now allocated to individual planning services.
Support Service Charges	(125,542)	(91,203)	34,339	Recharges to internal service areas.
	0	**0**	**0**	
Total Planning	**2,454,181**	**3,227,828**	**773,647**	

Sustainable Growth

Service	Base Budget 2021/22 £	Base Budget 2022/23 £	Variance Base to Base £
Economic Growth	114,107	75,000	(39,107)
Tourism	43,653	81,600	37,947
Coast Protection	322,500	261,500	(61,000)
Business Growth Staffing	279,037	307,250	28,213
Housing Strategy	163,422	187,786	24,364
Environmental Strategy	93,402	471,416	378,014
Arts Grants	31,810	33,260	1,450
Coastal Management	300,338	268,425	(31,913)
Ad Sustainable Growth	88,928	84,324	(4,604)
Total Net Costs	**1,437,197**	**1,770,561**	**333,364**
Capital Charges	987,906	510,739	(477,167)
Support Service Charges In	1,055,890	1,053,000	(2,890)
Support Service Charges Out	(1,009,930)	(1,031,839)	(21,909)
Total Net Cost of Services	**2,471,063**	**2,302,461**	**(168,602)**

General Fund Service Area Budgets 2022/23

Place and Climate Change - Sustainable Growth

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Economic Growth				
Gross Direct Costs	114,107	102,000	(12,107)	£27,000 spend associated with North Walsham Cultural consortium. (£40,235) Budgets reviewed and reallocated to Tourism cost centre as part of the budget process.
Capital Charges	2,037	2,038	1	No Major Variances.
Gross Direct Income	0	(27,000)	(27,000)	Revenue grant in respect of North Walsham Cultural Consortium, offset by additional expenditure.
Support Service Charges	346,840	238,720	(108,120)	Lower recharge from Business Growth Staffing.
	462,984	**315,758**	**(147,226)**	
Tourism				
Gross Direct Costs	43,653	81,600	37,947	Budgets reallocated from Economic Growth cost centre to support visitor economy initiatives.
Gross Direct Income	0	0	0	
Support Service Charges	19,450	138,030	118,580	£127,660 Higher recharge from Business Growth Staffing. (£10.490) Lower recharge from Community and Economic Development Management.
	63,103	**219,630**	**156,527**	
Coast Protection				
Gross Direct Costs	322,500	261,500	(61,000)	(£96k) Reduced revenue budget for Sea Defences. £30k Contribution towards Coastal Partnership East (CPE). The balance consists of minor misc. variances.
Capital Charges	508,702	508,701	(1)	No Major Variances.
Support Service Charges	395,280	309,650	(85,630)	(£90,000) Lower recharge from Coastal Management as a result of lower costs within the service, offset by lower recharges from CLT and Property Services reflecting a more accurate allocation of officer time.
	1,226,482	**1,079,851**	**(146,631)**	
Business Growth Staffing				
Gross Direct Costs	309,037	353,291	44,254	£54,675 Temporary Funding and Project Development officer post funded from earmarked reserves. (£8,702) non recurring staff costs.
Gross Direct Income	(30,000)	(46,041)	(16,041)	£30,000 Kickstart funding. (£46,041) Staffing charged to capital.
Support Service Charges	(297,364)	(307,250)	(9,886)	£19,630 Higher recharge from Assistant Director Sustainable Growth. (£20,990) Lower recharge from Community & Economic Growth Management. The balance consists of minor variances reflecting a more accurate allocation of officer time.
	(18,327)	**0**	**18,327**	

Place and Climate Change - Sustainable Growth

Service Area

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Movement
Housing Strategy				
Gross Direct Costs	163,422	210,286	46,864	£38,706 Temporary energy officer post funded from earmarked reserves. £3,500 New energy efficiency cost centre.
Gross Direct Income	0	(22,500)	(22,500)	One-off funding for Energy Officer.
Capital Charges	477,167	0	(477,167)	This reflects the current 2022/23 capital programme.
Support Service Charges	(65,400)	(38,270)	27,130	Increased recharges reflecting higher service costs and a recharge from Assistant Director - Sustainable Growth.
	575,189	**149,516**	**(425,673)**	
Environmental Strategy				
Gross Direct Costs	108,402	486,416	378,014	Additional staffing costs, professional fees and consultancy costs to deliver the Corporate Plan objectives which are to be funded from the Delivery Plan Reserve.
Gross Direct Income	(15,000)	(15,000)	0	No Major Variances.
Support Service Charges	22,740	27,250	4,510	(£12,700) Lower recharges from Environmental Health and (£3,520) from CLT. £19,630 Higher recharge from Assistant Director - Sustainable growth - these reflect a more accurate allocation of officer time.
	116,142	**498,666**	**382,524**	
Arts Grants				
Gross Direct Costs	33,260	33,260	0	No Major Variances.
Gross Direct Income	(1,450)	0	1,450	No Major Variances.
Support Service Charges	11,180	5,780	(5,400)	(£5,250) - Recharge from Community and Economic Development Management
	42,990	**39,040**	**(3,950)**	
Coastal Management				
Gross Direct Costs	360,347	497,229	136,882	£161,692 Higher staffing/travel costs, some of which is offset by grants, contributions and capital funding. (£27,500) Contribution to CPE funded from Coastal budget.
Gross Direct Income	(60,009)	(228,804)	(168,795)	Grants and contribution funding towards staffing costs.
Support Service Charges	(300,338)	(268,425)	31,913	Increased recharges reflecting higher service costs.
	0	**0**	**0**	
Ad Sustainable Growth				
Gross Direct Costs	88,928	84,324	(4,604)	Lower staffing costs
Support Service Charges	(86,428)	(84,324)	2,104	Recharges to internal services.
	2,500	**0**	**(2,500)**	
Total Sustainable Growth	**2,471,063**	**2,302,461**	**(168,602)**	

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Corporate Directorship

Service	Base Budget 2021/22 £	Base Budget 2022/23 £	Variance Base to Base £
Human Resources & Payroll	394,300	360,347	(33,953)
Registration Services	174,113	184,810	10,697
Corporate Leadership Team	701,068	704,386	3,318
Communications	201,983	248,983	47,000
Corporate Delivery Unit	164,828	187,312	22,484
Total Net Costs	**1,636,292**	**1,685,838**	**49,546**
Capital Charges	71,452	55,954	(15,498)
Support Service Charges In	388,260	463,070	74,810
Support Service Charges Out	(1,609,284)	(1,854,142)	(244,858)
Total Net Cost of Services	**486,720**	**350,720**	**(136,000)**

General Fund Service Area Budgets 2022/23

Corporate Directorship

	Base Budget 2021/22 £	Base Budget 2022/23 £	Movement £	Explanation for Major Variances
Human Resources & Payroll				
Gross Direct Costs	395,300	361,347	(33,953)	(£22,858) - Lower salary and oncosts. (£6,235) - Pension deficit funding.
Gross Direct Income	(1,000)	(1,000)	0	No Major Variances.
Support Service Charges	(394,300)	(360,347)	33,953	£6,810 - Higher recharge from Internal Audit. £5,130 - Recharge from Corporate Delivery Unit. (£18,083) - Lower recharges reflecting reduced service costs.
	0	**0**	**0**	
Registration Services				
Gross Direct Costs	217,113	186,310	(30,803)	Reduced canvass costs reflecting the loss of grant income.
Gross Direct Income	(43,000)	(1,500)	41,500	£35,000 Loss of IER funding. £7,000 No budget allocated for local elections.
Support Service Charges	121,740	165,910	44,170	Higher recharges of £23.840 from Customer Services and £4,550 from Internal Audit. The balance consists of minor variances.
	295,853	**350,720**	**54,867**	
Corporate Leadership Team				
Gross Direct Costs	701,068	704,386	3,318	£3,105 - Higher salary and oncosts.
Support Service Charges	(614,735)	(704,386)	(89,651)	£9,660 - Computer Recharges. £3,140 - Recharge from Estates. £23,600 - Recharge from Internal Audit. £3,200 - Recharge from Corporate Delivery Unit. (£24,530) - Reduced recharge from Legal Services. (£95,481) - Higher recharges reflecting higher service costs.
	86,333	**0**	**(86,333)**	
Communications				
Gross Direct Costs	201,983	253,547	51,564	£3,204 - Salaries and oncosts. £46,000 - Magazine production.
Capital Charges	71,452	55,954	(15,498)	Intangible Amortisation
Gross Direct Income	0	(4,564)	(4,564)	(£4,564) - Salaries charged to capital projects.
Support Service Charges	(273,435)	(304,937)	(31,502)	£6,290 - Recharge from Estates. (£38,562) - Higher recharges, reflecting higher service costs.
	0	**0**	**0**	
Corporate Delivery Unit				
Gross Direct Costs	164,828	187,312	22,484	£13,703 - Pension deficit funding. £15,000 - Subscription to LG Inform and Local Government Information Unit
Support Service Charges	(60,294)	(187,312)	(127,018)	Increased recharges reflecting higher service costs.
	104,534	**0**	**(104,534)**	
Total Corporate Directorship	**486,720**	**350,720**	**(136,000)**	

Scheme	Scheme Total Current Estimate £	Updated Budget 2021/22 £	Updated Budget 2022/23 £	Updated Budget 2023/24 £	Updated Budget 2024/25 £	Updated Budget 2025/26 £	Appendix C
Boosting Business Sustainability and Growth							
Rocket House	**77,084**	39,619	0	0	0	0	
Deep History Coast	**886,998**	5,000	0	0	0	0	
Collectors Cabin	**25,000**	24,686	0	0	0	0	
Cornish Way	**170,000**	162,667	0	0	0	0	
Fakenham Connect	**100,000**	99,668	0	0	0	0	
North Walsham Heritage Action Zone	**3,120,000**	1,765,886	863,500	307,250	0	0	
Public Convenience Improvements	**737,000**	524,873	0	0	0	0	
Unit 1 & 2, Surf Lifesaving School, Cromer Promenade	**55,000**	55,000	0	0	0	0	
Purchase of Property Services Vehicles	**25,000**	25,000	0	0	0	0	
Car Park Ticket Machine Replacement Programme	**275,000**	275,000	0	0	0	0	
Weybourne Car Park Public Convenience	**16,000**	16,000	0	0	0	0	
Fakenham Urban Extension	**1,800,000**	1,800,000	0	0	0	0	
	7,287,082	**4,793,399**	**863,500**	**307,250**	**0**	**0**	
Local Homes for Local Need							
Disabled Facilities Grants	**Annual programme**	1,000,000	1,000,000	1,300,000	1,300,000	1,300,000	
Compulsory Purchase of Long Term Empty Properties	**675,500**	184,823	0	0	0	0	
Community Housing Fund	**2,098,261**	885,160	477,167	0	0	0	
Provision of Temporary Accommodation	**1,740,560**	751,543	0	0	0	0	
S106 Enabling	**1,400,000**	500,000	300,000	300,000	300,000	300,000	
	5,914,321	**3,321,526**	**1,777,167**	**1,600,000**	**1,600,000**	**1,600,000**	
Climate, Coast and the Environment							
Cromer Coast Protection Scheme	**8,822,001**	1,773,092	1,743,092	0	0	0	
Coastal Erosion Assistance	**90,000**	48,797	0	0	0	0	
Coastal Adaptations	**247,493**	247,493	0	0	0	0	
Mundesley - Refurbishment of Coastal Defences	**3,221,000**	1,622,607	1,545,843	0	0	0	
Cromer Pier - Steelworks and Improvements to Pavilion Theatre	**1,740,783**	51,480	0	0	0	0	
Sea Palling Ramp	**10,000**	9,651	0	0	0	0	
Replacement of Flood Gates at Cable Gap Bacton, The Ship Bacton & Walcott Post Office	**45,500**	45,500	0	0	0	0	
Climate Change – Coastal Tools and Knowledge	**11,275**	11,275	0	0	0	0	
	14,188,052	**3,809,895**	**3,288,935**	**0**	**0**	**0**	
Quality of Life							
Steelwork Protection to Victory Pool and Fakenham Gym	**27,500**	27,467	0	0	0	0	
Fakenham Gym	**62,500**	62,500	0	0	0	0	
Splash Gym Equipment	**1,013,000**	502,534	0	0	0	0	
North Walsham Artificial Grass Pitch	**860,000**	848,868	0	0	0	0	
The Reef Leisure Centre	**12,697,000**	3,522,038	0	0	0	0	
Sheringham Enabling Land	**110,000**	110,000	0	0	0	0	
Refurbishment of Chalets in Cromer and Sheringham	**101,000**	60,000	41,000	0	0	0	
Green Road Football Facility	**60,000**	60,000	0	0	0	0	
	14,931,001	**5,193,408**	**41,000**	**0**	**0**	**0**	
Customer Focus and Financial Sustainability							

Administrative Buildings	**1,713,878**	12,559	0	0	0	0
Council Chamber and Committee Room Improvements	**89,000**	7,814	0	0	0	0
Purchase of Bins	**691,834**	80,000	80,000	0	0	0
User IT Hardware Refresh	**275,000**	111,763	55,000	0	0	0
Storage Hardware	**60,000**	17,567	0	0	0	0
Members IT	**65,000**	23,543	0	0	0	0
Electric Vehicle Charging Points	**248,600**	90,055	0	0	0	0
Waste vehicles	**4,500,000**	968,204	0	0	0	0
Backup Network Upgrade	**14,000**	14,000	0	0	0	0
Cromer Office LED Lighting	**60,000**	60,000	0	0	0	0
Fire Wall Replacements	**36,000**	3,512	0	0	0	0
Refurbishment of IT Training Room	**15,000**	15,000	0	0	0	0
Financial Management System	**150,000**	75,000	75,000	0	0	0
Planning S106 Software	**40,000**	40,000	0	0	0	0
Citizen App	**45,000**	1,850	0	0	0	0
	8,003,312	**1,520,867**	**210,000**	**0**	**0**	**0**
TOTAL EXPENDITURE	**50,323,768**	**18,639,095**	**6,180,602**	**1,907,250**	**1,600,000**	**1,600,000**

Capital Programme Financing

Grants	**5,815,771**	**4,678,935**	**1,392,500**	**1,300,000**	**1,300,000**
Other Contributions	**1,400,000**	**300,000**	**300,000**	**300,000**	**300,000**
Asset Management Reserve	**351,373**	**0**	**0**	**0**	**0**
Revenue Contribution to Capital (RCCO)	**0**	**0**	**0**	**0**	**0**
Capital Project Reserve	**707,348**	**0**	**0**	**0**	**0**
Other Reserves	**2,614,883**	**477,167**	**0**	**0**	**0**
Capital Receipts	**3,259,477**	**724,500**	**214,750**	**0**	**0**
Internal / External Borrowing	**4,490,243**	**0**	**0**	**0**	**0**
TOTAL FINANCING	**18,639,095**	**6,180,602**	**1,907,250**	**1,600,000**	**1,600,000**

CAPITAL BIDS - 2022/23 to 2025/26 SUMMARY

APPENDIX C2

Bid Title	Perm or One off	Prepared by	Sponsor	Total Estimated Project Costs	Estimated Costs				Funding Already Identified	Total Additional Funding Requested as part of Capital Budget	Annual Revenue Costs / (Income)	Comments
					2022/23	2023/24	2024/25	2025/26				
Sustainable Growth												
Loans to Housing Providers	O	Nicky Debbage/ Graham Connolly	Rob Young	**450,000**	150,000	150,000	150,000	0	0	450,000	0	To provide loans to housing organisations to ensure delivery of affordable homes.
Coastal Management Fund	O	Rob Goodliffe	Rob Young	**700,000**	100,000	150,000	200,000	250,000	0	700,000	0	Coastal Management fund, initially consolidating existing Sea Defence revenue and capital allocations to set up an ongoing fund to support programmed coastal management works.
Environment & Leisure												
Additional Bin Purchases	P	Scott Martin	Emily Capps	**80,000**	20,000	20,000	20,000	20,000	0	80,000	0	New and replacement wheeled bins, this is an extension of an existing budget.
Holt Country Park	O	Karl Read	Emily Capps	**150,000**	150,000	0	0	0	0	150,000	0	Installation of mains electricity at Holt Country Park to replace current diesel generator with cleaner alternative. This supports the Council's climate goals and improves the location of the Country Park as a leisure and wellbeing destination. This will also give opportunity to provide additional services such as onsite glamping.
People Services												
Poverty Dashboard	O	Trudi Grant/Lindsay Circuit	Karen Hill	**23,426**	23,426	0	0	0	23,426	0	0	The project will allow us to learn more about low-income families and the challenges facing them. We will be able to use charts and maps to accurately visualise the details, allowing us to track changes over time and create evidence to show what works, and what doesn't. We can also use the data and knowledge to set strategic objectives and define policy. The project will also allow us to analyse our data to identify vulnerable families, then deploy proactive initiatives to target support to them with pinpoint accuracy. Create engaging outreach campaigns and track how well our interventions have worked.
Finance, Assets & Legal												
CIVICA Open Revenues Module	O	Sean Knight	Cara Jordan	**11,090**	11,090	0	0	0	0	11,090	0	The "AutoSpars" module offers us the opportunity and additional functionality to issue our usual Magistrates Court summons to a defaulter, accompanied by an additional personalised document offering a "Spar" based on set parameters dictated by the authority. Provided the customer pays in line with the terms of the arrangement offered, the Court summons is prevented from progress beyond the obtaining of the Liability Order and this is then held in abeyance whilst continued payment compliance is monitored by other existing automated routines within the system.
Corporate Support												
Recruitment Software	O	James Claxton	Steve Blatch	**35,034**	35,034	0	0	0	0	35,034	0	The authority recieves some 600 - 800 applicants each year. It takes a member of the HR team 30 minutes to process each application; this is even if the applicant is not shortlisted for interview. Assuming 700 applicants, this is 350 hours/or nearly 9.5 weeks. Also, in this highly competitive recruitment market, its critical that our recruitment journey is strong. We need to be seen as modern and forwards thinking. When recruiting graduates, their expectation is to be able to apply direct from their smart phone or tablet.
Organisational Resources												
Printer Replacement	O	Kate Wilson	Sean Kelly	**48,000**	48,000	0	0	0	0	48,000	0	Acquisition of seven multi functional printers as existing printers are out of support
Network Hardware Replacement	O	Kate Wilson	Sean Kelly	**100,000**	100,000	0	0	0	0	100,000	0	Upgrade of core network and supporting cabinets as existing equipment is at end of warranty
Server Replacement	O	Hadley Connor	Sean Kelly	**60,000**	60,000	0	0	0	0	60,000	0	Upgrade of servers as existing are at the end of their useful life
Folding Machine/Laminator	O	Stuart Harber	Sean Kelly	**24,500**	24,500	0	0	0	0	24,500	0	Replacement of end of life equipment
Public Convenience Improvements	O	Russell Tanner	Sean Kelly	**200,000**	200,000	0	0	0	0	200,000	0	Removing any dated equipment with energy efficiency systems. Removing dated fittings and fittings and reducing reactive works
Fire Sensors Replacement	O	Russell Tanner	Sean Kelly	**150,000**	150,000	0	0	0	0	150,000	0	Installation of improved fire sensor system
Digital Mailroom Scanners	O	Stuart Harber	Sean Kelly	**20,000**	20,000	0	0	0	0	20,000	0	Replacement of out of date scanners which are out of support
Pier Theatre Drainage	O	Russell Tanner	Sean Kelly	**200,000**	200,000	0	0	0	0	200,000	0	Replace existing foul drainage system, reconfigure existing public convenience provision.

Total Capital Project Bids	**2,252,050**	**1,292,050**	**320,000**	**370,000**	**270,000**	**23,426**	**2,228,624**	**0**
	2,228,624	To be funded from NNDC Resources						

Potential Revenue Implications:				
Revenue Income	0	0	0	0
Investment Income Reduction and Minimum Revenue Provision	32,301	8,000	9,250	6,750
Total Estimated Revenue Impact	**32,301**	**8,000**	**9,250**	**6,750**

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Reserves Statement 2022-23 Onwards **Appendix D**

Reserve	Purpose and Use of Reserve	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 £	Budgeted Movement 2025/26 £	Balance 01/04/26 £
General Fund - General Reserve	A working balance and contingency, current recommended balance is £2.1 million.	**2,326,735**	(86,341)	0	**2,240,394**	(76,043)	**2,164,351**	(63,206)	**2,101,145**	0	**2,101,145**	0	**2,101,145**
Earmarked Reserves:													
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	**906,095**	0	0	**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.	**956,418**	(167,574)	0	**788,844**	5,466	**794,310**	5,466	**799,776**	10,466	**810,242**	10,466	**820,708**
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.	**730,748**	0	0	**730,748**	(32,303)	**698,445**	(8,877)	**689,568**	0	**689,568**	0	**689,568**
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	**176,529**	(28,876)	0	**147,653**	0	**147,653**	0	**147,653**	0	**147,653**		**147,653**
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.	**10,090,861**	324,058	(6,144,458)	**4,270,461**	(18,000)	**4,252,461**	(18,000)	**4,234,461**	(18,000)	**4,216,461**	(18,000)	**4,198,461**
Coast Protection	To support the ongoing coast protection maintenance programme ands carry forward funding between financial years.	**261,335**	(42,039)	0	**219,296**	(62,422)	**156,874**	0	**156,874**	0	**156,874**	0	**156,874**
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.	**796,350**	(275,000)	0	**521,350**	(275,000)	**246,350**	(275,000)	**(28,650)**	0	**(28,650)**	0	**(28,650)**
Delivery Plan	To help achieve the outputs from the Corporate Plan and Delivery Plan.	**2,914,166**	1,415,686	(24,032)	**4,305,820**	(2,117,608)	**2,188,212**	(577,865)	**1,610,347**	(61,708)	**1,548,639**		**1,548,639**
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	**155,621**	0	(10,000)	**145,621**	0	**145,621**	0	**145,621**	0	**145,621**	0	**145,621**
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	**53,000**	50,000	0	**103,000**	50,000	**153,000**	(150,000)	**3,000**	50,000	**53,000**	50,000	**103,000**
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	**101,984**	0	0	**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.	**227,565**	0	0	**227,565**	0	**227,565**	0	**227,565**	0	**227,565**	0	**227,565**

Reserves Statement 2022-23 Onwards

Appendix D

Reserve	Purpose and Use of Reserve	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	Budgeted Movement 2025/26	Balance 01/04/26
		£	£	£	£	£	£	£	£	£	£	£	£
Environment Reserve	To fund expenditure relating to the Council's Green Agenda.	**150,000**	0	0	**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.	**1,981,100**	(60,977)	(1,408,066)	**512,057**	(51,476)	**460,581**	0	**460,581**		**460,581**		**460,581**
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.	**2,516,351**	(328,010)	0	**2,188,341**	(544,192)	**1,644,149**	(517,411)	**1,126,738**	0	**1,126,738**	0	**1,126,738**
Land Charges	To mitigate the impact of potential income reductions.	**343,597**	0	0	**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.	**159,133**	(15,520)	0	**143,613**	(29,612)	**114,001**	(29,612)	**84,389**	0	**84,389**	0	**84,389**
Major Repairs Reserve	To provide provison for the repair and maintenance of the councils asset portfolio.	**0**	355,694	0	**355,694**	280,000	**635,694**	280,000	**915,694**	280,000	**1,195,694**	280,000	**1,475,694**
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	**279,864**	(97,471)	0	**182,393**	(160,000)	**22,393**	0	**22,393**	0	**22,393**	0	**22,393**
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	**200,355**	(88,258)	(36,826)	**75,271**	(12,446)	**62,825**	0	**62,825**	0	**62,825**	0	**62,825**
Pathfinder	To help Coastal Communities adapt to coastal changes.	**107,553**	(21,627)	0	**85,926**	0	**85,926**	0	**85,926**	0	**85,926**	0	**85,926**
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	**167,926**	36,728	0	**204,654**	0	**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	**265,836**	(265,836)	0	**0**	0	**0**	0	**0**	0	**0**	0	**0**
Property Company	To fund potetial housing development and property related schemes	**2,000,000**	(2,000,000)	0	**0**	0	**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.	**1,000,029**	40,654	0	**1,040,683**	130,453	**1,171,136**	0	**1,171,136**	0	**1,171,136**	0	**1,171,136**
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.	**1,898**	(1,898)	0	**0**	0	**0**	0	**0**	0	**0**	0	**0**
Treasury	To smooth impacts on the Revenue account of movement in fair value changes of the Councils holdings in Pooled Funds	**0**	500,000	0	**500,000**	0	**500,000**		**500,000**	0	**500,000**	0	**500,000**
Total Reserves		**28,871,047**	**(756,607)**	**(7,623,382)**	**20,491,058**	**(2,913,183)**	**17,577,875**	**(1,304,505)**	**16,273,370**	**310,758**	**16,584,128**	**372,466**	**16,956,594**

Financial Resilience Assessment – December 2021

This assessment has been undertaken using a draft Financial Resilience Toolkit which has been developed for use by Local Government organisations. This toolkit has been developed in the academic sector following extensive research (referenced in the main body of this report) and is being promoted by CIPFA.

The toolkit rates the ability of an organisation to respond to various external shocks (such as COVID 19 and Brexit) that would disrupt the environment in which the organisation operates and impact their financial position.

The toolkit requires respondents to rate organisational performance in a number of areas including:

Perceived Vulnerabilities – the extent to which an organisation has exposure to potential shocks, in this case focussing on financial vulnerability. Local government financial vulnerability can be considered as the result of both external (e.g. dependency on grants, undiversified revenues) as well as internal (e.g. debt financing, reserves) sources.

Anticipatory Capacities – the availability of tools and capabilities that enable organisations to better identify and manage their vulnerabilities and to recognise shocks before they arise, as well as to understand their nature, likelihood, timing, scale and potential impacts.

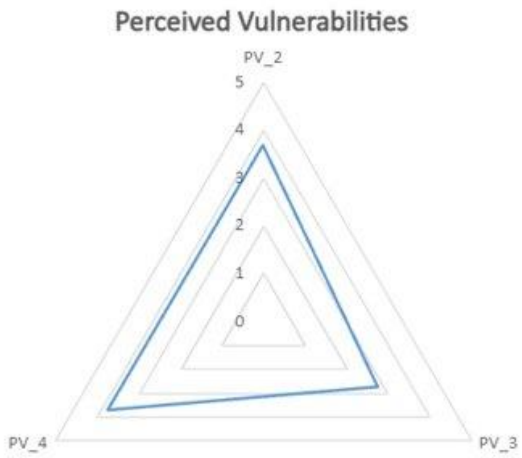
Coping Capacities – resources and abilities that enable organisations to face shocks and manage their vulnerabilities. 'Coping Capacities' also covers the abilities of organisations to adapt quickly, learn and apply new knowledge and collaborate internally and externally.

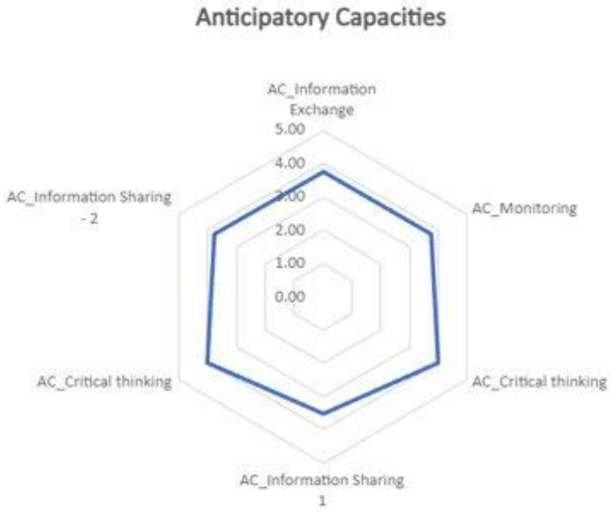
Areas that are scored as "below average" or similar represent areas for improvement. The COVID 19 pandemic response provided some recent evidence for the answers provided.

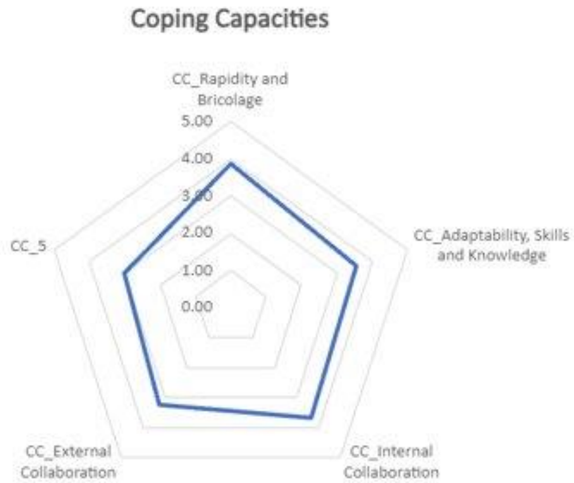
Area of Toolkit	**NNDC Assessment**
Organisational Performance	The performance of the organisation was considered "average" when compared to organisations of a similar size and scope, although scored "above average" in the areas of quality of service delivery and responsiveness of services. Feedback from external partners was used to make this assessment.
Perceived Vulnerabilities	The Council is exposed to considerable socio-demographic (for example, an aging population) and extreme weather related vulnerabilities, major infrastructure related vulnerabilities (for example poor road networks and availability of public transport) and moderate vulnerabilities in respect of regulatory constraints, socio-economic factors and other economic factors such as attractiveness of the area to businesses. Elements of financial capacity were considered broadly comparable to other similar authorities, but with vulnerabilities around the capacity to create our own income streams due to the nature of the area that the Council operates in.

	Although the Council experiences difficulties in balancing its budget each year following the continued reduction in Government funding, it was not considered that this is more of a concern than at other similar authorities.
Anticipatory Capacities	The Council has a good track record of reciprocal information sharing with other local authorities, external service providers and professional bodies. The Council's Corporate Delivery Unit monitor data in order that changes in the socio-economic environment can be tracked. Service Managers monitor changes in the technical and regulatory environments. There is an area identified for improvement around the monitoring of citizens needs and demands. The Council has a robust risk management process which allows risks associated with our vulnerabilities to be identified, along with their probability and scale of impact. The Council ensures that staff are aware of potential disruptions and engages in contingency planning to prepare to potential disruptions. Staff are encouraged to point to potential problems, challenge the way things are done, challenge assumptions and action plans. Staff have access to the information they need to respond to events, and information is shared quickly where required. Political decision makers are aware of the organisations vulnerabilities.
Coping Capacities	In times of crisis, the Council has a good track record of making timely decisions, quickly dealing with conflicts and reconfiguring resources where required. Challenges are dealt with by pooling collective knowledge and expertise and using any resources that may seem useful. Employees are allowed to explore alternative methods of service delivery to ensure that operations are sustained. The Council has built strong relationships with organisations that could support service provision in times of crisis. Collaboration with external partners is embedded. Staff members must be better supported to adapt quickly to changing circumstances. There are areas for improvement regarding the sharing of information and ideas across departments, and making collaborations across the organisation part of 'business as usual' activities.

Following this assessment, the Council's Management and Operational management teams will be tasked with producing an action plan to address any areas for improvement. This will be reported through a new budget monitoring framework or through the Council's existing performance management arrangements where appropriate.







Financial Resilience Assessment Results

These diagrams illustrate the comparative strengths and weaknesses of the Council as assessed through the Financial Resilience Toolkit by the Corporate Leadership Team.

Points towards the outer edges of the shapes represent areas of strength, and points towards the middle of the shapes represent areas for improvement.

Appendix F – Assumptions underpinning the Medium Term Financial Forecasts and Sensitivity Analysis

This Appendix sets out for each of the Council's external funding streams the assumptions made when preparing the medium term financial forecasts.

The central case, the case on which the current budget projections are based, is explained here, along with other alternatives considered. These central cases will be regularly reviewed in light of Government announcements and consultation responses, and are subject to change following those. An update will be provided when appropriate.

New Homes Bonus

Central Case – NHB will continue with one Year 12 payment (which attracts no legacy payments) in 2022/23 and a further year of legacy payments (relating to Year 9) in 2022/23, and then finish. There has been no indication of how a replacement scheme will operate, but DLUHC have committed to a continued incentive based scheme for housing delivery.

Alternatives considered

1. The NHB could continue for a further year into 2023/24. The scheme has already been extended twice as Local Government funding has been rolled over in one-year settlements, so there is a precedent for this. Previously Brexit negotiations and more recently the response to the COVID 19 pandemic had put plans for a new NHB system on hold. The likelihood of the NHB being extended for a further year is low, but if the energy of DLUHC is taken up by COVID in 202/23 to the extent it was in 2020/21 and 2021/22, this alternative becomes more probable. The timing of any consultation on a new system will give us clues as to how likely this will be.

New Homes Bonus MTFP Scenarios					
	Financial Impact (£)				*Probability*
Scenario	2022/23	2023/24	2024/25	2025/26	*(%)*
Central Case	**(886,575)**	**0**	**0**	**0**	**90%**
Alternative 1	(886,575)	(400,000)	0	0	10%

Council Tax

Central Case – The District portion of the Council Tax will be increased by £4.95 in each year of the MTFP. The taxbase growth over the next three years will be reduced due to the impact of COVID, due to slower property additions, higher levels of LCTS and a higher rate of non-collection.

Alternatives considered

1. No increase in Council Tax charge. Members may decide in the wake of the COVID crisis not to increase the District element of the Council Tax charge. This would increase our funding deficits in future years and unbalance the budget for 2022/23. This option has not been recommended by officers.

2. Council Tax charge is increased by £10. The District Councils Network have lobbied for several years to allow District Councils to raise their charge by £10 rather than £5, a reflection of the fact that for many Councils a £5 increase does not generate significant amounts of income. This option is not considered likely as it would require a change in referendum principles to allow the Council to do this without triggering a referendum.

Council Tax MTFP Scenarios					
	Financial Impact				*Probability*
Scenario	2022/23	2023/24	2024/25	2025/26	*(%)*
Central Case	**(6,512,466)**	**(6,813,458)**	**(7,121,713)**	**(7,437,376)**	**75%**
Alternative 1	(6,309,361)	(6,600,967)	(6,899,608)	(7,205,427)	20%
Alternative 2	(6,920,726)	(7,240,587)	(7,568,166)	(7,903,618)	5%

Revenue Support Grant

Central Case – Revenue Support Grant will continue in 2022/23 and then disappear, replaced by Retained Business Rates and backed by new funding formulae as part of the Fair Funding Review.

Alternatives considered

1. RSG could continue, but DLUHC have committed to the Fair Funding Review and replacing generic grant funding with Retained Business Rates. The continuation of RSG is only likely in the case of a further single year settlement. At the current time, we are expecting a multi-year settlement from 2023/24 as per DLUHC's advice, so do not consider this option likely.

Revenue Support Grant MTFP Scenarios					
	Financial Impact (£)				*Probability*
Scenario	2022/23	2023/24	2024/25	2025/26	*(%)*
Central Case	**(93,540)**	**0**	**0**	**0**	**85%**
Alternative 1	(93,540)	(93,540)	0	0	15%

Rural Services Delivery Grant

Central Case – Rural Services Delivery Grant will continue in 2022/23 and then disappear, replaced by Retained Business Rates and backed by new funding formulae as part of the Fair Funding Review.

Alternatives considered

1. RSDG could continue, but DLUHC have committed to the Fair Funding Review and replacing generic grant funding with Retained Business Rates. The continuation of RSG is only likely in the case of a further single year settlement. At the current time, we are expecting a multi-year settlement from 2023/24 as per DLUHC's advice, so do not consider this option likely.

Rural Services Delivery Grant MTFP Scenarios					
	Financial Impact (£)				*Probability*
Scenario	2022/23	2023/24	2024/25	2025/26	*(%)*
Central Case	**(507,661)**	**0**	**0**	**0**	**85%**
Alternative 1	(507,661)	(507,661)	0	0	15%

Retained Business Rates

Central Case – We are assuming there will be a full baseline reset in April 2023, and that each future baseline reset will be a partial one. Baseline resets act to redistribute above baseline growth, so high growth authorities (like District Councils) would do better from this system than one of full resets. The Government are keen to reward Councils for growing their rates base, so this seems a reasonable position to take.

We have used the 'spot' methodology for modelling baseline resets, and indexed rather than floating tariffs.

Alternatives considered

1. Floating tariffs could be used rather than indexed ones. This would return every authority back to baseline and generate a surplus across the Business Rates Retention Scheme. It is likely that this surplus would be redistributed back to the sector pro rata to Baseline Funding Level. This would effectively remove the financial incentive for authorities to grow their rates base and invest in their local economy, so we consider this an unlikely scenario.

2. Subsequent baseline resets could also be full resets rather than partial ones. This would cause some uncertainty around future funding levels, which is contrary to what DLUHC are trying to achieve. The sector have lobbied heavily against the implementation of full resets. For these reasons we think this scenario is unlikely.

The figures in this table represent payments projected from the damping mechanism and form part of the Business Rates Retention income on the General Fund Summary.

Retained Business Rates MTFP Scenarios					
	Financial Impact (£m)				*Probability*
Scenario	2022/23	2023/24	2024/25	2025/26	*(%)*
Central Case	**0.000**	**0.000**	**0.000**	**0.000**	**80**
Alternative 1	0.000	0.486	0.486	0.486	10
Alternative 2	0.000	0.000	0.000	0.000	10

<u>Fair Funding/Business Rates Retention Scheme Changes – Timing</u>

The Local Government sector had been expecting the FFR to be implemented in April 2020, with new allocations of funding based on needs and resources to be effective from the 2020-21 financial year. This has now been delayed multiple times; there has not been a consultation on the review since December 2018. The COVID 19 pandemic has fundamentally changed the way Councils provide services, such that the original work done on the assessment of a Councils need to spend may need to be revisited. This is a significant piece of work which will result in further delays. Our central case is that the FFR will be implemented in April 2024 due to the timing needed to consult before any proposals are agreed, but it could be done earlier or later than this. This is an area of significant uncertainty, and due to the materiality level of the figures involved, represents a key risk to the Councils financial position.

Alternatives considered

1. The FFR is implemented in April 2023. This is seen as less likely given the timescales for consultation.
2. The FFR is implemented in April 2025. This would then align with the start of the next Government Spending Review and also allow time for any proposed devolution to have taken place.

The timing does not necessarily materially affect the magnitude of funding changes, it only affects the financial year they relate to. We have based these assumptions on the nature of previous consultations and the steer from Central Government around which cost drivers and services may be favoured.

Fair Funding Review MTFP Scenarios					
	Financial Impact (£m)				*Probability*
Scenario	2022/23	2023/24	2024/25	2025/26	*(%)*
Central Case	**0.000**	**0.000**	**1.953**	**0.000**	**50**
Alternative 1	0.000	1.953	0.000	0.000	15
Alternative 2	0.000	0.000	0.000	1.953	35

Fair Funding Implementation - Damping

Central Case – We are expecting that there will be a damping system in place from the beginning of Fair Funding Review which will phase in changes to funding levels. Some individual authorities and types of authority more generally stand to lose a significant portion of funding from this review, and bringing in these changes abruptly could cause a structural funding problem for those Councils. When the system was last reset, a damping mechanism was in place (and still is), so we consider this to be a reasonable assumption. We have assumed that damping will be applied where the change in resources is greater than 5%.

Alternatives considered

1. DLUHC may wish to move to the new funding allocations, as they will be 'fairer', more quickly, and not damp changes to funding formulae.

The figures in this table represent payments projected from the damping mechanism and form part of the Business Rates Retention income on the General Fund Summary.

Fair Funding Review MTFP Scenarios					
	Financial Impact (£m)				*Probability*
Scenario	2022/23	2023/24	2024/25	2025/26	*(%)*
Central Case	**0.000**	**0.000**	**(1.063)**	**(0.301)**	**90**
Alternative 1	0.000	0.000	0.000	0.000	10

CAR PARK CHARGES – REVIEW

Summary:	Car parking income represents a significant income source to the Council and as such has a substantial contribution to make to the Council's longer term financial sustainability and helping to set and maintain a balanced budget. There are significant costs associated with a range of Council services which support the tourism economy, with provision of public conveniences, foreshore activities, parks, open spaces and woodlands representing a combined annual revenue spend in excess of £2.2m. It is appropriate for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience. These are all discretionary areas of spend but help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate. The current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible. Car park charges have not been increased since July 2016. This report considers the current car park fees and charges and provides the Cabinet with an opportunity to consider changes to the fee structure as appropriate. At their meeting on 12 January 2022 Overview and Scrutiny Committee were provided with an opportunity to pre-scrutinise the officer report to consider the range of potential options prior to any consideration by Cabinet and the recommendations from the Committee are therefore now included within this report for further consideration.
Options considered:	A number of options are considered within the report as follows; 1. Do nothing – the Council could opt to do nothing and not change the current fees and charges. 2. Alternatively the report considers a number of different proposals to fee structures for potential introduction from July 2022.
Conclusions:	As one of the Council's largest external income sources car parking charges have a significant contribution to make in terms of the Council's financial sustainability in the medium to long term. Financial Sustainability and Growth is one of six key themes within the Corporate Plan and links directly with objective 2.2 of the Delivery Plan. The Council incurs significant levels of expenditure on discretionary service areas which help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the

current financial climate. These costs cover a range of Council services which support the tourism economy, from provision of public conveniences, maintenance and operation of Cromer pier, foreshore activities, parks, open spaces and woodlands which represent a combined annual revenue spend in excess of £2.2m. It is appropriate therefore for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

There are clearly multiple variations on the possible range of pricing options and initiatives for car parks. Due to the nature of parking charges and for simplicity it is best to make any increases to the nearest 10p. Even a relatively modest annual increase of 3.5% from 2016 would have increased the hourly charge at our 'Coastal' car parks from £1.50 per to £1.84 (unrounded) by April 2022.

To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position and to strengthen day to day car park management to minimise losses by more timely resolution of machine breakdowns etc, Cabinet are invited to consider and comment on the issue of resource for improved management of the service.

The Overview and Scrutiny Committee have pre-scrutinised the officer report and their recommendations are included as part of this updated report for further consideration by Cabinet.

Recommendations:

Cabinet consider the options and proposals contained within this report and make recommendations to Full Council on;

- **the preferred way forward in terms of pricing changes so that these changes can be considered as part of the budget setting process for 2022/23 and inform the future financial strategy;**
- **changes to car park designations as outlined within the report;**
- **implementing any new pricing changes from July 2022 and instigating the Car Park order (CPO) consultation process;**
- **budgetary provision of £25k to cover implementation costs resulting from any changes.**

Reasons for Recommendations:

Car parking income represents a significant income source to the Council and as such has a substantial contribution to make to the Council's longer term financial sustainability and helping to set and maintain a balanced budget.

Car parking income needs to be considered against the context of our discretionary service provision which people value but which is often difficult to charge for, such as we public conveniences, the seafront environment and Blue Flag beaches, beach lifeguards, additional street cleansing, litter bins etc. It is becoming increasingly more difficult for the Council to continue to provide these services at the level expected by local residents, businesses and tourist visitors from Council Tax payers alone. Further to this it is not fair or equitable across the District as a whole and doesn't operate under the 'user pays' principle.

Car park charges have not increased since July 2016, there are a number of options that Members need to consider in relation to any potential changes to the car park fees and charges so that any alterations can be implemented through a new Car Park Order (CPO). Members of the Overview and Scrutiny Committee were given the opportunity to pre-scrutinise the officer report ahead of consideration and their recommendations are included now for further consideration.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

1. Introduction

1.1 The aim of this report is to present the findings of an options appraisal undertaken by officers for potential changes to car parking fees and charges and associated initiatives. It outlines the existing charging regime, presents some general information on car park usage and income comparisons and proceeds to discuss potential charging options.

1.2 Within the Corporate Plan and supporting Delivery Plan, Objective 2 under the 'Financial sustainability and growth' theme centres on 'taking, where appropriate, a more commercial approach to the delivery of discretionary services.' One of the Delivery Plan actions to help achieve this is set out under 2.2 and is to 'review the Car Parking Policy in order to maximise the revenue generated from car parking income.' This report considers ways in which the Council might best be able to achieve that objective.

1.3 Please note that due to the ongoing Covid pandemic and the impact this had on income figures for 2020/21, comparative information within this report focuses on the 2019/20 financial year.

1.4 The Council incurs significant levels of expenditure on discretionary service areas which help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate.

1.5 There are significant costs associated with a range of Council services which support the tourism economy, from provision of public conveniences, maintenance and operation of Cromer pier, foreshore activities, parks, open spaces and woodlands which represent a combined annual revenue spend in excess of £2.2m. It is appropriate therefore for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

1.6 Car parking income needs to be considered against the context of our discretionary service provision which people value but which is often difficult to charge for, such as we public conveniences, the seafront environment and Blue Flag beaches, beach lifeguards, additional street cleansing, litter bins etc. It is becoming increasingly more difficult for the Council to continue to provide these services at the level expected by local residents, businesses and tourist visitors from Council Tax payers alone. Further to this it is not fair or equitable across the District as a whole and doesn't operate under the 'user pays' principle.

1.7 Car park charges have not increased since July 2016. This report considers the current car park fees and charges and provides Cabinet with an opportunity to consider the range of potential options.

1.8 While officers appreciate the current financial pressures that our customers and residents are experiencing in terms of living costs, it needs to be recognised that the Council is also facing very similar cost pressures from increasing contract prices through to energy cost pressures.

1.9 There is a need for the Council to reach a sustainable medium to long term financial position and raising fees and charges for the range of services that the Council provides is one such way of helping to deliver this whilst protecting front line services.

1.10 Despite a favourable Provisional Settlement announcement for the 2022/23 financial year, the current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible.

1.11 As well as statutory core services the Council provides a range of non-statutory services. There are however significant costs associated with a range of Council services which support the tourism economy. The revenue budget for provision of public conveniences for example for the 2021/22 financial year is £0.7m with capital investment of c£1.2m since 2018. Similarly budgets for the foreshore activities, parks, open spaces and woodlands total approximately £1.5m.

These areas represent a combined annual revenue budget in excess of £2.2m and it is appropriate for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

1.12 There are clearly multiple variations on the possible range of pricing options and initiatives for car parks, some of which are presented within this report. It is within this context that Cabinet are asked to consider options and proposals for future charging arrangements and to make recommendations to Full Council regarding any changes as required.

2. Consideration by the Overview and Scrutiny Committee

2.1 At their meeting on 12 January 2022 the Overview and Scrutiny Committee were provided with an opportunity to pre-scrutinise the officer report to consider the range of potential options prior to any consideration by Cabinet and the recommendations from the Committee are therefore now included within this report for further consideration.

2.2 Following discussion around the options presented within the report the Overview and Scrutiny Committee made the following recommendations as outlined within the officer report, for further consideration by Cabinet;

- Option 1 (b) – consideration of increasing car park charges with the introduction of seasonal charging at coastal car parks
- Option 2 – consideration of season ticket increases
- In relation to the additional staffing recommended, the Committee stated that they would require further detail and understanding of what the posts would deliver and what the business case looked like before they were able to support the proposals

2.3 In relation to Options 1 (b) and Option 2, while the Committee were minded to increase charges, appreciating the current cost pressures the Council is facing and the need for tourists to help support the costs of the coastal infrastructure, this was on the basis of increases tied to the Consumer Price Index rises sine the charges were last increased back in July 2016.

2.4 Sections 3 onward are presented as per the report that went to the Overview and Scrutiny Committee for pre-scrutiny but the impact of the recommendations which were made in terms of potential income increases are summarised within the tables below.

2.5 In terms of CPI inflation over the last 6 years, the annual inflation figures have been taken as at July each year from the Office of National Statistics (ONS) and are as follows;

July 2017 - 2.6%
July 2018 - 2.3%
July 2019 - 2.0%
July 2020 - 2.1%
July 2021 - 2.0%
July 2022 - 5.1% (estimate based on current rate in November 2021)

2.6 These inflationary rates have then been applied to the current car park charges across the three car park tariff types to arrive at the potential hourly rates within the table below. This would result in the following potential new rates for the various car park types;

Standard car parks - £1.20 for 2 hours then 80p per hour thereafter (£6.00 24-hour ticket)
Resort car parks - £1.50 for the first hour then £1.20 per hour thereafter (£8.70 24-hour ticket)
Coastal car parks - £1.80 per hour (£9.00 24-hour ticket)
Coach parking - £11.70
Holt Country Park - £2.30

2.7 The table below shows what the charges would be across the 3 car park types based on these charges although tt would be sensible to put the round the coach ticket to £12 from £11.70 and the 7+ Resort ticket to £9 from £8.70. Seven day tickets will be based on the daily rates.

Option 1 (b) - seasonal charging linked to CPI rates for the last 6 years (uprated hourly car park charges)

Standard Car Parks

	30 mins	1 - 2 hrs	3	4	5	6	7	8+	Coach
£1.00 for 2 hrs then 70p per hr	£0.50	£1.00	£1.70	£2.40	£3.10	£3.80	£4.50	£5.00	£10.00
£1.20 for 2 hrs then 80p per hr (CPI)	**£0.60**	**£1.20**	**£2.00**	**£2.80**	**£3.60**	**£4.40**	**£5.20**	**£6.00**	**£11.70**
Ticket increase (cash)	£0.10	£0.20	£0.30	£0.40	£0.50	£0.60	£0.70	£1.00	£1.70

Resort Car Parks

	30 mins	1	2	3	4	5	6	7+	Coach
£1.30 for 1st hr then £1.00 per hr (current)	£0.60	£1.30	£2.30	£3.30	£4.30	£5.30	£6.30	£7.00	£10.00
£1.50 for 1st hr then £1.20 per hr (CPI)	**£0.70**	**£1.50**	**£2.70**	**£3.90**	**£5.10**	**£6.30**	**£7.50**	**£8.70**	**£11.70**
Ticket increase (cash)	£0.10	£0.20	£0.40	£0.60	£0.80	£1.00	£1.20	£1.70	£1.70

Coastal Car Parks

	30 mins	1	2	3	4	5+	Coach
£1.50 per hr	£0.60	£1.50	£3.00	£4.50	£6.00	£7.00	£10.00
£1.80 per hr	**£0.70**	**£1.80**	**£3.60**	**£5.40**	**£7.20**	**£9.00**	**£11.70**
Ticket increase (cash)	£0.10	£0.30	£0.60	£0.90	£1.20	£2.00	£1.70

2.8 The proposal in relation to the seasonal charging reflects freezing the prices at the coastal car parks during the months of November through to February inclusive (4 months). The first table below shows the projected income levels based on the forecast income levels **excluding the seasonal change** but based on the hourly charges outlined above. This shows the projected additional income, basing ticket prices on CPI increases, at c£321k pa.

Income growth projections vs current

	Current £000	Projected £000
Resort	921	118
Standard	269	30
Coastal	1,051	173
	2,241	321

2.9 The next table shows what the projected income levels would be based on the charging levels above but this time assuming that the charges at all Coastal car parks are frozen at current levels between the months of November – February inclusive.

Coastal income growth projections – Seasonal Variant

	Current £000	Seasonal £000
March - Oct	949	158
Nov - Feb	102	3
	1,051	161
Non-seasonal increase		173
Variance		-13

2.10 The table shows that the impact of introducing the seasonal reduction for four months over the winter reduces the anticipated income by c£13k based on current projections.

2.11 As with the hourly car park ticket tariffs the short and long term season ticket prices have been similarly increased by the CPI figures with the potential updated ticket rates shown within the table below.

Option 2 - seasonal tickets linked to CPI rates for the last 6 years	Short 3 m	Short 6 m	Short 12 m	Long 3m	Long 6m	Long 12m
Current price	£16	£31	£56	£66	£122	£204
CPI increase	**£19**	**£36**	**£66**	**£77**	**£143**	**£239**
Ticket increase (cash)	£3	£5	£10	£11	£21	£35

2.12 The CPI inflationary ticket price increases have been applied to the forecast ticket sales and these changes would result in a projected increase of £48k pa based on current forecasts when compared to the current budget as can be seen within the table below.

	Short 3 m	Short 6 m	Short 12 m	Subtotal	Long 3m	Long 6m	Long 12m	Subtotal	Total
CPI ticket increases	*£19*	*£36*	*£66*		*£77*	*£143*	*£239*		
	10	13	142	**165**	32	19	108	**158**	**323**
								Extra income	48

2.13 The CPI inflationary ticket price increases for Holt Country Park would increase the ticket price from £2.00 to £2.30 and would result in additional income of just over £4k based on current usage levels.

2.14 The table below brings all of the above together to summarise the position and shows the net projected increase in income based on the recommendations made by the Overview and Scrutiny Committee of c£361k pa.

Income growth projections based on O&S recommendations	£000	£000
Pay & Display Ticket Income		
Resort	118	
Standard	30	
Coastal	173	
Coastal - seasonal	-13	
Holt Country Park	4	
		313
Season Ticket Income		
Season tickets - short stay	25	
Season tickets - long stay	23	
		48
	361	**361**

3. Background

3.1 North Norfolk District Council (NNDC) owns 32 car parks, 30 of which operate a pay and display (P&D) scheme. The remaining two facilities are; a car park on Midland Road, North Walsham (which is leased to and operated by North Walsham Town Council on a free basis) and a 'season ticket only' car park at Hall Staithe, Fakenham.

3.2 There are a number of components to the service which are managed party by NNDC, and, since 2010, partly through a shared working arrangement with the Borough Council of King's Lynn and West Norfolk who cover enforcement and cash collection on our behalf.

3.3 Car park income in North Norfolk has a seasonal bias with the majority of the income derived between May-September, particularly during peak holiday periods. This is particularly the case for the Resort and Coastal tariff car parks which provide key facilities for visitors during the summer season.

3.4 The car park fees and charges were last reviewed in June 2015 and subsequently changed in July 2016 and had not been increased since April 2012 prior to that. Parking charges currently apply from 8 am to 6 pm. Our Car Park leaflet provides further information on charges and season ticket prices.

3.5 Operating costs for the Council's car parks for the 4 years to 2019/20 are shown below, the net income position has consistently been around £1.6m over this period.

Subjective heading	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Budget £000
Premises	403	388	472	467
Supplier & Services	305	327	349	378
Support Services	204	257	182	172
Capital Financing Costs	24	33	156	28
Income	(2,613)	(2,626)	(2,734)	(2,655)
Net Income	(1,677)	(1,621)	(1,576)	(1,609)
Enforcement Income (already taken into account but identified here for information)				
	(87)	(71)	(88)	(49)

Explanation of categories
Premises *Relates to business rates, on-going and ad-hoc minor repairs and maintenance*
Supplies and Services *Relates mainly to the enforcement payments made to the Borough Council of Kings Lynn & West Norfolk*
Support Services *A percentage of internal back office/support costs incurred to run this service*
Capital charges *General capital charges relate to depreciation which in the case of car parks will only be for the equipment (ticket machines)*
Income *Pay and display income (cash and credit cards), season ticket/permit sales, penalty charge income and market recovery*

3.6 The gross budgeted income across all car park income streams and outturn figures (excluding VAT) for the last 5 years can be seen within the table below. As can be seen above the impact of the lockdown due to the Covid pandemic during the 2020/21 financial year had a significant effect on the car park income levels and resulted in a reduction of c£0.7m compared to the budget.

3.7 The gross income forecast from car parks across the district for 2021/22 is £2.7m (excluding VAT). The net budget after taking account of all running costs is £1.6m and as such this service area represents a significant income stream for the Council. This assumes full recovery to post Covid income levels and usage and does not take account of any further lockdown periods during the year.

Car park income figures for the last 5 years

	Actual (£m)	Budget (£m)	Variance (£m)	Notes
2017/18	2.6	2.7	0.1	
2018/19	2.7	2.7	0	
2019/20	2.7	2.7	0	
2020/21	2	2.7	0.7	*Covid
2021/22	-	2.7	-	

3.8 As mentioned above gross budgeted income for 2021/22 (excluding VAT and internal recharges) totals £2.7m and is split as follows:

	(£000)
Cash/credit card payments in P&D machines	£2,361
Penalty Charges	£70
Season Tickets	£263
Other income/rentals	£ 40

3.9 As at period 6 (end of September 2021) the car parking income is £152k up against the year to date budget for 2021/22 with a full year effect of £80k currently being forecast once additional business rates costs have been taken into account.

3.10 The Council made a £250k investment in a scheme to deliver 40 electric vehicle charging points (EVCPs) across a range of Council car parks. This scheme is now complete with EVCPs installed in NNDC owned car parks in Sheringham, Cromer, Holt, Fakenham, Wells and North Walsham as well as some at the Council offices in Cromer.

3.11 Despite a favourable Provisional Settlement announcement for the 2022/23 financial year, the current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible.

3.12 There is a significant cost associated with a range of Council services which support the tourism economy. The revenue budget for provision of public conveniences for example for the 2021/22 financial year is £0.7m with capital investment of c£1.2m since 2018. Similarly budgets for the foreshore activities, parks, open spaces and woodlands total approximately £1.5m. These areas represent a combined annual revenue budget in excess of £2.2m and it is appropriate for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

3.13 These are all discretionary areas of spend but help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate.

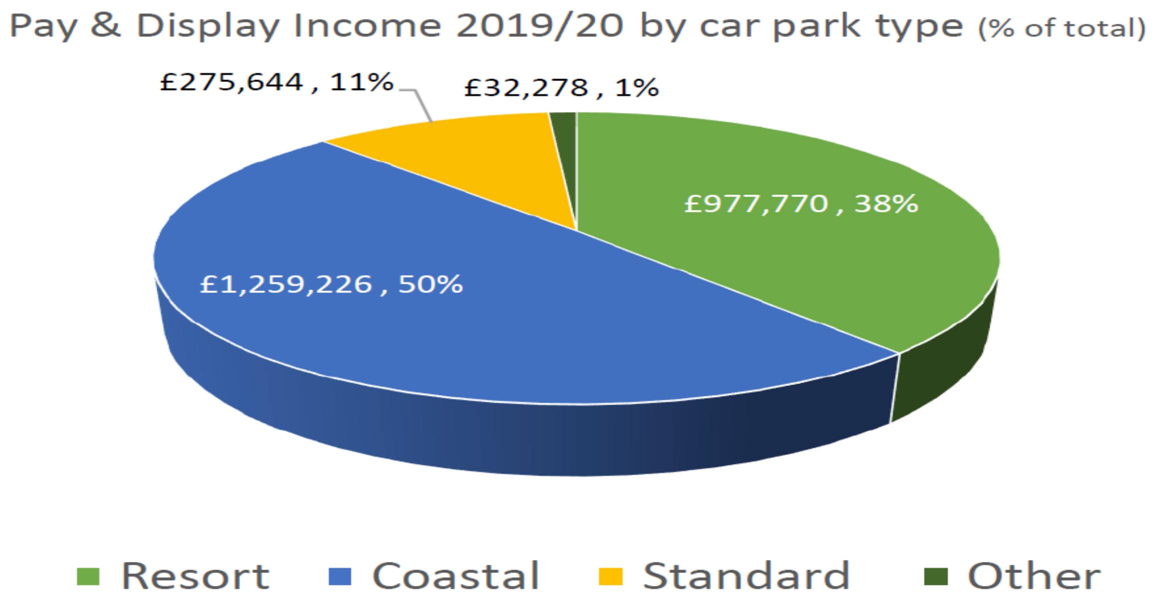
3.14 A significant element of the car parking income is generated from the seaside resorts during the peak holiday periods and the 6 weeks of the summer when the district sees a huge influx of holiday makers from outside the area. These visitors get to enjoy our Blue Flag beaches and our parks and open spaces without making any contribution to their upkeep and car park charges are a way to provide a contribution towards the continuance of these vital services which significantly support the visitor experience.

4. Current Charging Regime and Performance Data

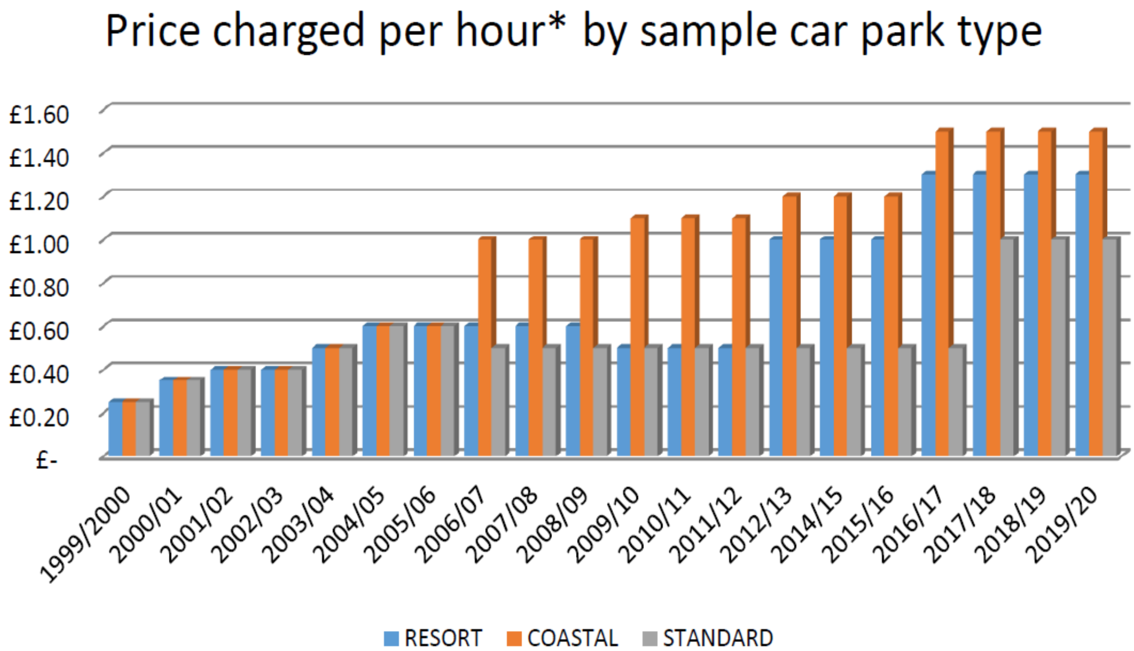
4.1 Current car park charges in North Norfolk reflect different types of car parks, but in summary are as follows (where available coach parking is £5 for up to 4 hours and £10 for 24 hours);

Tariff Type	8am to 6pm	30 minutes	24 hour
Standard	£1.00 for two hours, then £0.70 for every additional hour thereafter.	£0.50	£5.00
Coastal	£1.50 per hour.	£0.60	£7.00
Resort	£1.30 for the first hour, then an extra £1 for every additional hour thereafter.	£0.60	£7.00
Holt Country Park	£2.00 per all-day ticket.		

4.2 Of the 30 facilities operated on a P&D basis, 11 operate on a 'Standard' tariff, 11 on a 'Coastal' tariff, 8 on a 'Resort' tariff with Holt Country Park having its own pricing structure. Around 50% of the income is generated from the Council's 11 'Coastal' car parks as per the chart below. Previously the Council operated a £1 evening charge for parking after 6pm which generated c£90k pa, however this was removed from all car parks in November 2014.

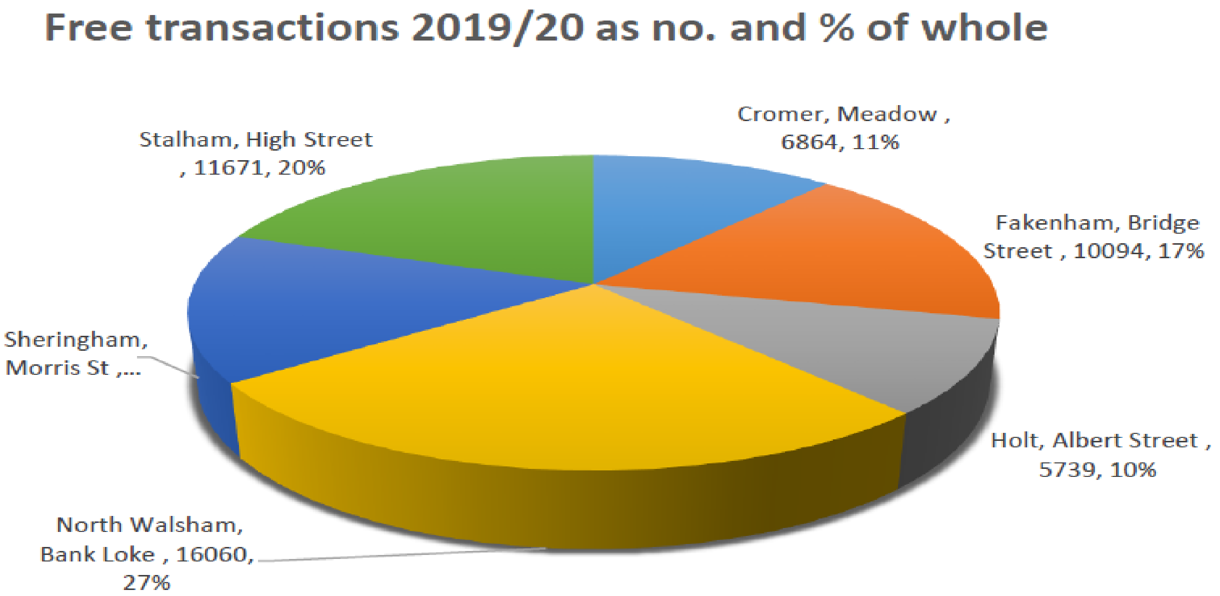


4.3 This chart shows how the P&D charges have increased over the last 20 years.

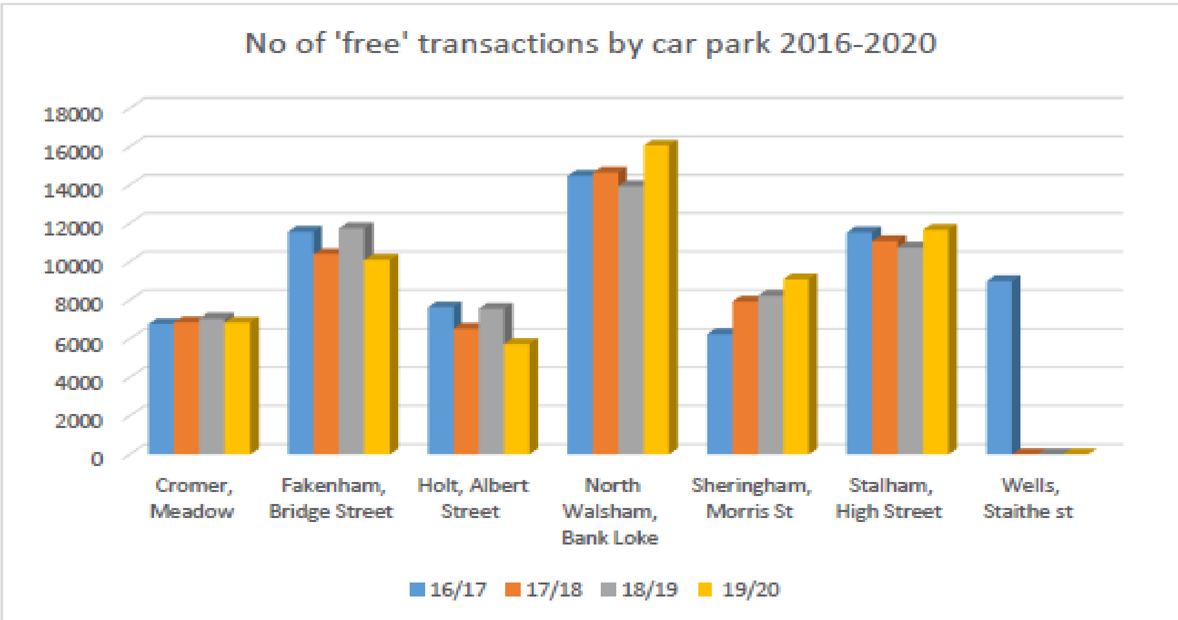


4.4 There are 3 free 30-minute parking bays available in each of the seven market towns. These are situated at the following car parks and the usage split can be seen within the chart below:

- Cromer – Meadow
- Fakenham – Bridge St
- Holt – Albert St
- North Walsham – Bank Loke
- Sheringham – Morris St
- Stalham – High St
- Wells – Staithe Street (non-operational for a number of years due to Maltings works)

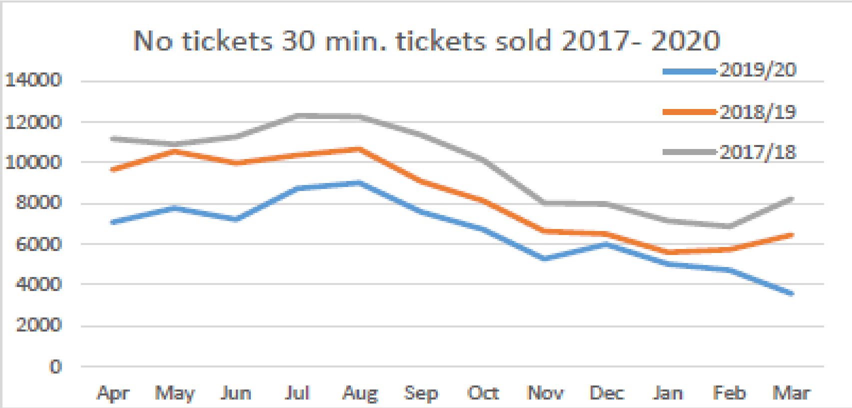


4.5 The chart below shows the pattern of usage across the 7 towns over the last 4 years.



<u>30-minute short stay tickets</u>

4.6 In 2012 a '50p for 30 minutes parking' tariff was introduced across all NNDC P&D car parks to accommodate those undertaking short stays and this charge has since been increased slightly to 60p for coastal and resort car parks. The trend in use of this ticket type is declining, reducing from a peak of nearly 160k in 2014/15 to 79k in 2019/20 representing almost 50%.



This indicates this tariff band is predominantly used by local people with only minor fluctuations during the peak holiday periods.

Since 2016, there has been a steady fall in the sale of 50p tickets.

	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2014/15	11,441	12,721	14,386	13,740	14,262	11,917	11,061	14,965	17,009	13,216	12,884	11,588	159,190
2015/16	10,626	11,231	13,914	12,458	14,744	13,313	10,951	10,376	8,515	7,604	10,355	10,063	134,150
2016/17	10,130	10,435	10,371	13,202	13,252	11,548	9,420	9,421	9,296	7,447	7,584	9,734	121,840
2017/18	11,169	10,907	11,263	12,312	12,255	11,351	10,143	8,011	7,974	7,131	6,863	8,223	117,602
2018/19	9,660	10,559	9,986	10,364	10,660	9,067	8,139	6,638	6,482	5,601	5,729	6,455	99,340
2019/20	7,066	7,764	7,212	8,735	9,010	7,583	6,711	5,259	5,982	5,017	4,718	3,567	78,624

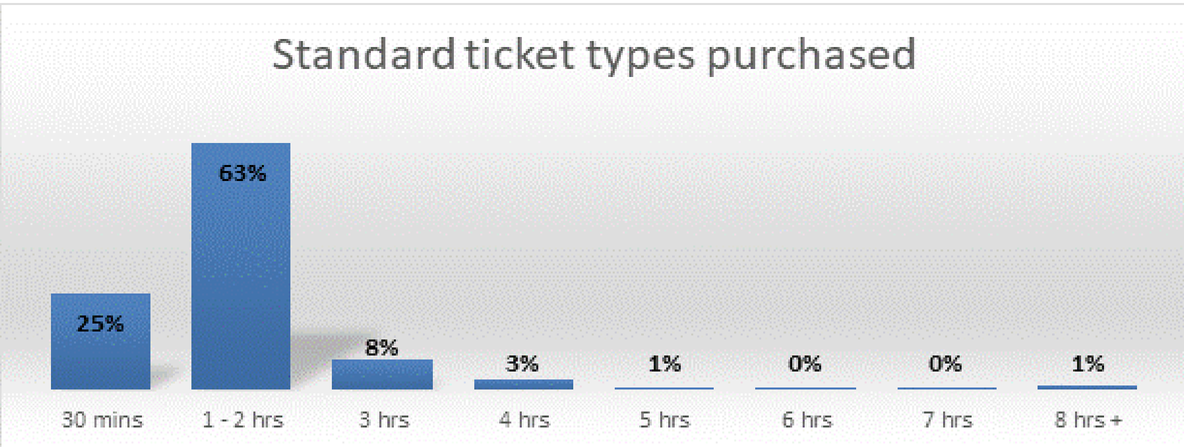
Whole day parking

4.7 In 2012 a £5 ticket for 24-hour parking was introduced across all car parks. In 2016/17 the 24-hour ticket price was increased to £7 for both Coastal and Resort car parks. Ticket numbers sold clearly reflect this option being predominantly used in July and August (41% 2019/20), suggesting it is popular with tourist/day trippers to the area and that sales remain fairly buoyant.

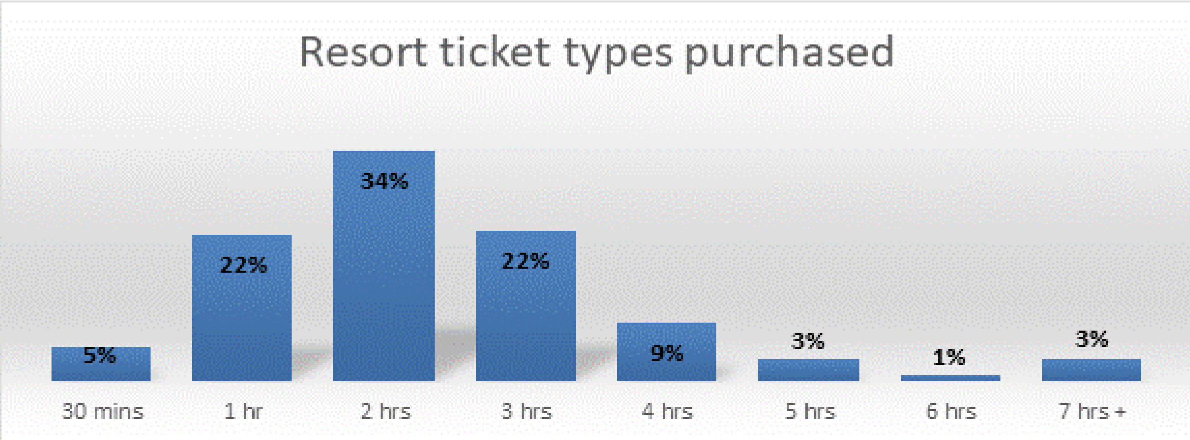
	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
2014/15	3,926	6,520	5,585	10,913	17,075	5,307	3,270	1,854	1,801	1,251	1,459	2,178	61,139
2015/16	4,416	6,513	6,142	11,172	21,375	5,493	3,868	1,889	2,031	1,687	2,252	3,498	70,336
2016/17	4,074	7,008	5,726	7,814	12,976	4,367	2,816	2,000	2,312	1,556	1,952	2,450	55,061
2017/18	3,596	4,416	4,504	6,159	14,350	4,978	3,538	1,196	1,869	1,776	2,094	2,117	50,583
2018/19	3,635	7,015	5,176	11,224	15,049	3,805	3,488	2,008	2,208	2,027	2,675	2,832	61,142
2019/20	5,352	5,296	5,675	8,736	15,788	5,466	3,399	2,057	2,409	2,234	2,131	1,785	60,328

Ticket types purchased

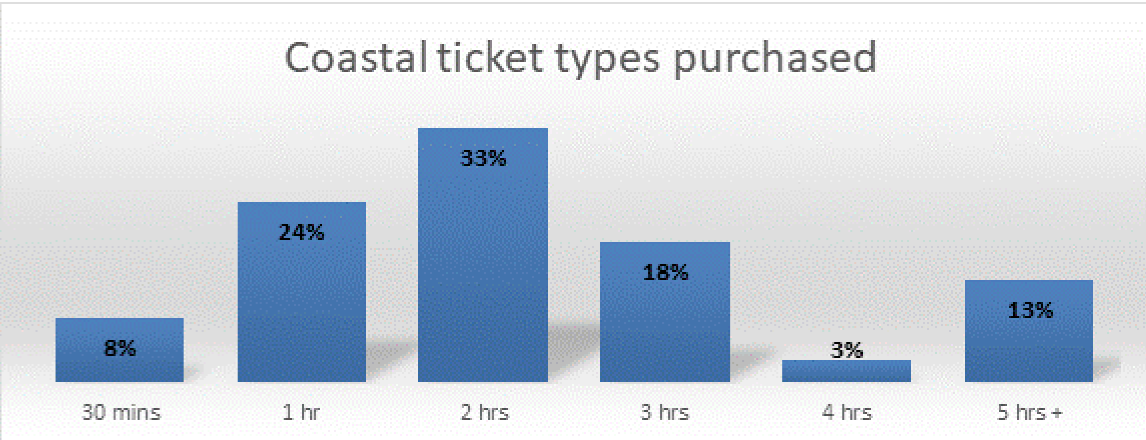
4.8 In total approximately 1.1m tickets are purchased annually, with roughly 0.3m of these relating to Standard car parks, 0.4m Resort and 0.4m Coastal. The split of ticket types purchased between the different classifications of car parks can be seen within the charts below.



4.9 Ticket purchases for Standard car parks are focussed predominantly at stays of 2 hours or less which represent 88% of sales. Sales for 4 hours or more only represent around 5% of total ticket sales. Members could consider a maximum charging regime for this type of car park of 3 hours, with the 3-hour ticket representing the maximum charge due to the ticket sales for 4 hours or more being comparatively low. This could encourage longer stays in these towns (North Walsham, Fakenham and Stalham) and would not significantly impact on income levels which would reduce by c£35k based on future projections, although this could be partly offset by any increased charges for the first 3 hours.



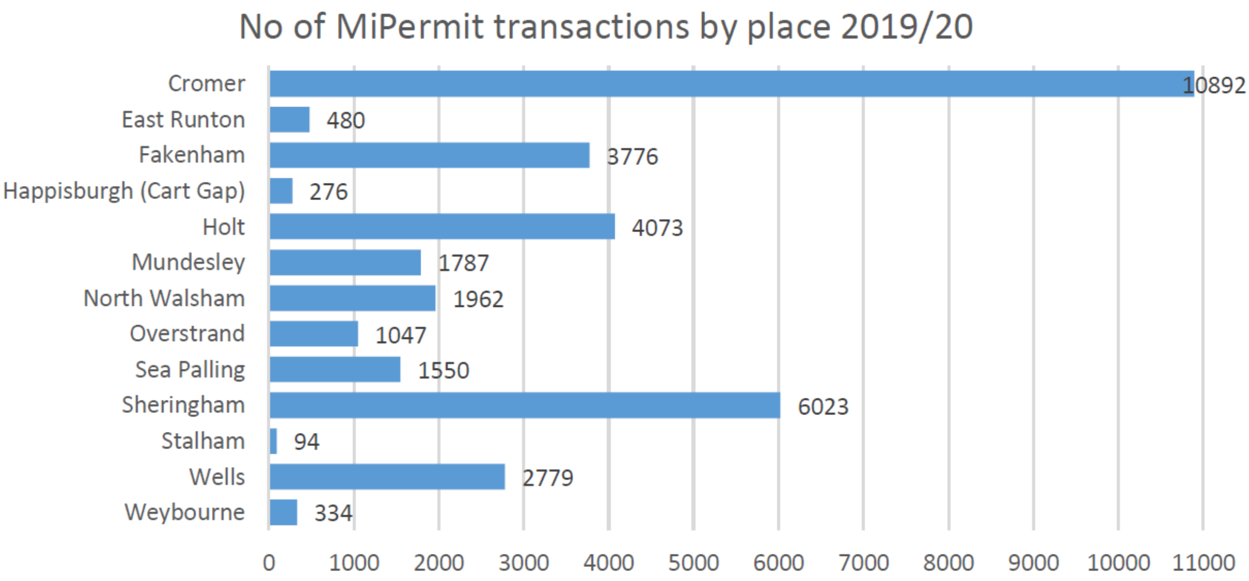
4.10 The pattern of Resort ticket purchasing differs from Standard car parks, reflecting slightly longer average stays with 84% of purchases being for 3 hours or less. Interestingly the 30-minute ticket is purchased far less often (5%) when compared to the Standard car parks (25%) which again suggests a far higher level of short stays at the Standard car parks.



4.11 As with the Resort car parks, 84% of the ticket purchases for Coastal car parks are for stays of 3 hours or less. However, there is a significant level of tickets purchased for 5 hours of more (13%) which effectively represents the 24 hour stay, reflecting longer stays/day trips. The level of 4 hour tickets purchased (3%) is probably reflective of the fact that currently the 4-hour ticket costs £6 whereas for an additional £1 you can purchase a 24-hour ticket (£7).

Cashless Parking (MiPermit)

4.12 In 2018 a cashless parking system was introduced which allowed users to download an app (MiPermit) and pay for their parking via text using a credit or debit card. This system is connected to the enforcement team who can check validity of ticket purchases. This system has become increasingly popular (as can be seen from figure 8 below), particularly in the peak summer periods. We anticipate that with ongoing Covid concerns, cashless payments will become increasingly popular.

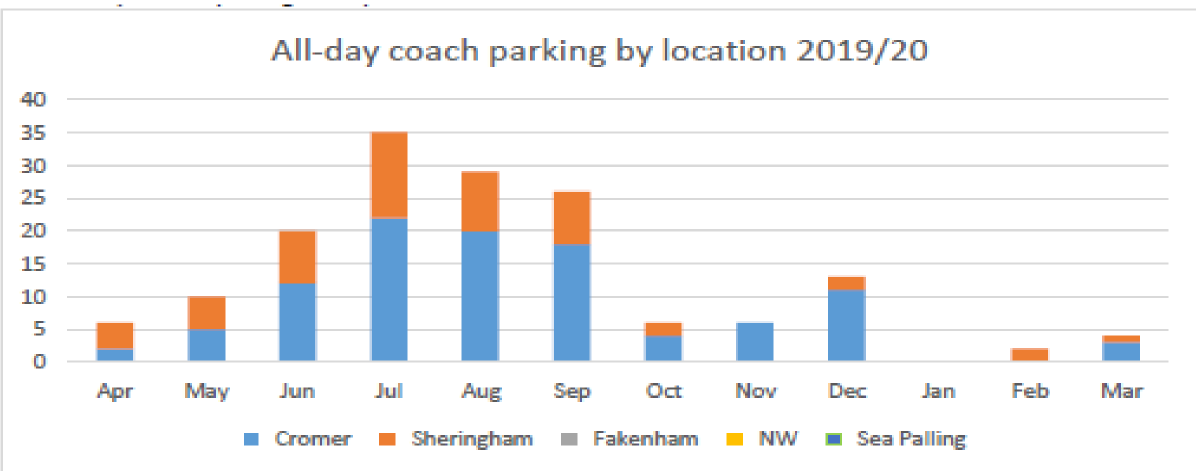


4.13 The Council's car park ticket machines are also fitted with cashless card sensors which enable customers to pay for parking with debit/credit cards which, like the MiPermit system, provides customers with added flexibility and convenience in terms of payment mechanisms.

4.14 Both these systems have the added benefit of reducing the costs of cash processing and the risk of vandalism so the Council will continue to promote these payment methods as being the most convenient for customers.

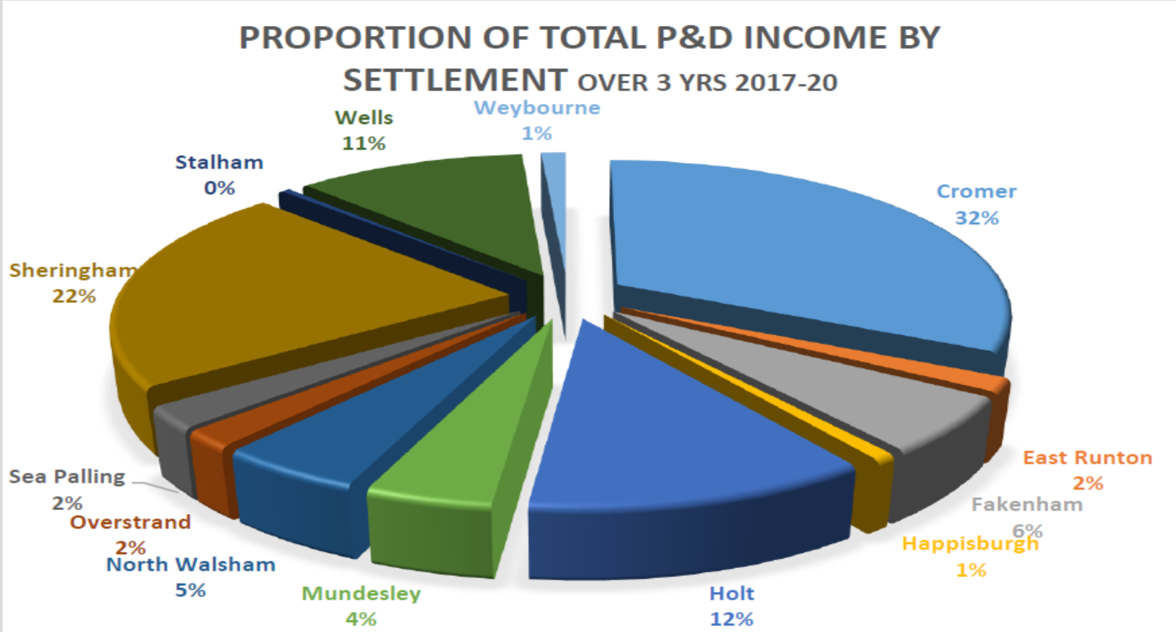
Coach parking

4.15 There are five car parks that offer coach parking (Station Approach Sheringham, Cadogan Road Cromer, Vicarage Street North Walsham, Clink Road Sea Palling and The Limes Fakenham). Coaches have the option of two tariffs: £5 for up to 4 hours and £10 for 24 hours. Figures for 2019/20 indicated no all-day coach parking tickets were purchased in Sea Palling or Fakenham although Fakenham coach bay was only opened in late 2019. In North Walsham 1 ticket was purchased through MiPermit. Purchases for 2019/20 are shown in the chart below.



Income by resort/town

4.16 The majority of car parking income comes from our seaside resorts/visitor destinations with 77% of the income in 2019/20 coming from these towns (Cromer, Sheringham and Wells) and Holt. The chart below illustrates the share of the average car park income over a three-year period.



Seasonal variations

4.17 Car park income is very seasonal with over 70% of the annual income being derived from the period April – September and 84% if you add March and October which are getting busier each year. Inevitably, it is very weather dependent, especially in the seaside resorts and coastal villages. The six weeks of the school summer holidays are crucial with for example, with 60% of income at Sea Palling coming from the months of July and August alone.

4.18 The highest earning car parks are those in resort towns which benefit from all year use as well as high summer use ie The Meadows (Cromer), Station Approach (Sheringham) and Albert Street (Holt). The seasonal prevalence is especially high as would be expected in coastal and then resort car parks with those designated as 'standard' having a fairly even usage across the year as shown within the table below.

2019/20	**March - Oct**	**Nov - Feb**	
Coastal	92%	8%	100%
Resort	79%	21%	100%
Standard	69%	31%	100%
Overall split	**84%**	**16%**	**100%**

Season tickets

4.19 Season tickets represent excellent value for money for people who park in our towns on a regular basis for work, shopping and leisure. Income from season tickets is currently at around £270k pa but has steadily increased over the past 5 years (c.37%), having seen only very small increases in price (2016 - just a £4 increase to the £200 charge), recognising the value these provide at £204 for a 12 month 24-hour ticket, this represents a cost of just £0.55 per day.

24-Hour Season Tickets

4.20 These tickets allow 24-hour, 7 days a week parking. Their use is restricted to car parks that are considered suitable for long-term parking and exclude Cromer (Meadow Road), Holt (Albert Street), Sheringham (Chequers), Sheringham (Morris Street) and Wells (Staithe Street). The current charges for 24-hour season tickets are as below.

7 Day Ticket	£28	Purchased from the car park ticket machines
3 Month Ticket	£66	Registration specific, purchased from NNDC
6 Month Ticket	£122	Registration specific, purchased from NNDC
12 Month Ticket	£204	Registration specific, purchased from NNDC

4.21 The 7-day ticket works out at £4 per day so there is potentially scope to consider increasing this to £5; £6 or £7.50 per day if the general daily charges are otherwise increased. These ticket types will predominantly be used by tourist visitors staying in self-catering and B&B accommodation or even camping and wanting to access the beach every day. At £5 per day this ticket type would cost £35 but that would still represent a £35 saving if daily charges at coastal car parks were increased to £10 for example.

4.22 Many Long Stay Season Tickets are purchased by local residents in town centres who live in terraced housing or flats and don't have private off-street parking and also by people who work in town centre retail and commercial businesses. Having bought a season ticket these can then be used at designated car parks at weekends at no additional cost.

4.23 Around 70% of 3 month tickets are purchased by people with a North Norfolk post code, and this increases to around 72% for the 6-month ticket and 84% for the 12-month ticket. Some of these purchases are however undoubtedly for second home owners and holiday lets as opposed to local residents.

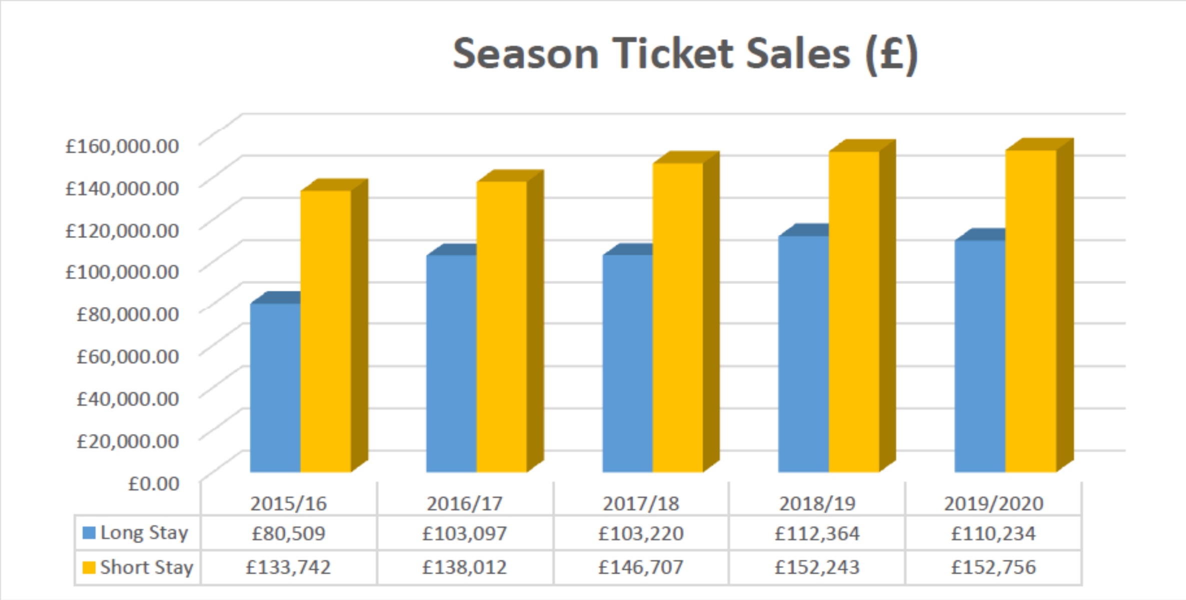
3-Hour Season Tickets

4.24 These season tickets allow up to 3 hours parking on any one car park on any one occasion, being designed for shoppers or those requiring regular short-term parking. The ticket consists of a manual dial that users set at the time they park the vehicle, enabling Kings Lynn's car parking enforcement personnel to enforce where necessary.

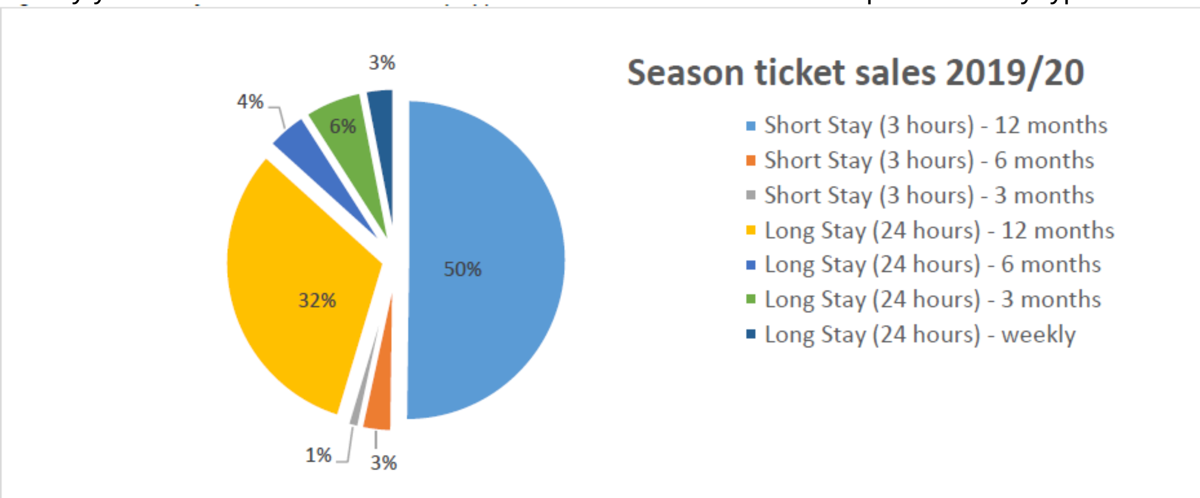
4.25 Any vehicle using this season ticket must be moved from the car park before the duration has expired. The same vehicle cannot return to the car park within two hours, but may park on an alternative NNDC car park for another three hours if required. The current charges for 3-hour season tickets are as below along with income levels for previous years.

3 Month Ticket	£16
6 Month Ticket	£31
12 Month Ticket	£56

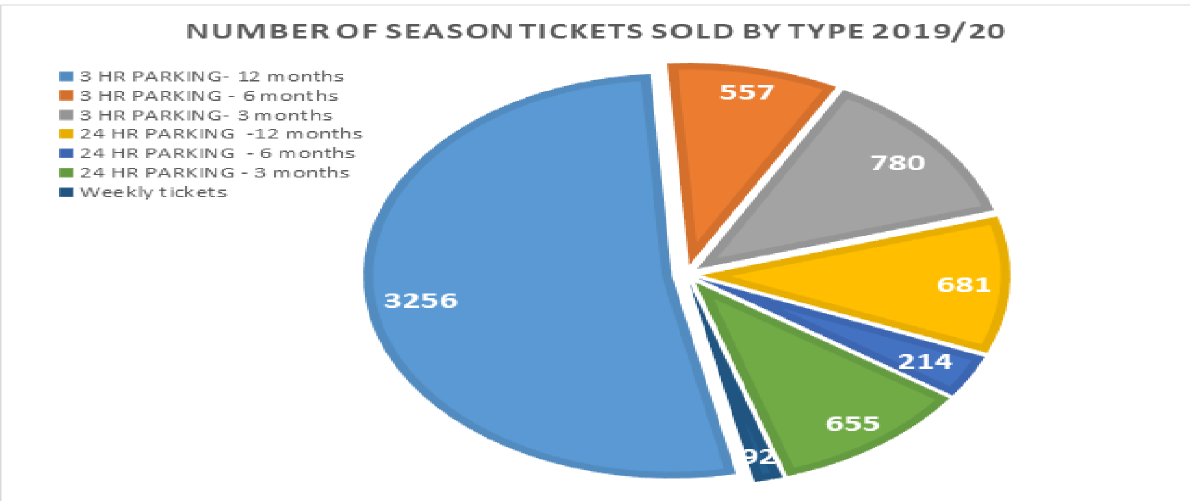
4.26 Around 55% of 3 month tickets are purchased by people with a North Norfolk post code, and this increases to around 50% for the 6-month ticket and 88% for the 12-month ticket. Some of these purchases are however undoubtedly for second home owners and holiday lets as opposed to local residents.



4.27 The most popular season tickets are short stay (3hr) tickets contributing to around 58% of total sales income, with 50% of those sales being for 12-month season tickets currently costing £56 each. There is a gradual shift to increased sales in 'long stay' ticket sales of about 1-2% more every year. The chart below shows the breakdown of season tickets purchased by type.



4.28 The chart below shows the breakdown of season tickets purchased by type as opposed to income generated.



Comparisons with other locations

4.29 Similar coastal resorts in Norfolk have the following charges:

Resort	Per hour	Winter Rates	Season tickets
Hunstanton car parks	Range from £1.80 - £4.00 and then £5.00 for 3 hours All day £7.00 Peak 1 July – 31 August	The same as summer except all day £6.00 Off-peak 1 September – 30 June	Details are here of various options at Hunstanton Car Parks. There are various options but the main annual permit costs £220 although there are exclusions.
Kings Lynn	Short term – range from £1.80 per hour up to £4.70 for 5 hours (8:00am until 4:59pm) with a £2.00 evening charge (5:00pm – 07:59am) Long term – Before 10:00 am – £2.80 After 10:00 am – £3.60 £2.00 evening charge (5:00pm – 07:59am)	All year round charge remains the same for all car parks	The details of the long-term season tickets can be found here, with an annual 24 hour ticket costing £400 or a monthly alternative at £40. Short term ticket information can be found here and the cost for an annual permit is £800 with no monthly option.
Great Yarmouth seafront	Summer £2.50 per hour, £5.00 for 2 hours then £3.30 per hour thereafter British Summer time – 31 October (ie last Sunday in March)	Winter £1.50 per hour Winter 1 November – start of British summer time (ie last Sunday in March)	Details are here of various options at Great Yarmouth Car Parks. Broadly speaking permits range from 3-day (£13.50, 8-day (£32.00) and monthly (£65.00). The monthly permit equates to £780 pa.
Great Yarmouth long stay	4 hours for £6.00, £9.30 for over 4 hours Summer 1 April – 31 October	Winter Closed 1 Nov – 31 March	As above.
Caister Beach Road	£1.00 per hour Summer 1 April – 30 September	Free Winter 1 October – 31 March	Residents quarterly pass £20.70
Wells, Beach Rd and Lady Anne Drive (Holkham Estates) Freeman Street	Up to 2 hours £3.50 Up to 4 hours £6.50 Over 4 hours & all day £9.00 Up to 2 hours £3.50 Up to 4 hours £5.00 Over 4 hours & all day £7.00	All year round charge remains the same for all car parks	Car passes run from 1st January to 31st December 2022. Holkham Beach £98.00 Wells Beach £98.00 Freeman Street, Wells £52.00

4.30 This suggests that in terms of seaside resorts, NNDC charges are generally lower than comparable areas, particularly in respect of season tickets for certain areas. There is a general expectation to pay for seaside car parking recognising the other infrastructure which is provided alongside these facilities.

Covid-19

4.31 During the 2020/21 financial year the car park income levels were significantly impacted as a result of the lockdown period experienced as a result of the Covid-19 pandemic. This resulted in a negative budget variance of c£0.7m for the year although support for some of this lost income was ultimately received through the central government fees and charges scheme which was introduced.

4.32 This undoubtedly represents an ongoing risk to not only this but other Council income streams and is continuing to be witnessed over the winter period in the form of the Omicron variant. However, if the pattern of the virus and any subsequent variants follows a similar pattern of low cases during the warmer summer months and increasing cases during the colder winter months the income levels would be impacted to a lesser extent as the majority of income (70%) is generated between April and September.

4.33 Further to this due to a combination of factors, including ongoing travel restrictions and a general nervousness continuing around foreign travel, the area is seeing increases in visitor numbers due the prevalence of 'staycations' which again could have a beneficial impact on this income stream.

4.34 This has been seen during the 2021/22 financial year and we are currently projecting a positive year end variance on car parking income of c£80k by the year end although we will have to see what the next few weeks hold in terms of any further restrictions which would negatively impact.

North Walsham Heritage Action Zone (HAZ)

4.35 A paper was taken to Cabinet on 1 November 2021 regarding North Walsham town centre 'place making' proposals (here). The report set out the proposed improvements to North Walsham town centre and sought authority to proceed with the activities to enable the proposals to be implemented as part of the High Street High Street Heritage Action Zone programme.

4.36 The final recommendations (slightly amended from the original) from this report related to car parking in the town and was as follows;

1. Agree to the potential use of a section of the New Road Car Park as a bus interchange and to meet the revenue costs of its future maintenance.

2. Agree in principle to the permanent designation of eight spaces at the Bank Loke Car Park and eight spaces at Vicarage Street car park as free short stay (1-hour) spaces, to compensate for the sixteen (30-minute) short stay free parking spaces that would be lost on Market place (whilst retaining disabled parking spaces in the Market place) should the place making scheme go ahead.

4.37 As these recommendations were agreed these need to be reflected in any new Car Park Order. There should be no significant impact on the overall car parking income across the district as a result of these changes.

5. Options appraisal

5.1 The price modelling that has so far been undertaken has not taken account of behaviour change as a result of price change although this is considered as part of the scenario planning. In practice, increases in prices can deter some users.

5.2 Due to the nature of car parking charges and for simplicity it is best to make any increases to the nearest 10p. Taking the current hourly charge for the coastal car parks of £1.50 per hour, a relatively modest annual increase of 3.5% since the last price increases in 2016 would have had the following effect (unrounded);

2016	£1.50
2017	£1.55 + 3.5% increase
2018	£1.61 + 3.5% increase
2019	£1.66 + 3.5% increase
2020	£1.72 + 3.5% increase
2021	£1.78 + 3.5% increase
2022	£1.84 + 3.5% increase

5.3 On the basis of the above modelling the unrounded charge for 2022 would be £1.84 based on annual 3.5% increases for an hourly coastal car park ticket.

5.4 This section discusses a number of options in terms of principles and demonstrates the impact on income as a result of the potential proposals which include;

Option 1 (a)	Increasing fees across coastal (mainly used by tourists), resort and standard car parks by between 10p and 40p per hour
Option 1 (b)	Increasing fees at coastal car parks during March – October, but having lower fees during the shoulder months November – February inclusive
Option 2	Increasing season ticket prices, including consideration of a discounted 'residents' permit

Option 1 (a) - Increasing fees across all car parks

5.5 The table contained within Appendix A shows the potential revised charging options compared to the current position, with charges increasing between 10p and 40p per hour across all car park types. The table below shows the projected additional income forecast over and above current levels from the various potential increases based on a full year of operation.

		Income growth projections vs current			
	Current £000	**10p £000**	**20p £000**	**30p £000**	**40p £000**
Resort	921	61	112	172	232
Standard	269	18	33	53	69
Coastal	1,051	75	109	175	239
	2,241	154	254	400	540
High Level Sensitivity Analysis					
+20%		31	51	80	108
+10%		15	25	40	54
+ 5%		8	13	20	27
- 5%		-8	-13	-20	-27
- 10%		-15	-25	-40	-54
-20%		-31	-51	-80	-108

5.6 The table highlights the projected impact of a range of charges across car park types. For example, a 10p increase per hour across the three car park designations would achieve additional projected income of c£154k whilst a 20p increase could generate around £254k.

5.7 A 'mix and match' approach across the various types could also however be adopted and the 3 figures highlighted in blue within the table above represent 30p per hour increases in Resort and Coastal car parks and a 10p per hour increase in Standard car parks which would generate additional income forecast in the region of £365k per annum.

5.8 It is important to note that, as with any financial forecasting, these figures are indicative and can be impacted by a range of factors. A bad summer weather wise can impact negatively both on visitor numbers and length of stay during a period which sees a significant element of the income generation, although conversely prolonged good weather would have a beneficial impact. The starkest demonstration of the influence of external factors which are beyond the control of the Council is however as a result of the Covid pandemic which saw the income decimated and reduced to almost zero during the periods of lockdown experienced during 2020.

5.9 The high level sensitivity analysis shows the potential impact in forecast cash terms of increases/decreases in additional income levels between +/- 20%. For example, if income where to see a 10% increase across all car park types following a 10p per hour increase the additional projected income would be £15k pa on top of the annual estimate of £154k, so a total projected figure of £169k. If the same projections (10p per hour) were to see a 20% reduction this would represent a loss of income of £31k, which would take the projected increase down from £154k to £123k.

Option 1 (b) – Introducing a seasonal charge across Coastal car parks

5.10 As discussed elsewhere within the report the car park income can be very seasonal in nature and nowhere is this more clearly demonstrated than with the Coastal car parks which achieve over 70% of their annual income levels between the months of April and September. This reflects their location and popularity with tourists and visitors during these peak periods.

5.11 This is a variant of Option 1 (a), Members could consider the introduction of seasonal charges across this car park type which look at increasing fees potentially during March – October, but then having lower fees during the shoulder months November – February inclusive. This would provide a benefit to residents who live within the district all year round whilst still generating additional income from the significant influx of tourists and visitors to the district during the peak season. This could also be introduced in combination with a combination of the proposals outlined above within Option 1 (a).

5.12 The table below shows the March – October seasonal split based on the increases between 10p and 40p per hour with the November – February period frozen at current pricing levels (as in operation as at January 2022). Again this projected additional income is based on a full year of operation and represents the forecast income over and above current levels.

Coastal income growth projections vs current (seasonal variant)

	Current £000	10p £000	20p £000	30p £000	40p £000
March – Oct	949	67	97	157	216
Nov – Feb	102	3	3	3	3
	1,051	70	99	159	218
Projected income from full year increase		75	109	175	239
Variance		-5	-10	-15	-21

5.13 The table highlights the impact of freezing the charges at current levels for the period from November through to February when compared to just increasing the prices for the whole year. For example, if the 30p increase was introduced the expected additional income would be in the region of £159k if the full charging regime was in place for the full year. If, however the 4 months covering November – February were frozen at current pricing levels for that period, then the income would be reduced by approximately £15k per annum.

5.14 Whilst this proposal would see a reduction in charging over the winter months it would add a further tier of charging and complication which can lead to confusion for customers and complexity in terms of parking machine software configuration and updating.

5.15 Although not detailed within the table above to offset any potential reductions in income experienced within the shoulder months of the season (November to February) which would benefit from the lower charges, a standard charge of £2 per hour or £10 per day could be considered for high season coastal car park charges which would offset the lower charging levels during the winter.

Option 2 - Increasing season ticket prices

5.16 As outlined above season ticket prices have seen only very small increases in price (2016 - just a £4 increase to the £200 charge which had been in place since 2009), recognising the value these provide to residents and at £204 for a 12 month 24-hour ticket this represents a cost of just £0.55 per day to park.

5.17 However, as these charges have not increased in any meaningful way for over 10 years the charge is now not only considerably behind other local charges (please see comparison table above) but also out of step with charges on individual car parks. For example, a 12 month 3-hour season ticket currently works out at a cost of just over 15 pence per day (£56 / 365). If you parked on a coastal car park for 3 hours, such as Station Approach in Sheringham, the charge would be £4.50 for a normal ticket for 3 hours, so this represents a discount of £4.35 off the normal cost or over 96% although it is acknowledged that this is based on the purchase of an annual ticket.

5.18 The summary table below considers a range of options in relation to season ticket charging and considers both percentage increases but also cash increases based on the representative cost of parking per day. Appendix B contains more detail in respect of these projections.

	Short stay				Long stay					Cash inc
Season Tickets	**3m**	**6m**	**12m**	**Total**	**3m**	**6m**	**12m**	**Total**	**Total**	**(70%)**
Current price	*£16*	*£31*	*£56*		*£66*	*£122*	*£204*			
Income (excl VAT)	9	11	120	**140**	27	16	92	**135**	**275**	
Straight Percentage Increases to ticket prices										
10% (rounded)	10	12	132	**154**	30	18	101	**149**	**303**	19
20% (rounded)	10	13	144	**168**	33	19	111	**162**	**331**	39
30% (rounded)	11	15	156	**182**	35	21	120	**176**	**358**	58
40% (rounded)	12	16	168	**196**	38	22	129	**189**	**386**	77
50% (rounded)	13	17	180	**210**	41	24	138	**203**	**413**	96
Daily Charge Increases										
£5 - £15/month	10	12	129	**151**	22	13	81	117	**267**	-6
£7.5 - £22.5/month	16	18	193	**227**	33	20	122	175	**402**	89
£10 - £30/month	21	25	258	**304**	45	26	163	234	**538**	184
£0.25 - £1/day	17	20	196	**232**	46	27	165	237	**470**	136
£0.5 - £1/day	32	38	392	**461**	46	27	165	237	**699**	296

5.19 The straight percentage increases consider the current prices and then a percentage uplift from 10% - 50% rounded to the nearest £. The additional forecast income from these changes has then been reduced to 70% of the total to reflect potential changes to customer habits or resistance to the increases so that the income is not overly optimistic.

5.20 The projected additional income therefore ranges from £19k pa from a 10% increase through to £96k pa from a 50% increase.

5.21 The ‘daily charge increases’ are calculated on an entirely different basis and reflect the cost per day or per month. For example, the first 3 options represent charges of £5/£7.50/£10 per month for short stay tickets (which equate to annual ticket charges of £60/£90/£120 respectively) and £15/£22.50/£30 per month for long stay (equating to annual charges of £180/£270/£365).

5.22 Based on these pricing variants the projected changes to income (again assuming a 70% take up level) range from a small loss of £6k compared with the current pricing arrangements to additional income of £184k pa based on the annual £120 (short stay) and £365 (long stay) proposals.

5.23 The final 2 variants consider daily charges of either 25 pence (£91) or 50 pence (£183) for annual short stay tickets and £1 a day (£365) for annual long stay tickets and produce estimated increases in income levels of £136k and £296k respectively.

5.24 The latter, which would see an annual short stay season ticket priced at £91 and the equivalent long stay ticket at £365, generates a significant amount of additional income. However, this also reflects a significant increase against current prices of £56 and £204 respectively. In cash terms this is an additional £35 for a short stay ticket and £161 for the long term equivalent and represents percentage increases of 62% and 75% respectively. These charges do still however compare favourably to neighbouring authorities.

5.25 It is worth bearing in mind that, had these tickets seen a relatively modest 3% year on year increase since 2009, then the charges would now be £82 for short stay and £294 for long stay, which is only £9 less in cash terms for short stay and £71 for long stay.

5.26 As a significant amount of season tickets are purchased by local residents (around 80% of total purchases by ticket number for both short and long term tickets), Members could consider freezing the charges for residents at the current levels and only levying increased charges for customers based outside of the district. Eligibility could be based on the electoral role although the mechanics of this require further consideration and discussion.

5.27 At a very basic level this would reduce additional income forecasts by around 80% compared with the table above. On that basis the 10% to 50% percentage increases would then only generate between £4k to £19k and the daily/monthly scenario from between (£1k) and £59k.

Holt Country Park

5.28 Holt Country Park has always had its own separate charging regime and the park currently operates a charging policy of £2 to park all day. The park generates around £28k pa at present from the car parking charges levied and the proposal this year is to increase this charge to £2.50 which would generate in the region of an additional £7k pa.

Current anomalies

5.29 As discussed above the car parks are categorised between ‘standard’, ‘resort’ and ‘coastal’ which each have their own specific charging regimes in place. Following a review of these designations as part of this review there are two which potentially require consideration for re-designation, those being the Chequers car park in Sheringham and the parking provision on Cromer promenade.

5.30 Both of these car parks are currently designated as ‘resort’ car parks, however their proximity to the seafront would suggest that these should be re-designated as ‘coastal’ car parks and it is the officer recommendation that this is progressed as part of any new Car Park Order.

6. Strengthened Car Park Management Arrangements

6.1 The net budget after taking account of all running costs is £1.6m and as such this service area represents a significant income stream for the Council. To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council’s medium and longer term budget position it is suggested that a new car park management post is considered to ensure that the Council is able to maximise current income streams and also develop new ones to support the medium term financial position.

6.2 Whilst the job description has not yet been fully developed or assessed through the Job Evaluation process it is envisaged that the role would need to be at a fairly senior level to enable them to negotiate, liaise and co-ordinate activities across the Council. It should be noted that, whilst the core part of the role will focus around the delivery and improvement of the Council’s car parking revenue streams in terms of operational day-to-day efficiency and also strategic direction and longer term improvement, the focus will be wider than purely car parks.

6.3 A focus particularly around car park income would enable consideration of improvements and expansion potentially at car parks which are already owned and operated and also potential acquisition of new assets.

6.4 Due to the level this officer will be expected to work at and for the purposes of this report it has been assumed the post will be at a grade 6, the mid-point (spinal point 36) for which (including oncosts) is c£51k.

6.5 Due to the focus of this role consideration should also be given to an assistant car park management role, introduced to focus on the more operational aspects of service delivery, particularly around car park operation and management which would see the responsibility for this area move away from the Environmental Services directorate.

6.6 The net cost of these posts is anticipated to reduce further due to the capacity and ability to more pro-actively manage machine breakdowns and potential issues. Work is ongoing to review potential lost income due to machine breakdowns and failures over previous years as this is additional income that could be gained regardless of any additional charges levied. These posts would provide the capacity to focus on this area and to help avoid some of these potential losses and to insure where issues are discovered that they are rectified as quickly as possible.

6.7 Again prior to any formal JE assessment and for the purposes of this report it has been assumed the post will be at a grade 8, the mid-point (spinal point 25) for which (including oncosts) is c£39k.

6.8 To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position and to strengthen day to day car park management to minimise losses by more timely resolution of machine breakdowns etc, Cabinet are invited to consider and comment on the issue of resource for improved management of the service.

7. Corporate Plan Objectives

7.1 The proposals contained within this report directly contribute towards the 'Financial Sustainability and Growth' element of the Corporate Plan. Within the Corporate Plan and supporting Delivery Plan, Objective 2 under the 'Financial sustainability and growth' theme centres on 'taking, where appropriate, a more commercial approach to the delivery of discretionary services.' One of the Delivery Plan actions to help achieve this is set out under 2.2 and is to 'review the Car Parking Policy in order to maximise the revenue generated from car parking income.'

7.2 The Council has the opportunity to generate additional income whilst at the same time considering the expansion and/or acquisition of new car parks which would further increase this opportunity.

7.3 This area represents a fundamental external income stream for the Council and as such can contribute significantly to helping sustain the Council's medium term financial position.

8. Car Park Order

8.1 Ultimately Cabinet will need to make recommendations to Full Council for consideration if the car parking pricing policy is to be altered. Once approved in principle, any new charging regime would have to be formalised through the agreement of a new Car Park Order (CPO), the consultation process for which takes a number of months.

8.2 If no significant objections are received the Order could be agreed under delegation but if there is a requirement for further consideration of the results, then this could go back to Cabinet in June 2022. This would mean delivery of the new charges from July 2022 which is 6 years after the previous increases. A project timetable is provided within Appendix B.

9. Financial and resource implications

9.1 As outlined above the main proposals for consideration are as follows;

Proposal 1 (a)	Increasing fees across coastal (mainly used by tourists), resort and standard car parks by between 10p and 40p per hour
Proposal 1 (b)	Increasing fees at coastal car parks during March – October, but having lower fees during the shoulder months November – February inclusive
Proposal 2 (a/b)	Increasing season ticket prices, including consideration of a discounted 'residents' permit

Proposal 1 (a) – Increasing fees across all car park types

9.2 The table highlights the impact of 10p/20p/30/40p increases to hourly charges and the **additional** income projected over and above current levels as a result of the potential changes.

	10p increase	20p increase	30p increase	40p increase
Proposal 1 (a)	£154k	£254k	£400k	£540k

Proposal 1 (b) – Seasonal charging variant for coastal car parks

9.3 This proposal is a variant of Proposal 1 (a), Members could consider the introduction of seasonal charges across this car park type which look at increasing fees potentially during March – October, but then having lower fees during the shoulder months November – February inclusive. This would provide a benefit to residents who live within the district all year round whilst still generating additional income from the significant influx of tourists and visitors to the district during the peak season. This could also be introduced in combination with a combination of the proposals outlined above within Option 1 (a).

9.4 The summary table below highlights the loss of income compared to the introduction of these increases for the whole 12 months, reflecting the lower charges (which are based on current prices) for the months November to February inclusive.

	10p increase	20p increase	30p increase	40p increase
Proposal 1 (b)	-£5k	-£10k	-£15k	-£21k

9.5 Whilst this proposal would see a reduction in charging over the winter months it would add a further tier of charging and complication which can lead to confusion for customers and complexity in terms of parking machine software configuration and updating.

Proposal 2 – Season tickets

9.6 Season ticket prices have seen only very small increases in price (2016 - just a £4 increase to the £200 charge which had been in place since 2009), recognising the value these provide to residents and at £204 for a 12 month 24-hour ticket this represents a cost of just £0.55 per day to park.

9.7 It is recommended that, if any price increases are agreed, that the season ticket prices are also increased as these have not seen any substantial increases since 2009. There are however options relating to potential residents permits but this needs to be confirmed in terms of principles with legal.

9.8 The first table below highlights the **additional** income projected over and above current levels as a result of the potential changes as a result of increasing both the 12 months' short stay and long stay season tickets by between 10% and 50% of current prices.

	10% increase	20% increase	30% increase	40% increase	50% increase
Proposal 2 (a)	£19k	£39k	£58k	£77k	£96k

9.9 The second table is based on 'daily charge increases' which have been calculated on an entirely different basis and reflect the cost per day or per month for parking. For example, the first 3 options focus on charges of £5/£7.50/£10 per month for short stay tickets (which equate to annual ticket charges of £60/£90/£120 respectively) and £15/£22.50/£30 per month for long stay (equating to annual charges of £180/£270/£365). The final 2 options consider daily charges of either 25 pence (£91) or 50 pence (£183) for annual short stay tickets and £1 a day (£365) for annual long stay tickets. Again the figures reflect the changes in income projected over and above current levels but please note this would be an 'either/or' and doesn't therefore represent additional income over and above that outlined within the table above.

	£5 - £15/month	**£7.5 - £22.5/month**	**£10 - £30/month**	**£0.25 - £1/day**	**£0.5 - £1/day**
Proposal 2 (b)	-£6k	£89k	£184k	£136k	£296k

9.10 As mentioned above consideration also needs to be given to the 7-day ticket which currently works out at £4 per day. There is potentially scope to consider increasing this to £5; £6 or £7.50 per day if the general daily charges are otherwise increased. These ticket types will predominantly be used by tourist visitors staying in self-catering and B&B accommodation or even camping and wanting to access the beach every day. At £5 per day this ticket type would cost £35 but that would still represent a £35 saving if daily charges at coastal car parks were increased to £10 for example.

Implementation costs

9.11 The cost of implementing the changes to the current charges would be in the region of £25k and this would cover signage overlays, car park leaflets and reprogramming of the car park machines. If agreed, the new charging structure could be in place from July 2022 following alterations to the Car Park order (CPO) and the relevant consultation process.

High level income forecast

9.12 While there are clearly a number of different options and permutations for consideration the following provides a snap shot of the potential income levels from selecting a range of the options outlined within the report just **for illustrative purposes**;

Increase Standard car parks by 10p	£18k
Increase Resort car parks by 30p	£173k
Increase Coastal car parks by 30p	£175k
Base season tickets on 25p/£1 day short/long	£136k
Car park management roles	(£90k)
Net increase in income forecast	**£412k**

10. Legal implications

10.1 The legal team have been engaged as part of the development of this report and will be supporting during the Car Park Order (CPO) process to ensure that the Council complies with the consultation requirements. Advice has also been sought in respect of the residents permit proposals.

11. Communications issues

11.1 A communications plan will need to be established to support the adoption and promotion of any new charging policy.

12. Risks

12.1 The risk matrix below considers the risks and considerations as to how these might best be managed and mitigated.

Risk	Likelihood	Impact	Potential outcome	Risk Management
Doing nothing	2	5	Further move away from market pricing, impact on financial sustainability.	Highlight consequences/reasoning in Cabinet Car Park Charges - Review report.
Customer resistance to proposal	4	3	The statutory process allows 21 days of public consultation.	Ensure the proposed changes are well argued in the 'Reasons for Change' document which forms part of the statutory CPO process.
Negative publicity	5	3	Raise awareness of procedure encouraging more negative representations.	Ensure the public are aware through media releases that car park revenue supports lots of free non-statutory services such as public toilets and parks/woodlands and will help the Council to maintain a sustainable budget.
Continued COVID impact	3	5	Lower use of car parks than projected due to lock downs.	Monitor use and report progress to Members as part of budget monitoring process.
Loss of key personnel	2	3	Potential delays to programme should key personnel become unavailable for any length of time.	Ensure others are up to date with project proposal and timeframes, although transfer of workload may still result in some delays.
Delays to statutory process	3	3	There are various points in the process where delays can creep in, for example. through statutory bodies raising concerns or missed media deadlines or supply issues.	Most timeframes allow some slippage time providing not all delays come into being at the same time. Use the project management Board to manage day to day risks and keep timeframe current to provide early identification of any issues likely to cause slippage.
Delays to implementation	2	3	The Order needs to come into being at the same time as changes are made on the ground to signage and ticket machines. Lack or resources or outside influences may delay the CPO being made in the timeframes identified.	Organise resources as far as possible (even if at risk) to ensure continuity.
Number of, or concerning representations	3	3	There may be a number of representations made during the consultations highlighting a particular issue or concern that Members feel is valid.	Members are bound to consider representations made and can chose to make amendments to the proposed Order if deemed appropriate. This will require any changes to be re-issued to statutory consultees which will result in a small delay to the timeframe.
Customer resistance to changes/ boycotting car parks	2	2	Income being reduced compared to financial forecasts.	Monitor use of car parks for initial three months to evaluate any changes in anticipated habit.
Customer resistance to changes/ boycotting permits	2	2	A significant increase in the price of permits may see some not renewing permits.	Carry out an advertising campaign highlighting their use and comparative costs to encourage new buyers. Increased income will offset some reduction in take-up.

13 Sustainability

13.1 There are no sustainability issues in relation to this report.

14 Equality and Diversity

14.1 There are no equality and diversity issues in relation to this report.

15 Section 17 Crime and Disorder considerations

15.1 There are no Section 17 implications as a result of this report.

16. Conclusions and Recommendations

16.1 As one of the Council's largest external income sources car parking charges have a significant contribution to make in terms of the Council's financial sustainability in the medium to long term. Financial Sustainability and Growth is one of six key themes within the Corporate Plan and links directly with objective 2.2 of the Delivery Plan.

16.2 The Council incurs significant levels of expenditure on discretionary service areas which help to ensure that our district remains a beautiful place both to live and work in but also to visit, it is however becoming increasingly difficult to support all of these areas in the current financial climate.

16.3 There are significant costs associated with a range of Council services which support the tourism economy, from provision of public conveniences, maintenance and operation of Cromer pier, foreshore activities, parks, open spaces and woodlands which represent a combined annual revenue spend in excess of £2.2m. It is appropriate therefore for the costs of these services to be met in part by various fees and charges as they form an integral part of the visitor experience.

16.4 Car parking income needs to be considered against the context of our discretionary service provision which people value but which is often difficult to charge for, such as we public conveniences, the seafront environment and Blue Flag beaches, beach lifeguards, additional street cleansing, litter bins etc. It is becoming increasingly more difficult for the Council to continue to provide these services at the level expected by local residents, businesses and tourist visitors from Council Tax payers alone. Further to this it is not fair or equitable across the District as a whole and doesn't operate under the 'user pays' principle.

16.5 There are clearly multiple variations on the possible range of pricing options and initiatives for car parks. Due to the nature of car parking charges and for simplicity it is best to make any increases to the nearest 10p. Even a relatively modest annual increase of 3.5% from 2016 would have increased the hourly charge at our 'Coastal' car parks from £1.50 per to £1.84 (unrounded) by April 2022. The officer recommendation is to look to introduce a range of complimentary changes from July 2022.

16.6 To ensure that this and other key income streams are given enough focus in terms of growth, improvement and efficiency to support the Council's medium and longer term budget position and to strengthen day to day car park management to minimise losses by more timely resolution of machine breakdowns etc, Cabinet are invited to consider and comment on the issue of resource for improved management of the service.

16.7 The current Medium Term Financial Strategy (MTFS) projections for future years are still projecting budget deficits of around £2.5m by 2025/26 in the midst of continuing uncertainty regarding the Fair Funding and Business Rates reviews. The Council must therefore consider all available options to generate additional income and reduce costs wherever possible.

16.8 Car parking policy has not been reviewed for a number of years so it is therefore recommended that the Cabinet consider the opportunities as outlined within this report and also consider the recommendations made by the Overview and Scrutiny Committee. Any changes can then be recommended to Full Council and be consulted upon through a new Car Park order (CPO) to help generate additional income to support the Council's financial sustainability.

16.9 The Overview and Scrutiny Committee have pre-scrutinised the officer report and their recommendations are included as part of this updated report for further consideration by Cabinet.

16.10 **Cabinet consider the options and proposals contained within this report and make recommendations to Full Council on;**

- **the preferred way forward in terms of pricing changes so that these changes can be considered as part of the budget setting process for 2022/23 and inform the future financial strategy;**
- **changes to car park designations as outlined within the report;**
- **implementing any new pricing changes from July 2022 and instigating the Car Park order (CPO) consultation process;**
- **budgetary provision of £25k to cover implementation costs resulting from any changes.**

Appendix A – potential tariff combinations across all car park types

	Resort		30 mins	1	2	3	4	5	6	7+	Coach
Current	£1.30 for 1st hr then £1.00 per hr	**£0.00**	**£0.60**	**£1.30**	**£2.30**	**£3.30**	**£4.30**	**£5.30**	**£6.30**	**£7.00**	**£10.00**
10p	£1.40 for 1st hr then £1.10 per hr	£0.00	£0.70	£1.40	£2.50	£3.60	£4.70	£5.80	£6.90	£8.00	£10.00
20p	£1.50 for 1st hr then £1.20 per hr	£0.00	£0.70	£1.50	£2.70	£3.90	£5.10	£6.30	£7.50	£8.00	£10.00
30p	£1.60 for 1st hr then £1.30 per hr	£0.00	£0.80	£1.60	£2.90	£4.20	£5.50	£6.80	£8.10	£9.00	£10.00
40p	£1.70 for 1st hr then £1.40 per hr	£0.00	£0.80	£1.70	£3.10	£4.50	£5.90	£7.30	£8.70	£10.00	£10.00

	Standard		30 mins	1 - 2	3	4	5	6	7	8+	Coach
Current	£1.00 for 2 hrs then 70p per hr	**£0.00**	**£0.50**	**£1.00**	**£1.70**	**£2.40**	**£3.10**	**£3.80**	**£4.50**	**£5.00**	**£10.00**
10p	£1.10 for 2 hrs then 80p per hr	£0.00	£0.60	£1.10	£1.90	£2.70	£3.50	£4.30	£5.10	£6.00	£10.00
20p	£1.20 for 2 hrs then 90p per hr	£0.00	£0.60	£1.20	£2.10	£3.00	£3.90	£4.80	£5.70	£6.00	£10.00
30p	£1.30 for 2 hrs then £1.00 per hr	£0.00	£0.70	£1.30	£2.30	£3.30	£4.30	£5.30	£6.30	£7.00	£10.00
40p	£1.40 for 2 hrs then £1.10 per hr	£0.00	£0.70	£1.40	£2.50	£3.60	£4.70	£5.80	£6.90	£8.00	£10.00

	Coastal	30 mins	1	2	3	4	5+	Coach
Current	£1.50 per hr	**£0.60**	**£1.50**	**£3.00**	**£4.50**	**£6.00**	**£7.00**	**£10.00**
10p	£1.60 per hr	£0.70	£1.60	£3.20	£4.80	£6.40	£8.00	£10.00
20p	£1.70 per hr	£0.70	£1.70	£3.40	£5.10	£6.80	£8.00	£10.00
30p	£1.80 per hr	£0.80	£1.80	£3.60	£5.40	£7.20	£9.00	£10.00
40p	£1.90 per hr	£0.80	£1.90	£3.80	£5.70	£7.60	£10.00	£10.00

Appendix B – potential tariff considerations for season ticket prices

	Short			Total	Long			Total		Total	
	3m	**6m**	**12m**		**3m**	**6m**	**12m**				
		194%	181%			185%	167%				
Current price	*£16*	*£31*	*£56*		*£66*	*£122*	*£204*				
Income (excl VAT)	9	11	120	**140**	27	16	92	**135**		**275**	
Straight Percentage Increases											
10% (rounded)		194%	181%			185%	167%				
	£18	*£34*	*£62*		*£73*	*£134*	*£224*				
	10	12	132	**154**	30	18	101	**149**		**303**	110%
									Extra income @ 70%	19	
20% (rounded)		194%	181%			185%	167%				
	£19	*£37*	*£67*		*£79*	*£146*	*£245*				
	10	13	144	**168**	33	19	111	**162**		**331**	120%
									Extra income @ 70%	39	
30% (rounded)		194%	181%			185%	167%				
	£21	*£40*	*£73*		*£86*	*£159*	*£265*				
	11	15	156	**182**	35	21	120	**176**		**358**	130%
									Extra income @ 70%	58	
40% (rounded)		194%	181%			185%	167%				
	£22	*£43*	*£78*		*£92*	*£171*	*£286*				
	12	16	168	**196**	38	22	129	**189**		**386**	140%
									Extra income @ 70%	77	
50% (rounded)		194%	181%			185%	167%				
	£24	*£47*	*£84*		*£99*	*£183*	*£306*				
	13	17	180	**210**	41	24	138	**203**		**413**	150%
									Extra income @ 70%	96	

Daily Charge Increases

		182%	182%			182%	182%				
£5 - £15/month	*£18*	*£33*	*£60*		*£54*	*£99*	*£180*				
Income (excl VAT)	10	12	129	**151**	22	13	81	**117**		**267**	97%
									Extra income @ 70%	-6	
		164%	182%			186%	181%				
£7.5 - £22.5/month	*£30*	*£50*	*£90*		*£80*	*£150*	*£270*				
Income (excl VAT)	16	18	193	**227**	33	20	122	**175**		**402**	146%
									Extra income @ 70%	89	
		177%	171%			182%	180%				
£10 - £30/month	*£40*	*£70*	*£120*		*£110*	*£200*	*£360*				
Income (excl VAT)	21	25	258	**304**	45	26	163	**234**		**538**	196%
									Extra income @ 70%	184	
		176%	168%			182%	180%				
£0.25 - £1/day	*£31*	*£54*	*£91*		*£112*	*£203*	*£365*				
Income (excl VAT)	17	20	196	**232**	46	27	165	**237**		**470**	170%
									Extra income @ 70%	136	
	193%	175%	163%		169%	166%	179%				
		179%	175%			182%	180%				
£0.5 - £1/day	*£58*	*£104*	*£183*		*£112*	*£203*	*£365*				
Income (excl VAT)	32	38	392	**461**	46	27	165	**237**		**699**	254%
	365%	337%	326%		169%	166%	179%				
									Extra income @ 70%	296	

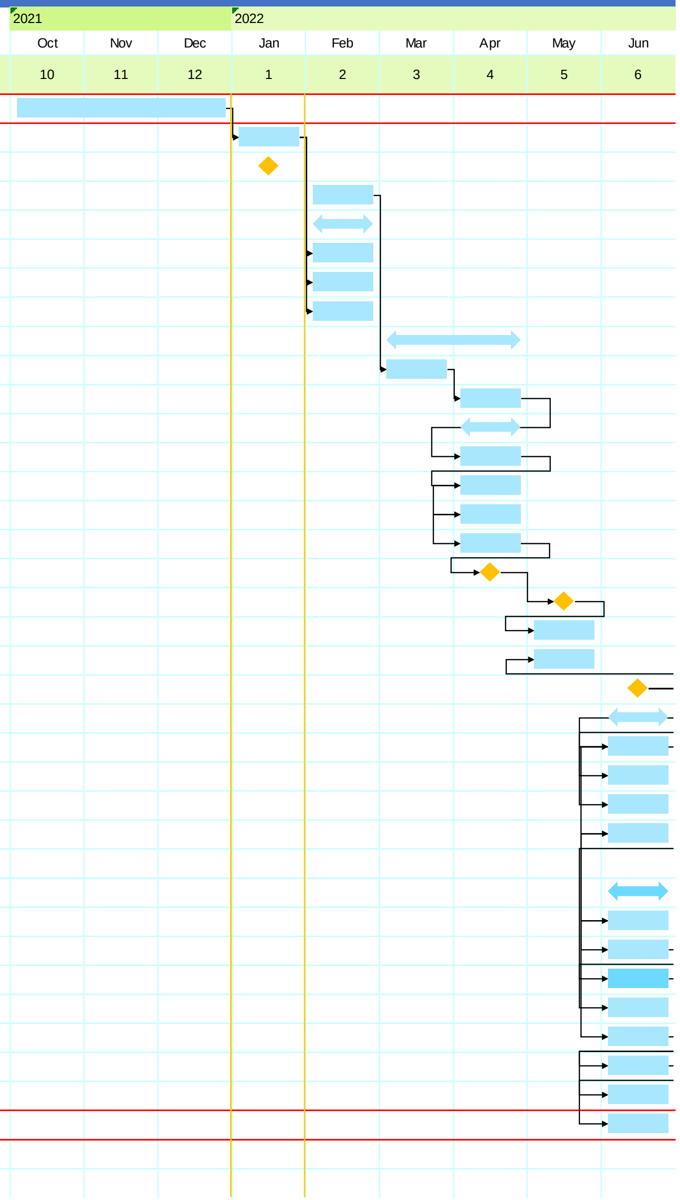
Appendix C – project timetable

Car Park Consolidation Order 2022

Project Lead: Duncan Ellis

Project Budget: Estimated: £0.00 | Baseline: £0.00 | **Task Costs**: Estimated: £0.00 | Baseline: £0.00 | Actual: £0.00

WBS	Task Name	Priority	Resource	Start	Finish	Duration	Done	Percent Complete
1	Draw up draft proposals	NORMAL	DE	29-09-21	21-12-21	60		0%
2	Draft proposals to O&S	NORMAL	DE	12-01-22	12-01-22	1		0%
3	Cabinet agrees preferred options	HIGH		31-01-22	31-01-22	0		0%
4	**Full Council approves proposal**	NORMAL		23-02-22	23-02-22	1		0%
5	**Create Schedule of proposed changes**	NORMAL		**10-02-22**	**16-02-22**	**15**		**0%**
5.1	Draft Order	NORMAL	DE	10-02-22	16-02-22	5		0%
5.2	Create schedule	NORMAL	MC	10-02-22	16-02-22	5		0%
5.3	Create Reasons for change doc	NORMAL	DE & MC	10-02-22	16-02-22	5		0%
6	**Pass all documents to Legal**	NORMAL	**MC**	**03-03-22**	**08-04-22**	**17**		**0%**
6.1	Legal consults statutory bodies	NORMAL	TT	03-03-22	23-03-22	15		0%
6.2	Legal confirms ability to proceed	NORMAL	TT	07-04-22	08-04-22	2		0%
7	**Complete order and...**	NORMAL		**13-04-22**	**19-04-22**	**5**		**0%**
7.1	Submit CPO advert to EDP (coinside with consultation timeframe)	NORMAL	MC	13-04-22	13-04-22	1		0%
7.2	Check advert is live	NORMAL	MC	19-04-22	19-04-22	1		0%
7.3	Put CPO on website (need to create new page with comment sub	NORMAL	MC	19-04-22	19-04-22	1		0%
7.4	Ensure order is advertised in ALL car parks	NORMAL	CAR PARKS	18-04-22	19-04-22	2		0%
8	CPO Consultation Period starts	NORMAL		22-04-22	22-04-22	0		0%
9	CPO consultation ends	NORMAL		24-05-22	24-05-22	0		0%
10	Summarise responses and prepare cabinet report	NORMAL	DE	25-05-22	26-05-22	2		0%
11	pre-cabinet deadline	NORMAL	DE	25-05-22	25-05-22	1		0%
12	Cabinet considers objections	HIGH		06-06-22	06-06-22	0		0%
13	**If approval achieved...**	NORMAL		**14-06-22**	**27-06-22**	**16**		**0%**
13.1	advertise the making of the order (EDP & Web)	NORMAL	MC	14-06-22	14-06-22	1		0%
13.2	Write standard response to all objectors/supporters	NORMAL	MC	14-06-22	16-06-22	3		0%
13.3	Prepare press release	NORMAL		14-06-22	15-06-22	2		0%
13.4	Two weeks standing period	HIGH		14-06-22	27-06-22	10		0%
14	Order comes into place	NORMAL		01-07-22	01-07-22	0		0%
15	**Bringing in the CPO**	NORMAL		**07-06-22**	**05-07-22**	**40**		**1%**
15.1	Make changes to website info (release 01.7.22)	NORMAL	MC	14-06-22	20-06-22	5		0%
15.2	Create changes to signage	NORMAL	MC	14-06-22	20-06-22	5		0%
15.3	Get signs changed/printed	NORMAL	MC	21-06-22	27-06-22	5		5%
15.4	Organise changes to tariff software	NORMAL	MC	07-06-22	20-06-22	10		0%
15.5	Make changes to leaflets	NORMAL	MC	14-06-22	20-06-22	5		0%
15.6	Get leaflets printed	NORMAL	MC	21-06-22	21-06-22	1		0%
15.7	Distribute leaflets	NORMAL	MC	29-06-22	05-07-22	5		0%
15.8	**Erect signage in car parks stating changescoming/in place**	HIGH	ENFORCEMENT (	28-06-22	**29-06-22**	2		0%
15.9	**Update machines with new software (syycronise with signag**	HIGH	FLOWBIRD	01-07-22	**01-07-22**	1		0%
15.10	**Erect new tariff charges**	HIGH	ENFORCEMENT (	01-07-22	**01-07-22**	1		0%



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