

Cabinet



Please Contact: Emma Denny

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31st May 2018

A meeting of the **Cabinet** of North Norfolk District Council will be held in the Council Chamber at the Council Offices, Holt Road, Cromer on **Monday 11 June 2018 at 10.00am**

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

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

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

Emma Denny
Democratic Services Manager

To: Mrs S Arnold, Mrs H Cox, Mr N Dixon, Mr J Lee, Mr W Northam, Miss B Palmer, Mr R Price,

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



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

Heads of Paid Service: Nick Baker & Steve Blatch
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A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. MINUTES

(page 9)

To approve, as a correct record, the minutes of the meeting of the Cabinet held on 16 April 2018.

3. PUBLIC QUESTIONS

To receive questions from the public, if any.

4. ITEMS OF URGENT BUSINESS

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

5. DECLARATIONS OF INTEREST

Members are asked at this stage to declare any interests that they may have in any of the following items on the agenda. The Code of Conduct for Members requires that declarations include the nature of the interest and whether it is a disclosable pecuniary interest.

6. MEMBERS QUESTIONS

To receive oral questions from Members, if any.

7. OVERVIEW & SCRUTINY MATTERS

Overview & Scrutiny Committee made the following recommendations at their meeting on 25th April:

To recommend to Cabinet that the Plan should include the following:

1. Clear outcome-based targets, where appropriate.
2. Outcome-related results for areas that are “ambitions” rather than numerical targets.
3. Clarity about previous performance.
4. A narrative report attached to explain significant variances.
5. Benchmark figures (when an authority of similar size and location is providing the same service)

8. 2017/18 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)

(page 15)

(Appendix A– p.33) (Appendix B – p.34) (Appendix C – p.61) (Appendix D – p.63)
(Appendix E – p.67) (Appendix F – p.70)

Summary:

This report presents the provisional outturn position for the 2017/18 financial year and includes a General Fund underspend of £249,676 and a transfer from the Collection Fund in relation to Business Rates of £744,583 giving an overall General Fund surplus of £994,259. It also provides an update in relation to the Council’s capital programme. Details are included within the report of the more significant year-end variances compared to the current budget for 2017/18. The report also makes

recommendations for contributions to reserves as applicable for future spending commitments. An update to the current capital programme is also included.

Options considered: The report provides a final budget monitoring position for the 2017/18 financial year. Whilst there are options available for earmarking the underspend in the year, the report makes recommendations that provide funding for ongoing commitments and future projects.

Conclusions: The outturn position on the revenue account as at 31 March 2018 shows an overall underspend of £994,259. The final position allows for £501,386 of budget and grant underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments for which no budget has been allocated in 2018/19. The position as reported will be used to inform the production of the statutory accounts which will then be subject to audit by the Council's external auditors Ernst and Young (EY).

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

a) The provisional outturn position for the general fund revenue account for 2017/18;

b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2018/19 budget;

c) Transfer part of the surplus of £994,259 to the Capital Projects Reserve to support the capital programme;

d) The financing of the 2017/18 capital programme as detailed within the report and at Appendix D;

e) The balance on the General Reserve of £2.196 million;

f) The updated capital programme for 2018/19 to 2021/22 and the associated financing of the schemes as outlined within the report and detailed at Appendix E.

Reasons for Recommendations: To approve the outturn position on the revenue and capital accounts for 2017/18 that will be used to produce the statutory accounts for 2017/18.

Cabinet member(s): Cllr W Northam
Ward member(s) All
Contact Officer Duncan Ellis
telephone 01263 516330
and e-mail: duncan.ellis@north-norfolk.gov.uk

9. TREASURY MANAGEMENT ANNUAL REPORT 2017/18

(page 74)

Summary: This report sets out the Treasury Management activities actually undertaken during 2017/18 compared with the Treasury Management Strategy for the year.

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|-----------------------------|---|
| Options Considered: | This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes. |
| Conclusions: | Treasury activities for the year have been carried out in accordance with the CIPFA Code and the Council's Treasury Strategy. |
| Recommendations: | That the Council be asked to RESOLVE that The Treasury Management Annual Report and Prudential Indicators for 2017/18 are approved. |
| Reasons for Recommendation: | Approval by Council demonstrates compliance with the Codes. |
| Cabinet member(s): | Cllr W Northam |
| Ward member(s) | All |
| Contact Officer | Lucy Hume |
| telephone | 01263 516246 |
| and e-mail: | lucy.hume@north-norfolk.gov.uk |

10. DEBT RECOVERY 2017/18 (page 81)
(Appendix 1 –p. 87) (Appendix 2 – p. 92) (Appendix 3 – p. 95) (Appendix 4 – p. 100)

Summary: This is an annual report detailing the council's collection performance and debt management arrangements for 2017/18
The report includes a:

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

Recommendations:

- 1) To approve the annual report giving details of the Council's write-offs in accordance with the Council's Debt Write-Off Policy and performance in relation to revenues collection.
- 2) To approve the updated Debt Write Off Policy (shown in Appendix 2)
- 3) To approve the updated Benefit Overpayment Policy and the use of High Court Enforcement Agents if considered necessary (shown in Appendix 4)

| | |
|--|--|
| Cabinet member(s): | Wyndham Northam |
| All | All |
| Contact Officer, telephone number, and e-mail: | Sean Knight 01263 516347 Sean.Knight@north-norfolk.gov.uk |

11. REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS (page 108)

Summary: To outline process for undertaking statutory review of polling districts, places and stations and propose timetable.

Recommendations: **Recommend that Full Council agrees to the proposed timetable for the statutory review of polling districts, places and stations.**

Reasons for Recommendations: The compulsory period for the next review is 1 October 2018 - 31 January 2020. Recommending that review is carried out earlier in order to include new polling districts in 1 December 2018 publication of the electoral register. This is necessary to facilitate planning for May 2019 elections.

Cabinet member(s): Cllr J Lee
Ward member(s) All
Contact Officer Oliver Corri
telephone 01263 516350
and e-mail: oliver.corri@north-norfolk.gov.uk

12. JOINT BACTON AND WALCOTT COASTAL MANAGEMENT SCHEME – PROGRESS AND CDM/DESIGN/MONITORING SPECIALIST APPOINTMENT (page 113)

Summary: North Norfolk District Council is leading the Bacton to Walcott Coastal Management (Sandscaping) Scheme in collaboration with the Bacton Terminal Operators to protect nationally important infrastructure and benefit local communities.

The scheme is progressing well with the designs near completion. Outstanding work is ongoing for the design of the gas terminal surface water outfalls as well as further consideration of the upper limits of the sediment size. It is anticipated that the necessary planning and marine licence applications will be submitted at the end of June. The report seeks approval to submit applications for the necessary consents.

The tender for the procurement of the main works contractor is to be issued in early July. The target for delivering the scheme is spring 2019.

There is a need to appoint to the role of Construction Design Management for the delivery of the scheme and also to ensure that there is design support in place during construction should there be any design or delivery issues. Royal Haskoning DHV (RHDHV) have been the lead consultant in the scheme development and therefore have specific bespoke knowledge of the scheme. As such this report proposes to gain approval for the appointment of RHDHV for the delivery of these roles through suspension of Standing Orders.

Options considered:

Open Tender the CDM, Design and associated roles– The appointment is unlikely to have the specific knowledge of the scheme and therefore it is likely that there would be significant additional costs associated with developing understanding of the project. During construction if there is a need to check or

redesign any element a decision will be required quickly in order to prevent unnecessary construction delays and costs. It is unlikely that other consultants would have specific knowledge, or be able to develop the specific knowledge in the necessary timeframes.

Suspending Standing Orders to appoint Royal Haskoning DHV to the Design, CDM and associated roles. The appointment of RHDHV to the specific roles would ensure consistency to the project and utilise existing detailed knowledge which would in turn ensure efficient and timely information and the minimisation of construction delays and cost. Detailed understanding of the scheme, including the developed links RHDHV have with the Dutch Sandmotor are considered to be invaluable when considering the construction and operation risks associated with this project.

Not submit applications for consent – This option would prevent the scheme moving forwards, prevent the scheme construction and present significant reputational risks for the authority

Submit Application – Would enable the scheme to continue to develop.

Conclusions: To seek Cabinet support to progress with the necessary application for consents and licenses, to complete the required Coast Protection Notification and to suspend standing orders to enable the appointment of RHDHV to support key aspects of the scheme.

Recommendations: Cabinet resolves to:

- a) Suspend Standing Orders to appoint Royal Haskoning DHV to provide Construction Design Management, Design advice and related activities (including development of scheme Monitoring and Integrity Management Plan) in the delivery of the Bacton / Walcott Sandscaping Project up to a maximum sum of £125,000.
- b) Commence the process of Planning Consent, Marine Management Organisation Licence and other applications for consent as required.
- c) Commence the process for Coast Protection Notification.

Reasons for Recommendations: To enable the scheme to progress.

Cabinet member(s): Cllr H Cox
Ward member(s): Mundesley, Happisburgh & Waxham
Contact Officer: Rob Goodliffe
telephone: 01263 516321
and e-mail: rob.goodliffe@north-norfolk.gov.uk

13. 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 3 of Part I of Schedule 12A (as amended) to the Act.”

14. PRIVATE BUSINESS

LEASE OF LAND AT CROMER AND FAKENHAM FOR GYPSY AND TRAVELLER SHORT STAY STOPPING PLACE (page 122)

(Exempt App 1 – p.132) (Exempt App. 2 – 146) (Exempt App. A – p.160)
(Exempt App. B - p.161)

**** NOT FOR PUBLICATION – BY VIRTUE OF PARAGRAPH 3 OF PART 1 OF SCHEDULE 12A (AS AMENDED) OF THE LOCAL GOVERNMENT ACT 1972****

Summary: The Council operates two Gypsy and Traveller Short Stay Stopping Places at Cromer and Fakenham. These sites are leased for a 10-year term, which are both to expire in 2018.

Options considered: This paper considers three options; renewing the leases, terminating the lease and freehold acquisition of the land. Details regarding these options can be found in paragraph 7.

Conclusions: Both sites are a valued resource in reducing the costs of managing unauthorised Gypsy and Traveller encampments across the district. It is therefore proposed to seek to retain both sites for future use.

Having had initial discussions with both landowners regarding the future use of these sites, it proposed to take forward Option 1 as described in 7.2.

Recommendations: That Cabinet agrees to recommend to Council:

- A) That Delegated Authority is given to the Corporate Director and Joint Head of Paid Service (Steve Blatch) in consultation with the Portfolio Holder for Assets (Cllr Richard Price) to finalise lease renewals for both the Cromer and Fakenham sites to be negotiated on the same terms as the existing leases.
- B) An annual revenue budget provision to be established to cover the lease costs over the life of the new lease agreements as outlined in paragraph 12.3, to be reviewed annually, including an annual R&M budget of £1,000 per site.
- C) A sum of £10,000 for works to be funded from the Asset Management Reserve.

Reasons for Recommendations: To secure the continued use of the sites for the provision of Short Stay Stopping Places for Gypsies and Travellers

Cabinet member(s): Cllr R Price
Ward member(s) Cromer, Fakenham
Contact Officer Renata Garfoot
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and e-mail: renata.garfoot@north-norfolk.gov.uk

CABINET

Minutes of the meeting of the Cabinet held on Monday 16 April 2018 at the Council Offices, Holt Road, Cromer at 10.00 am

Members Present:

| | |
|---------------------|---------------|
| Mrs S Arnold | Mr W Northam |
| Mrs H Cox | Miss B Palmer |
| Mr N Dixon | Mr R Price |
| Mr J Lee (Chairman) | |

Also attending:

| | |
|-------------------------|---------------|
| Mrs A Fitch-Tillett | Mr J Rest |
| Ms V Gay | Mr R Reynolds |
| Mr N Pearce | Mr R Shepherd |
| Mrs A Claussen-Reynolds | Mr B Smith |
| Mr N Lloyd | |

Officers in

Attendance:

The Corporate Directors, the Monitoring Officer, the Chief Technical Accountant, the Housing Strategy and Community Development Manager, the Health and Communities Team Leader, the Policy and Performance Management Officer, the Democratic Services Manager and the Democratic Services Officer.

Also in attendance: David Bale, EDP

120. APOLOGIES FOR ABSENCE

None.

121. MINUTES

The minutes of the meeting held on 12 March 2018 were approved as a correct record and signed by the Chairman.

122. PUBLIC QUESTIONS

None.

123. ITEMS OF URGENT BUSINESS

None.

124. DECLARATIONS OF INTEREST

None.

125. MEMBERS QUESTIONS

The Chairman confirmed that Members could ask questions as each item arose.

126. OVERVIEW & SCRUTINY COMMITTEE MATTERS

Mrs H Cox, Portfolio Holder for Environment, Coast and Licensing, proposed this recommendation which had been made to Cabinet by the Overview and Scrutiny Committee at the meeting of 14th February 2018 regarding Agenda item 17: Enforcement Update.

It was proposed by Mrs H Cox, seconded by Mrs S Arnold and

RESOLVED

- a) **That the temporary post in the Combined Enforcement Team is made permanent.**
- b) **To support the use of Reserves to fund the above, if necessary.**
- c) **To support the early use of Compulsory Purchase Orders.**

127. RECOMMENDATION FROM COUNCIL

This item was introduced by the Leader.

At the meeting of Council on 28th March 2018, a recommendation to Cabinet was made under Agenda item 9: Review of Political Balance and Appointment of Committees, Sub-Committees, Working Parties and Panels. The reason for the recommendation was to improve the political balance of the Planning Policy and Built Heritage Working Party.

RESOLVED

To increase the number of seats on Planning Policy & Built Heritage Working Party from 11 to 12.

128. RECOMMENDATIONS FROM PLANNING POLICY & BUILT HERITAGE WORKING PARTY

This item was introduced by Mrs S Arnold, Portfolio Holder for Housing, Planning and Planning Policy and seconded by Miss B Palmer. The recommendations had been made at the meeting of the Planning Policy and Built Heritage Working Party held on 19 February 2018.

Agenda Item 9: Housing & Economic Land Availability Assessment (Part 2)

RESOLVED

- a) **To accept and publish HELAA Part 2 which covers employment land as a source of evidence to support the emerging Local Plan for North Norfolk to cover the period 2016-2036.**
- b) **That delegated authority is given to Planning Policy Manager to undertake minor amendments to the report and associated mapping in order to publish.**

Agenda Item 10: Local Plan – Approach to Amenity Land

RESOLVED

That the Working Party recommend to Cabinet to accept and publish the Amenity Green Space Topic paper as a source of evidence to inform the emerging Local Plan for North Norfolk to cover the period 2016-2036.

129. ANNUAL ACTION PLAN 2018/19

The report, which brought the Annual Action Plan for 2018/19 for approval by Cabinet, was introduced and proposed by the Leader. He thanked the Policy and Performance Management Officer for producing a balanced and effective plan which would develop the priorities of the current administration.

Mr N Lloyd expressed concern that some actions didn't have targets. The Policy and Performance Management Officer explained that the approach had been re-focused to show outcomes rather than targets. Each year an assessment of progress would be made. Many of the areas, e.g. tourism, were subject to influences beyond the Council's control and it would not be appropriate to set targets. However, the impact that the Council was having could be assessed.

Mr Lloyd asked if the Action Plan was a work in progress, rather than a plan with specific targets. Mr J Lee explained that the Council worked to an Action Plan based on the Corporate Plan. Targets were of limited value, especially in areas where there were factors, e.g. weather, that the Council could not influence. Mrs H Cox said that everything was work in progress but that next year the Council could quantify what had been achieved. The Monitoring Officer further explained that the Plan set out the actions the Council intended to take to have a positive influence. The intention was to list intended actions in big areas where the Council had no direct influence. Some areas were within the Council's gift, e.g. flytipping, and would show demonstrable results against targets.

Mr N Dixon seconded the approval of the Action Plan, saying that he was satisfied that – when read in context – it spoke for itself.

RESOLVED

To approve the Annual Action Plan 2018-19 and the targets and recommendations for management performance indicators as set out in Appendix 1.

130. NORFOLK BIG SOCIETY FUND

This item was introduced and proposed by the Leader who said that the best part of his job was to be able to award money to smaller parishes in order to improve life for the community. It had been his experience that smaller amounts were often appreciated more than larger ones. Mr W Northam, Portfolio Holder for Finance, Revenue and Benefits, said that this fund would be missed when the Second Homes income ceased in 2020.

Mrs H Cox seconded the recommendation. She urged Members to remind their Parish Councils that Big Society grant funding was available. Mr N Dixon endorsed the Big Society Fund which he considered was more effective than the previous local area partnership scheme.

Mr N Lloyd said that he agreed with everything that had been said and that the fund had excellent governance and had benefitted many communities. He suggested that Cabinet should explore if there was any way to maintain the fund after 2020. Mrs S Arnold also expressed her support of the scheme which, she said, was greatly appreciated by local communities and brought people together.

Mrs A Fitch-Tillett and Mr R Reynolds congratulated the Health and Communities Team Leader and her staff for their help to smaller communities with filling in application forms etc.

The Leader, in adding his thanks to the Health and Communities Team Leader and her staff, informed Cabinet that there was a balance of £1m remaining in the Big Society reserve which could prolong the scheme for several years beyond 2020 subject to the necessary approval processes.

RESOLVED

- 1) To note the success of the Big Society Fund and to recommend to Council.**
- 2) That the Big Society Fund grant scheme should continue at its current level of funding (£225,000) for another year.**

Reason for the decision:

1. To ensure Cabinet are informed about the Big Society Fund during its sixth year of operation.
2. To enable the continuation of the Big Society Fund during 2018/19.

131. LAND DISPOSAL AT EDGEFIELD

This item was introduced by the Portfolio Holder, Mrs S Arnold. The report recommended the disposal of the Council's remaining retained housing land off Rectory Road, Edgefield for the provision of a mixed tenure Exception Housing Scheme subject to planning permission being secured. Option 2 (to dispose of the site by private treaty to Broadland Housing Group) was recommended.

Responding to a concern raised by Mr N Lloyd regarding timing, Mrs Arnold referred him to the officer's report regarding Option 3. Disposing of the site on open market was not recommended because there was no certainty that another interested purchaser will be found due to the planning constraints on the land. In addition, any other interested purchaser might not be able to match or exceed the offer which had already been received from Broadland Housing Group. Marketing the site for sale would incur additional costs beyond those incurred in a sale by private treaty.

It was proposed by Mrs S Arnold, seconded by Mr R Price and

RESOLVED

Cabinet agrees to the disposal of land off Rectory Road, Edgefield to Broadland Housing Group by private treaty on the terms set out at paragraph 3.1 in the report.

Reason for the decision:

To support the Council's Corporate Plan priority:

- Addressing the housing and infrastructure needs for local people whilst meeting the market demand for housing by supporting the delivery of new housing across the district.

132. MARKET TOWN INITIATIVE

This item was introduced by Mr N Dixon, Portfolio Holder for Economic Development, Business and Tourism. The report sought Cabinet approval for the further development of a strategic Market Town Initiative across North Norfolk's inland market towns. The Initiative originated from the Mary Portas Review of town and city centres which the Economic Development Team had looked at in terms of how it might apply to North Norfolk and had stimulated thinking on what could be done to regenerate our market towns. Although the Initiative sat with bigger projects in Cromer and Wells, it was essential that resources were spread across the District. Each town council would have its own ideas and it was for the Council to facilitate, rather than be prescriptive.

Questions and Discussion

- Ms V Gay expressed support of the Initiative but had concerns about some elements of the framework. She perceived Fakenham and North Walsham as growth towns with larger populations and believed that this should be reflected when money was allocated. She was also concerned that there was no reference to Built Heritage in the management plans. She accepted that all schemes must go forward on the basis of dialogue with town councils, but hoped that they would be closely monitored by NNDC. Mr J Lee said that these concerns would be addressed by the working group which was being set up by the Overview and Scrutiny Committee. As far as funding was concerned, the ideas would have to come from the towns and the money allocated on a case by case basis. The sum allocated would be flexible. The Monitoring Officer said that although Built Heritage was not specifically mentioned in the scheme there were ways for it to fit in, although not necessarily delivered directly by the scheme.
- Mr R Reynolds expressed support for the scheme and said that Fakenham was already engaging with it.
- Mr J Rest asked if the scheme had a timeline. The Monitoring Officer explained that the bids would come to the Overview and Scrutiny Committee first and then to Cabinet. Bids would tend to be for "quick win" projects so that the money would be committed before the end of the year. Any un-committed money would be subject to a decision by Cabinet.
- The proposal was seconded by Mr R Price who said that the scheme was something that would make a difference in our market towns. He was pleased to hear that Fakenham had made a start.

It was proposed by Mr N Dixon, seconded by Mr R Price and

RESOLVED

- (1) That Cabinet to approve the Framework as set out in the report for the North Norfolk Market Town Initiative Programme.**
- (2) That Cabinet refer the further development of the Market Town Initiative to the Overview and Scrutiny committee in the terms set out in the report.**

133. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

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

134. PRIVATE BUSINESS

PROPOSED LEASE OF DEPOT, GROVE LANE, HOLT

The report was introduced by Mr R Price, Portfolio Holder for Property and Asset Commercialisation. It provided an update for Members regarding the former depot and sought approval regarding a proposed lease. The former depot had stood vacant since the previous tenant vacated in 2013 and the proposal would bring the premises back into use, allowing a local business to remain within the town. The lease offered a market rental income over a 15-year term.

It was recommended that Cabinet agreed to approve Option 3 of the lease proposal as highlighted in paragraph 3 (as summarised in Appendix A).

It was proposed by Mr R Price, seconded by Mr N Dixon and

RESOLVED

To approve Option 3 of the lease proposal as highlighted in paragraph 3 (as summarised in Appendix A).

Reason for the decision:

1. To support the Councils Corporate priority of "A district with a thriving economy offering better jobs and prospects for local people".
2. To bring this vacant premises back into use and reduce the Councils liability.
3. To generate a market rental income.

The meeting ended at 10.42 am.

Chairman

2017/18 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)

- Summary: This report presents the provisional outturn position for the 2017/18 financial year and includes a General Fund underspend of £249,676 and a transfer from the Collection Fund in relation to Business Rates of £744,583 giving an overall General Fund surplus of £994,259. It also provides an update in relation to the Council's capital programme. Details are included within the report of the more significant year-end variances compared to the current budget for 2017/18. The report also makes recommendations for contributions to reserves as applicable for future spending commitments. An update to the current capital programme is also included.
- Options considered: The report provides a final budget monitoring position for the 2017/18 financial year. Whilst there are options available for earmarking the underspend in the year, the report makes recommendations that provide funding for ongoing commitments and future projects.
- Conclusions: The outturn position on the revenue account as at 31 March 2018 shows an overall underspend of £994,259. The final position allows for £501,386 of budget and grant underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments for which no budget has been allocated in 2018/19. The position as reported will be used to inform the production of the statutory accounts which will then be subject to audit by the Council's external auditors Ernst and Young (EY).
- Recommendations: **Members are asked to consider the report and recommend the following to Full Council:**
- a) The provisional outturn position for the general fund revenue account for 2017/18;**
 - b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2018/19 budget;**
 - c) Transfer part of the surplus of £994,259 to the Capital Projects Reserve to support the capital programme;**
 - d) The financing of the 2017/18 capital programme as detailed within the report and at Appendix D;**
 - e) The balance on the General Reserve of £2.196 million;**

f) The updated capital programme for 2018/19 to 2021/22 and the associated financing of the schemes as outlined within the report and detailed at Appendix E.

Reasons for Recommendations: To approve the outturn position on the revenue and capital accounts for 2017/18 that will be used to produce the statutory accounts for 2017/18.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

Budget Monitoring Reports, NNDR returns

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|--|----------------------|
| Cabinet Member(s): Cllr Wyndham Northam | Ward(s) affected All |
|--|----------------------|

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

1. Introduction

- 1.1 This report presents the provisional outturn position for the 2017/18 financial year, this will be used to inform the production of the Council's statutory accounts which will be subject to audit review ahead of presentation to the Governance, Risk and Audit Committee (GRAC) in July 2018.
- 1.2 Commentary on the more significant year-end variances is included within the report with further supporting information provided within the appendices.
- 1.3 The report also includes a current forecast position statement on the level of reserves along with the outturn and financing position for the 2017/18 capital programme. The capital programme for the period 2018/19 to 2021/22 has been updated to take account of the outturn position and is included within this report and appendices.
- 1.4 All budgets have been monitored during the year by Service and Finance Officers with regular reports being presented to Cabinet and Overview and Scrutiny. The period 10 budget monitoring report was presented to Cabinet in February which covered the first 10 months of the year up to the end of January 2018. At the time this report was forecasting a General Fund underspend of £273,052, excluding any transfers from the Collection Fund in relation to Business Rates.
- 1.5 The outturn position as now reported shows General Fund surpluses of £249,676 with a further transfer from the Collection Fund in relation to Business Rates of £744,583, giving a final overall underspend of £994,259. This report now presents the final budget monitoring position for the year. The contents of this report will be considered by the Overview and Scrutiny Committee on 20 June 2018.
- 1.6 At the time of preparing this report there are a number of final figures for 2017/18 which have not yet been confirmed and therefore estimates have been made within the provisional outturn position. This is not unusual due to the timing of producing the outturn report, and the lead in time for publication of committee papers. Further details on this are included under the heading 'Estimates included in the accounts'.

- 1.7 The deadline for the statutory annual accounts is 31 May for the draft statements and 31 July for the published audited version, the latter being two months earlier than last year.

2. Revenue Account – Outturn 2017/18

- 2.1 The revenue account position for the year shows a total surplus of £994,259 as detailed at Appendix A. This is after allowing for transfers to Earmarked Reserves for current and known commitments. The transfers to and from reserves in the year are made in line with the Council's policy framework for Earmarked Reserves as approved as part of the annual budget setting process. Earmarked Reserves are typically used to set aside funds for known or specific liabilities. Transfers to Earmarked Reserves have been made for the following:
- a) Where an underspend has occurred within a service, mainly due to the timing of work not being completed as planned (by 31 March 2018), and also where no future budget exists or where there is a one-off commitment that continues into the 2018/19 financial year;
 - b) Where external funding has been received in 2017/18 for which the expenditure has not yet been incurred;
 - c) Where the 2017/18 budget allowed for expenditure to be funded from an Earmarked Reserve, but the spend has not yet been incurred as planned and therefore the funds remain in the Earmarked Reserve until 2018/19.

Estimates Included in the Accounts

- 2.2 The provisional outturn position includes some estimates where final figures are either not confirmed at the time of producing the report or are subject to external audit later in the year. The significant estimates are in relation to Benefit Subsidy, Business Rates Retention and commercial waste disposal and recycling credit income.
- 2.3 **Benefit Subsidy** - The benefit subsidy return was completed and submitted by 30 April 2018 and will be subject to external audit review later in the year. Depending on the outcome from the external audit review there could be an impact on the overall financial position, for example should subsidy be due to the Department for Work and Pensions. It is for this reason that the Council holds a Benefits Earmarked Reserve to mitigate any such impact. In 2017/18 £76,767 was allocated from the Benefits Earmarked Reserve to mitigate an audit adjustment to the 2016/17 Audited Claim.
- 2.4 **Business Rates** - Under the current system of business rates retention an element of the business rates is retained locally (split between the County (10%) and Districts (40%)) with the balance (50%) being returned to Central Government. The budget for the year was informed by the baseline funding and the NNDR1 position. The outturn position is based on the National Non Domestic Rates (NNDR) Return which is submitted annually.

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

Table 1 below provides a summary of the main variances across the standard expenditure headings. Details of the variances at the service level are provided at section 3.

| Table 1 - 2017/18 Subjective Analysis | 2017/18 Updated Budget | 2017/18 Outturn | Variance | |
|---------------------------------------|------------------------------|--------------------|------------------|--------------|
| | £ | £ | £ | % |
| Employee Costs | 10,741,814 | 11,798,566 | 1,056,752 | 9.84 |
| Premises | 2,472,384 | 2,834,645 | 362,261 | 14.65 |
| Transport Related Expenditure | 318,971 | 309,091 | (9,880) | (3.10) |
| Supplies & Services | 9,237,222 | 9,707,084 | 469,862 | 5.09 |
| Transfer Payments | 27,465,009 | 25,746,067 | (1,718,942) | (6.26) |
| Support Services - Charges In | 9,649,190 | 10,611,761 | 962,571 | 9.98 |
| Support Services - Charges Out | (10,220,690) | (11,167,467) | (946,777) | 9.26 |
| Capital Financing Costs | 3,646,363 | 6,209,225 | 2,562,862 | 70.29 |
| Income | (37,684,166) | (37,826,083) | (141,917) | 0.38 |
| Total cost of services | 15,626,097 | 18,222,889 | 2,596,792 | 16.62 |

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

- a) **Employee Costs** – £1,105,406 of this variance relates to pension cost adjustments for current service costs. This adjustment reflects the difference between the cash contributions the Council has made in to the Pension Fund during the year and the value of pensions accumulated in the year calculated by the actuary.

These additional costs are reversed out under net operating expenditure and have no bottom line impact on the revenue outturn position. However, the increase is reflected on Council's the long term liability on the Balance Sheet.

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

- b) **Premises** – additional premises costs of £362,261. The significant movements include repairs, maintenance and servicing costs at the Council's admin buildings and investment properties; fixed wire testing has been undertaken during the year on all assets; outstanding works associated to the Storm Surge and expenditure relating to the conduct of various elections. Some of these additional costs have been funded from the Council's earmarked reserves and some will be met from insurance claims and grant income.

- c) **Supplies and Services** – additional supplies and services costs of £469,862. The significant movements against the budgets for supplies and services include movement in the provision for bad and doubtful debts

which is not budgeted for at service level; purchase of trade/garden waste and solar powered compactor bins; pier survey work; homelessness B&B charges, and external staffing. There was also a variance attributed to external printing and stationary costs incurred on elections. Some of this will be met by funding from the Council's earmarked reserves, recoverable subsidy, client contributions and grant income.

- d) **Capital Financing Costs** – The main variance relates to the loans to registered housing providers and the final treatment of these payments as revenue expenditure funded from capital under statute (REFCUS) which was different to the treatment anticipated within the original budget. Other minor variances relate to slippage and re-profiling of the capital programme.

- e) **Income** – The most significant income variances for the year are due to additional VAT shelter income, car parking fee income, and benefits subsidy income, the latter is matched by benefits payments included under the transfer payments heading, along with variances in respect of planning income.

3. Revenue Account – Detailed Commentary 2017/18

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

| Table 2 - 2017/18 Revenue Account (Excluding Notional Charges) | Updated Budget | Outturn | Variance |
|---|---------------------------|---------------------|--------------------|
| | £ | £ | £ |
| Service Area: | | | |
| Corporate and CLT | 268,743 | 234,188 | (34,555) |
| Community, Economic Development & Leisure | 1,550,946 | 1,431,020 | (119,926) |
| Customer Services and ICT | 2,050,991 | 1,503,532 | (547,459) |
| Democratic and Legal Services | 688,401 | 607,679 | (80,722) |
| Environmental Health | 3,501,929 | 3,216,017 | (285,912) |
| Finance and Assets | 2,217,837 | 2,450,866 | 233,029 |
| Planning | 1,960,174 | 1,717,809 | (242,365) |
| Net Cost of Services | 12,239,021 | 11,161,112 | (1,077,909) |
| Parish Precepts | 2,079,492 | 2,079,492 | 0 |
| Net Interest Receivable/ Payable | (832,440) | (931,535) | (99,095) |
| Capital Financing | 2,535,539 | 1,339,403 | (1,196,136) |
| Contribution to /(from) Earmarked Reserves | (1,371,848) | 719,968 | 2,091,816 |
| Contribution to /(from) General Reserve | (189,612) | (135,287) | 54,325 |
| Net Service Expenditure/Income to be met from government Grant & Taxpayers | 14,460,152 | 14,233,153 | (226,999) |
| Government Grants and Council Tax | (14,460,152) | (15,227,412) | (767,260) |
| Net (Surplus)/Deficit for the year | 0 | (994,259) | (994,259) |

- 3.2 **Service Variances** – The following provides commentary of the more significant variances for the seven service groupings, further explanation is provided within the detailed appendices.

| Service and Details | Net (Under)/Overspend (Direct Cost and Income Only) |
|---|--|
| Corporate And CLT | |
| Registration Services - The variance relates to the conduct of various elections held in the year together with undertaking a canvass; the costs relate to stationery and equipment, printing and postage and staffing and consultancy. The majority of these costs has been offset by funding but has left a net direct cost balance of £37,936. | 37,936 |
| Community, Economic Development and Leisure | |
| Car Parking – The final outturn position on car park income showed a shortfall of £118,592 against the original budget, this was mainly in relation to ticket sales and penalty charge notice income although the real issue was that the income forecast in the original budget had been set at slightly too high a level. Season ticket income was £34,300 up against budget. Overall car park income was £13,594 up on last year's comparative figure which again highlights it was an issue with | 102,096 |

| Service and Details | Net (Under)/Overspend (Direct Cost and Income Only) |
|--|--|
| the income estimate included within the original budget rather than a decline in actual usage or real cash. | |
| Foreshore – (£19,809) - Maintenance costs lower than expected. £10,000 will be rolled forward to pay for the supply of lighting and installation at the following locations: gangway lighting, Doctors Steps and Happy Valley. (£20,490) - Insurance reimbursement relating to storm damage in January 2017. | (29,720) |
| Leisure Complexes – Leisure contract procurement costs not yet incurred. As these are one-off costs funded from earmarked reserves there will be no impact on the outturn position. | (28,017) |
| Pier Pavilion – Repair and maintenance costs are higher, mainly due to the installation of stage lighting dimmer racks. These costs have been offset by profit share income. | (18,805) |
| Other Sports – (£27,700) - Sports Hubs and Clubs spend lower than anticipated, £71,420 - Lower grant received in relation to Sports Hubs and Clubs. (£12,000) - £17,000 has been received by Public Health and agreed to spend over a three year period to deliver a series of seated exercise classes across the district. We have committed £5,000 in the current year and need to roll forward the remaining £12,000 over years 2018/19 and 2019/20. | 32,564 |
| Woodlands Management – £16,005 - Tree safety work. £5,750 - Repairs to the tower at Holt Country Park. £4,464 - Various other grounds maintenance works. £8,240 - Equipment purchases. (£6,174) - Income from charges for events and visits. (£7,184) - Grant received for works at Pretty Corner Woods. | 20,791 |
| Cromer Pier – £10,662 - Repair and Maintenance costs including deck repairs (£2,224), foul water tank replacement (£4,602) and other repairs (£3,836). £64,011 - Insurance reimbursement accruals relating to storm damage still to be recovered. | 75,060 |
| Beach Huts and Chalets – £1,836 - Pension fund adjustments (current service costs). £37,796 - Repairs required as a result of storm damage, offset by not having to undertake routine maintenance (£20,760). | (27,342) |
| Economic Growth – (£10,000) Business awards funded from base budget and not General Reserve allocation. (£10,000) Underspend in planned expenditure which has been rolled forward for spend in 2018/19. (£13,180) Bad debt provision adjustment. | (35,814) |
| Economic Growth Staffing – This saving relates to one-off employee turnover as a result of recruitment delays during the year. | (24,188) |

| Service and Details | Net (Under)/Overspend (Direct Cost and Income Only) |
|---|--|
| Housing (Health and Wellbeing) – This relates to surplus fee income from Home Improvement Agency, this has been approved to be rolled forward to allow for future investment in the service. | (44,531) |
| Housing Strategy – Greater receipts relating to the VAT sharing agreement with Victory Housing Association, these receipts are currently ring-fenced for use on capital expenditure and as part of the outturn process will be transferred to the Capital Projects Reserve. | (201,349) |
| Community and Localism – (£16,970) - Spend not incurred in relation to the Youth Advisory Board. This will be rolled forward into an earmarked reserve to be allocated in 2018/19. (£49,373) - Uncommitted and unclaimed Big Society Fund grants, these are funded from the 2nd Homes money passed to the District from the County and this will be rolled forward into the Communities Earmarked Reserve. | (64,341) |
| Customer Services and ICT | |
| Revenue Services – The main variance within this service relates to movement in the provision for bad and doubtful debts and bad debt write offs which are not budgeted for at service level. | 23,034 |
| Benefits Administration – Employee turnover savings of (£41,839) were achieved in year as a result of staff vacancies. (£226,890) relates to various one off grants received and previously held outside of the General Fund. After a review of the grant determinations the accounting treatment has been changed, future grants will automatically be credited to the General Fund accounts. | (273,932) |
| ICT Support services – Expenditure on a number of items including software licences and computer lines and modems were below the updated budget. These were partially offset by increased hardware and maintenance costs. | (66,562) |
| Homelessness – (£142,154) Homelessness prevention grants - monies are committed for spend for staffing/ICT software/prevention and relief duties that have been brought about due to the introduction of the Homeless Reduction Act 2017 which came into force on 3 April 2018. These grants have partially been offset by bad debt write offs not budgeted for at service level. | (122,050) |
| Democratic and Legal Services | |
| Legal Services – This net overspend relates to a number of variances which include £25,711 - Staff training and mileage costs. £10,686 - Cost of locum solicitors. £7,305 - Client disbursements. £12,210 - Computer software in relation to the case management system upgrade. These additional costs will be funded from the additional income and use of the earmarked Legal Reserve. | 22,172 |

| Service and Details | Net (Under)/Overspend (Direct Cost and Income Only) |
|---|--|
| | |
| Environmental Health | |
| Public Protection – Additional income from taxis and premises licences where there are cyclical fee structures. £15,000 of this surplus will be transferred to the Environmental Health Earmarked Reserve and considered as part of future fee setting. | (25,809) |
| Environmental Protection – Additional staffing and transport costs £49,790; this has been offset by (£10,814) saving in professional fees including the kennelling contract, contaminated land and rechargeable works. (£4,540) Underspend in equipment, materials and subscriptions. | 23,678 |
| Waste Collection and Disposal – The main reasons for this significant variance are outlined below; £60,327 Purchase/refurbishment of trade and garden bins; (£13,212) Domestic waste disposal; £19,782 Additional commercial disposal costs; (£28,090) Procurement costs not spent in year, (£90,999) Kier - vehicle costs; (£158,528) Additional fee income from bulky, garden and trade waste collections; (£33,470) Additional income from recycling credits. Of this underspend £46,000 is being transferred as a contribution to capital costs. | (235,081) |
| Cleansing – £112,431 Bin purchases. Payments to Kier in respect of rapid response £11,803, this is offset by (£32,294) Kier default payments. (£6,499) Additional income from dog and litter bin recharges. (£32,840) Contributions to purchases of solar compactor litter bins. | 56,136 |
| Finance and Assets | |
| Handy Man – Changes to the staffing structure mid-year have meant that there were less chargeable hours to recover the direct costs and overheads of the service. | 29,953 |
| Benefits Subsidy – £86,157 Movement in the provision for bad and doubtful debts which are not budgeted for at service level. (£1,718,952) Lower level of Subsidy payments made than anticipated in the budget, this has been offset by a reduction in Subsidy received from the Department for Work and Pensions (DWP) £1,903,610 Subsidy on Benefits payments and Discretionary Housing Payments as per Final claims to DWP. £77,885 Adjustments re final audited subsidy 2016/17. (£65,365) Movement in overpayments held on Civica debtor module. (£11,899) Movement in provision for Benefit | (56,551) |

| Service and Details | Net (Under)/Overspend (Direct Cost and Income Only) |
|--|--|
| overpayments to be collected from ongoing benefit payments. (£317,140) Recovered benefit overpayments transferred to revenue. | |
| <p>Administrative Buildings – £50,617 relates to various repairs and maintenance works at the Cromer Office, including fitting of carpets and screens, car park repairs and the implementation of various recommendations following an inspection by the Council’s Insurers.</p> <p>£44,465 Costs in association with the fire at the Fakenham Office, It is anticipated that these costs will be recovered by an Insurance claim (£44,658).</p> | 57,521 |
| <p>Property Services – the more significant variances include: £32,265 Additional staffing costs associated with a restructure of the team and support from Norfolk Property Services (NPS) for the estates team pending recruitment to the Surveyor post which has been filled since April. £16,229 Additional insurance premiums for shared equity properties these have been partially recovered. Work has been carried out on £42,991 Pier surveys this has been funded from the Council’s General Reserves. £11,380 Strategic Development Partnership (Gleeds) which is to be funded from the Asset Management Reserve; £6,250 Miscellaneous valuations. £5,000 Contribution to One Public Estate.</p> | 117,662 |
| <p>Corporate Finance – Employee turnover savings relating to vacant posts. Some of this saving has been rolled forward to fund some one-off finance system improvements.</p> | (53,921) |
| <p>Internal Audit – Contract savings in relation to the provision of the internal audit function.</p> | (21,978) |
| <p>Public Conveniences – £49,621 Additional repair and maintenance costs to include fixed wire testing on all assets; £4,584 Higher water and sewerage costs; £2,835 Higher electricity costs; (£6,791) Saving in the Kier cleansing costs.</p> | 54,712 |
| <p>Investment Properties – £46,914 Additional repair and maintenance costs, some of which is to be funded from the Asset Management Reserve; £6,796 Higher service contract costs (E.g. Fire extinguishers, emergency lighting and fixed wire testing); £3,542 Business Rates; £4,667 Water/Sewerage costs; £5,811 Gas, Electricity & Oil costs; £4,912 Purchase of fixtures and fittings; £8,351 Asbestos surveys undertaken. (£4,906) Higher recovery of utilities recharges; (£7,695) Increased rental income; (£33,300) Income from Concessions at various sites; £16,648 Outstanding debtor provisions for storm damage.</p> | 52,730 |
| <p>Corporate and Democratic Core – Reduction in employee costs (£11,393) charged directly to Democratic Representation and</p> | (52,306) |

| Service and Details | Net (Under)/Overspend (Direct Cost and Income Only) |
|--|--|
| Management. (£34,976) - The external audit fee is lower than anticipated. | |
| Planning | |
| Development Management – Income generated from planning fee income and chargeable professional advice. A proportion of this has been earmarked to support the implementation of the new Planning ICT system. | (135,122) |
| Planning Policy – (£71,919) slippage in planned spend relating to the Local Plan review, this expenditure is funded from the New Homes Bonus and will continue to be ring-fenced for future plan review costs. In addition the Council received two new burdens grants totalling (£35,485). These grants were in relation to maintaining New and Custom Housebuilding and Brown Field Registers but were not received until the last working day of the financial year. These have now been earmarked to fund future spend. | (107,829) |
| Major Developments – Employee turnover savings resulting from a vacant post and recovered qualification training costs. | (23,093) |
| Property Information – (£24,226) Norfolk County Council search fees, including a provision for 2016/17 costs which was not fully offset by expenditure. (£63,259) Search fee income over budgeted level, as fees are calculated on a cost recovery basis the net surplus will be earmarked and considered as part of future fee setting exercises. | (87,709) |

Non Service Expenditure and Income

- 3.3 The non-service expenditure and income predominantly relates to investment income.
- 3.4 The income budget for 2017/18 anticipated £837,200 would be earned in interest from an average balance of £32.2m at a rate of 2.6%. A total of £935,183 was earned from investments over the year from an average balance of £40.7m at an average rate of interest of 2.29%. This resulted in a favourable variance against the budget of £97,983 in respect of investment income.
- 3.5 Investment balances were consistently higher than anticipated in the budget although the overall rate of interest earned was 0.31% lower than budget. The capital loans to a Housing Association were budgeted to be in place from the start of the financial year but were not in fact advanced until the 31 January 2018. This contributed to the lower rate of return for the year but also the higher balances.
- 3.6 The Council has taken a strategic decision to increase the amount invested in pooled funds using balances which are not anticipated to be required in the medium to long-term (three to five years). These pooled funds are anticipated to provide a higher income return than alternative financial instruments and achieved an average interest rate of 3.46% in the year.

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

Retained Business Rate Income

- 3.8 The total favourable variance for the year under the Business Rate Retention Scheme was £744,583. This sum includes increased amounts receivable in respect of reliefs funded by central government using Section 31 grants of £787,329; an increased levy payable to Norfolk County Council of (£181,316); additional tariff payable to central government of (£35,599); additional income from renewable energy schemes and relief in enterprise zones of £92,930; additional growth of £80,240 and other minor variances.
- 3.9 The Council is a member of the Norfolk Business Rates Pool which enables growth in the business rates collected in Norfolk to be retained locally, rather than being passed to central government. The growth is paid over in the form of a levy payment to Norfolk County Council as the lead authority for the Pool. The budget for the levy was £399,104 but this has increased by £181,316 to £580,420 at outturn. The increase is due to a higher retained business rate income figure as a result of central government increases in reliefs.
- 3.10 The Council can retain all the income from renewable energy schemes, provided it was granted planning permission. It must include each year the amount it anticipates it will receive when completing the NNDR1. Any variation will be carried forward to the following year. The actual income receivable in 2016/17 from renewable energy schemes was £15,691 above the NNDR1 figure for that year of £584,188, and this additional income will be included in the 2017/18 outturn.
- 3.11 The Government has provided additional reliefs to business in successive Autumn Statements. These reliefs have been dealt with outside the Business Rate Retention Scheme and funded by Section 31 grants payable to District Councils. The reliefs actually granted to businesses for the year have resulted in an increase of £787,329 in grant received.
- 3.12 The business rate income is paid into the Collection Fund and then distributed to Central Government, the County Council and NNDC in accordance with the proportionate shares set out in the Scheme. The distribution is based on the NNDR1 return and any variances at outturn will produce a surplus or deficit on the Collection Fund which is then distributed in the following year. A deficit on the Collection Fund has been anticipated for 2017/18 and the Council's share of the overall deficit on the Collection Fund at the time of completing the 2018/19 NNDR1 is £180,034.

4. Reserves

- 4.1 The Council holds a General Reserve for which the recommended balance is currently £1.85 million. The purpose of holding a General Reserve is to provide a working balance to help cushion the impact of uneven cash flows to avoid temporary borrowing and to provide a contingency to help cushion the impact of unexpected events or emergencies.
- 4.2 In addition to the General Reserve the Council holds a number of Earmarked Reserves that are held to meet known or predicted liabilities. The Earmarked Reserves also provides a means at the year-end for carrying funds forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists.
- 4.3 There are a number of Earmarked Reserves that have balances, yet the timing of the use of the reserve is yet to be agreed. One of these reserves is the New

Homes Bonus which includes allocation from previous grants. Some of the unallocated balance will be used to fund one-off costs in respect of the Local Plan review.

- 4.4 Section 3 of the report has highlighted a number of service areas where an underspend has occurred in the year and a transfer to reserves had been made to ensure funds are available to meet future spending commitments. Unlike capital budgets, underspends on revenue budgets in the year are not automatically rolled forward at the year-end where there is an annual budget provision. Where the underspend represents a grant received which has not yet been fully utilised or there has been a delay in the planned use, the unspent grant has been rolled forward.
- 4.5 The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. The appendix also shows the planned use of reserves over the medium term to take account of where funding has been rolled forward from 2017/18 for use in 2018/19.
- 4.6 The General Reserve balance at 31 March 2018 is £2.196 million. All reserves will be reviewed as part of the upcoming work on the Medium Term Financial Strategy which will be presented to Members later in the year.

5. Summary – Revenue Account 2017/18

- 5.1 The outturn position for the year ending 31 March 2018 is a £994,259 surplus. This is after allowing for a number of underspends identified at the service level which have been rolled forward within reserves to fund one-off commitments in 2017/18 where there is no annual budget. The report is recommending that the 2017/18 surplus of £994,259 is transferred to the Capital Projects Reserve to support upcoming major capital schemes including the Splash re-provision and the North Norfolk Sports Hub.

6. Capital Programme 2017/18

- 6.1 This section of the report presents the financing of the capital programme for 2017/18, together with the updated programme for the financial years 2018/19 to 2021/22. Appendix D provides the detail of the outturn on the 2017/18 capital programme for all service areas, together with the financing for all schemes. The updated capital programme for 2018/19 to 2021/22 is attached at Appendix E. The Prudential Indicators for the capital outturn position are also attached at Appendix F.
- 6.2 The outturn position for the 2017/18 capital programme is provided at Appendix D which highlights the outturn position against the updated budget and shows how the various schemes have been financed. Some schemes will have slipped into the new financial year. The reasons for this include where schemes have not progressed as originally planned and the funding is requested to be carried forward to the new financial year, or where scheme have progressed ahead of schedules and there is a requirement to bring back funding from the 2018/19 budgets.
- 6.3 In total the expenditure on the capital programme for the year was £7,636,779 compared to an updated budget of £7,819,565 which resulted in a variance of (£182,786). Of this variance the most significant were;

- Cromer Pier and West Prom Refurbishment – This project overspent its 2017/18 allocation by £174,805 but the 2018/19 allocation has now been re-profiled to take this into account
- Holt Tourist Information Centre – The contribution to Holt Town Council for the purchase of a new Tourist Information Centre site was not made in 2017/18, so this project is showing a variance of (£100,000)
- Purchase of Car Park Vehicles – This budget was not drawn down in 2017/18 so it showing a variance of (£60,000)

6.4 There has been a requirement to reprofile budget of £433,394 from the 2018/19 budgets where schemes have either progressed slightly earlier than anticipated or where the level of expenditure has been higher than that profiled to be incurred during the financial year (see Table 3 below for significant variances). The updated programme for 2018/19 onward (Appendix E) reflects these adjustments.

Table 3 - Capital Schemes where reprofiling is required from 2018/19 Budget over £20,000

| Capital Scheme | Re-profiled Amount £ |
|---|---------------------------------|
| Car Park Refurbishment Scheme | 35,813 |
| Gypsy and Traveller Short Stay Sites | 37,840 |
| Cromer Pier and West Prom Refurbishment | 174,805 |
| Mundesley Refurb of Coastal Defences | 44,528 |
| Personal Computer Replacement Fund | 55,031 |
| Environmental Health IT System | 22,800 |

6.5 Schemes completed in 2017/18 – In total there were eight schemes within the capital programme which were identified as being completed during the financial year. Table 4 provides a summary of the schemes along with any final project variance, and commentary on financing implications where necessary.

Table 4 - Capital Schemes Completed within the 2017/18 Financial Year

| Capital Scheme | Variance £ (Under) / Over | Financing Commentary |
|--|---|---|
| Public Convenience Water Heater Improvements | (4,281) | All works for this scheme are complete with the scheme coming in slightly under budget. |
| Environmental Ranger Vehicles 2017/18 | 25,320 | The budget allocation for this project originally sat in 2018/19, but the vehicles were |

| | | |
|--|--------|--|
| | | required in the 2017/18 financial year. These have been funded during the year from a Revenue Contribution to Capital Outlay (RCCO), and the original budget for 2018/19 remains intact to fund additional replacement vehicles. |
| Purchase of Property Services Vehicle | 8 | This scheme has been completed and the minor overspend is to be financed from the use of additional capital receipts. |
| Environmental Health Vehicles 2017/18 | 670 | This scheme is now complete; the additional expenditure incurred is to be financed from the use of capital receipts. |
| Trade Waste Bins | 74,675 | Additional bin purchases have been made in excess of the original budget. All purchases were made on the basis that the additional expenditure was to be financed from an RCCO. |
| Fakenham Community Centre Window Replacement | 19,003 | This scheme is now complete; the additional expenditure incurred is to be financed from the use of capital receipts. |
| Access Control Systems | 1,282 | This scheme is complete and the minor overspend is to be financed by capital receipts. |
| Goat Livestock Grazing | (665) | This scheme is complete and has come in under budget. |

6.6 Schemes which did not complete in 2017/18 and underspent their allocation for the year had their budget reprofiled into 2018/19 as part of the slippage process. There were no schemes with slippage in excess of £100,000 at outturn in the 2017/18 financial year.

6 Capital Programme – 2018/19 Update

6.7 Appendix E shows the updated capital programme for the period 2018/19 to 2021/22. The capital programme has been updated to reflect the slippage identified within this report, together with the capital outturn position. It also included those schemes which received formal approval as part of the 2018/19 budget report.

6.8 In addition to the schemes identified as part of the budget process, three further schemes have been included within the updated programme.

6.9 At the Cabinet meeting on the 16th April approval was given to a budget of £232,450 to be funded from the Asset Management Reserve for the

refurbishment of the Depot site at Grove Lane, with a view to letting this to a tenant for income generation.

6.10 The budget for the provision of a Sports Hub at Cromer was extended by £250,000 to be funded from capital receipts to improve the income generating capacity of the finished Hub. This was agreed at Full Council on 28th March.

6.11 As part of the approval of the Council's Asset Management Plan, a £2m Local Property Investment Fund has been approved, to be funded equally from the Invest to Save Reserve and the New Homes Bonus Reserve.

6.12 The final amendments made to the capital programme for 2018/19 relate to schemes which have been removed due to the balance of budget no longer being required;

- Sutton Mill Loan – The balance of £350,000 which was proposed to be loaned to National Millwrighting Centre CIC is no longer required as the CIC were unsuccessful in securing the Sutton Mill premises.
- Public Convenience Redevelopment – The budget of £450,000 will not be required for any development schemes in its current form. A new budget will be requested once any new schemes have been approved by Members and will be the subject of further Cabinet reports.

7 2018/19 Budget Implications and Financial Forecast 2019/20 Onwards

8.1 The budget for 2018/19 was approved in February 2018. At the same time financial projections for the following three years to 2021/22 were also reported. The budget for 2017/18 includes new savings and additional income totalling £558,300 for 2017/18 which is expected to increase to £710,065 in 2018/19, £801,400 for 2019/20 and £818,068 from 2020/21.

8.2 The forward financial projections from 2019/20 onwards make assumptions around the future funding from government support and known commitments and changes to service expenditure. Table 5 below provides a summary of the current reported funding gaps for the next three years.

| Table 5 – Current Reported Funding Forecast | | | |
|--|----------------|----------------|----------------|
| | 2019/20 | 2020/21 | 2021/22 |
| | £000 | £000 | £000 |
| Current Funding Gap/(surplus) ¹ | 1,566 | 2,129 | 2,111 |

8.3 The forward projections of expenditure and income will be updated to take account of the outturn position and also other spending/income pressures that have been identified outside of the budget process. These will be reported to Members in the coming months as part of the Financial Strategy update to enable early preparation for the 2019/20 budget process.

¹ As reported in the 2018/19 Budget Report, February 2018

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

9 Financial Implications and Risks

- 9.1 There are a number of financial risks that continue to face Local Authorities in terms of funding, for example the Local Retention of Business Rates (now being discussed in terms of 75% retention rather than the 100% retention originally proposed), the ongoing Fair Funding Review which will set new baseline funding allocations and responding to spending pressures and changes in service demand. The more significant risks in relation to the outturn position for 2017/18 and the ongoing financial position are summarised below.
- 9.2 **Under and Overspends** - This outturn report has identified a number of underspends at the service level; some have occurred due to factors outside of the Council's control which has meant that expenditure has not been incurred as planned, for example Local Plan expenditure. Where applicable service underspends have been carried forward within Earmarked Reserves to fund one-off costs or where projects have been delayed until the 2018/19 financial year. Some of the underspends from 2017/18 which are in relation to ongoing savings have already been factored into the 2018/19 base budget and will be further reviewed as part of the production of the Medium Term Financial Strategy later this year.
- 9.3 **Housing Benefit Subsidy** – as mentioned earlier in the report the outturn position includes the unaudited benefits subsidy position. Expenditure in the region of £25.674 million has been incurred in the year to be recovered from subsidy payable by the Department for Work and Pensions (DWP). The final position will not be confirmed until the claim has been audited by the Council's external auditors and signed off by the DWP later in the year. Much of the risk around changes to the claim and subsidy recoverable is reduced by the Benefits Earmarked Reserve which is maintained to help mitigate the impact of any claw back from the DWP following the final audited subsidy claim.
- 9.4 **Business Rates Retention Scheme** – As mentioned previously, Local Authority funding from business rates is open to risks around funding fluctuations due to increases and decreases in the rateable values (RV) of non-domestic properties and successful appeals against RV. The NNDR 3 return has been submitted and will be subject to external audit review as part of the final accounts audit work. Any changes to the figures included in the outturn position could have an impact on the general fund balance. Furthermore there is a risk of business rates appeals and whilst the NNDR returns do include assumptions around provisions for appeals and backdating, these elements could be subject to fluctuations. The Valuation Office Agency (VOA) who hear the appeals currently have a backlog and are slow to clear the outstanding appeals, this increases the risk of the Council needing to pay out large refunds in rates. There is also an ongoing application from NHS Trusts for mandatory relief for their properties on the basis that they are used for non-profit making services. If this application was granted and the relief backdated, this would result in hundreds of millions of pounds across the country being refunded to the NHS from Councils. North Norfolk District Council is exposed to this risk through the local pooling of business rates through the Norfolk Business Rates Pool. These risks are again however mitigated by the Business Rates Earmarked Reserve.
- 9.5 **Waste contract** – as highlighted within the 2018/19 budget report officers are in the process of negotiating a 1 year contract extension with Kier to enable a joint procurement exercise to be undertaken with Breckland District Council and Kings Lynn and West Norfolk Borough Council. Back in February when the budget was agreed it was anticipated that this could cost an additional £1m over the current

budget, although this was subject to final negotiation and agreement. Having held further discussions with our contractor this additional cost is now anticipated to be around £800,000 but this would still represent a significant increase on future year's budgets if this represented the market price although this won't ultimately be known until the new contract is procured.

- 9.6 **Recycling costs** – The global price for paper recyclate is falling rapidly following a change to import controls in China from 1 March. This is putting significant pressure on Norse Environmental Waste Services (NEWS) who operate the Joint Venture Contract for the processing of recycling. This income from recycled paper effectively helped to keep recycling costs down but as this income diminishes the net costs increase and ultimately this will be passed back to the district councils as is happening in the private sector. The position continues to be monitored and will be considered as part of the budget monitoring process for 2018/19, the MTFS and future years budget as we progress through the year but. At present this may have a one off impact for the Council during the 2018/19 financial year of around £100,000 which can be funded from reserves but the position has not yet been finalised and if this contribution was to be required a clawback mechanism would also be agreed should the position improve in future years.
- 9.7 **Leisure contract** – a capital budget of £10.7m has been established for the re-provision of the Splash leisure facility in Sheringham. Part of the funding assumptions around financing this new build include a significant reduction in the management fee once the new contract is let from April 2019 as this anticipated reduction helps to finance several million pounds of capital investment. If however this level of saving is not achieved this will put further pressure on revenue budgets and reserves to help finance the scheme. Again until the contract procurement process has been finalised this position will not be clear.
- 10 **Sustainability** – None as a direct consequence of this report.
- 11 **Equality and Diversity** – None as a direct consequence of this report.
- 12 **Section 17 Crime and Disorder considerations** – None as a direct consequence of this report.

General Fund Summary Outturn 2017/18

| | Updated Budget 2017/18 £ | Outturn 2017/18 £ | Outturn Variance £ |
|---|-----------------------------------|-------------------------|--------------------------|
| Net Cost Of Services | | | |
| Corporate Leadership Team/ Corporate | 330,761 | 360,658 | 29,897 |
| Customer Services & ICT | 2,334,986 | 2,044,759 | (290,227) |
| Community and Economic Development and Leisure | 3,890,478 | 6,486,912 | 2,596,434 |
| Environmental Health | 3,959,001 | 3,659,448 | (299,553) |
| Finance and Assets | 2,421,075 | 3,062,714 | 641,639 |
| Legal and Democratic Services | 690,901 | 672,638 | (18,263) |
| Planning | 1,998,895 | 1,935,759 | (63,136) |
| Net Cost Of Services | 15,626,097 | 18,222,889 | 2,596,792 |
| Non Service Expenditure/Income | | | |
| Precepts to Parish Councils | 2,079,492 | 2,079,492 | 0 |
| Capital Charges | (2,558,242) | (2,033,630) | 524,612 |
| Refcus | (1,088,121) | (3,770,890) | (2,682,769) |
| External Interest Paid | 2,500 | 129 | (2,371) |
| Interest Receivable | (834,940) | (931,664) | (96,724) |
| Revenue Financing For Capital | 2,535,539 | 1,339,403 | (1,196,136) |
| Retirement Benefits | 259,287 | (852,553) | (1,111,840) |
| Net Operating Expenditure | 16,021,612 | 14,053,176 | (1,968,436) |
| Summary contributions to/(from) Reserves | | | |
| General Reserve | (189,612) | (135,287) | 54,325 |
| Capital Projects | (595,137) | 141,545 | 736,682 |
| Other Earmarked Reserves | (776,711) | 578,423 | 1,355,134 |
| Amount to be met from Government Grant and Local Taxpayers | 14,460,152 | 14,637,857 | 177,705 |
| Collection Fund Parishes | (2,079,492) | (2,079,492) | 0 |
| Collection Fund District | (5,520,427) | (5,543,247) | (22,820) |
| Retained Business Rates | (3,841,000) | (4,585,583) | (744,583) |
| Revenue Support Grant | (936,035) | (936,035) | 0 |
| New Homes Bonus | (1,694,986) | (1,694,843) | 143 |
| Rural Services Delivery Grant | (388,212) | (388,212) | 0 |
| Capital Grants and Contributions | 0 | (404,704) | (404,704) |
| Income from Government Grant and Local Taxpayers | (14,460,152) | (15,632,116) | (1,171,964) |
| Surplus/Deficit | 0 | (994,259) | (994,259) |

Service Area Summaries 2017/18

Corporate Leadership Team / Corporate

| | Updated Budget | Outturn | Variance |
|------------------------------|---------------------------|----------------|-----------------|
| | £ | £ | £ |
| Human Resources & Payroll | 15,084 | 0 | (15,084) |
| Registration Services | 306,315 | 360,658 | 54,343 |
| Corporate Leadership Team | 0 | 0 | 0 |
| Communications | 9,362 | 0 | (9,362) |
| Total Clt / Corporate | 330,761 | 360,658 | 29,897 |

Service Area Summaries 2017/18 - Outturn

Corporate Leadership Team / Corporate

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|---|------------------------|----------------|-----------------|---|
| Human Resources & Payroll | | | | |
| Gross Direct Costs | 326,551 | 363,657 | 37,106 | See Note A below |
| Capital Charges | 0 | 0 | 0 | |
| Gross Direct Income | (1,000) | (2,386) | (1,386) | |
| Support Service Charges | (310,467) | (361,270) | (50,803) | See Note B below |
| | 15,084 | 0 | (15,084) | |
| Note A: £25,996 - Pension fund adjustments (current service costs). £6,518 - Higher staff training costs. £8,805 - Professional fees higher than expected. (£5,965) - Lower spend on the Common Training programme. | | | | |
| Note B: (£5,699) - Lower recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. (£12,662) - Reduced recharges from Central Costs as a result of lower costs. (£28,841) - Higher recharges to internal customers reflecting higher direct costs. | | | | |
| Registration Services | | | | |
| Gross Direct Costs | 210,175 | 609,758 | 399,583 | See Note A below |
| Gross Direct Income | (38,720) | (388,262) | (349,542) | See Note B below |
| Support Service Charges | 134,860 | 139,162 | 4,302 | £15,851 Higher recharge from Storage Depots - allocated on space used; (£12,096) Lower recharges from Customer Services; (£10,460) Lower recharges from Personnel Services; £13,296 Higher recharges from Digital Transformation, Admin Buildings & Postal & Scanning Services. |
| | 306,315 | 360,658 | 54,343 | |
| Note A: The variance relates to the conduct of various elections held in the year together with undertaking a Canvass; the costs relate to stationery, equipment and printing of £136,210, postage of £18,795, hall hire of £36,950, staffing and consultancy £175,179. £11,810 relates to Pension Fund adjustments (current service costs) and VAT of £9,369 has been repaid to HMRC. | | | | |
| Note B: Income received relating to elections as follows: (£5,995) - By-elections; (£168,719) - General Election and (£161,466) - County Election. (£21,838) relates to funding received for IER (Individual Electoral Registration). | | | | |
| Corporate Leadership Team | | | | |
| Gross Direct Costs | 431,611 | 461,572 | 29,961 | (£13,018) - Salaries and on costs lower as a result of staff vacancies. £15,000 will be rolled forward to invest in a document management system and training in the Corporate PA Team. £43,836 - Pension fund adjustments (current service costs). |
| Gross Direct Income | 0 | (1,709) | (1,709) | No Major Variance |
| Support Service Charges | (431,611) | (459,863) | (28,252) | (£26,676) - Higher recharges to internal customers reflecting higher direct costs. |
| | 0 | 0 | 0 | |
| Communications | | | | |
| Gross Direct Costs | 298,642 | 344,023 | 45,381 | £27,925 - Pension fund adjustments (current service costs). £15,705 - Fees relating to a review of digital services, part funded from the additional income from filming rights. |
| Capital Charges | 62,018 | 19,268 | (42,750) | Intangible Amortisation |
| Gross Direct Income | 0 | (11,730) | (11,730) | (£9,165) - Income from filming rights. |
| Support Service Charges | (351,298) | (351,560) | (262) | (£12,105) - Reduced recharge from Human Resources reflecting reduced costs and change in Officer structure. £9,533 - Lower recharges to internal customers reflecting lower direct costs. |
| | 9,362 | 0 | (9,362) | |
| Total CLT/ Corporate | 330,761 | 360,658 | 29,897 | |

Service Area Summaries 2017/18

Community and Economic Development & Leisure

| | Updated Budget £ | Outturn £ | Variance £ |
|--|------------------------|------------------|------------------|
| Health | 0 | 0 | 0 |
| Car Parking | (1,806,768) | (1,620,886) | 185,882 |
| Markets | 40,869 | 35,648 | (5,221) |
| Parks & Open Spaces | 444,481 | 453,285 | 8,804 |
| Foreshore | 192,891 | 240,752 | 47,861 |
| Sports Centres | 249,870 | 295,668 | 45,798 |
| Leisure Complexes | 888,796 | 926,044 | 37,248 |
| Other Sports | 104,739 | 150,603 | 45,864 |
| Recreation Grounds | 12,634 | 13,241 | 607 |
| Pier Pavilion | 106,997 | 98,788 | (8,209) |
| Foreshore (Community) | 422,480 | 440,515 | 18,035 |
| Woodlands Management | 214,454 | 261,814 | 47,360 |
| Cromer Pier | 40,496 | 121,333 | 80,837 |
| Beach Huts & Chalets | (14,217) | (22,972) | (8,755) |
| Economic Growth | 309,741 | 263,055 | (46,686) |
| Tourism | 97,268 | 75,541 | (21,727) |
| Coast Management | 1,196,848 | 1,182,369 | (14,479) |
| Business Growth Staffing | 0 | 0 | 0 |
| Economic & Comm Dev Mgt | 144,015 | 136,986 | (7,029) |
| Leisure | 126,436 | 0 | (126,436) |
| Housing (Health & Wellbeing) | 1,293,521 | 140,690 | (1,152,831) |
| Housing Strategy | 10,988 | 3,547,383 | 3,536,395 |
| Community And Localism | (186,061) | (252,946) | (66,885) |
| Coastal Management | 0 | 0 | 0 |
| Total Community, Econ Dev & Coast | 3,890,478 | 6,486,912 | 2,596,434 |

Service Area Summaries 2017/18 - Outturn

Community and Economic Development & Leisure

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|---|------------------------|--------------------|----------------|--|
| Health | | | | |
| Gross Direct Costs | 0 | 2,000 | 2,000 | No Major Variances |
| Gross Direct Income | 0 | (2,000) | (2,000) | No Major Variances |
| Support Service Charges | 0 | 0 | 0 | |
| | 0 | 0 | 0 | |
| Car Parking | | | | |
| Gross Direct Costs | 731,081 | 714,585 | (16,496) | (£5,773) - Lower than expected credit card charges as a result of lower credit card income. (£12,185) - Lower costs relating to Business Rates. |
| Capital Charges | 29,485 | 33,284 | 3,799 | No Major Variances |
| Gross Direct Income | (2,724,456) | (2,605,864) | 118,592 | £17,022 - Penalty charge notice income. (£34,300) - Additional season ticket income. £145,493 - Lower car park income (cash and credit cards). (£10,310) - Rental income following use of car parks as compounds by contractors. |
| Support Service Charges | 157,122 | 237,108 | 79,986 | See Note A Below |
| | (1,806,768) | (1,620,886) | 185,882 | |
| Note A: £7,180 - Recharge from Environmental Contracts following staff restructure. £11,747 - Higher recharge from Customer Services reflecting a greater number of car park enquiries. £23,765 - Higher recharge of Car Park Management time. £7,459 - Higher recharge from Storage Depots as a result of higher capital charges within the service. £30,031 - Higher recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. | | | | |
| Markets | | | | |
| Gross Direct Costs | 53,329 | 54,919 | 1,590 | No Major Variances |
| Gross Direct Income | (58,900) | (61,115) | (2,215) | No Major Variances |
| Support Service Charges | 46,440 | 41,844 | (4,596) | (£3,797) - Lower recharge of Market Management time. |
| | 40,869 | 35,648 | (5,221) | |
| Parks & Open Spaces | | | | |
| Gross Direct Costs | 341,729 | 347,138 | 5,409 | £4,428 - Higher cleansing contract costs |
| Capital Charges | 47,482 | 48,223 | 741 | No Major Variances. |
| Gross Direct Income | (14,590) | (32,847) | (18,257) | No Major Variances. |
| Support Service Charges | 69,860 | 90,771 | 20,911 | £9,326 - Higher recharge from Storage Depots as a result of higher capital charges within the service. £15,015 - Higher recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. |
| | 444,481 | 453,285 | 8,804 | |

| | | | |
|--------------------------|----------------|----------------|--|
| Foreshore | | | |
| Gross Direct Costs | 120,768 | 115,882 | (4,886) £6,712 - Salaries and on costs are higher as a result of cover for staff sickness. £4,344 - Pension fund adjustments (current service costs). (£19,809) - Maintenance costs lower than expected. £10,000 will be rolled forward to pay for the supply of lighting and installation at the following locations: Gangway, Doctors Steps and Happy Valley |
| Capital Charges | 11,943 | 7,979 | (3,964) Lower depreciation costs |
| Gross Direct Income | 0 | (20,490) | (20,490) Insurance reimbursement relating to storm damage in January 2017. |
| Support Service Charges | 60,180 | 137,381 | 77,201 £39,112 - Higher recharge from Leisure Management as a result of staff restructuring. £37,261 - Higher recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. |
| Sports Centres | | | |
| Gross Direct Costs | 275,373 | 285,835 | 10,462 £10,366 - Salaries and on costs are higher than anticipated. £17,706 - Pension fund adjustments (current service costs). (£21,725) - Hall hire costs lower than expected. £4,332 - Equipment purchases, mostly funded from an earmarked reserve. (£5,215) - Lower spend on bar stock. £2,364 - Printing costs higher than expected. |
| Capital Charges | 12,497 | 12,496 | (1) No Major Variances |
| Gross Direct Income | (143,220) | (134,387) | 8,833 £8,443 - Bar income lower than anticipated. |
| Support Service Charges | 105,220 | 131,724 | 26,504 (£7,305) - IT recharges lower because of reduced staff time. £47,554 - Higher recharge from Leisure Management as a result of staff restructuring. (£11,904) - Reduced recharges from Central Costs as a result of lower costs. |
| | 249,870 | 295,668 | 45,798 |
| Leisure Complexes | | | |
| Gross Direct Costs | 385,109 | 357,592 | (27,517) (£27,075) - Leisure contract procurement costs not yet incurred. |
| Capital Charges | 487,987 | 525,644 | 37,657 £40,000 - Depreciation charges to Fakenham Sports Centre |
| Gross Direct Income | 0 | (500) | (500) No Major Variance |
| Support Service Charges | 15,700 | 43,308 | 27,608 £25,941 - Higher recharge from Leisure Management as a result of staff restructuring. |
| | 888,796 | 926,044 | 37,248 |

| | | | |
|------------------------------|----------------|----------------|---|
| Other Sports | | | |
| Gross Direct Costs | 146,142 | 125,226 | (20,916) £6,342 - Pension fund adjustments (current service costs). (£27,700) - Sports Hubs and Clubs spend lower than anticipated, offset by reduced grant |
| Capital Charges | 3,527 | 0 | (3,527) No depreciation charge. |
| Gross Direct Income | (82,700) | (22,878) | 59,822 £71,420 - Lower grant received in relation to Sports Hubs and Clubs. (£12,000) - £17,000 has been received by Public Health and agreed to spend over a three year period to deliver a series of seated exercise classes across the district. We have committed £5,000 in the current year and need to roll forward the remaining £12,000 over years 2018/19 & 2019/20. |
| Support Service Charges | 37,770 | 48,255 | 10,485 £11,821 - Higher recharge from Leisure Management as a result of staff restructuring. |
| | 104,739 | 150,603 | 45,864 |
| Recreation Grounds | | | |
| Gross Direct Costs | 8,465 | 9,066 | 601 No Major Variances. |
| Capital Charges | 79 | 79 | (0) No Major Variances. |
| Gross Direct Income | (1,000) | (1,288) | (288) No Major Variances. |
| Support Service Charges | 5,090 | 5,384 | 294 No Major Variances. |
| | 12,634 | 13,241 | 607 |
| Pier Pavilion | | | |
| Gross Direct Costs | 97,847 | 121,197 | 23,350 £22,702 - Repair and Maintenance costs are higher, mainly due to the installation of stage lighting dimmer racks. |
| Gross Direct Income | 0 | (42,155) | (42,155) Profit share in relation to the Pier Show |
| Support Service Charges | 9,150 | 19,746 | 10,596 Higher recharge from Leisure Management as a result of staff restructuring. |
| | 106,997 | 98,788 | (8,209) |
| Foreshore (Community) | | | |
| Gross Direct Costs | 392,300 | 393,448 | 1,148 £5,597 - Purchase of benches for Cromer East Promenade and Handyman time on repair and maintenance. (£3,227) - Lower Cleansing contract costs |
| Gross Direct Income | 0 | (120) | (120) No Major Variance |
| Support Service Charges | 30,180 | 47,187 | 17,007 £12,000 - Recharge from Environmental Contracts following staff restructure. £3.102 - Higher recharge from Leisure Management as a result of staff restructuring. |
| | 422,480 | 440,515 | 18,035 |

Woodlands Management

| | | | | |
|-------------------------|----------------|----------------|---------------|--|
| Gross Direct Costs | 147,948 | 193,974 | 46,026 | £2,210 - Staff training costs relating to chainsaw handling. £11,005 - Pension fund adjustments (current service costs). £16,005 - Tree safety work. £5,750 - Repairs to the tower at Holt Country Park. £4,464 - Various other grounds maintenance works. £8,240 - Equipment purchases. |
| Capital Charges | 1,346 | 1,346 | (0) | No Major Variance |
| Gross Direct Income | (25,550) | (39,780) | (14,230) | (£6,174) - Income from charges for events and visits. (£7,184) - Grant received for works at Pretty Corner Woods. |
| Support Service Charges | 90,710 | 106,274 | 15,564 | £4,431 - Higher Admin Buildings recharge following review of office space. £7,687 - Higher recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. £12,144 - Higher recharge from Leisure Management as a result of staff restructuring. (£5,013) - Reduced recharges from Central Costs as a result of lower costs. |
| | 214,454 | 261,814 | 47,360 | |

Cromer Pier

| | | | | |
|-------------------------|---------------|----------------|---------------|---|
| Gross Direct Costs | 27,539 | 38,588 | 11,049 | £10,662 - Repair and Maintenance costs including deck repairs (£2,224), Foul water tank replacement (£4,602) and other repairs (£3,836) |
| Capital Charges | 23,716 | 23,716 | 0 | No Major Variance |
| Gross Direct Income | (20,709) | 43,302 | 64,011 | £64,011 - Insurance reimbursement accruals relating to storm damage still to be recovered. |
| Support Service Charges | 9,950 | 15,727 | 5,777 | No Major Variance |
| | 40,496 | 121,333 | 80,837 | |

Beach Huts & Chalets

| | | | | |
|-------------------------|-----------------|-----------------|----------------|---|
| Gross Direct Costs | 47,608 | 65,737 | 18,129 | £1,836 - Pension fund adjustments (current service costs). £37,796 - Repairs required as a result of storm damage, offset by not having to undertake routine maintenance (£20,760). |
| Capital Charges | 0 | 1,373 | 1,373 | Investment properties revaluation |
| Gross Direct Income | (120,165) | (163,799) | (43,634) | (£5,022) - Insurance reimbursement relating to storm damage in January 2017. (£38,592) - Recharge to tenants re storm damage. |
| Support Service Charges | 58,340 | 73,718 | 15,378 | (£3,814) - Lower recharge from Property Services as a result of reduced staff time. (£6,646) - Lower recharge from Sundry debtors as a result of a lower of number of invoices raised.. £23,971 - Higher recharge from Leisure Management as a result of staff restructuring. |
| | (14,217) | (22,972) | (8,755) | |

Economic Growth

| | | | | |
|-------------------------|----------------|----------------|-----------------|--|
| Gross Direct Costs | 106,270 | 74,696 | (31,574) | (£10,000) Business awards funded from base budget and not General Reserve allocation. (£10,000) Underspend in planned expenditure which has been rolled forward for spend in 2018/19. (£13,180) Bad debt provision adjustment. |
| Capital Charges | 211 | 211 | 0 | |
| Gross Direct Income | (10) | (4,250) | (4,240) | North Norfolk Business award sponsorship. |
| Support Service Charges | 203,270 | 192,398 | (10,872) | Lower recharge from Business Growth staffing. |
| | 309,741 | 263,055 | (46,686) | |

| | | | |
|------------------------------------|------------------|------------------|---|
| Tourism | | | |
| Gross Direct Costs | 40,338 | 21,114 | (19,224) Underspend in planned expenditure, this has been requested to be rolled forward to offset additional spend in 2018/19. |
| Support Service Charges | 56,930 | 54,427 | (2,503) Lower recharge from Business Growth staffing. |
| | 97,268 | 75,541 | (21,727) |
| Coast Management | | | |
| Gross Direct Costs | 320,975 | 328,436 | 7,461 £27,999 Sea Defence projects (includes Storm Surge works and the write-off of stock); (£22,830) Consultancy. |
| Capital Charges | 630,978 | 575,048 | (55,930) Depreciation. |
| Gross Direct Income | (25) | (1,122) | (1,097) No Major Variances. |
| Support Service Charges | 244,920 | 280,007 | 35,087 £45,019 Higher recharge from Coastal Management offset by a lower recharge of (£11,517) from Property Services, both to reflect a change in staff structure. |
| | 1,196,848 | 1,182,369 | (14,479) |
| Business Growth Staffing | | | |
| Gross Direct Costs | 250,311 | 245,168 | (5,143) Employee turnover savings offset by Notional pension adjustment. |
| Support Service Charges | (250,311) | (245,168) | 5,143 Higher recharges to internal customers reflecting higher direct costs. |
| | 0 | 0 | 0 |
| Economic & Comm Dev Mgt | | | |
| Gross Direct Costs | 115,875 | 113,296 | (2,579) No Major Variances. |
| Support Service Charges | 28,140 | 23,690 | (4,450) Higher recharges to internal customers. |
| | 144,015 | 136,986 | (7,029) |
| Leisure | | | |
| Gross Direct Costs | 215,065 | 238,858 | 23,793 £21,832 - Pension fund adjustments (current service costs). £3,730 - Salaries and on costs higher as a result of no staff turnover. £2,079 - Staff training costs higher than expected. (£2,470) - Lower postage costs. (£2,599) - Computer hardware not purchased. |
| Capital Charges | 2,160 | 2,160 | 0 No Major Variances |
| Gross Direct Income | (700) | 0 | 700 No Major Variances |
| Support Service Charges | (90,089) | (241,018) | (150,929) £6,861 - IT recharges higher as a result of increased staff time. £4,821 - Higher Admin Buildings recharge following review of office space. £63,174 - Higher recharge from Digital Transformation reflecting staff time. (£226,014) - Higher recharges to internal customers reflecting higher direct costs. |
| | 126,436 | 0 | (126,436) |

| | | | |
|---|------------------|------------------|---|
| Housing (Health & Wellbeing) | | | |
| Gross Direct Costs | 191,361 | 202,529 | 11,168 Notional Pension costs offset by savings relating to supplies and service contributions. |
| Capital Charges | 1,088,121 | 0 | (1,088,121) Increase in Refcus income reflected. |
| Gross Direct Income | 0 | (36,096) | (36,096) Balance of administration fee for grant applications. To be transferred to the housing reserve for future investment in the service. |
| Support Service Charges | 14,039 | (25,743) | (39,782) (£57,255) Lower recharge from Housing (Health & Wellbeing), Higher recharge of £4,328 from Digital Transformation and £4,711 from Admin Buildings. Balance relates to higher recharges to internal customers to reflect higher direct costs. |
| | 1,293,521 | 140,690 | (1,152,831) |
| Housing Strategy | | | |
| Gross Direct Costs | 262,050 | 284,846 | 22,796 (£15,781) Employee turnover savings offset by notional pension adjustment of £19,551 £13,721 Legal fees relating to the Broadland Housing Association loan. |
| Capital Charges | 0 | 3,687,500 | 3,687,500 Capital charge relating to Broadland Housing Association Loan. |
| Gross Direct Income | (273,800) | (472,084) | (198,284) VAT sharing agreement with Victory Housing Association - this is offset by a contribution to the capital reserve. |
| Support Service Charges | 22,738 | 47,120 | 24,382 (£40,293) Lower recharge from Housing Strategy & Communities. (£8,764) Lower recharge from Legal Services. £20,219 Higher recharges to Community Housing. £55,201 Higher recharges to internal customers to reflect higher direct costs. |
| | 10,988 | 3,547,383 | 3,536,395 |
| Community And Localism | | | |
| Gross Direct Costs | 437,897 | 384,459 | (53,438) See Note A Below: |
| Gross Direct Income | (653,568) | (664,471) | (10,903) Admission fees and grants towards Orchestras Live events at Holt and Sheringham |
| Support Service Charges | 29,610 | 27,066 | (2,544) No Major Variance |
| | (186,061) | (252,946) | (66,885) |
| Note A: £12,800 - Cost of Arts events, largely offset by income. £15,000 will be rolled forward to match fund the Paston 600 project. (£16,970) - Spend not incurred in relation to the Youth Advisory Board. This will be rolled forward into an earmarked reserve. (£49,373) - Uncommitted and unclaimed Big Society Fund grants, these are funded from the 2nd Homes money passed to the District from the County and this will be rolled forward into the Communities earmarked reserve. | | | |
| Coastal Management | | | |
| Gross Direct Costs | 159,210 | 204,872 | 45,662 £16,120 Pension fund adjustment (current service costs); £21,859 Contribution to Coastal Partnership East (CPE); £3,290 Software licence; £3,564 New appointment advertising (Coastal Manager post). |
| Gross Direct Income | 0 | (10,542) | (10,542) Contribution to Coastal Engineering Manager from Waveney District Council. |
| Support Service Charges | (159,210) | (194,330) | (35,120) Higher recharges to internal customers reflecting higher direct costs. |
| | 0 | 0 | 0 |
| Total Community, Econ Dev & | 3,890,478 | 6,486,912 | 2,596,434 |

Service Area Summaries 2017/18

Customer Services & ICT

| | Updated Budget | Outturn | Variance |
|--|---------------------------|------------------|------------------|
| | £ | £ | £ |
| Revenue Services | 536,938 | 615,246 | 78,308 |
| Benefits Administration | 963,227 | 743,869 | (219,358) |
| It - Support Services | 48,012 | 3,758 | (44,254) |
| Tic'S | 237,538 | 197,582 | (39,956) |
| Homelessness | 436,980 | 484,305 | 47,325 |
| Customer Services Housing | 0 | 0 | 0 |
| Digital Transformation | 112,291 | 0 | (112,291) |
| Reprographics | 0 | 0 | 0 |
| Customer Services - Corporate | 0 | 0 | 0 |
| Total Customer Services & Ict | 2,334,986 | 2,044,759 | (290,227) |

Service Area Summaries 2017/18 - Outturn

Customer Services & ICT

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|-------------------------|------------------------|----------------|---------------|--|
| Revenue Services | | | | |
| Gross Direct Costs | 561,569 | 656,361 | 94,792 | £44,270 Notional pension costs. £18,740 movement in the provision for bad and doubtful debts not budgeted for at service level. £9,061 Computer software costs offset by Government grant. £20,500 Postage and Billing costs above budget. |
| Capital Charges | 0 | 0 | 0 | |
| Gross Direct Income | (477,631) | (505,120) | (27,489) | (£8,705) Contribution from Norfolk County Council re single person discount review. (£12,000) New Burdens Grant from Central Government in respect of business rates, this has been offset by additional costs. |
| Support Service Charges | 453,000 | 464,004 | 11,004 | See Note A below |
| | 536,938 | 615,246 | 78,308 | |

Note A : (£6,889) Lower recharges from Legal Services. Higher recharges of £31,404 from Customer Services, £5,137 Corporate Enforcement Team and £14,579 from Admin Buildings offset by lower recharges of (£12,145) from Accountancy and Creditors, (£7,170) from Insurance reflecting a change in the apportionment of Public Liability Insurance. and (£14,082) Central Costs.

| | | | | |
|--------------------------------|----------------|----------------|------------------|--|
| Benefits Administration | | | | |
| Gross Direct Costs | 813,335 | 853,003 | 39,668 | (£41,839) Employee turnover savings offset by £79,182 notional pension adjustment. £7,809 Training costs offset by recoverable income. |
| Capital Charges | 110,106 | 7,000 | (103,106) | Depreciation |
| Gross Direct Income | (450,234) | (685,283) | (235,049) | (£226,890) Miscellaneous income transferred to revenue due to change in accountancy treatment. Income from recharging additional training costs. (£10,302) DWP income in respect of Universal Credit support |
| Support Service Charges | 490,020 | 569,149 | 79,129 | See Note A below |
| | 963,227 | 743,869 | (219,358) | |

Note A : Higher recharges of £34,378 from Customer Services, £10,046 Personnel Services, £17,940 Computer Network and Applications Team and £31,398 from Admin Buildings, £16,011 Digital Transformation offset by lower recharges of (£9,767) from Insurance reflecting a change in the apportionment of Public Liability Insurance, (£6,740) Accountancy and (£14,989) Central Costs.

| | | | | |
|------------------------------|---------------|--------------|-----------------|--|
| It - Support Services | | | | |
| Gross Direct Costs | 1,125,761 | 1,127,640 | 1,879 | See Note A Below: |
| Capital Charges | 134,491 | 95,719 | (38,772) | Lower depreciation costs |
| Gross Direct Income | (410) | (2,688) | (2,278) | (£2,346) - Mobile phone contract credit. |
| Support Service Charges | (1,211,830) | (1,216,913) | (5,083) | See Note B Below: |
| | 48,012 | 3,758 | (44,254) | |

Note A: £66,163 - Pension fund adjustments (current service costs). (£15,475) - Salaries and on costs are lower as a result of staff vacancies. £8,147 - Staff training costs. (£8,939) - Expenditure not incurred on professional fees. (£7,733) - Telephone calls and rentals lower than expected. £16,598 - Computer hardware and software purchases. (£35,209) - Expenditure not incurred on software licences. £20,654 - Computer maintenance costs. (£44,622) - Expenditure not required on Computer lines and modems.

Note B: £14,969 - Higher Admin Buildings recharge following review of office space. £3,383 - Higher recharge from accountancy as a result of increased staff time. (£5,290) - Lower recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. (£8,862) - Reduced recharges from Central Costs as a result of lower costs. (£8,434) - Lower recharge from Digital Transformation, reflecting change in staff time

Tic'S

| | | | | |
|-------------------------|----------------|----------------|-----------------|--|
| Gross Direct Costs | 131,491 | 145,239 | 13,748 | £6,667 - Pension fund adjustments (current service costs). £4,717 - Higher repair and maintenance costs. £4,411 - Higher general running costs (mainly water charges). (£3,364) - Computer software not purchased. |
| Capital Charges | 6,187 | 5,729 | (458) | No Major Variance |
| Gross Direct Income | (29,500) | (35,910) | (6,410) | (£9,685) - Higher income from sale of goods. £3,269 - Lower income from commission. |
| Support Service Charges | 129,360 | 82,524 | (46,836) | See Note A below: |
| | 237,538 | 197,582 | (39,956) | |

Note A: £5,478 - Higher recharges from Customer Services as a result of increased staff time. (£4,742) - IT recharges lower as a result of reduced staff time. £6,583 - Higher Admin Buildings recharge following review of office space. (£3,328) - Lower recharge from Fakenham Connect as a result of lower capital charges within the service. (£3,971) - Lower recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance (£8,360) - Reduced recharges from Central Costs as a result of lower costs. (£37,118) - Lower recharge from Digital Transformation, reflecting change in staff time.

Homelessness

| | | | | |
|-------------------------|----------------|----------------|---------------|---|
| Gross Direct Costs | 102,692 | 230,596 | 127,904 | £10,000 Homeless Prevention Trailblazer contribution funded from Homelessness grant. £115,232 Bed and Breakfast Accommodation charges offset by recoverable subsidy and client contributions. £8,230 Bad debt write offs not budgeted at service level. |
| Capital Charges | 6,630 | 126,169 | 119,539 | Revaluations. |
| Gross Direct Income | (94,042) | (343,997) | (249,955) | (£142,154) Homelessness prevention grants - these have been rolled forward to fund additional staffing and prevention initiatives. (£106,762) Recoverable charges relating to temporary accommodation. |
| Support Service Charges | 421,700 | 471,536 | 49,836 | £59,085 Higher recharge from Customer Services Housing offset by lower recharge from Computer Applications Team of (£10,580). |
| | 436,980 | 484,305 | 47,325 | |

Customer Services Housing

| | | | | |
|-------------------------|-----------|-----------|----------|--|
| Gross Direct Costs | 251,897 | 273,011 | 21,114 | Notional pension adjustment partially offset by staff turnover savings. |
| Gross Direct Income | 0 | 0 | 0 | |
| Support Service Charges | (251,897) | (273,011) | (21,114) | Higher recharges of £47,990 Customer Services, £6,349 Admin Buildings offset by lower recharge of (£5,268) Central Costs & (£5,890) Digital Transformation. (£59,050) Higher recharges to other internal customers to reflect higher direct costs. |
| | 0 | 0 | 0 | |

Digital Transformation

| | | | | |
|-------------------------|----------------|-----------|------------------|--|
| Gross Direct Costs | 250,086 | 281,420 | 31,334 | (£8,165) Staff turnover savings offset by £31,713 notional pension adjustment. £6,000 Professional fees relating to Environmental Health Business Process Review (BPR). |
| Support Service Charges | (137,795) | (281,420) | (143,625) | (£164,033) Increased recharges from internal customers reflecting higher direct costs mainly due to staffing restructure. Higher recharges of £10,364 from Computer Teams, £7,966 from Admin Buildings and £12,418 from Customer Services. (£5,712) Lower recharge from Central Costs. |
| | 112,291 | 0 | (112,291) | |

| | | | |
|--|------------------|------------------|---|
| Reprographics | | | |
| Gross Direct Costs | 95,134 | 82,191 | (12,943) £4,478 - Pension fund adjustments (current service costs). (£5,244) - Lower operating lease rentals for printing machines. (£11,718) - Paper usage lower than anticipated. |
| Capital Charges | 12,603 | 12,603 | 0 No Major Variance |
| Gross Direct Income | (7,500) | (8,350) | (850) No Major Variance |
| Support Service Charges | (100,237) | (86,444) | 13,793 £11,738 - Lower recharges to internal customers reflecting lower direct costs. |
| | 0 | 0 | 0 |
| Customer Services - Corporate | | | |
| Gross Direct Costs | 571,112 | 632,432 | 61,320 £57,342 - Pension fund adjustments (current service costs). £21,357 - Higher salaries and on costs. This includes a cost of £6,840 for staff joining the pension scheme and £4,309 relating to staff regradings. The balance is a result of low staff turnover. (£8,826) - Fewer stationery items purchased. (£6,627) - Spend on professional fees not incurred. (£2,078) - Lower spend on postages. |
| Capital Charges | 13,978 | 1,978 | (12,000) No depreciation charge. |
| Gross Direct Income | (29,070) | (23,965) | 5,105 £4,284 - Only processing new age related bus pass applications. No longer dealing with new disabled applications or replacement lost/stolen passes. |
| Support Service Charges | (556,020) | (610,446) | (54,426) (£55,544) - Higher recharges to internal customers reflecting higher direct costs. |
| | 0 | 0 | 0 |
| Total Customer Services & ICT | 2,334,986 | 2,044,759 | (290,227) |

Service Area Summaries 2017/18

| Environmental Health | Updated Budget | Outturn | Variance |
|-----------------------------------|---------------------------|------------------|------------------|
| | £ | £ | £ |
| Commercial Services | 487,075 | 500,115 | 13,040 |
| Internal Drainage Board Levies | 374,474 | 375,222 | 748 |
| Travellers | 100,618 | 217,865 | 117,247 |
| Public Protection | 162,651 | 144,976 | (17,675) |
| Street Signage | 22,824 | 34,929 | 12,105 |
| Pest Control | 0 | (24) | (24) |
| Environmental Protection | 663,939 | 706,222 | 42,283 |
| Env Health - Service Mgmt | (11,564) | 0 | 11,564 |
| Combined Enforcement Team | 24,692 | 0 | (24,692) |
| Environmental Contracts | 235,392 | 0 | (235,392) |
| Waste Collection And Disposal | 1,147,087 | 833,790 | (313,297) |
| Cleansing | 570,292 | 641,699 | 71,407 |
| Environmental Strategy | 10,520 | 27,793 | 17,273 |
| Community Safety | 33,585 | 37,224 | 3,639 |
| Civil Contingencies | 137,416 | 139,638 | 2,222 |
| Total Environmental Health | 3,959,001 | 3,659,448 | (299,553) |

Service Area Summaries 2017/18 - Outturn

Environmental Health

| | Updated Budget | Outturn | Variance | Explanation for Major Variances |
|---------------------------------------|----------------|----------------|-----------------|---|
| | £ | £ | £ | |
| Commercial Services | | | | |
| Gross Direct Costs | 375,400 | 404,883 | 29,483 | £38,719 Pension funding adjustment (current service costs); (£12,454) Staffing costs (amended working hours). |
| Gross Direct Income | (24,435) | (26,149) | (1,714) | No Major Variances. |
| Support Service Charges | 136,110 | 121,381 | (14,729) | £10,148 Admin Buildings - higher costs. Offset by lower recharges from Environmental Health, Central Costs, Insurance and Reprographics giving a more accurate reflection of staff time spent on the service. |
| | 487,075 | 500,115 | 13,040 | |
| Internal Drainage Board Levies | | | | |
| Gross Direct Costs | 374,254 | 375,023 | 769 | No Major Variances. |
| Support Service Charges | 220 | 199 | (21) | No Major Variances. |
| | 374,474 | 375,222 | 748 | |
| Travellers | | | | |
| Gross Direct Costs | 5,498 | 6,864 | 1,366 | No Major Variances. |
| Capital Charges | 97,800 | 210,667 | 112,867 | Depreciation. |
| Gross Direct Income | (4,000) | (1,145) | 2,855 | Lower facility charges due to lower occupancy. |
| Support Service Charges | 1,320 | 1,479 | 159 | No Major Variances. |
| | 100,618 | 217,865 | 117,247 | |
| Public Protection | | | | |
| Gross Direct Costs | 190,436 | 211,439 | 21,003 | £18,205 Pension funding adjustment (current service costs); (£6,118) Staffing costs (amended working hours). £8,281 Other professional fees (vets fees). |
| Gross Direct Income | (161,185) | (190,307) | (29,122) | Additional income for taxis and premises licences where there are cyclical fee structures. £15,000 will be transferred to the Env. Health earmarked reserve and considered as part of future fee setting. |
| Support Service Charges | 133,400 | 123,844 | (9,556) | (£7,622) Lower recharge from Env. Health. The balance relates to minor variances reflecting a more accurate allocation of time. |
| | 162,651 | 144,976 | (17,675) | |
| Street Signage | | | | |
| Gross Direct Costs | 14,719 | 9,970 | (4,750) | No Major Variances. |
| Capital Charges | 7,565 | 7,565 | 0 | No Major Variances. |
| Support Service Charges | 540 | 17,394 | 16,854 | Recharge from Environmental Contracts. |
| | 22,824 | 34,929 | 12,105 | |
| Pest Control | | | | |
| Gross Direct Costs | 0 | (24) | (24) | |
| | 0 | (24) | (24) | |

Service Area Summaries 2017/18 - Outturn

Environmental Health

| | Updated Budget | Outturn | Variance | Explanation for Major Variances |
|----------------------------------|-----------------|----------------|------------------|---|
| | £ | £ | £ | |
| Environmental Protection | | | | |
| Gross Direct Costs | 490,487 | 574,806 | 84,319 | £50,608 Pension funding adjustment (current service costs); £49,790 Additional staffing / transport costs; (£10,814) Saving in professional fees (kennelling contract, contaminated land, rechargeable works). (£4,540) Underspend in equipment, materials and subscriptions. |
| Capital Charges | 2,612 | 2,613 | 1 | No Major Variances. |
| Gross Direct Income | (15,000) | (25,615) | (10,615) | Sale of vehicle and additional fee income. |
| Support Service Charges | 185,840 | 154,418 | (31,422) | Lower recharges of (£14,197) Environmental Health, (£5,060) Reprographics, (£8,812) Central Costs, (£7,202) Legal Services. Higher recharges of £14,969 from Admin Buildings and £11,517 Digital Transformation; (£21,992) Capitalized salaries. |
| | 663,939 | 706,222 | 42,283 | |
| Env Health - Service Mgmt | | | | |
| Gross Direct Costs | 131,759 | 129,089 | (2,670) | £9,252 Pension funding adjustment (current service costs); (£13,046) Miscellaneous supplies and services which include equipment, postage and contributions. |
| Capital Charges | 20,181 | 3,467 | (16,714) | Depreciation and intangible amortisation. |
| Support Service Charges | (163,504) | (132,555) | 30,949 | Lower recharge to internal customers as a result of lower service costs. |
| | (11,564) | 0 | 11,564 | |
| Combined Enforcement Team | | | | |
| Gross Direct Costs | 149,894 | 164,128 | 14,234 | £12,737 Pension funding adjustment (current service costs). |
| Support Service Charges | (125,202) | (164,128) | (38,926) | (£49,438) Higher recharges to internal customers as a result of higher service costs; £10,516 Higher recharges from Customer Services, Admin Buildings and Digital Transformation. |
| | 24,692 | 0 | (24,692) | |
| Environmental Contracts | | | | |
| Gross Direct Costs | 235,392 | 254,724 | 19,332 | £33,454 Pension funding adjustment (current service costs); (£14,655) Staffing costs - vacant posts now filled. |
| Support Service Charges | 0 | (254,724) | (254,724) | (£337,075) - Higher recharges to internal customers of the new Environmental Contracts Team - these are offset by recharges of officer time including: £9,604 Personnel, £25,188 Computers, £7,453 Central Costs and £14,977 Digital Transformation. £10,202 Admin Buildings - higher costs and reallocation of office space. The balance consists of minor variances under £5,000. |
| | 235,392 | 0 | (235,392) | |

Service Area Summaries 2017/18 - Outturn

Environmental Health

| | Updated Budget | Outturn | Variance | Explanation for Major Variances |
|--------------------------------------|------------------|----------------|------------------|--|
| | £ | £ | £ | |
| Waste Collection And Disposal | | | | |
| Gross Direct Costs | 3,530,180 | 3,495,819 | (34,361) | See Note A below. |
| Capital Charges | 328,914 | 50,964 | (277,950) | Depreciation. |
| Gross Direct Income | (2,905,987) | (3,111,199) | (205,212) | See Note B below. |
| Support Service Charges | 193,980 | 398,206 | 204,226 | Recharge from Environmental Contracts offset by minor variances to reflect a more accurate allocation of time. |
| | 1,147,087 | 833,790 | (313,297) | |

Note A : £60,327 Purchase/refurbishment of trade and garden bins; (£13,212) Domestic waste disposal; £19,782 Additional commercial disposal costs; (£28,090) Procurement costs not spent in year; £11,674 Norse Environmental Waste Services (NEWS) processing costs; (£90,999) Kier - vehicle costs; (£8,800) Kier - lower bin delivery costs; £9,802 Centralized mailing costs for garden bin customers.

Note B : (£158,528) Additional fee income from bulky, garden and trade waste collections; (£33,470) Additional income from recycling credits; (£8,125) Recovery of procurement costs; (£8,776) Recharges for printing and postage.

Of this underspend, £46k is being transferred as a contribution to capital costs.

Cleansing

| | | | | |
|-------------------------|----------------|----------------|---------------|--|
| Gross Direct Costs | 587,626 | 681,137 | 93,511 | £112,431 Bin purchases. £11,803 Kier - Rapid Response payments; (£32,294) Kier default payments. |
| Gross Direct Income | (46,424) | (85,919) | (39,495) | (£6,499) Additional income from dog and litter bin recharges. (£32,840) Contributions to purchases of solar compactor litter bins. |
| Support Service Charges | 29,090 | 46,482 | 17,392 | Recharge from Environmental Contracts offset by minor variances to reflect a more accurate allocation of time. |
| | 570,292 | 641,699 | 71,407 | |

Environmental Strategy

| | | | | |
|-------------------------|---------------|---------------|---------------|---|
| Gross Direct Costs | 17,500 | 33,108 | 15,608 | Additional costs associated with the Green Build event - partly offset by event income. |
| Gross Direct Income | (12,500) | (18,843) | (6,343) | Additional income from sponsorship and exhibitors fees for the Green Build event. |
| Support Service Charges | 5,520 | 13,528 | 8,008 | Recharge from insurance reflecting a change in the apportionment of Public Liability Insurance. |
| | 10,520 | 27,793 | 17,273 | |

Community Safety

| | | | | |
|-------------------------|---------------|---------------|--------------|---------------------|
| Gross Direct Costs | 24,725 | 26,089 | 1,364 | No Major Variances. |
| Support Service Charges | 8,860 | 11,135 | 2,275 | No Major Variances. |
| | 33,585 | 37,224 | 3,639 | |

Civil Contingencies

| | | | | |
|-------------------------|----------------|----------------|--------------|---|
| Gross Direct Costs | 97,856 | 108,086 | 10,230 | Pension funding adjustment (current service costs). |
| Gross Direct Income | 0 | (865) | (865) | No Major Variances. |
| Support Service Charges | 39,560 | 32,417 | (7,143) | (£11,229) Reduced recharge from Environmental Health offset by minor variances. |
| | 137,416 | 139,638 | 2,222 | |

| | | | | |
|-----------------------------------|------------------|------------------|------------------|--|
| Total Environmental Health | 3,959,001 | 3,659,448 | (299,553) | |
|-----------------------------------|------------------|------------------|------------------|--|

Service Area Summaries 2017/18

Finance & Assets

| | Updated Budget | Outturn | Variance |
|-----------------------------------|-------------------|------------------|----------------|
| | £ | £ | £ |
| Industrial Estates | 8,140 | 58,957 | 50,817 |
| Surveyors Allotments | 5,140 | 8,782 | 3,642 |
| Handy Man | 21,200 | 46,946 | 25,746 |
| Parklands | 13,370 | 33,780 | 20,410 |
| Benefits Subsidy | 0 | (49,171) | (49,171) |
| Discretionary Payments | 73,548 | 76,814 | 3,266 |
| Non Distributed Costs | 0 | 0 | (0) |
| Administration Buildings Svs | 107,877 | 98,521 | (9,356) |
| Property Services | (83,489) | 0 | 83,489 |
| Head Of Finance & Assets | 0 | 0 | 0 |
| Corporate Finance | 0 | 0 | 0 |
| Insurance & Risk Management | (9,362) | 0 | 9,362 |
| Internal Audit | 0 | 0 | 0 |
| Playgrounds | 54,145 | 75,133 | 20,988 |
| Community Centres | 16,108 | 17,240 | 1,132 |
| Public Conveniences | 666,603 | 799,521 | 132,918 |
| Investment Properties | 181,926 | 505,874 | 323,948 |
| Central Costs | 0 | 0 | 0 |
| Corporate & Democratic Core | 1,365,869 | 1,360,586 | (5,283) |
| Total Finance & Assets | 2,421,075 | 3,032,983 | 611,908 |

Service Area Summaries 2017/18 - Outturn

Finance & Assets

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|------------------------------------|------------------------|-----------------|-----------------|---|
| Industrial Estates | | | | |
| Gross Direct Costs | 21,666 | 19,787 | (1,879) | No Major Variances. |
| Capital Charges | 46,239 | 46,239 | 0 | No Major Variances. |
| Gross Direct Income | (132,415) | (127,574) | 4,841 | Reduction in rentals as a result of vacant premises. |
| Support Service Charges | 72,650 | 120,505 | 47,855 | Higher recharge from Property Services as a result of staff restructuring. |
| | 8,140 | 58,957 | 50,817 | |
| Surveyors Allotments | | | | |
| Gross Direct Income | (50) | (50) | 0 | No Major Variances. |
| Support Service Charges | 5,190 | 8,832 | 3,642 | Higher recharge from Property Services as a result of staff restructuring. |
| | 5,140 | 8,782 | 3,642 | |
| Handy Man | | | | |
| Gross Direct Costs | 66,811 | 63,281 | (3,530) | (£9,690) Staffing and vehicle costs lower due to staff on secondment; £5,558 Van stock. |
| Capital Charges | 2,739 | 2,739 | 0 | |
| Gross Direct Income | (106,800) | (68,599) | 38,201 | Lower handyman recharges as a result of fewer hours worked. |
| Support Service Charges | 58,450 | 49,525 | (8,925) | Minor variances to reflect a more accurate allocation of time. |
| | 21,200 | 46,946 | 25,746 | |
| Parklands | | | | |
| Gross Direct Costs | 26,130 | 31,467 | 5,337 | Additional repair and maintenance costs. |
| Capital Charges | 2,750 | 432 | (2,318) | Depreciation. |
| Gross Direct Income | (57,210) | (62,748) | (5,538) | (£11,500) Commission fees on sale of caravan. £5,808 Reduction in recoverable electricity charges. |
| Support Service Charges | 41,700 | 64,629 | 22,929 | Higher recharge from Property Services as a result of staff restructuring. |
| | 13,370 | 33,780 | 20,410 | |
| Benefits Subsidy | | | | |
| Gross Direct Costs | 27,392,779 | 25,759,984 | (1,632,795) | £86,157 Movement in provision for bad and doubtful debts not budgeted for at service level. (£1,718,952) Lower than anticipated level of Subsidy payments made, this has been offset by a reduction in Subsidy received from the Department for Work and Pensions (DWP) |
| Gross Direct Income | (27,392,779) | (25,809,155) | 1,583,624 | £1,903,610 Subsidy on Benefits payments and Discretionary Housing Payments as per Final claims to DWP. £77,885 Adjustments re Final audited subsidy 2016/17. (£65,365) Movement in overpayments held on Civica debtor module. (£11,899) Movement in provision for Benefit overpayments to be collected from ongoing benefit payments. (£317,140) Recovered overpayments transferred to revenue. |
| | 0 | (49,171) | (49,171) | |
| Discretionary Payments | | | | |
| Gross Direct Costs | 70,798 | 70,798 | 0 | No Major Variances |
| Support Service Charges | 2,750 | 6,016 | 3,266 | Recharge from Creditors. |
| | 73,548 | 76,814 | 3,266 | |
| Non Distributed Costs | | | | |
| Gross Direct Costs | 259,287 | 252,853 | (6,434) | This budget reflects notional charges in relation to IAS 19 pension costs. The variance consists of (£2,458) - Added Years costs and (£3,976) - Loss of Office costs. The impact of these costs are reversed out of the account to ensure there is no impact on the bottom line. |
| IAS19 year end pension adjustments | (259,287) | (252,853) | 6,434 | |
| | 0 | (0) | (0) | |

Service Area Summaries 2017/18 - Outturn

Finance & Assets

| | Updated Budget | Outturn | Variance | Explanation for Major Variances |
|--------------------------------------|-------------------|---------------|----------------|---|
| | £ | £ | £ | |
| Administration Buildings Svcs | | | | |
| Gross Direct Costs | 438,463 | 554,129 | 115,666 | See Note A below |
| Capital Charges | 115,217 | 109,783 | (5,434) | Revaluations and depreciation. |
| Gross Direct Income | (171,093) | (225,842) | (54,749) | (£10,121) Additional rental income and recharges; (£44,658) Provision of insurance claim for the Fakenham office fire. |
| Support Service Charges | (274,710) | (339,549) | (64,839) | Higher recharge to internal customers as a result of higher service costs. |
| | 107,877 | 98,521 | (9,356) | |

Note A : £13,218 Additional staffing costs which includes Pension funding adjustment (current service costs); £50,617 relates to costs at the Cromer office for fitting of carpets and screens, fire exit ramps, staff car park repairs, alarms, works following Zurich inspection recommendations, door locks, scaffolding towers and works relating to storm damage repairs. These costs are to be funded from the Asset Management Reserve. In addition to this there have been additional servicing costs for intruder alarms, lift maintenance etc. £44,465 relates to costs at the Fakenham office following the fire which should be recovered from an insurance claim. £5,541 Higher management fees for the Poppyfields canteen following the introduction of a new contract giving an overall overspend within this service of £8,561 - this shows a significant improvement on last year's outturn position of £18,231.

| | | | | |
|--------------------------|-----------------|-----------|---------------|--|
| Property Services | | | | |
| Gross Direct Costs | 464,213 | 627,226 | 163,013 | See Note A below |
| Capital Charges | 12,773 | 32,953 | 20,180 | Depreciation. |
| Gross Direct Income | 0 | (11,751) | (11,751) | (£8,230) Contributions for Shared Equity Insurance and sale of car parking spaces at the Limes car park. (£2,823) Repayment of Golden Hello. |
| Support Service Charges | (560,475) | (648,428) | (87,953) | Higher recharge to internal customers as a result of higher service costs. |
| | (83,489) | 0 | 83,489 | |

Note A : £19,295 Additional staffing costs associated with a restructure of the team in addition to training and advertising costs; £33,600 Pension funding adjustment (current service costs); £11,875 Cromer Prom & Pier works; £16,229 Additional insurance premiums for shared equity properties (partially recovered); £42,991 Pier survey work (funded from General Reserves); £12,970 Staffing support from Norfolk Property Services for the Estates team; £11,380 Strategic Development Partnership (Gleeds) which is to be funded from the Asset Management Reserve; £6,250 Miscellaneous valuations. £5,000 Contribution to One Public Estate.

| | | | | |
|-------------------------------------|----------|-----------|----------|--|
| Head Of Finance & Assets | | | | |
| Gross Direct Costs | 86,109 | 108,355 | 22,246 | £11,297 Notional Pension adjustments. £9,787 Employee Inflation. |
| Support Service Charges | (86,109) | (108,355) | (22,246) | Higher recharge to internal customers as a result of higher service costs. |
| | 0 | 0 | 0 | |

| | | | | |
|--------------------------|-----------|-----------|----------|---|
| Corporate Finance | | | | |
| Gross Direct Costs | 447,584 | 430,140 | (17,444) | £36,477 Notional Pension adjustment offset by turnover savings relating to vacant posts. Some of this saving has been rolled forward to fund some one-off Finance system IT costs |
| Capital Charges | 4,491 | 4,491 | 0 | |
| Support Service Charges | (452,075) | (434,631) | 17,444 | Lower recharge to internal customers as a result of lower service costs. |
| | 0 | 0 | 0 | |

| | | | | |
|--|----------------|-----------|--------------|--|
| Insurance & Risk Management | | | | |
| Gross Direct Costs | 167,305 | 180,452 | 13,147 | £2,686 Higher Employers Liability insurance. £10,315 Higher Public Liability insurance. |
| Gross Direct Income | (650) | (138) | 512 | No Major Variances |
| Support Service Charges | (176,017) | (180,315) | (4,298) | (£3,489) Lower staff time dealing with insurances |
| | (9,362) | 0 | 9,362 | |

Service Area Summaries 2017/18 - Outturn

Finance & Assets

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|------------------------------|------------------------|----------------|----------------|--|
| Internal Audit | | | | |
| Gross Direct Costs | 94,000 | 72,022 | (21,978) | Internal audit costs lower than budget |
| Support Service Charges | (94,000) | (72,022) | 21,978 | Lower recharge to internal customers as a result of lower service costs. |
| | 0 | 0 | 0 | |
| Playgrounds | | | | |
| Gross Direct Costs | 72,195 | 99,017 | 26,822 | £5,985 Repair and Maintenance of Meadow play area following an arson attack. £21,996 Sheringham Playpark Viking Ship, funded by a grant. |
| Gross Direct Income | (41,200) | (63,456) | (22,256) | (£21,996) - Grant in relation to Sheringham Playpark. |
| Support Service Charges | 23,150 | 39,572 | 16,422 | £7,517 Higher recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. £7,669 Higher recharge from Property Services as a result of staff restructuring. |
| | 54,145 | 75,133 | 20,988 | |
| Community Centres | | | | |
| Gross Direct Costs | 5,938 | 508 | (5,430) | Underspend on repairs and maintenance. |
| Support Service Charges | 10,170 | 16,732 | 6,562 | Higher recharge from Property Services as a result of staff restructuring. |
| | 16,108 | 17,240 | 1,132 | |
| Public Conveniences | | | | |
| Gross Direct Costs | 457,379 | 508,915 | 51,536 | £49,621 Additional repair and maintenance costs to include fixed wire testing on all assets; £4,584 Higher water and sewerage costs; £2,835 Higher electricity costs; (£6,791) Saving in the Kier cleansing costs. |
| Capital Charges | 141,917 | 128,032 | (13,885) | Depreciation. |
| Gross Direct Income | 0 | 3,176 | 3,176 | Outstanding debtor provision for storm damage. |
| Support Service Charges | 67,307 | 159,399 | 92,092 | Higher recharges of £18,977 Environmental Contracts, £61,540 Property Services, £10,358 Creditors. |
| | 666,603 | 799,521 | 132,918 | |
| Investment Properties | | | | |
| Gross Direct Costs | 73,103 | 156,503 | 83,400 | See Note A below: |
| Capital Charges | 136,399 | 376,484 | 240,085 | Revaluations and depreciation. |
| Gross Direct Income | (92,976) | (123,646) | (30,670) | (£4,906) Higher recovery of utilities recharges; (£7,695) Increased rental income; (£33,300) Income from Concessions at various sites; £16,648 Outstanding debtor provisions for storm damage. |
| Support Service Charges | 65,400 | 96,534 | 31,134 | Higher recharge from Property Services as a result of staff restructuring. |
| | 181,926 | 505,874 | 323,948 | |

Note A : £46,914 Additional repair and maintenance costs, some of which is to be funded from the Asset Management Reserve; £6,796 Higher service contract costs (E.g. Fire extinguishers, emergency lighting and fixed wire testing); £3,542 Business Rates & Council Tax; £4,667 Water/Sewerage costs; £5,811 Gas, Electricity & Oil costs; £4,912 Purchase of fixtures and fittings; £8,351 Asbestos surveys undertaken.

Service Area Summaries 2017/18 - Outturn

Finance & Assets

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|---|------------------------|------------------|----------------|--|
| Central Costs | | | | |
| Gross Direct Costs | 84,043 | 93,550 | 9,507 | £4,125 - Pension fund adjustments (current service costs). £4,327 - Higher salaries and on costs |
| Support Service Charges | (84,043) | (93,550) | (9,507) | £256,654 - Lower recharge to internal customers as a result of lower service costs. £121,853 - Customer Services recharges are lower. These costs now go to specific service areas. (£161,157) - Admin Buildings recharge lower following review of office space. £43,396 - Higher Property Services recharge as a result of more staff time. (£29,290) - Lower recharge from Fakenham Connect following review of office space. |
| | 0 | 0 | 0 | |
| Corporate & Democratic Core | | | | |
| Gross Direct Costs | 461,879 | 437,575 | (24,304) | See Note A below: |
| Gross Direct Income | 0 | (11,301) | (11,301) | (£8,864) - Transparency grant. (£2,437) - General Data Protection Regulations (GDPR) Health check, cost split between North Norfolk and Kings Lynn and West Norfolk |
| Support Service Charges | 903,990 | 934,312 | 30,322 | See Note B below: |
| Sum: | 1,365,869 | 1,360,586 | (5,283) | |
| Note A: £16,701 - Pension fund adjustments (current service costs). (£11,393) - Salaries and on costs relating to Democratic Representation and Management are lower than expected. (£34,976) - The external audit fee is lower than anticipated. £9,939 - Bank Charges are higher because of a higher volume of card processing transactions (£6,989) and a one-off cost for transferring bill payments from Co-op to Capita (£2,950). | | | | |
| Note B: (£15,944) - Environmental Health - decrease in staff time. £57,146 - Higher Recharge from Personnel Services - increased staff time. (£113,899) - Admin Buildings recharge lower following review of office space. £8,875 - Increased recharge from Head of Assets & Finance because of higher service costs. £29,839 - Higher recharge from Accountancy as a result of increased staff time. £19,365 - Increased recharge from Corporate Leadership team because of higher service costs. £42,343 - increased recharge from Legal Services because of higher service costs. | | | | |
| Total Finance & Assets | 2,421,075 | 3,032,983 | 611,908 | |

Service Area Summaries 2017/18

Legal & Democratic Services

| | Updated Budget | Outturn | Variance |
|---|---------------------------|----------------|-----------------|
| | £ | £ | £ |
| Members Services | 690,901 | 672,638 | (18,263) |
| Legal Services | 0 | 0 | 0 |
| Total Legal & Democratic Svs | 690,901 | 672,638 | (18,263) |

Service Area Summaries 2017/18 - Outturn

Legal & Democratic Services

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|---|------------------------|----------------|-----------------|--|
| Members Services | | | | |
| Gross Direct Costs | 532,761 | 538,930 | 6,169 | £12,196 - Pension fund adjustments (current service costs). (£5,208) - Members' travel expenses lower than expected. £10,000 will be rolled forward to meet IT requirements for Members following May 2019 elections (provision of hardware to all Members) |
| Capital Charges | 2,500 | 2,500 | 0 | No Major Variances |
| Gross Direct Income | (400) | (196) | 204 | No Major Variances |
| | 690,901 | 672,638 | (18,263) | |
| Legal Services | | | | |
| Gross Direct Costs | 578,767 | 680,948 | 102,181 | £48,884 - Pension fund adjustments (current service costs). £17,611 - Staff training costs. £8,100 - Higher mileage costs. £10,686 - Cost of locum solicitors. £7,305 - Client disbursements. £12,210 - Computer software, case management system upgrade. The additional costs will be funded from the additional income and use of the earmarked legal reserve. |
| Gross Direct Income | (298,186) | (329,310) | (31,124) | Legal fee income is higher than anticipated mainly relating to contract work, other one-off external client work and court costs awarded. |
| Support Service Charges | (280,581) | (351,637) | (71,056) | (£4,054) - Reduced recharge from Reprographics because of lower printing requirements and lower service costs. £10,148 - Admin Buildings recharge higher following review of office space. (£4,726) - Lower recharge from Insurances, reflecting a change in the apportionment of Public Liability Insurance. (£67,787) - Higher recharge to internal customers as a result of higher service costs. |
| | 0 | 0 | 0 | |
| Total Legal & Democratic Svs | 690,901 | 672,638 | (18,263) | |

Service Area Summaries 2017/18

Planning

| | Updated Budget | Outturn | Variance |
|----------------------------------|---------------------------|------------------|-----------------|
| | £ | £ | £ |
| Development Management | 790,303 | 806,224 | 15,921 |
| Planning Policy | 486,944 | 411,813 | (75,131) |
| Conservation, Design & Landscape | 168,931 | 188,611 | 19,680 |
| Major Developments | 347,025 | 371,331 | 24,306 |
| Building Control | 117,078 | 159,230 | 42,152 |
| Head Of Planning | 0 | 0 | 0 |
| Property Information | 88,614 | (1,451) | (90,065) |
| Total Planning | 1,998,895 | 1,935,759 | (63,136) |

Service Area Summaries 2017/18 - Outturn

Planning

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|---|------------------------|----------------|-----------------|---|
| Development Management | | | | |
| Gross Direct Costs | 929,152 | 1,006,707 | 77,555 | (£26,936) Turnover savings offset by new appointment advertising costs of £10,290. £79,438 - Notional pension cost adjustment. £18,838 - Developer contribution paid over, funded by additional income |
| Capital Charges | 38,721 | 13,038 | (25,683) | Depreciation and Intangible Amortisation. |
| Gross Direct Income | (780,620) | (913,860) | (133,240) | (£80,461) Planning Fee and (£38,295) Professional advice income up against budget. (£14,582) - Developer contributions. A proportion of this has been earmarked to support the implementation of the new Planning ICT system. |
| Support Service Charges | 603,050 | 700,338 | 97,288 | Higher recharges of £42,570 Corporate Enforcement Team, £15,705 Postal & Scanning Services, £8,827 Customer Services, £22,718 Admin Buildings, £5,234 Legal Services, £15,032 Digital Transformation and £24,710 Storage Depots offset by lower recharges of (£9,748) from Insurance, (£11,036) Housing Strategy and (£17,977) Central Costs. |
| | 790,303 | 806,224 | 15,921 | |
| Planning Policy | | | | |
| Gross Direct Costs | 419,568 | 374,921 | (44,647) | (£71,919) Slippage in expenditure associated with Local Plan Review. This has been rolled forward to fund costs in 2018/19. £27,272 Notional pension adjustment. |
| Gross Direct Income | 0 | (35,910) | (35,910) | New burdens funding in relation to Maintaining Custom Build and Brownfield site Registers. These grants were received at the end of March and will be transferred to an earmarked reserve to be offset by expenditure in the new Financial year. |
| Support Service Charges | 67,376 | 72,802 | 5,426 | Higher recharges of £4,571 from Admin Buildings and £3,248 Digital Transformation. Lower recharges of (£3,223) Central Costs. |
| | 486,944 | 411,813 | (75,131) | |
| Conservation, Design & Landscape | | | | |
| Gross Direct Costs | 102,261 | 117,254 | 14,993 | £9,443 Enforcement works funded from the Enforcement Board reserve £7,612 Notional Pension cost adjustment. |
| Support Service Charges | 66,670 | 71,357 | 4,687 | Higher recharges of £4,571 from Admin Buildings and £3,248 Digital Transformation. Lower recharges of (£3,223) Central Costs and (£3,933) Legal Services. |
| | 168,931 | 188,611 | 19,680 | |

Service Area Summaries 2017/18 - Outturn

Planning

| | Updated Budget £ | Outturn £ | Variance £ | Explanation for Major Variances |
|-----------------------------|------------------------|------------------|-----------------|--|
| Major Developments | | | | |
| Gross Direct Costs | 246,705 | 249,882 | 3,177 | (£15,421) Employee turnover savings. £20,015 Notional pension fund adjustment. |
| Gross Direct Income | 0 | (6,285) | (6,285) | (£6,000) Recovery of qualification training costs. |
| Support Service Charges | 100,320 | 127,734 | 27,414 | Higher recharges of £4,607 Computer Network and Applications Team, £8,106 Admin Buildings, £6,675 Digital Transformation & £8,982 Legal Services. |
| Sum: | 347,025 | 371,331 | 24,306 | |
| Building Control | | | | |
| Gross Direct Costs | 367,439 | 401,353 | 33,914 | £35,806 Notional Pension Adjustment. |
| Gross Direct Income | (372,581) | (381,090) | (8,509) | Fee income above budgeted level. |
| Support Service Charges | 122,220 | 138,967 | 16,747 | Higher recharges of £5,755 Customer Services, £9,113 Admin Buildings, £7,459 Storage Depots, £6,497 Digital Transformation. These are offset by lower recharges of (£6,507) Central Costs, (£2,296) Legal Services & (£3,208) from Sundry Debtors. |
| | 117,078 | 159,230 | 42,152 | |
| Head Of Planning | | | | |
| Gross Direct Costs | 167,256 | 177,818 | 10,562 | £14,582 Notional Pension adjustment offset by savings in supplies and services. |
| Support Service Charges | (167,256) | (177,818) | (10,562) | Higher recharge to internal customers as a result of higher service costs. |
| | 0 | 0 | 0 | |
| Property Information | | | | |
| Gross Direct Costs | 190,724 | 174,588 | (16,136) | £8,313 Notional Pension adjustment. (£24,226) Norfolk County Council search fees, including (£16,139) from 2016/17. |
| Gross Direct Income | (169,000) | (232,259) | (63,259) | Land charge search income, the net surplus will be ring-fenced in the earmarked reserve and used to inform future fee setting. |
| Support Service Charges | 66,890 | 56,221 | (10,669) | Lower recharges of (£9,459) from Personnel Services. |
| | 88,614 | (1,451) | (90,065) | |
| Total Planning | 1,998,895 | 1,935,759 | (63,136) | |

Reserves Statement Outturn 2017/18

| Reserve | Purpose and Use of Reserve | Outturn 2017/18 | | | | | | | | | | | | |
|---------------------------------------|--|------------------|-----------|-----------|------------------|------------------|-----------|------------------|-------------|-----------|-----------|-----------|-----------|-----------|
| | | Balance | Transfers | Transfers | Total | Balance | Budgeted | Balance | Budgeted | Balance | Budgeted | Balance | Budgeted | |
| | | 01/04/17 | in | out | Movement | 01/04/18 | Movement | 01/04/19 | Movement | 01/04/20 | Movement | 01/04/21 | Movement | 01/04/22 |
| £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| General Fund - General Reserve | A working balance and contingency, current recommended balance is £1.75 million. | 2,331,775 | 124,518 | (259,805) | (135,287) | 2,196,488 | (60,000) | 2,136,488 | 0 | 2,136,488 | 0 | 2,136,488 | 0 | 2,136,488 |
| Earmarked Reserves: | | | | | 0 | | | | | | | | | |
| Capital Projects | To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt. | 2,313,978 | 405,779 | (264,234) | 141,545 | 2,455,523 | (747,964) | 1,707,559 | 0 | 1,707,559 | 0 | 1,707,559 | 0 | 1,707,559 |
| Asset Management | To support improvements to our existing assets as identified through the Asset Management Plan. | 500,892 | 987,328 | (629,780) | 357,548 | 858,440 | (3,443) | 854,997 | 0 | 854,997 | 0 | 854,997 | 0 | 854,997 |
| Benefits | To be used to mitigate any claw back by the Department of Works and Pensions following final subsidy determination. Timing of the use will depend on audited subsidy claims. | 1,429,624 | 0 | (134,267) | (134,267) | 1,295,357 | (12,838) | 1,282,519 | (12,838) | 1,269,681 | 0 | 1,269,681 | 0 | 1,269,681 |
| Broadband | Earmarks £1million for superfast broad band in North Norfolk. (600k was transferred from the BSF reserve and £400k from NHB reserve) | 1,000,000 | 0 | 0 | 0 | 1,000,000 | 0 | 1,000,000 | (1,000,000) | 0 | 0 | 0 | 0 | 0 |
| Building Control | Building Control surplus ring-fenced to cover any future deficits in the service. | 171,780 | 0 | (11,997) | (11,997) | 159,783 | 0 | 159,783 | 0 | 159,783 | 0 | 159,783 | 0 | 159,783 |
| Business Rates | To be used for the support of local businesses and to mitigate impact of final claims and appeals in relation to business rates retention scheme. | 2,527,045 | 0 | (20,376) | (20,376) | 2,506,669 | (18,000) | 2,488,669 | (18,000) | 2,470,669 | (18,000) | 2,452,669 | (18,000) | 2,434,669 |
| Coast Protection | To support the ongoing coast protection maintenance programme and carry forward funding between financial years. | 202,516 | 0 | 0 | 0 | 202,516 | (20,000) | 182,516 | (20,000) | 162,516 | (20,000) | 142,516 | (20,000) | 122,516 |
| Common Training | To deliver the corporate training programme. Training and development programmes are sometimes not completed in the year but are committed and therefore funding is carried forward in an earmarked reserve. | 48,450 | 0 | (48,450) | (48,450) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Communities | To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. Funded by a proportion of NCC element of second homes council tax. | 1,197,179 | 396,956 | 0 | 396,956 | 1,594,135 | 168,234 | 1,762,369 | (242,000) | 1,520,369 | (242,000) | 1,278,369 | (242,000) | 1,036,369 |
| Economic Development and Regeneration | Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone. | 133,458 | 25,000 | (37,837) | (12,837) | 120,621 | (10,000) | 110,621 | 0 | 110,621 | 0 | 110,621 | 0 | 110,621 |
| Election Reserve | Established to meet costs associated with district council elections, to smooth the impact between financial years. | 43,000 | 40,000 | 0 | 40,000 | 83,000 | 40,000 | 123,000 | (120,000) | 3,000 | 40,000 | 43,000 | 40,000 | 83,000 |
| Enforcement Works | Established to meet costs associated with district council enforcement works including buildings at risk . | 103,674 | 140,937 | (47,498) | 93,439 | 197,113 | 0 | 197,113 | 0 | 197,113 | 0 | 197,113 | 0 | 197,113 |

Reserves Statement Outturn 2017/18

| Reserve | Purpose and Use of Reserve | Outturn 2017/18 | | | | | | | | | | | | |
|---|---|-------------------|------------------|--------------------|----------------|-------------------|------------------|-------------------|--------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | | Balance | Transfers | Transfers | Total | Balance | Budgeted | Balance | Budgeted | Balance | Budgeted | Balance | Budgeted | |
| | | 01/04/17 | in | out | Movement | 01/04/18 | Movement | 01/04/19 | Movement | 01/04/20 | Movement | 01/04/21 | Movement | 01/04/22 |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Environmental Health | Earmarking of previous underspends and additional income to meet Environmental Health initiatives. | 279,389 | 15,000 | 0 | 15,000 | 294,389 | 0 | 294,389 | 0 | 294,389 | 0 | 294,389 | 0 | 294,389 |
| Grants | Revenue Grants received and due to timing issues not used in the year. | 439,352 | 102,101 | (6,665) | 95,436 | 534,788 | (8,792) | 525,996 | 0 | 525,996 | 0 | 525,996 | 0 | 525,996 |
| Housing | Previously earmarked for stock condition survey and housing needs assessment. | 2,520,743 | 225,443 | (245,584) | (20,141) | 2,500,602 | (14,247) | 2,486,355 | (72,624) | 2,413,731 | (70,248) | 2,343,483 | (32,808) | 2,310,675 |
| Treasury (Property) Reserve | Property Investment (Treasury), to smooth the impact on the revenue account of interest fluctuations. | 66,068 | 0 | (66,068) | (66,068) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land Charges | To mitigate the impact of potential income reductions. | 233,169 | 40,781 | 0 | 40,781 | 273,950 | 0 | 273,950 | 0 | 273,950 | 0 | 273,950 | 0 | 273,950 |
| Legal | One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus. | 144,174 | 0 | (15,785) | (15,785) | 128,389 | 0 | 128,389 | 0 | 128,389 | 0 | 128,389 | 0 | 128,389 |
| LSVT Reserve | To meet the cost of successful warranty claims not covered by bonds and insurance following the housing stock transfer. | 435,000 | 0 | 0 | 0 | 435,000 | 0 | 435,000 | 0 | 435,000 | 0 | 435,000 | 0 | 435,000 |
| New Homes Bonus (NHB) | Established for supporting communities with future growth and development and Plan review* | 1,834,440 | 225,000 | (53,023) | 171,977 | 2,006,417 | (1,680,944) | 325,473 | (114,747) | 210,726 | 0 | 210,726 | 0 | 210,726 |
| Organisational Development | To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships. | 345,128 | 0 | (4,281) | (4,281) | 340,847 | (4,649) | 336,198 | 0 | 336,198 | 0 | 336,198 | 0 | 336,198 |
| Pathfinder | To help Coastal Communities adapt to coastal changes. | 206,378 | 0 | (63,210) | (63,210) | 143,168 | 0 | 143,168 | 0 | 143,168 | 0 | 143,168 | 0 | 143,168 |
| Planning | Additional Planning income earmarked for Planning initiatives including Plan Review. | 168,664 | 11,175 | (123,485) | (112,310) | 56,354 | 18,330 | 74,684 | 50,000 | 124,684 | 50,000 | 174,684 | 50,000 | 224,684 |
| Property Investment Fund | To provide funding for the acquisition and development of new land and property assets | 0 | 0 | 0 | 0 | 0 | 2,000,000 | 2,000,000 | 0 | 2,000,000 | 0 | 2,000,000 | 0 | 2,000,000 |
| Restructuring & Invest to Save Proposals | To fund one-off redundancy and pension strain costs and invest to save initiatives. Transfers from this reserve will be allocated against business cases as they are approved. Timing of the use of this reserve will depend on when business cases are approved. | 2,434,079 | 116,565 | (260,130) | (143,565) | 2,290,514 | (582,939) | 1,707,575 | (338,924) | 1,368,651 | (300,000) | 1,068,651 | 0 | 1,068,651 |
| Sports Hall Equipment & Sports Facilities | To support renewals for sports hall equipment. Amount transferred in the year represents over or under achievement of income target. | 12,649 | 0 | (456) | (456) | 12,193 | 0 | 12,193 | 0 | 12,193 | 0 | 12,193 | 0 | 12,193 |
| Total Reserves | | 21,122,603 | 2,856,583 | (2,292,931) | 563,652 | 21,686,255 | (937,252) | 18,749,003 | (1,889,133) | 16,859,870 | (560,248) | 16,299,622 | (222,808) | 16,076,814 |

| <u>Scheme</u> | <u>Scheme Total Current Estimate</u> | <u>Current Budget 2017/18</u> | <u>Capital Expenditure 2017/18</u> | <u>Variance 2017/18</u> | <u>Comments</u> |
|---|--|-----------------------------------|--|-----------------------------|---|
| | £ | £ | £ | £ | |
| Jobs and the Economy | | | | | |
| Public Convenience water heater improvements | 7,556 | 4,281 | 0 | (4,281) | This scheme is complete |
| Egmere Business Zone | | | | | |
| Public Conveniences - Review, Reprovision and Redevelopment | 1,895,000 | 58,591 | 62,222 | 3,631 | Discussions are ongoing with Walsingham Estate, the majority of this budget is profiled for spend potentially in 2018/19 |
| Car Park Refurbishment Schemes | | | | | |
| North Lodge Park | 112,827 | 9,948 | 45,761 | 35,813 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/19 |
| Office Improvements, Kings Arms St | 197,000 | 2,191 | 5,721 | 3,530 | |
| | 49,687 | 493 | 20,180 | 19,687 | This scheme is now complete |
| Purchase of Car Park Vehicles | | | | | |
| | 60,000 | 60,000 | 0 | (60,000) | The purchase of these vehicles was not undertaken during the current financial year and so this has been carried forward to 2018/19 |
| Deep History Coast | | | | | |
| Fair Meadow House | 500,000 | 20,961 | 1,863 | (19,098) | The remaining budget is requested for slippage to 2018/19 |
| Sutton Mill Loan | 662,684 | 635,000 | 662,684 | 27,684 | This scheme is now complete |
| | 0 | 350,000 | 0 | (350,000) | This budget is no longer required |
| Holt Tourist Information Centre | | | | | |
| | 100,000 | 100,000 | 0 | (100,000) | This is now due to be spent in 2018/19 and has been carried forward |
| Walsingham Public Convenience | | | | | |
| | 47,000 | 47,000 | 1,627 | (45,373) | The remaining budget is requested for slippage to 2018/19 |
| | 4,998,838 | 1,290,151 | 800,058 | (490,093) | |
| Housing and Infrastructure | | | | | |
| Housing Loans to Registered Providers | 3,500,000 | 3,500,000 | 3,500,000 | 0 | The loans have now been completed |
| Compulsory Purchase of Long Term Empty Properties | | | | | |
| | 630,000 | 0 | 842 | 842 | |
| Shannoeks Hotel | | | | | |
| | 490,000 | 22,017 | 39,854 | 17,837 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/19 |
| Community Housing Fund | | | | | |
| | 2,198,262 | 250,000 | 187,500 | (62,500) | The remaining budget is requested for slippage to 2018/19 |
| Disabled Facilities Grant | | | | | |
| Annual Programme | | 1,030,087 | 1,009,288 | (20,799) | The remaining budget is requested for slippage to 2018/20 |
| Temp Accomodation for Homeless Households | 194,549 | 24,050 | 24,589 | 539 | |

| | | | | | |
|---|-------------------|------------------|------------------|-----------------|--|
| Provision of Temporary Accommodation | 610,000 | 0 | 0 | 0 | |
| | 7,822,811 | 4,826,154 | 4,762,073 | (64,081) | |
| Coast and Countryside | | | | | |
| Gypsy and Traveller Short Stay Stopping Facilities | 1,417,533 | 0 | 37,840 | 37,840 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/19 |
| Cromer Pier Structural Works Phase 2 | 1,378,549 | 56,455 | 236 | (56,219) | The remaining budget is requested for slippage to 2018/20 |
| Cromer Pier and West Prom refurbishment | 1,465,000 | 215,987 | 390,792 | 174,805 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/19 |
| Refurbishment Works to the Seaside Shelters | 149,500 | 11,045 | 13,853 | 2,808 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/20 |
| Cromer Coast Protection Scheme 982 and SEA Coastal Adaptations | 8,822,000 | 58,901 | 59,046 | 145 | |
| Pathfinder Project | 410 | 410 | 0 | (410) | |
| Storm Surge | 1,966,605 | 283,295 | 283,295 | 0 | |
| Sheringham West Prom | 1,238,277 | 70,013 | 132,290 | 62,277 | These repair works are now complete |
| | 804,000 | 136,496 | 134,518 | (1,978) | |
| Mundesley - Refurbishment of Coastal Defences | 2,221,000 | 0 | 44,528 | 44,528 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/20 |
| Cromer Pier - External and Roofing Improvements to Pavilion Theatre | 275,000 | 1,011 | 2,010 | 999 | |
| Beach Access | 201,514 | 50,000 | 26,007 | (23,993) | The remaining budget is requested for slippage to 2018/20 |
| Vale Road Beach Access | 18,600 | 3,485 | 182 | (3,303) | The remaining budget is requested for slippage to 2018/20 |
| Bacton and Walcott Joint Study | 272,028 | 30,540 | 101,054 | 70,514 | This additional spend has been financed through grants and contributions |
| Ranger Vehicles | 51,490 | 0 | 25,320 | 25,320 | This expenditure has been covered by an RCCO |
| | 20,956,001 | 917,638 | 1,250,969 | 333,331 | |
| Health and Well Being | | | | | |
| Cromer Sports Pitch | 50,000 | 0 | 415 | 415 | |
| Fakenham Community Centre Window Replacement | 49,003 | 30,000 | 49,003 | 19,003 | This scheme is now complete and the additional expenditure has been financed by capital receipts |
| North Norfolk Sports Hub | 3,181,000 | 0 | 14,974 | 14,974 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/20 |

| | | | | | |
|--|-------------------|------------------|------------------|------------------|--|
| Splash Leisure Centre Reprovision | 10,667,000 | 0 | 11,490 | 11,490 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/20 |
| | 14,100,123 | 30,000 | 75,881 | 45,881 | |
| Service Excellence | | | | | |
| Personal Computer Replacement Fund | 260,614 | 23,654 | 78,685 | 55,031 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/20 |
| Administrative Buildings | 295,570 | 97,778 | 41,517 | (56,261) | The remaining budget is requested for slippage to 2018/20 |
| Planning System Scanning | 120,619 | 16,110 | 36,729 | 20,619 | The additional spend in relation to this scheme has been funded by capital receipts |
| Council Chamber and Committee Room Improvements | 89,000 | 66,671 | 71,910 | 5,239 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/20 |
| Environmental Health IT System Procurement | 150,000 | 41,051 | 63,851 | 22,800 | The spend in 2017/18 has been covered by clawing back funding which had been profiled in 2018/20 |
| Document and Records Management System | 60,000 | 41,591 | 11,098 | (30,493) | The remaining budget is requested for slippage to 2018/20 |
| Purchase of Property Services Vehicle | 15,008 | 15,000 | 15,008 | 8 | This purchase is now complete |
| Goat Livestock Grazing | 16,665 | 17,000 | 16,665 | (335) | This scheme is now complete |
| Environmental Health Vehicles | 22,605 | 21,935 | 22,605 | 670 | This purchase is now complete |
| Uniform Planning System | 140,000 | 140,000 | 140,000 | 0 | This software purchase is now complete |
| Housing Options System | 20,000 | 20,000 | 650 | (19,350) | The remaining budget is requested for slippage to 2018/20 |
| Management Information Systems | 50,000 | 50,000 | 26,675 | (23,325) | The remaining budget is requested for slippage to 2018/20 |
| Revenues and Benefits System | 57,500 | 57,500 | 57,500 | 0 | This scheme is now complete |
| Purchase of Bins | 194,675 | 51,541 | 74,675 | 23,134 | This expenditure has been covered by an RCCO |
| Customer Contact Centre | 60,000 | 33,878 | 34,007 | 129 | |
| Back Scanning of Files | 200,000 | 60,000 | 53,029 | (6,972) | The remaining budget is requested for slippage to 2018/20 |
| Access Control Systems | 18,282 | 1,913 | 3,195 | 1,282 | |
| | 2,153,042 | 755,622 | 747,797 | (7,825) | |
| | 50,030,815 | 7,819,565 | 7,636,779 | (182,786) | |

| Capital Programme Financing | 2017/18 Outturn £ | % |
|---|----------------------------------|---------------|
| Grants | 1,513,200 | 19.8% |
| Other External Contributions | 92,636 | 1.2% |
| Revenue Contribution to Capital Outlay (RCCO) | 122,600 | 1.6% |
| Capital Project Reserve | 264,233 | 3.5% |
| Other Reserves | 889,359 | 11.6% |
| Internal Borrowing | 3,500,000 | 45.8% |
| Capital Receipts | 1,254,751 | 16.4% |
| TOTAL FINANCING | 7,636,779 | 100.0% |

| <u>Scheme</u> | Scheme Total Current Estimate | Pre 31/3/18 Actual Expenditure | Updated Budget 2018/19 | Updated Budget 2019/20 | Updated Budget 2020/21 |
|--|--|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | £ | £ | £ | £ | £ |
| Jobs and the Economy | | | | | |
| North Norfolk Enterprise Innovation Centre | 50,000 | 10,295 | 39,705 | 0 | 0 |
| Rocket House | 77,084 | 37,334 | 39,750 | 0 | 0 |
| North Norfolk Enterprise and Start Up Grants | 135,000 | 126,207 | 8,793 | 0 | 0 |
| Public Convenience water heater improvements | 7,556 | 7,556 | 0 | 0 | 0 |
| Egmere Business Zone | 1,895,000 | 160,828 | 1,734,172 | 0 | 0 |
| Better Broadband for Norfolk | 1,000,000 | - | 0 | 1,000,000 | 0 |
| Car Park Refurbishment Schemes | 112,827 | 66,859 | 45,968 | 0 | 0 |
| North Lodge Park | 197,000 | 17,411 | 179,589 | 0 | 0 |
| Office Improvements, Kings Arms St | 49,687 | 49,687 | 0 | 0 | 0 |
| Purchase of Car Park Vehicles | 60,000 | - | 60,000 | 0 | 0 |
| Deep History Coast | 500,000 | 1,863 | 498,137 | 0 | 0 |
| Fair Meadow House | 662,684 | 662,684 | 0 | 0 | 0 |
| Holt Tourist Information Centre | 100,000 | - | 100,000 | 0 | 0 |
| Walsingham Public Convenience | 47,000 | 1,627 | 45,373 | 0 | 0 |
| Fair Meadow House Improvements | 25,000 | - | 25,000 | 0 | 0 |
| Collectors Cabin | 30,000 | - | 30,000 | 0 | 0 |
| Kiosk Improvements | 25,000 | - | 25,000 | 0 | 0 |
| Lifeguard hut refurbishment | 25,000 | - | 25,000 | 0 | 0 |
| Local Property Investment | 2,000,000 | - | 2,000,000 | 0 | 0 |
| | 4,998,838 | 1,142,351 | 4,856,487 | 1,000,000 | 0 |
| Housing and Infrastructure | | | | | |
| Parkland Improvements | 100,000 | 12,996 | 87,004 | 0 | 0 |
| Housing Loans to Registered Providers | 3,500,000 | 3,500,000 | 0 | 0 | 0 |
| Compulsory Purchase of Long Term Empty Properties | 630,000 | 1,642 | 628,358 | 0 | 0 |
| Shannoeks Hotel | 490,000 | 63,751 | 426,249 | 0 | 0 |
| Laundry Loke - Victory Housing | 100,000 | - | 100,000 | 0 | 0 |
| Community Housing Fund | 2,198,262 | 187,500 | 2,010,762 | 0 | 0 |
| Disabled Facilities Grant | Annual Programme | Annual Programme | Annual Programme | Annual Programme | Annual Programme |
| Temp Accomodation for Homeless Households | 194,549 | 194,549 | 0 | - | 0 |
| Provision of Temporary Accomodation | 610,000 | - | 610,000 | 0 | 0 |
| | 7,822,811 | 3,960,438 | 3,862,373 | 0 | 0 |
| Coast and Countryside | | | | | |
| Gypsy and Traveller Short Stay Stopping Facilities | 1,417,533 | 1,308,790 | 108,743 | 0 | 0 |

| | | | | | |
|---|-------------------|-------------------|------------------|------------------|------------------|
| Cromer Pier Structural Works Phase 2 | 1,378,549 | 1,322,330 | 56,219 | 0 | 0 |
| Cromer Pier and West Prom refurbishment | 1,465,000 | 1,089,805 | 375,195 | 0 | 0 |
| Refurbishment Works to the Seaside Shelters | 149,500 | 141,299 | 8,202 | 0 | 0 |
| Cromer Coast Protection Scheme 982 and SEA | 8,822,000 | 5,305,389 | 3,516,611 | 0 | 0 |
| Coastal Adaptations | 410 | - | 410 | 0 | 0 |
| Pathfinder Project | 1,966,605 | 1,966,605 | 0 | 0 | 0 |
| Coastal Erosion Assistance | 90,000 | 17,203 | 72,797 | 0 | 0 |
| Storm Surge | 1,238,277 | 1,238,277 | 0 | 0 | 0 |
| Sheringham West Prom | 804,000 | 767,022 | 36,978 | 0 | 0 |
| Mundesley - Refurbishment of Coastal Defences | 2,221,000 | 44,528 | 2,176,472 | 0 | 0 |
| Ostend Targeted Rock Placement and Coastal Adaptation | 55,000 | 219 | 54,781 | 0 | 0 |
| Cromer Pier - External and Roofing Improvements to Pavilion Theatre | 275,000 | 3,260 | 271,740 | 0 | 0 |
| Beach Access | 201,514 | 142,540 | 58,974 | 0 | 0 |
| Vale Road Beach Access | 18,600 | 15,297 | 3,303 | 0 | 0 |
| Bacton and Walcott Joint Study | 272,028 | 272,028 | 0 | 0 | 0 |
| Bacton and Walcott Coastal Management Scheme | 500,000 | - | 500,000 | 0 | 0 |
| Countryside Tractors | 29,495 | - | 29,495 | 0 | 0 |
| Ranger Vehicles | 51,490 | 25,320 | 26,170 | 0 | 0 |
| | 20,956,001 | 13,659,910 | 7,296,091 | 0 | 0 |
| Health and Well Being | | | | | |
| Splash Roof Repairs | 63,120 | 9,866 | 53,254 | 0 | 0 |
| Steelwork Protection to Victory Pool and Fakenham Gym | 27,500 | 33 | 27,467 | 0 | 0 |
| Fakenham Gym | 62,500 | - | 62,500 | 0 | 0 |
| Cromer Sports Pitch | 50,000 | 1,821 | 48,179 | 0 | 0 |
| Fakenham Community Centre Window Replacement | 49,003 | 49,003 | 0 | 0 | 0 |
| North Norfolk Sports Hub | 3,181,000 | 14,974 | 1,700,526 | 1,465,500 | 0 |
| Splash Leisure Centre Reprovision | 10,667,000 | 11,490 | 1,988,510 | 4,333,500 | 4,333,500 |
| | 14,100,123 | 87,186 | 3,880,436 | 5,799,000 | 4,333,500 |
| Service Excellence | | | | | |
| Asset Management Computer System | 75,000 | 63,730 | 11,270 | 0 | 0 |
| Personal Computer Replacement Fund | 260,614 | 260,614 | 0 | 0 | 0 |
| e-Financials Financial Management System Software Upgrade | 47,505 | 34,080 | 13,425 | 0 | 0 |
| Administrative Buildings | 295,570 | 239,309 | 56,261 | 0 | 0 |
| Planning System Scanning | 120,619 | 120,619 | 0 | 0 | 0 |
| Council Chamber and Committee Room Improvements | 89,000 | 72,858 | 16,142 | 0 | 0 |

| | | | | | |
|--|-------------------|-------------------|-------------------|------------------|------------------|
| Environmental Health IT System Procurement | 150,000 | 70,178 | 79,822 | 0 | 0 |
| Document and Records Management System | 60,000 | 29,507 | 30,493 | 0 | 0 |
| Purchase of Property Services Vehicle | 15,008 | 15,008 | 0 | 0 | 0 |
| Goat Livestock Grazing | 16,665 | 16,665 | 0 | 0 | 0 |
| Environmental Health Vehicles | 22,605 | 22,605 | 0 | 0 | 0 |
| Uniform Planning System | 140,000 | 140,000 | 0 | 0 | 0 |
| Housing Options System | 20,000 | 650 | 19,350 | 0 | 0 |
| Management Information Systems | 50,000 | 26,675 | 23,325 | 0 | 0 |
| Revenues and Benefits System | 57,500 | 57,500 | 0 | 0 | 0 |
| Purchase of Bins | 194,675 | 103,134 | 91,541 | 0 | 0 |
| Customer Contact Centre | 60,000 | 51,832 | 8,168 | 0 | 0 |
| Back Scanning of Files | 200,000 | 53,029 | 146,972 | 0 | 0 |
| Access Control Systems | 18,282 | 18,282 | 0 | 0 | 0 |
| Aerial Photography | 15,000 | - | 15,000 | 0 | 0 |
| Server Replacement 2018 | 80,000 | - | 80,000 | 0 | 0 |
| Multi Functional Devices | 30,000 | - | 30,000 | 0 | 0 |
| User IT Hardware Refresh | 135,000 | - | 25,000 | 55,000 | 55,000 |
| | 2,153,042 | 1,396,273 | 646,769 | 55,000 | 55,000 |
| | 50,030,815 | 20,246,159 | 20,542,157 | 6,854,000 | 4,388,500 |

Prudential Indicator Outturn 2017/18

1. Background:

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

2. Capital Expenditure:

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

| Capital Expenditure | 2017/18 Estimate £000s | 2017/18 Outturn £000s |
|----------------------------|---------------------------------------|--------------------------------------|
| Total | 17,417 | 7,637 |

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

| Capital Financing | 2017/18 Estimate £000s | 2017/18 Outturn £000s |
|------------------------------------|---------------------------------------|--------------------------------------|
| Capital receipts | 4,992 | 1,255 |
| Government Grants | 7,894 | 1,513 |
| Revenue contributions and Reserves | 1,781 | 1,369 |
| Internal Borrowing | 2,750 | 3,500 |
| Total Financing | 17,417 | 7,637 |

3. Capital Financing Requirement:

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

| Capital Financing Requirement | 2017/18 Estimate £000s | 2017/18 Outturn £000s |
|--------------------------------------|---------------------------------------|--------------------------------------|
| Total CFR | 3,724 | 3,855 |

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

4. Authorised Limit and Operational Boundary for External Debt:

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

| | 2017/18 Estimate £000s | 2017/18 Outturn £000s |
|--------------------------------|---------------------------------------|--------------------------------------|
| Authorised Limit for Borrowing | 7,970 | 7,970 |

| | | |
|--|-------|-------|
| Authorised Limit for Other Long-term Liabilities | 688 | 688 |
| Authorised Limit for External Debt | 8,658 | 8,658 |
| Operational Boundary for Borrowing | 5,640 | 5,640 |
| Operational Boundary for Other Long-term Liabilities | 688 | 688 |
| Operational Boundary for External Debt | 6,328 | 6,328 |

5. Ratio of Financing Costs to Net Revenue Stream:

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

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

| Ratio of Financing Costs to Net Revenue Stream | 2017/18 Estimate % | 2017/18 Outturn % |
|---|---------------------------|--------------------------|
| Total | (4.14) | (6.14) |

The indicator is negative because the Council has interest receivable and no financing costs.

6. Incremental Impact of Capital Investment Decisions:

6.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

| Incremental Impact of Capital Investment Decisions | 2017/18 Estimate £ | 2017/18 Outturn £ |
|---|---------------------------|--------------------------|
| Increase in Band D Council Tax | 0.42 | 0.32 |

6.2 The incremental impact of capital investment decisions reflects the additional revenue cost to the authority of undertaking specific capital schemes, together with the loss of interest from the use of capital receipts that would otherwise have been invested as part of the Treasury Management process.

7. **Adoption of the CIPFA Treasury Management Code:**

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

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

Treasury Management Annual Report 2017/18

Summary: This report sets out the Treasury Management activities actually undertaken during 2017/18 compared with the Treasury Management Strategy for the year.

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

Conclusions: Treasury activities for the year have been carried out in accordance with the CIPFA Code and the Council’s Treasury Strategy.

Recommendations: That the Council be asked to RESOLVE that The Treasury Management Annual Report and Prudential Indicators for 2017/18 are approved.

Reasons for Recommendation: Approval by Council demonstrates compliance with the Codes.

| | |
|--|-----------------------|
| Cabinet Member(s): Cllr Wyndham Northam | 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 Chartered Institute of Public Finance and Accountancy’s Treasury Management Code requires the Council to report on the performance of the treasury management function at least twice a year (mid-year and at the year-end).
- 1.2 Treasury Management activities for 2017/18 have been carried out in accordance with the Council’s Treasury Management Strategy 2017/18 which was approved by Full Council on 22 February 2017.
- 1.1 The Council has invested substantial sums of money and is therefore exposed to financial risks, including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

2. Context

- 2.1 2017-18 was characterised by the push-pull from expectations of tapering of Quantitative Easing (QE) and the potential for increased policy rates in the US and Europe and from

geopolitical tensions, which also had an impact. The UK economy showed signs of slowing with latest estimates showing Gross Domestic Product (GDP), helped by an improving global economy, growing by 1.8% in calendar 2017, the same level as in 2016. This was a far better outcome than the majority of forecasts following the EU Referendum in June 2016, but it also reflected the international growth momentum generated by the increasingly buoyant US economy and the re-emergence of the Eurozone economies.

- 2.2 The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017. It was significant in that it was the first rate increase in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February Inflation Report indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely.
- 2.3 The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth i.e. after inflation, turned negative before slowly recovering. The labour market showed resilience as the unemployment rate fell back to 4.3% in January 2018. The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020.
- 2.4 The FTSE 100 had a strong finish to calendar 2017, reaching yet another record high of 7688, before plummeting below 7000 at the beginning of 2018 in the global equity correction and sell-off.
- 2.5 The new EU regulations for Money Market Funds (MMFs) were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility Net Asset Value (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

3. Long Term Borrowing

- 3.1 The Council is currently free from external debt. The strategy has been to remain debt-free and not to borrow long-term monies to finance its capital spending, relying instead on usable capital receipts, government grants and revenue contributions. There is an underlying need to borrow assumed within the current three-year Capital Programme for the re-provision of Splash Leisure Centre and this is covered by the Treasury Management Strategy 2018/19.

4. Investment Activity

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

- 4.2 The table below gives Members an appreciation of the investment activity undertaken in 2017/18, showing the position at the start and end of the year, together with the transactions during the year.

| | Balance 01/4/2017 | Invested | Matured | Balance 31/3/2018 |
|---|----------------------|----------|---------|----------------------|
| | £000s | £000s | £000s | £000s |
| Short term Investments (call accounts, deposits and CDs with banks & building societies) | 0 | 0 | 0 | 0 |
| UK Government (DMADF and other local authorities) | 0 | 41,750 | 41,750 | 0 |
| Money Market Funds | 9,900 | 44,780 | 51,220 | 3,460 |
| Pooled Funds | 20,000 | 6,000 | 0 | 26,000 |
| Covered Bonds | 6,000 | 0 | 1,500 | 4,500 |
| All investments | 35,900 | 92,530 | 94,470 | 33,960 |

- 4.3 Security of the capital sum invested remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2017/18.

- 4.4 In accordance with this strategy, the Council made further investments in pooled funds during 2017/18. During the year, an additional £6m was invested in pooled funds. The Council's existing holdings in M&Gs UK Income Distribution Fund was increased to £2m from £1m, £1m was invested in the CCLA Diversified Income Fund, and £2m was invested in each of the Threadneedle UK Equity Income Fund and the M&G Strategic Corporate Bond Fund. Pooled Fund Investments generate a large income return for the Council, but their Net Asset Values are subject to fluctuations over time. For this reason, the Council's investment in strategic pooled funds has only been made with funds it anticipates will remain available for investment over the medium to long-term (i.e. 3 to 5 years). This will minimise the risk from incurring any potential capital loss on selling the investment at an unfavourable point in time. As at the end of March 2018, the capital variance on the pooled fund investments was a gain of £1,154,466 to point of purchase, but was a paper loss of £205,215 in year (which would only be realised if the holdings had to be sold).

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

5. Credit Risk

Counterparty credit quality as measured by credit ratings is summarised below:

| Date | Value Weighted Average Credit Risk Score | Value Weighted Average Credit Rating | Time Weighted Average Credit Risk Score | Time Weighted Average Credit Rating |
|------------|--|--|---|---|
| 31/03/2017 | 3.27 | AA | 1.01 | AAA |

| | | | | |
|------------|------|-----|------|-----|
| 30/06/2017 | 3.41 | AA | 1.02 | AAA |
| 31/09/2017 | 2.98 | AA | 1.01 | AAA |
| 31/12/2017 | 3.83 | AA- | 1.03 | AAA |
| 31/03/2018 | 2.52 | AA | 1.01 | AAA |

- 5.1 All investment counterparties are given a credit score. Weighted average scores are then calculated for both value and time. The value weighted average reflects the credit quality of investments compared to the size of the deposit. The time weighted average reflects the credit quality of investments compared to the number of days to maturity of the deposit.
- 5.2 In the Treasury Management Strategy 2017/18 the Council adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. The target credit score has been set at 6 which equates to a long term rating of A (or equivalent).
- 5.3 The table shows how the scores and ratings have changed over the financial year. The more investments the Council has with counterparties with higher credit ratings, the lower the score will be. Over the year, the time weighted average scores have fallen indicating that the credit rating on both a time weighted basis has improved. However, the value weighted average score has increased, indicating that the credit rating on this basis has reduced.

6. Regulatory Update

- 6.1 **Revised CIPFA Codes:** CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Code are being incorporated into Treasury Management Strategies and monitoring reports. The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions. The Council agreed its Capital Strategy for 2018/19 in February 2018.
- 6.2 **MHCLG Investment Guidance and Minimum Revenue Provision (MRP):** In February 2018 the MHCLG (Ministry of Housing, Communities and Local Government) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP). Changes to the Investment Guidance include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called “loans” (e.g. temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should yields on investments fall. The definition of prudent MRP has been changed to “put aside revenue over time to cover the CFR”; it cannot be a negative charge and can only be zero if the CFR is nil or negative. Guidance on asset lives has been updated, applying to any calculation using asset lives. Any change in MRP policy cannot create an overpayment; the new policy must be applied to the outstanding CFR going forward only.

6.3 **MiFID II:** As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3rd January 2018 local authorities were automatically treated as retail clients but could “opt up” to professional client status, providing certain criteria was met which includes having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the authority have at least a year’s relevant professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved. The Authority has met the conditions to opt up to professional status and has done so in order to maintain its MiFID II status prior to January 2018. The Authority will continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

7. Budgeted Income and Outturn

- 7.1 The income budget for 2017/18 anticipated £837,200 would be earned in interest from an average balance of £32.2m at a rate of 2.6%. A total of £935,183 was earned from investments over the year from an average balance of £40.7m at an average rate of interest of 2.29%. This resulted in a favourable variance against the budget of £97,983.
- 7.2 Throughout the year, investment balances were consistently higher than anticipated; although overall the rate of interest earned was lower than budget. This was partly a consequence of the loans to Broadland Housing Association under the Local Investment Strategy not being made until 31st January 2018 although this also contributed to the higher balances.

8. Compliance with Prudential Indicators

- 8.1 The Council confirms compliance with its Prudential Indicators for 2017/18 which were set on 22 February 2017 as part of the Council’s Treasury Management Strategy Statement.
- 8.2 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 8.3 Interest Rate Exposures: This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on fixed and variable rate exposures, expressed as the proportion of net principal borrowed (i.e. fixed rate debt net of fixed rate investments, will be:

| | 2017/18 | 2018/19 | 2019/20 |
|--|----------------|----------------|----------------|
| Upper limit on fixed interest rate exposure | (100%) | (100%) | (100%) |
| Actual | (100%) | | |
| Upper limit on variable interest rate exposure | (100%) | (100%) | (100%) |
| Actual | (100%) | | |

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

of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

- 8.5 Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were set as follows, however no borrowing was actually undertaken during the year.

| Maturity structure of fixed rate borrowing | Lower Limit for 2017/18 % | Upper Limit for 2017/18 % |
|---|----------------------------------|----------------------------------|
| under 12 months | 0 | 100 |
| 12 months and within 24 months | 0 | 100 |
| 24 months and within 5 years | 0 | 100 |
| 5 years and within 10 years | 0 | 100 |
| 10 years and above | 0 | 100 |

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

| | 2017/18 | 2018/19 | 2019/20 |
|---|----------------|----------------|----------------|
| Limit on principal invested beyond year end | £30m | £35m | £35m |
| Actual | £30.5m | | |

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

| | Target | Actual |
|--------------------------------|---------------|---------------|
| Portfolio average credit score | 6.0 | 2.52 |

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

| | Target | Actual |
|--------------------------------------|---------------|---------------|
| Total cash available within 3 months | £3m | £5.71m |

9. Financial Implications and Risks

- 9.1 The financial impact of implementing the Council's treasury strategy for 2016/17 has been set out in this report.

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

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

Debt Recovery 2017-18

Summary: This is an annual report detailing the council's collection performance and debt management arrangements for 2017/18
The report includes a:

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

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

2) To approve the updated Debt Write Off Policy (shown in Appendix 2)

3) To approve the updated Benefit Overpayment Policy and the use of High Court Enforcement Agents if considered necessary (shown in Appendix 4)

Cabinet member(s): Wyndham Northam
All All
Contact Officer, telephone number, Sean Knight 01263 516347
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1 Introduction

- 1.1. The Corporate Debt Management annual report is one of the performance management measures to provide members with outturn figures for 2017/18 for the following:
- A summary of debts written off in each debt area showing the reasons for write off and values.
 - Collection performance for Council Tax and Non - Domestic Rates (NNDR).
 - Level of arrears outstanding
 - Level of provision for bad and doubtful debts

2. Background

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

3. Performance

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

Table 1

| Income Area | Year/Date | Total Arrears at 31 st March All Years (after write offs)* (£) | Current Years Arrears Included (after write – offs)** (£) | % of Current Arrears v Net Debit | Provision for Bad/Doubtful Debt for all years (£) |
|-------------|-----------|---|---|----------------------------------|---|
| Council Tax | 2014/15 | 2,096,472 | 902,738 | 1.56% | 777,268 |
| | 2015/16 | 2,069,261 | 836,404 | 1.42% | 762,413 |
| | 2016/17 | 1,998,329* | 844,646** | 1.36% | 733,817 |
| | 2017/18 | 2,289,564 | 942,469 | 1.43% | 755,756 |

| Income Area | Year/Date | Total Arrears at 31 st March All Years (after write offs)* (£) | Current Years Arrears Included (after write – offs)** (£) | % of Current Arrears v Net Debit | Provision for Bad/Doubtful Debt for all years (£) |
|-------------|-----------|---|---|----------------------------------|---|
| NNDR | 2014/15 | 304,708 | 150,005 | 0.65% | 167,962 |
| | 2015/16 | 343,855 | 153,179 | 0.62% | 200,746 |
| | 2016/17 | 331,206* | 134,548 | 0.52% | 189,593 |
| | 2017/18 | 387,822 | 129,877** | 0.51% | 228,797 |

3.2. *This is the cumulative arrears (excludes costs) for all years including 2017/18.

3.3. ** This is the arrears figure as at 31/3/2018. Collection of the 2017/18 debt is ongoing and £214,817 council tax and £148,888 NNDR has been collected since 31 May 2018 against the previous 2017/18 year's arrears.

3.4. The table below shows the level of sundry debt outstanding at the year-end including the element of that debt which is attributable to housing benefit overpayments being collected by invoicing customers.

Table 2

| Income Area | Year | Total Arrears at 31 st March All Years (after write offs) (£) | Net Debit Raised End of Year (£) | % outstanding against debit at year end (£) | Provision for Bad/Debt for all years (£) |
|---------------|---------|--|----------------------------------|---|--|
| Sundry Income | 2014/15 | 984,083 | 5,480,215 | 17.95% | 491,040 |

| | | | | | |
|---|---------|-----------|-----------|--------|---------|
| (including Housing Benefit Overpayments). | 2015/16 | 1,282,697 | 6,356,269 | 20.18% | 609,130 |
| | 2016/17 | 1,540,486 | 6,328,603 | 24.34% | 710,210 |
| | 2017/18 | 1,710,721 | 6,918,600 | 24.72% | 794,015 |

3.5. The table below shows the breakdown of 2017/18 level of sundry debt including the residual housing benefit overpayments in finance and the level of housing benefit overpayments in revenues outstanding at the year end and being collected by invoicing customers.

Table 3

| Income Area | Year | Total Arrears at 31st March All Years (after write offs) (£) | Net Debit Raised End of Year (£) | % outstanding against debit at year end (£) | Provision for Bad/Debt for all years (£) |
|---|---------|--|----------------------------------|---|--|
| Sundry Income (including residual Housing Benefit Overpayments in Finance). | 2017.18 | *743,108 | 6,503,375 | 11.43% | 138,714 |
| Housing Benefit Overpayments in Revenues. | 2017/18 | **967,613 | 415,225 | 233% | 655,301 |

3.6. *The above figure includes 18 invoices over £5,000 each totaling £692,728. One of the invoices is for £434,628 and 7 of these invoices total £88,211 and are residue housing benefit overpayments.

3.7. ** The above figure includes 10 invoices over £10,000 each totaling £150,743 and 21 invoices over £5,000 each totaling £153,772. There are 320 invoices being repaid by Attachment to Benefit, Direct Earnings Attachment, Enforcement Agent or being collected through the County Court.

3.8. The Provision for Bad/Debt for Sundry Income for all years is £794,015 which includes £766,550 for housing benefit overpayments. £655,301 is the level of housing benefit overpayments in revenues and £111,250 residual housing benefit overpayments in finance.

Table 4

| Income Area | Year/Date | Net Collectable Debit (£) | Number of Accounts (£) | Average Amount per Account (after adjustments) (£) | Total of all Years Arrears (£) |
|-------------|-----------|---------------------------|------------------------|--|--------------------------------|
| Council Tax | 2014/15 | 57,915,564 | 53,352 | 1,086 | 2,096,472 |
| | 2015/16 | 59,066,218 | 53,737 | 1,099 | 2,069,261 |
| | 2016/17 | 61,902,431 | 54,172 | 1,143 | 1,998,329 |
| | 2017/18 | 65,861,821 | 54,530 | 1,208 | 2,289,564 |
| NNDR | 2014/15 | 23,805,739 | 6,414 | 3,712 | 304,708 |
| | 2015/16 | 24,854,602 | 6,631 | 3,748 | 342,572 |

| | | | | | |
|------------------|---------|------------|-------|-------|-----------|
| | 2016/7 | 26,115,380 | 6,865 | 3,804 | 331,206 |
| | 2017/18 | 25,544,969 | 7,174 | 3,561 | 387,822 |
| | | | | | |
| Sundry Income | 2014/15 | 5,480,215 | 4,618 | 1,187 | 984,083 |
| | 2015/16 | 6,356,268 | 5,723 | 1,111 | 1,282,285 |
| | 2016/17 | 6,328,732 | 5,833 | 1,085 | 1,540,486 |
| | 2017/18 | 6,918,600 | 5,433 | 1,273 | 1,710,721 |

Table 5

| Income Area | 2014/15 | 2015/16 | 2016/17 | 2017/18 | Target 2017/18 |
|--------------------|----------------|----------------|----------------|----------------|-----------------------|
| Council Tax | 98.5% | 98.6% | 98.7% | 98.74% | 98.5% |
| NNDR | 99.3% | 99.3% | 99.36% | 99.40 | 99.2% |

- 3.9. There have been a number of changes over the past few years that have impacted on council tax charges. From April 2013 support for council tax was localised. The Government reduced the level of funding that it had previously provided to cover the cost of the support (council tax benefit). All those of working age who had previously been on 100% benefit had to pay a minimum of 8.5%. In addition some people on benefits were also affected by other welfare reform changes – e.g. under occupation of properties in the social sector and the benefit cap, putting additional pressure on incomes. In addition to the welfare changes there were a number of technical changes to council tax. These included an increase in the charge for second homes owners, a reduction in the discounts for empty properties and those properties undergoing structural repair and alteration. These changes impacted on the level of council tax to be collected and the ability of some residents to pay. The target for council tax collection was challenging given the above.
- 3.10 There are no longer national indicators for the collection of Council Tax and Non-Domestic (Business) Rates. The performance indicator (PI) is retained as a local PI, and continues to be monitored monthly. An important part of debt management is to ensure that bills are sent out accurately and timely and that council tax and business rate payers are aware of any appropriate discounts, exemptions, reliefs and benefit entitlement they may be entitled to. Information is sent with the annual bills, is shown on our web site and service information is provided on these. The ongoing promotion of Direct Debit also forms an important part of debt management 73% of council tax payers are paying by direct debit and 38% of NNDR customers pay by direct debit.
- 3.11 The Government has made the Small Business Rate Relief (SBRR) scheme more generous from 1 April 2017. Small businesses with a Rateable Value below £12,001 are now entitled to receive 100% relief (increase funded by Government). Small businesses with a Rateable Value between £12,000 and £15,001 may now be entitled to receive a percentage reduction in their rates bill.

4. Write-Offs

4.1. The table below shows in summary the amounts of debts that have been written off over the last four years.

Table 6

| Income Area | 2014/15 (£) | 2015/16 (£) | 2016/17 (£) | 2017/18 (£) |
|---|--------------------|--------------------|--------------------|--------------------|
| Council Tax | 139,971 | 179,556 | 123,931 | 116,965 |
| NNDR | 83,864 | 48,142 | 48,950 | 47,404 |
| Sundry Income (includes residual Housing Benefit write-offs) | 41,526 | 162,794 | 16,113 | 17,038 |
| Housing Benefit | 34,214 | 79,207 | 56,121 | 42,160 |

4.2. The table below details the category of debts that have been written off over the year 2017/18 (includes costs) for all years.

Table 7

| Category | Council Tax(£) | NNDR(£) | Sundry Income(£) |
|---|-----------------------|----------------|-------------------------|
| Unable to collect Uneconomic/ bailiff unable to collect | 4 | 2 | 3,321 |
| Debtor deceased | 4,235 | 0 | 8,660 |
| Debtor absconded | 56,221 | 14,800 | 1,178 |
| Debtor in bankruptcy Or liquidation or other Insolvency proceedings | 40,827 | 31,125 | 28,516 |
| Debt cannot be proved (conflict of evidence) | 2903 | 1,477 | 0 |
| Ill health & no means | 2,079 | 0 | 1,256 |
| Undue hardship | 32 | 0 | 1,030 |
| Debt remitted by the Court | 0 | 0 | 0 |

| | | | |
|-----------------|---------|--------|--------|
| Irrecoverable | 10,094 | 0 | 14,528 |
| Detained/Prison | 570 | 0 | 577 |
| Other | 0 | 0 | 132 |
| Totals | 116,965 | 47,404 | 59,198 |

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

5. Implications and Risks

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

6. Financial Implications and Risks

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

7. Sustainability

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

8. Equality & Diversity

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

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

9. Section 17 Crime and Disorder considerations

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

CORPORATE DEBT MANAGEMENT AND RECOVERY POLICY

INTRODUCTION

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

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

The following policies have been prepared within this framework:

Debt Write -Off policy as shown in Appendix 2.

POLICY AIMS

The key aims of this policy are as follows:

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

SUPPORTING THE COUNCIL'S CORPORATE PRIORITIES

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

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

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

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

DEBTS COVERED BY THIS POLICY

The main section involved in debt recovery is Finance.

The debts involved are primarily:

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

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

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

THE LEGAL AND POLICY FRAMEWORK FOR RECOVERY

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

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

Local Taxation

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

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

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

Housing Benefits

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

Miscellaneous Income

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

THE POLICY

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

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

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

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

If a debtor fails to co-operate by:

- Refusing to provide details of their means, and/or
- Not consenting to multiple debts being dealt with together, and/or
- Failing to pay a special arrangement on time without contact, then recovery action will be taken promptly in the normal way.

LIMITATIONS ON DEBT RECOVERY

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

PROCEDURES AND TRAINING

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

MONITORING

Each section will be responsible for ensuring that this policy is adhered to and effective. Management information will be required for each debt stream on a monthly basis to be co-ordinated by the Revenues Section in a format to be agreed.

Revised May
2018

DEBT WRITE OFF POLICY

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

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

Appendix 2

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

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

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

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

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

Appendix 2

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

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

Reviewed May 2018

Enforcement Agent Code of Practice



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

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

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

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

The above figures are not including VAT.

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

- The Enforcement Agent shall not follow any irregular practices with regard to taking control of goods or attempting to take control of goods,

or in the execution of warrants and shall not cause nuisance or trespass in the execution of his duties.

- The Enforcement Agent may conduct his business out of normal office hours, (8:30 - 5:00) but shall at all times consider the reasonableness of the time and the debtor's personal and business movements.
- The Enforcement Agent shall not discriminate against or in favour of a debtor on the grounds of ethnic origin, sex, religion, status, race, colour, creed or disability.
- No removal of goods is to be undertaken without prior authorisation, preferably in writing, by the Client, against the long term sick, the disabled (either mental or physical) those in hospital, those recently bereaved, those on Income Support, or those where in the opinion of the attending Enforcement Agent to do so would cause the Council unwarranted publicity.
- All Enforcement Agents are required to be Certificated Enforcement Agents of the County Court and either corporate or individual members of CIVEA or working towards it and shall not have, nor permit any of his personnel to have, any criminal convictions or disqualification including those under the Rehabilitation of Offenders Act 1974 and shall sign a declaration to that effect.
- Debtors are to be given a minimum 14 days notice before enforcement visits commence.
- The Enforcement Agent shall indemnify the Council against any and all actions arising from any act or omission not occasioned by the Council and those where the Enforcement Agent was aware that there was an act or omission prior to the action taking place.
- Cases where the taking control of and removal of "Tools of the Trade" over the statutory £1350 limit is being sought shall be referred on a case by case basis to the Revenues Team Leaders/Revenues Manager . No such removal shall take place without this referral having been made.
- Whilst permitted in legislation, visits are not to be made on Sundays.

Revised May 2018

○ Enforcement Agent Instructions



1. General

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

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

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

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

2. ENFORCEMENT AGENT WORKING PRACTICES.

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

2.2 Work shall be issued to the Enforcement Agent electronically.

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

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

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

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

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

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

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

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

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

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

2.18 The Enforcement Agent shall obtain authorisation from Sean Knight, Carl Copping or Trudi Grant prior to the removal of goods taken control of.

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

2.20 The Enforcement Agent shall immediately inform Sean Knight, Carl Copping or Trudi Grant of any cases of physical or verbal abuse or where any action could lead to an official complaint or legal challenge being directed at the Council.

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

COUNCIL'S SPECIAL ARRANGEMENT POLICY

- When making special payment arrangements the Enforcement Agent shall endeavour to ensure the arrangement ends within the same financial year, or does not exceed a period of 12 months, having sought approval from a member of the Revenues Team.
- Debtors can be offered the option of weekly or fortnightly instalments instead of monthly.
- If the debtor requests that the instalment profile is extended over a year end or twelve month period written or verbal authorisation shall be sought from a member of the Revenues Team
- Remember when making these arrangements to notify the Debtor that the new year's instalments will need to be paid when due.
- All arrangements shall be made subject to the debtor signing a controlled goods agreement.
- Any failure by the debtor to maintain the special arrangement shall result in further recovery action being taken.

Revised May 2018

BENEFIT OVERPAYMENT POLICY

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BENEFIT OVERPAYMENTS POLICY

1.0 COUNCIL RESPONSIBILITIES

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

- a) Act in accordance with Primary Legislation (being that of an Act of

- Parliament, Order or other Statutory Requirement);
- b) Comply with the requirements of Secondary Legislation (being that of the Housing Benefit Regulations, Claims and Payment Regulations, Decision Making and Appeals Regulations etc);
- c) Comply with any changes to the above stated Primary or Secondary Legislation;
- d) Identify the overpayment promptly;
- e) Stop the overpayment continuing;
- f) Classify the overpayment correctly;
- g) Determine if the overpayment is recoverable;
- h) If recoverable:
Determine from whom recovery should be sought, and
Determine the most appropriate method of recovery;
- i) Notify claimants and other affected persons of any decision in accordance with the regulations;
- j) Ensure implementation of effective financial control during the overpayments process.
- k) Pursue debt by the most effective recovery method.

2.0 BEST PRACTICE

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

3.0 APPLICATION OF THE POLICY

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

4.0 IDENTIFICATION OF OVERPAYMENTS

- 4.1 The Council will endeavour to act on any information received in relation to a claimant's change of circumstances within service target of having sufficient information to identify an actual or potential overpayment which has occurred or may be occurring.
- 4.2 Such action should, in the first instance, include suspending further ongoing payments of incorrect benefit.
- 4.3 The Council will endeavour to identify any changes of circumstances, resulting in an overpayment by:
- a) Identifying communications from the DWP notifying of Income Support or Income based Jobseekers Allowance having stopped.
 - b) Identifying communications from fraud sections requiring action;
 - c) Identifying incoming post that indicates a change of circumstances.
 - d) Identifying internal post from area and other NNDC offices which indicates a change of circumstances

5.0 DECISIONS ON RECOVERABILITY

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

6.0 CLASSIFICATION OF OVERPAYMENTS

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

7.0 WHO SHOULD THE OVERPAYMENT BE RECOVERED FROM?

- 7.1 Before recover action is undertaken, in each case consideration should be awarded to the relevant facts of the individual case. This may mean that further specific information will need to be obtained from affected parties prior to a decision being made. Recovery should be made from the most appropriate person who may be:
- a) The claimant, or

- b) The person to whom the payment was made, or
- c) The person who misrepresented the material fact or failed to disclose the fact, or
- d) The partner of the claimant. However regulations provide that this can only be the case where the partner was living as a member of the claimant's family at the time of the overpayment and at the time of the decision being made in respect of recovery.

7.2 Recovery of fraudulent overpayments should, in the first instance, be sought to be made from the person who misrepresented or failed to disclose material facts giving rise to the overpayment.

8.0 METHOD OF RECOVERY

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

- a) **Ongoing housing benefit deductions;** - The Regulation prescribes the maximum weekly deduction that can be made to recover an overpayment from ongoing entitlement. There are prescribed rates of deduction depending on whether the overpayment has arisen as a result of fraud or not. These rates may be up-rated annually by the Department for Work and Pensions on the 1st April.
- b) **Deductions from other DWP benefits** – Where there is no ongoing entitlement to Housing Benefit recovery can be sought from an attachment of other DWP welfare benefits through the Payment Deduction Programme. This is the electronic method of requesting an attachment of benefit.
- c) **Deductions from housing benefit payments made by other local authorities;** – If a debtor has moved to another Council area and is in receipt of Housing Benefit there, a letter can be sent to the Authority requesting that they make deductions from the claimants ongoing benefit entitlement at the suitable rate. The Housing Benefit overpayment would be passed to a Sundry Debtor to create an account in order for payments to be credited to NNDC.
- d) **Invoices** – An invoice will be raised for overpayments which cannot be recovered from ongoing Housing Benefit. Invoices will be raised for overpayments of £25 or more. The first principle will be to seek payment in full. Where a claimant can show that this is unaffordable, then instalments will be negotiated, by officers in accordance with the Corporate Debt Policy and Department for Works and Pensions best practice guidance.
- e) **Direct Earnings Attachment** – The Welfare Reform Act 2012 allows NNDC to ask employers to make deductions from the employees pay. Where a debt is at invoice stage, the debtor will be sent a reminder. Where the debt remains outstanding, the debt can be recovered directly from the debtor's earnings.
- f) **Collection of Overpayments from Landlords** – Where the claimant is no longer entitled to Housing Benefit, the overpayment will be sought from the landlord where they have failed to report a material change which they would have reasonably expected to realise had occurred. The overpayment will be invoiced. Where the landlord fails to settle the account the overpayment will be recovered directly from future Housing Benefit payments for other current

tenants. The current tenants are protected and the deduction counts as their rent payment. This is referred to as Blameless Tenant recovery.

- g) **Debt Collection Agencies** – where an invoice has been raised and the payment has not been received the debt can be passed to a debt collection agency to collect.
- h) **Court action** - where an invoice has been raised and a reminder issued and non-payment of the debt continues the debt can be passed to legal services for action in the County Court via a County Court Judgement. A Claim Letter will be sent to the debtor first as a pre-warning that County Court action will take place. This gives the debtor a further opportunity to dispute the debt, or advise the authority that they are seeking financial assistance.
- i) **Recovery action (Post County Court Judgement)** – the HB overpayment is registered as a judgement of the court. Unpaid debts can be recovered by a number of enforcement methods – warrant of execution, attachment of earnings, third party debt order, charging order, bankruptcy or High Court Enforcement (see 8.2 below).

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

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

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

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

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

| Fee Stage | Fixed Fee | Percentage fee (regulation 7): |
|-----------|-----------|-----------------------------------|
| | | |

| | | percentage of sum to be recovered exceeding £1000 |
|--------------------------|---------|---|
| Compliance Stage | £75.00 | 0% |
| First enforcement Stage | £190.00 | 7.5% |
| Second enforcement Stage | £495.00 | 0% |
| Sale or disposal stage | £525.00 | 7.5% |

The above figures are not including VAT.

- 8.3 In respect of ongoing housing benefit deductions, the standard rates should be applied as per the amounts laid down by Regulations, unless having regard to the health and/or financial circumstances and/or housing risk or need of the person from whom recovery is sought a lesser sum is deemed appropriate. Regulations provide that in all cases a minimum of 50p per week housing benefit must remain in payment.
- 8.4 Where recovery is sought from a bankrupt, recovery should be sought via ongoing benefit entitlement or from other prescribed benefits before considering any court action.
- 8.5 Where the case involves the death of a claimant, the deceased's representative or executor should be approached to seek recovery from the estate. However, the overpayment should not be recovered from ongoing benefit deductions from the surviving spouse.
- 8.6 'Excess Council Tax Benefit/Support ' will be added back onto the Council Tax account and collected in accordance with the Council Tax recovery Regulations.

9.0 PERIOD OF OVERPAYMENT CALCULATION

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

10.0 CALCULATION OF OVERPAYMENTS

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

11.0 MAXIMUM AMOUNT

11.1 The full amount of the overpayment should be recovered, unless after having regard to the health and or financial circumstances and/or housing risk or need of the person from whom recovery is sought, a lesser amount would be more appropriate.

12.0 MAXIMUM PERIOD OF RECOVERY

12.1 In all cases the overpayment should be recovered as quickly as possible. However, the maximum period over which the debtor should be allowed to repay the overpayment is that of six years.

12.2 The maximum period of six years may be exceeded if the method of recovery is deductions from ongoing benefit entitlement of other DWP benefits, having regard to the maximum deductions allowed by the regulations.

13.0 DECISION NOTICES

13.1 All decision notices must be dated and issued to all the “affected persons” as prescribed by regulations within 14 days of the Council having reached that decision.

13.2 All decision notices must fully comply with the requirements of legislation, including the reasons for the decision, the right to request a statement of reasons and time limits for doing so, the affected person’s right of revision/appeal and time limit for doing so.

13.3 Copies of the actual decision notice must be retained on file for a period of not less than 13 months in order that they may be retrieved and produced in the event of a future review/appeal/complaint or civil proceedings.

14.0 RECOVERY OF OVERPAYMENT DEBT

14.1 The Council will seek to recover all recoverable overpayments of benefit in its statutory duty to reduce any loss to public funds. In doing so the Council will have regard for:

- a) The period of time that the debt may take to be recovered;
- b) The effect of recovery on the affected person from whom recovery is sought;
- c) The ability to repay of the affected person from whom recovery is sought.

14.2 All methods of recovery may be considered at any time, having regard for the circumstances of any individual case.

14.3 The Council may reconsider the methods used to recover overpayments at the end of each financial year for effectiveness and efficiency.

15.0 **Policy Performance**

15.1 From April 2005 there are three performance measures that Councils have to report quarterly on to the Department of Works & Pensions in relation to overpayments:-

- The amount of HB overpayments recovered during the period as a percentage of the total amount of HB overpayments identified during the period.
- The amount of overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the period plus amount of HB overpayments identified during the period.
- The amount of overpayments written off during the period as a percentage of the total amounts of HB overpayment debt outstanding at the start of the period plus amount of overpayments identified during the period

Revised May 2018

Review of Polling Districts, Polling Places and Polling Stations 2018

Summary: To outline process for undertaking statutory review of polling districts, places and stations and propose timetable.

Recommendations: **Recommend that Full Council agrees to the proposed timetable for the statutory review of polling districts, places and stations.**

Reasons for Recommendations: The compulsory period for the next review is 1 October 2018 - 31 January 2020. Recommending that review is carried out earlier in order to include new polling districts in 1 December 2018 publication of the electoral register. This is necessary to facilitate planning for May 2019 elections.

| | |
|---|-----------------------|
| Cabinet Member(s): Cllr John Lee | Ward(s) affected: All |
| Contact Officer, telephone number and email: Steve Blatch, 01263 516232, steve.blatch@north-norfolk.gov.uk / Oliver Corri (Electoral Services Manager), 01263 516350, oliver.corri@north-norfolk.gov.uk | |

1. Introduction

- 1.1 The Representation of the People Act 1983 places a duty on the Council to divide the District into polling districts and to designate polling places for each polling district. The Council also has a duty to keep those arrangements under review.
- 1.2 The Electoral Registration and Administration Act 2013 introduced a change to the timing of compulsory reviews of UK Parliamentary polling districts and polling places. Reviews must be started and completed within the period of 16 months that starts on 1 October of every fifth year after 1 October 2013. However, this does not prevent changes being made at any time before the next compulsory review period commencing in October 2018.
- 1.3 It is recommended that the Council commences its review of polling districts, polling places and polling stations in advance of October 2018 in order that any consequential changes to polling districts are reflected in the revised electoral register due to be published on 1 December 2018. This is necessary for the planning of the District and Parish elections scheduled for 2 May 2019.

2. How the review is conducted

- 2.1 The Council has delegated authority to conduct the review, and the legislation lays down how such reviews are to be conducted. On commencement of the review the (Acting) Returning Officer will be asked to make his representations on existing and proposed polling arrangements. The Council will publish the (Acting) Returning Officer's proposals and will invite comments. Members will consider these before final recommendations are made to the Council.
- 2.2 For the majority of the North Norfolk District a polling district will be the parish area; with towns and a small number of other communities having different arrangements based on population or parish wards.
- 2.3 As a first stage of the review the (Acting) Returning Officer will write to all town and parish councils asking for their comments on polling places within their polling district in terms of suitability and accessibility, and whether there are any suggestions for alternative polling places which should be considered.
- 2.4 Any elector may make representations. It is proposed that the consultation will also seek to include comments from local political parties, District Councillors, County Councillors, local MPs, (Acting) Returning Officers for parliamentary constituencies that fall within North Norfolk district boundaries, and parish councils. Comments will also be from people who have particular expertise in relation to access to premises or facilities for persons who have disabilities.

3. Changes to electoral boundaries

- 3.1 The Local Government Boundary Commission for England (LGBCE) recently undertook a review of North Norfolk District Council's warding arrangements, with the resulting changes due to take effect from May 2019. As the review of polling districts, places and stations is to be carried out before the new District ward boundaries are fully in force, it will need to be based on the current electoral boundaries, but should also take any new boundaries that are not yet in force into account to avoid having to review the polling districts and polling places again once the new boundaries are fully in force.
- 3.2 Until the new boundaries are fully in force, the electoral register will need to be constructed in a way that is capable of reflecting the current and the new boundaries. This can be achieved by making any parts of existing electoral areas that will be split when the new boundaries come into effect into separate polling districts.
- 3.3 For the same reasons where, as a result of a review of one set of electoral boundaries, the boundaries for different elections are no longer co-terminous, those areas that are no longer co-terminous could also be made into separate polling districts.

4. Role and Responsibilities

4.1 **The local authority**

The statutory responsibility for reviewing UK Parliamentary polling districts and places rests with each relevant local authority in Great Britain for so much of any constituency as is situated in its area. A relevant local authority is, in England, the council of a district or London borough.

4.2 **The Electoral Registration Officer (ERO)**

Where a local authority makes any alterations to the polling districts within its area, the ERO must amend the register of electors accordingly – either on a notice of alteration or by publishing a revised register. The changes to the register take effect on the date that the ERO publishes a separate notice stating that the alterations have been made, which should be done to coincide with the publication of a notice of alteration/publication of a revised register.

4.3 **The (Acting) Returning Officer (ARO)**

The (Acting) Returning Officer must comment during any review of UK Parliamentary polling districts and polling places on both existing polling stations and the polling stations that would likely be used if any new proposal for polling places were accepted.

The election rules require the (Acting) Returning Officer to decide how many polling stations are required for each polling place and they must allocate electors to the polling stations in such manner as they think most convenient.

4.4 **The Electoral Commission**

While legislation provides no role for the Commission in the review process, it does provide for a role after the conclusion of the review. Once the local authority has published the results of its review, specified interested parties may make representations to the Commission to reconsider any polling districts and polling places. The Commission may direct the authority to make any alterations to the polling places that it thinks necessary and, if the alterations are not made within two months, it may make the alterations itself.

5. **Formal review process**

When carrying out the review, the Council must:

- publish a notice of holding of a review.
- consult the (Acting) Returning Officer for every parliamentary constituency which is wholly or partly in its area.
- publish all representations made by an (Acting) Returning Officer within 30 days of receipt by posting a copy of them at the local authority's office and in at least one conspicuous place in their area and by placing a copy on the authority's website.
- seek representations from such persons as it thinks have particular expertise in relation to access to premises or facilities for persons who have different forms of disability. Such persons must have an opportunity to make representations and to comment on the representations made by the (Acting) Returning Officer.

- on completion of a review, give reasons for its decisions and publish:
 - all correspondence sent to an (Acting) Returning Officer in connection with the review.
 - all correspondence sent to any person whom the authority thinks has particular expertise in relation to access to premises or facilities for persons who have different forms of disability.
 - all representations made by any person in connection with the review.
 - the minutes of any meeting held by the Council to consider any revision to the designation of polling districts or polling places within its area as a result of the review.
 - details of the designation of polling districts and polling places within the local authority area as a result of the review.
 - details of the places where the results of the review have been published.

6. Glossary of terms

6.1 Polling District

A polling district is a geographical area created by the sub-division of a UK Parliamentary constituency for the purposes of a UK Parliamentary election.

In England, each parish is to be a separate polling district unless there are special circumstances. This means that a parish must not be in a polling district which has a part of either a different parish within it, or any un-parished part of the local authority area within it, unless special circumstances apply. Those special circumstances could arise if, for example, the parish has only a small number of electors and it is not practicable for the parish to be its own polling district.

6.2 Polling Place

A polling place is the building or area in which polling stations will be selected by the (Acting) Returning Officer. A polling place within a polling district must be designated so that polling stations are within easy reach of all electors from across the polling district.

Some authorities designate the entire polling district as the polling place. However, Section 18B(4)(e) of the RPA 1983 states that 'the polling place must be small enough to indicate to electors in different parts of the district how they will be able to reach the polling station'. The Electoral Commission therefore consider that polling places should always be defined more specifically than simply the polling district - for example, by designating the name of the polling place (normally a particular building or area and its environs).

6.3 Polling Station

A polling station is the room or area within the polling place where voting takes place. Unlike polling districts and polling places which are fixed by the

local authority, polling stations are chosen by the relevant Returning Officer for the election.

7. Recommended Timetable

- Report to Cabinet - 11 June 2018
- Internal review of existing arrangements (to include written request to town/parish councils inviting comments on existing polling places and engagement of disability consultant to advise on accessibility issues) and preparation of proposals - 18 June 2018 to 31 August 2018
- Publish notice of holding review and Returning Officer's proposals
- Consultation period (six weeks) - 3 September 2018 to 15 October 2018
- Report to Overview and Scrutiny - 14 November 2018
- Report to Full Council - 21 November 2018
- Adoption by Council - 21 November 2018
- Arrangements come into force - 1 December 2018

8. Implications and Risks

None

9. Financial Implications and Risks

None

10. Sustainability

None

11. Equality and Diversity

11.1 Local authorities have a duty to review the accessibility of all polling places to disabled voters and ensure that every polling place, and prospective polling place, for which it is responsible is accessible to disabled voters so far as is reasonable and practicable.

11.2 As part of the review, we will write to local disability groups and invite comments on existing and proposed polling arrangements, as well as seek the views and recommendations of individuals having expertise in access issues.

12. Section 17 Crime and Disorder considerations

None

Joint Bacton and Walcott Coastal Management Scheme – Progress and CDM/Design/Monitoring Specialist Appointment

Summary:

North Norfolk District Council is leading the Bacton to Walcott Coastal Management (Landscaping) Scheme in collaboration with the Bacton Terminal Operators to protect nationally important infrastructure and benefit local communities.

The scheme is progressing well with the designs near completion. Outstanding work is ongoing for the design of the gas terminal surface water outfalls as well as further consideration of the upper limits of the sediment size. It is anticipated that the necessary planning and marine licence applications will be submitted at the end of June. The report seeks approval to submit applications for the necessary consents.

The tender for the procurement of the main works contractor is to be issued in early July. The target for delivering the scheme is spring 2019.

There is a need to appoint to the role of Construction Design Management for the delivery of the scheme and also to ensure that there is design support in place during construction should there be any design or delivery issues. Royal Haskoning DHV (RHDHV) have been the lead consultant in the scheme development and therefore have specific bespoke knowledge of the scheme. As such this report proposes to gain approval for the appointment of RHDHV for the delivery of these roles through suspension of Standing Orders.

Options considered:

Open Tender the CDM, Design and associated roles– The appointment is unlikely to have the specific knowledge of the scheme and therefore it is likely that there would be significant additional costs associated with developing understanding of the project. During construction if there is a need to check or redesign any element a decision will be required quickly in order to prevent unnecessary construction delays and costs. It is unlikely that other consultants would have specific knowledge, or be able to develop the specific knowledge in the necessary timeframes.

Suspending Standing Orders to appoint Royal Haskoning DHV to the Design, CDM and associated roles. The appointment of RHDHV to the specific roles

would ensure consistency to the project and utilise existing detailed knowledge which would in turn ensure efficient and timely information and the minimisation of construction delays and cost. Detailed understanding of the scheme, including the developed links RHDHV have with the Dutch Sandmotor are considered to be invaluable when considering the construction and operation risks associated with this project.

Not submit applications for consent – This option would prevent the scheme moving forwards, prevent the scheme construction and present significant reputational risks for the authority

Submit Application – Would enable the scheme to continue to develop.

Conclusions: To seek Cabinet support to progress with the necessary application for consents and licenses, to complete the required Coast Protection Notification and to suspend standing orders to enable the appointment of RHDHV to support key aspects of the scheme.

Recommendations: Cabinet resolves to:

- a) Suspend Standing Orders to appoint Royal Haskoning DHV to provide Construction Design Management, Design advice and related activities (including development of scheme Monitoring and Integrity Management Plan) in the delivery of the Bacton / Walcott Sandscaping Project up to a maximum sum of £125,000.
- b) Commence the process of Planning Consent, Marine Management Organisation Licence and other applications for consent as required.
- c) Commence the process for Coast Protection Notification.

Reasons for Recommendations: To enable the scheme to progress.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

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|--|--|
| Cabinet Member(s) Cllr. Hilary Cox | Ward(s) affected Mundesley, Happisburgh, Waxham |
| Rob Goodliffe, Coastal Manager, 01263 516321, Rob.Goodliffe@north-norfolk.gov.uk | |

1. Introduction

Bacton Gas Terminal in North Norfolk urgently needs to be protected against coastal erosion. The Shoreline Management Plan states that this is only acceptable if it does not increase beach erosion at the neighbouring villages of Bacton and Walcott. The villages are currently protected by a seawall built in the 1950-60s. The Shoreline Management Plan and subsequent studies identify that replacement of this seawall will not be affordable or sustainable when it fails.

A private-public collaboration between the terminal owners (Shell and Perenco) and North Norfolk District Council has found a solution to this complex problem: a 1.5 to 1.8 million m³ 'Sandscaping' scheme designed to provide robust protection to the Terminal for 20 years, while delaying the failure of the defences for the villages. The scheme is scheduled for implementation in Spring 2019.

Sandscaping is loosely defined as sediment-based, large scale intervention, designed explicitly to work with natural processes and for multiple objectives. Sandscaping has been inspired by the success of the *Zandmotor* scheme in the Netherlands.

For Bacton to Walcott, the bulk of sediment protecting the Terminal is expected to move toward the Villages over time, strengthening the protective and amenity function of an initial nourishment in front of the villages and beyond. It is the first application of the *Zandmotor* approach outside the Netherlands; not a copy-paste, but adapted to the specific geographical, governance and funding context of England and North Norfolk.

Further information on the scheme can be found at <https://www.north-norfolk.gov.uk/tasks/coastal-management/bacton-to-walcott-coastal-management/> or in the Cabinet report presented on 5 September 2017 <http://www2.north-norfolk.gov.uk/apps/committees/default-copy.asp?path=Cabinet/05 Sep 2017>

This report updates on scheme progress, requests suspension of standing orders in order to appoint resources to provide Construction Design Management, Post tender design and associated activities such as scheme monitoring development and approval to seek necessary licences and consents.

Scheme Progress

2. Design and Modelling

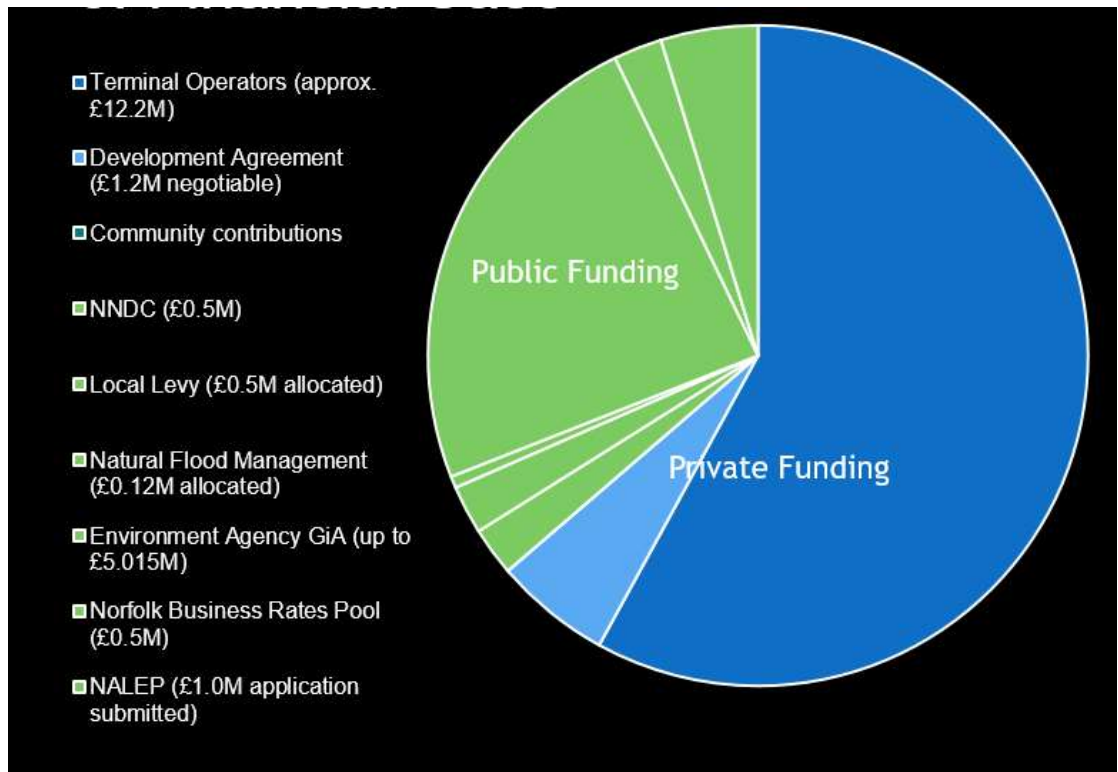
- 2.1.1 Design and modelling of the scheme is now completed. Modelling has included an assessment of Storm Impacts for the terminal frontage based on the storm events of January 2017 and estimates the maximum losses at the terminal under such conditions, these remain within the design tolerances. It is important to recognise that during storm events it is expected that beach levels will change across the frontage, as is currently the case, however, with more sediment available, beaches are expected to respond to storms better and recover under the right conditions.
- 2.1.2 As with the Dutch *Zandmotor* in the 12 months following placement it would be expected that there will be a period where the coast adjusts to the new sediment and the shape of the sediment placements will change. This is to be expected and will be monitored. Likewise with new 'dry beach' above mean high water

there is a risk of windblown sand, particular in the first 18 months. Again this will be monitored and actions will be required to manage and mitigate impacts.

- 2.1.3 In order to seek to make the design even more robust, reduce the risk of windblown sand and to also ensure suitable supply of the volume of sediment required, the consents and licences for the scheme will seek to include the opportunity to increase sediment grain size above that which is currently found on the beach. This will be limited to what is considered as environmentally acceptable and also take into account local needs (e.g. suitability for recreation such as sandcastle building).
- 2.1.4 Work is currently underway and nearing completion regarding the redesign of the Bacton Terminal surface water outfalls. These outfalls are required to function and would be buried with the placement of the sand. This aspect of the project is being lead and will be fully funded by the terminal operators although incorporated into the wider scheme.

3. Costs and Funding

- 3.1.1 Estimated scheme costs (excluding the surface water outfall amendments) are between £17 – 22 million dependent on the volume of sediment placed.
- 3.1.2 The Government will not fund the protection of the terminal and therefore this will be funded by the Bacton Terminal Operators, including amendments to the surface water outfalls.
- 3.1.3 Flood and Coastal Erosion Risk Management Grant in Aid is estimated at being approximately £3.5million to £5million (for 1.5 - 1.8m cubic metre scheme), an Outline Business Case has been submitted to the Environment Agency for consideration.
- 3.1.4 The 1.5 million cubic metres scheme (subject to final approvals and tendered costs) is fully funded assuming the Environment Agency funding be approved. Work is ongoing to seek to raise further funds and lower costs.
- 3.1.5 Please see graph below detailing funding position:



3.1.6 The Development Agreement includes provisions that the Bacton Terminal Operators would be prepared to consider providing additional funds for the villages scheme if required, however, it should be noted that the Terminal operators have contributed significantly to the development of the scheme, beyond what would be realistically achievable for the Council. NNDC will continue efforts to secure third party funding, this includes the submission of a 'Concept' to the EU Interreg 2 Seas programme with partners from the Netherlands and Belgium.

4. Consenting

- 4.1 An Environmental Impact Assessment is nearing completion and the associated Environmental Statement will be reported through the consenting process. The Statement seeks to identify where there may be environmental and social impacts and sets out how these are to be mitigated.
- 4.2 It is expected that the Planning Application and Marine Licence will be submitted for a combined consultation using the 'Coastal Concordat' in late June 2018. A full public consultation process will be included as part of the process.
- 4.3 The Planning Application will include the retention of the existing gabions installed as temporary protection of the Shell site with decommissioning at an appropriate point in the future.
- 4.4 Further planning applications may be required for ancillary activities related to the scheme such as development of public infrastructure.
- 4.5 A Coast Protection Notification under the 1949 Coast Protection Act will be publicised as soon as possible in local newspapers.

- 4.6 Further consents are being sought to work in proximity to gas infrastructure, work across third party land, make temporary diversions to the England Coast Path and regarding working near highways (Walcott Seafront).
- 4.7 NNDC's lease from The Crown Estate for the foreshore, including Paston and Bacton, is under renegotiation.
- 4.8 This report seeks Cabinets resolution to submit the necessary applications for the consents, licences and coast protection notification required for the scheme.

5. Communications

- 5.1 A Communications Plan has been developed by NNDC and agreed with the operators.
- 5.2 A Local Liaison Group (LLG) has been formed that includes representation of local members of the District Council and Parish Councils with further local representatives to be invited as appropriate including the MOD Police. The group provides direct two-way communication and discussion between the communities and NNDC and enables concerns, issues and opportunities to be raised, discussed and resolved.
- 5.3 Following discussion with the LLG it has been agreed to develop public information boards to be located along the villages frontages ready for the main summer season. These can be updated as the scheme progresses to contain relevant and timely information.

6. Resourcing/Procurement

- 6.1 The scheme is overseen by a Project Steering Committee as augmented by the Development Agreement between NNDC, Perenco and Shell. This Steering Group is chaired by the Council's Corporate Director and Head of Paid Service (Steve Blatch).
- 6.2 A wider project team has been developed at NNDC including the Chief Financial Accountant, Communications Manager, Coastal Partnership East team and other teams as appropriate. This is supplemented by the design consultant Royal Haskoning DHV and the appointment of an Expert Client to resource aspects such as Procurement.
- 6.3 The main works contract will be procured utilising the Environment Agency Water Environment Management (WEM) Framework. An Expression of Interest has been publicised to the relevant framework contractors. It is anticipated that the tender package will be issued in early July 2018 to enable a target date of start of construction (subject to consents and development agreement conditions etc.) in Spring 2019.
- 6.4 Following the issuing of the main works contractor tender, a further tender will be issued though WEM for Site Supervision and construction Project Management.
- 6.5 The construction related procurement was agreed to be progressed by Cabinet in September 2017. A further resolution will be sought from Cabinet in due course to delegate the appointment of the Main Works contract and Supervision/Project Management roles to the Head of Paid Services following consultation with Coastal Portfolio Holder and Leaders of the political groups.
- 6.6 Further smaller scale procurement will be completed for smaller items such as a baseline Marine survey, to be completed this summer.

- 6.7 There is a need to also appoint suitable resources for specific roles to fulfil statutory functions such as Construction Design Management and also to provide design support should amendments or clarifications be required during the construction phase. Royal Haskoning DHV have fulfilled (through a Shell contract) the design and consenting phase up to appointment of the main works contractor. In this role RHDHV have developed a bespoke understanding of the scheme and design that is not repeatable within the timescales for potential project responses and financial considerations of the project. If an open tender process were to be undertaken and the contract awarded to a different supplier it is unlikely that the contractor would have specific knowledge of the scheme and therefore it is likely that there would be significant risk of project delay as well as additional costs associated with developing understanding of the project. During construction if there is a need to check or redesign any element a decision will be required quickly in order to prevent unnecessary construction delays and costs. It is unlikely that other consultants would have specific knowledge, or be able to develop the specific knowledge in the necessary timeframes. As such it is recognised that RHDHV would be a clear and pragmatic appointment for the roles as outlined above. It is not certain the total value of this role as the design queries during construction are not known, however the CDM and Design role are estimated to be under £55,000, and could be significantly less.
- 6.8 Beyond CDM and Design there is the potential for other low cost needs which may be well serviced by the bespoke understanding of the project RHDHV have developed. Where the Project Steering Committee agrees, it is proposed that RHDHV are appointed to complete such tasks following the provision of a fee proposal, with a total value of all services under this suspension of standing orders not exceeding £120,000.
- 6.9 Cabinet is therefore requested to agree to the suspension of standing orders under the constitution chapter 9 of section 9.1(a) and appoint Royal Haskoning DHV to provide Construction Design Management, Design advice and bespoke activities a maximum of £120,000.

7. Monitoring and Research

- 7.1 The Sandscaping approach is new outside of The Netherlands and as such there is significant interest in the delivery and operation of the scheme. There will be requirements as set out by the consents that have to be monitored. Where possible the existing Anglian Coastal Monitoring Programme will capture these requirements although there will be other aspects, such as geological SSSI assessments that will require additional arrangements. A Monitoring and Integrity Management System is being developed between NNDC and the Bacton Terminal Operators to set out the core monitoring requirements for Environmental and Performance assessment. This will be followed by a Monitoring Agreement that will set out the governance of a Monitoring Agreement between NNDC and the Bacton Terminal Operators.
- 7.2 Beyond the core monitoring it is desirable to co-ordinate the wider research opportunities the scheme is already attracting. A Research Steering Committee is in the early stages of being arranged and is co-ordinated by an appointment made by The Crown Estate.
- 7.3 As a baseline assessment there is already significant information in relation to beach profiles etc. that has been captured since the 1990s through the Anglian Coastal Monitoring Programme. Further baseline assessments are underway by the Eastern Inshore Fisheries Conservation Authority with regard to whelk beds. Further baseline assessment will be commissioned in relation to the Marine Conservation Zone chalk bed, Geological SSSI and nesting birds.

8. Financial Implications and Risks

8.1 Financial Implications

- 8.1.1 All project spend over £10,000 is at the agreement of the Project Steering Committee. Agreement is required of all voting parties which includes NNDC, as such there is continued control of financial implications relating to the project.
- 8.1.2 Of the resolutions to Cabinet, the consenting is a requirement of the scheme to progress and are fully accounted for in the project budget. Application for the consents do not commit NNDC to delivery of the schemes as further agreements are required prior to appointment of the main works contractors.
- 8.1.3 The appointment of RHDHV is within the project budget and the roles are required to progress the scheme. The appointment is of relatively low cost in relation to the overall project budget. The appointment will also provide good value for money due to the already detailed knowledge of the project the consultant has developed which would otherwise be required to be developed (at significant cost) by any other party seeking to deliver the services.

8.2 Risks

- 8.2.1 A full project risk log is available on request.
- 8.2.2 There are limited risks relating to the Cabinet resolutions requested. There is a low risk that the appointment of RHDHV is challenged by a third party, however, as due process has been followed, as documented by this report this is mitigated.
- 8.2.3 The applications for consents have been developed with significant technical input and guidance from the relevant consenting bodies where appropriate. There are always risks that during the consenting process unforeseen considerations arise, these will be managed if they occur.
- 8.2.4 There are reputation risks with applications for consents should they not be received well by local communities or interest groups. This risk has been mitigated as far as possible through ongoing and developing dialogue with interested parties, specifically those who have been identified during the Environmental Impact Assessment process and through ongoing and intensifying public communications. Conversely there is a significant reputation risk with government, the Bacton Terminal Operators and the public if NNDC does not proceed.

9. Sustainability

- 9.1 The scheme and as such the Cabinet resolutions sought are within policy of the adopted Shoreline Management Plan which was subjected to significant consultation and assessment prior to adoption.

10. Equality and Diversity

- 10.1 This project seeks the best potential outcome for communities on the coast.
- 10.2 The scheme as part of the FCERM Grant in Aid process and is subject to scrutiny through the Environment Agency FCERM Large Project Review Group.

11. Section 17 Crime and Disorder considerations

- 11.1 Bacton Gas Terminal is actively monitored and secured by MOD Police. The Project Team have discussed the project with the MOD Police and Norfolk Constabulary and is including them in LLG discussions as appropriate.
- 11.2 No significant crime and disorder issues have been highlighted to date, the matter will be kept under review.