

Overview and Scrutiny Committee



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15 May 2018

A meeting of the **Overview and Scrutiny Committee** of North Norfolk District Council will be held in the **Council Chamber** at the Council Offices, Holt Road, Cromer on **Wednesday 20th June 2018 at 9.30am.**

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

Members of the public who wish to ask a question or speak on an agenda item are requested to notify the committee clerk 24 hours in advance of the meeting and arrive at least 15 minutes before the start of the meeting. This is to allow time for the Committee Chair to rearrange the order of items on the agenda for the convenience of members of the public. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel: 01263 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 must inform the Chairman. If you are a member of the public and you wish to speak on an item on the agenda, please be aware that you may be filmed or photographed.

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

Emma Denny
Democratic Services Manager

To: Mrs S Bütikofer, Mrs A Claussen-Reynolds, Mrs J English, Ms V Gay, Mr S Hester, Mr M Knowles, Mrs B McGoun, Mr R Reynolds, Mr E Seward, Mr B Smith, Mr N Smith, Ms K Ward

All other Members of the Council for information.

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



If you have any special requirements in order to attend this meeting, please let us know in advance

If you would like any document in large print, audio, Braille, alternative format or in a different language please contact us.

Corporate Directors: Nick Baker & Steve Blatch
Tel 01263 513811 **Fax** 01263 515042 **Minicom** 01263 516005

A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. SUBSTITUTES

3. PUBLIC QUESTIONS & STATEMENTS

To receive questions / statements from the public, if any

4. MINUTES (page 7)

To approve as a correct record the minutes of the meeting of the Overview and Scrutiny Committee held on 23rd May 2018.

5. ITEMS OF URGENT BUSINESS

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

6. DECLARATIONS OF INTEREST

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

7. PETITIONS FROM MEMBERS OF THE PUBLIC

To consider any petitions received from members of the public.

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

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

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

The Committee made recommendations to Cabinet in relation to the Annual Action Plan. Cabinet agreed to take the following recommendations into consideration:

That the Annual Action Plan 2018 – 2019 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)**

10. 2017/18 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT) (page 12)
(Appendix A – p.30) (Appendix B – p.31) (Appendix C – p.58) (Appendix D – p.60)
(Appendix E – p.64) (Appendix F – p.67)

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:	<p>Members are asked to consider the report and recommend the following to Full Council:</p> <p>a) The provisional outturn position for the general fund revenue account for 2017/18;</p> <p>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;</p> <p>c) Transfer part of the surplus of £994,259 to the Capital Projects Reserve to support the capital programme;</p> <p>d) The financing of the 2017/18 capital programme as detailed within the report and at Appendix D;</p> <p>e) The balance on the General Reserve of £2.196 million;</p> <p>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.</p>
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

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RECOMMENDATIONS TO COUNCIL

The Committee is requested to indicate whether they support the recommendations to Council for the items below. To aid with agenda management, the Chairman has agreed that there will not be a full debate on these items unless Members request one.

11. TREASURY MANAGEMENT ANNUAL REPORT 2017/18

(see Cabinet Agenda for 11 June 2018)

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 W Northam
Ward member(s) All
Contact Officer Lucy Hume
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and e-mail: lucy.hume@north-norfolk.gov.uk

12. DEBT RECOVERY 2017/18

(see Cabinet Agenda for 11 June 2018)

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 Sean Knight 01263 516347
number, and e-mail: Sean.Knight@north-norfolk.gov.uk

REPORTS TO THE COMMITTEE

13. OVERVIEW & SCRUTINY COMMITTEE ANNUAL REVIEW 2017/18 (page 71)

To recommend to Council:

The Overview & Scrutiny Committee Annual Review for 2017/18

OVERVIEW & SCRUTINY COMMITTEE TASK AND FINISH GROUPS & WORKING PARTIES

14. ASSET MANAGEMENT WORKING GROUP (page 78)

1. To establish a politically balanced working group of 5 members (the Chairman should be a member of the Overview & Scrutiny Committee)
2. To delegate appointment to the Working Group to the Group Leaders
3. To agree the terms of reference for the Asset Management Working Group

15. MARKET TOWNS INITIATIVE WORKING GROUP

To receive an update from the Chairman of the Market Towns Initiative Working Group on progress to date.

16. BEACH HUTS AND CHALETS TASK & FINISH GROUP

To receive an update from the Chairman of the Beach Huts and Chalets Task & Finish Group.

WORK PROGRAMMES

17. THE CABINET WORK PROGRAMME (page 79)

To note the upcoming Cabinet Work Programme.

18. OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE (page 82)

To receive an update from the Scrutiny Officer on progress made with topics on its agreed work programme, training updates and to receive any further information which Members may have requested at a previous meeting (decision list attached at 85)

19. EXCLUSION OF THE PRESS AND PUBLIC

To pass the following resolution, if necessary:

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

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

OVERVIEW AND SCRUTINY

Minutes of a meeting of the Overview and Scrutiny Committee held on 23 May 2018 in the Council Chamber, North Norfolk District Council, Holt Road, Cromer at 9.30 am.

Members Present:

Committee: Cllr K Ward (Chairman)

Cllr S Bütikofer	Cllr M Knowles
Cllr A Claussen-Reynolds	Cllr J Rest
Cllr N Coppack	Cllr R Reynolds
Cllr J English	Cllr E Seward
Cllr A Fitch-Tillett	Cllr B Smith
Cllr V Gay	

Officers in Attendance: The Corporate Director (SB), the Head of Legal and Democratic Services, the Democratic Services Manager, the Democratic Services Officer (Scrutiny) and the Democratic Services Officer.

Members in Attendance: Cllr S Arnold (Portfolio Holder for Housing, Planning and Planning Policy), Cllr R Price (Portfolio Holder for Property and Asset Commercialisation), Cllr B Hannah, Cllr P Grove-Jones, Cllr D Young, Cllr N Lloyd, Cllr N Pearce and Cllr R Shepherd.

162. INTRODUCTION

The Chairman introduced the newly appointed Democratic Services Officer (Scrutiny), Matthew Stembrowicz.

163. APOLOGIES

Apologies were received from Cllr S Hester and Cllr N Smith.

164. SUBSTITUTES

Cllr N Coppack for Cllr S Hester and Cllr A Fitch-Tillett for Cllr N Smith.

165. PUBLIC QUESTIONS

No public questions were received.

166. MINUTES

The minutes of the Overview and Scrutiny Committee held on 25 April 2018 were accepted as an accurate record and signed by the Chairman.

167. ITEMS OF URGENT BUSINESS

None

168. DECLARATIONS OF INTEREST

To be taken, if necessary, at the appropriate item on the Agenda.

169. PETITIONS FROM MEMBERS OF THE PUBLIC

None

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

No items were submitted for consideration before the agenda was published. The following item was raised at the meeting by the Chairman:

Concerns had been raised that several recent Section 157 housing stock disposals had been used for second homes. This should be included in the Scrutiny in a Day review on Housing, programmed for September 2018.

RESOLVED

To include Section 157 disposals in the Housing – Scrutiny in a Day review.

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

On 25 April, the Committee made recommendations to Cabinet in relation to the Annual Action Plan.

The recommendations were 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)

The next Cabinet meeting would take place on 11th June and the response would be provided to the next meeting of Overview & Scrutiny Committee on 20th June.

172. MARKET TOWNS INITIATIVE

The Market Towns Initiative Working Group had held its first meeting on 02 May 2018. The draft minutes were brought for the Committee to note, and to receive an update from the Chairman of the Working Group on progress to date.

Questions and Discussion

- a) The Chairman of the Working Group, Cllr S Bütikofer, said that there had been a

discussion about the money coming in two tranches (£30,000 and £70,000). She asked for feedback from Members about whether the money should be granted in two phases or one and if applications for small projects could be blocking larger ones later. Mr E Seward told the Committee that North Walsham had a favoured project which could not move forward if it was constrained to a limit of £30,000.

- b) The Corporate Director (SB) told Members that the funding allocation of £30,000 per town had never been approved formally or set aside. A decision had been made to increase the total funding available to £400,000. Indicatively each town would have a 25% share.
- c) Cllr R Reynolds said that allocations had already been made to Fakenham and that the town should be supported to access the second tranche. However, it was believed that the work in Fakenham had originated from the Highfield Road project. Cllr Reynolds asked for clarity. The Corporate Director (SB) confirmed that the Market Town Group in Fakenham had developed from the decision of Cabinet on 30 October 2017 to retain the Highfield Road Car Park as a public car park and to engage with the town council to benefit the town centre. The Fakenham group had met monthly since November 2017 and were focussed on the town centre economy. They had submitted a plan, supported by the Project Enabler, for a town trail which met the criteria.
- d) Cllr M Knowles said that a Fakenham group had been working for some time and that the Working Group should have regard for this. The Chairman asked if this was precluding any community groups and that the Council should ensure that everyone knew about it. Cllr R Price said that he understood the Fakenham group was a well-balanced team looking for additional sources of funding. The Chairman was assured that the funding criteria included reaching out to other groups and that all projects would be submitted to the Working Group for consideration.
- e) In response to a question from Cllr V Gay, it was explained that the reference to Head of Economic Development in the minutes referred to Rob Young.
- f) Cllr Gay affirmed the strapline “supporting our inland towns” as coastal towns tended to be able to access more funding.
- g) In response to a further question from Cllr Gay, it was confirmed that there would be ongoing scrutiny of the projects. Cllr Gay asked that this could be written into the terms of reference.
- h) Cllr P Grove-Jones expressed concern that nothing was known in Stalham about the initiative. Cllr M Prior said that, as a local Member for Holt, she had received no information. The Democratic Services Manager explained that an event for town councils and other community groups was being planned for 02 July. Members were welcome to attend. The next meeting of the Market Towns Initiative Working Group was scheduled for 04 June. The Group had only met once and was still working on its terms of reference. It was recognised that some towns already had plans in the pipeline. The Head of Legal and Democratic Services had met with Fakenham and North Walsham to brief local Members. She would also meet with Holt and Stalham. It was important to remember that the existing work at Fakenham had arisen from the Highfield Road decision in October 2017. The Market Towns Initiative had been agreed by Cabinet in April 2018. The Overview and Scrutiny Working Group had been set up later that month and had already met. Progress was being made. However, it was important that proper processes were followed. Local Members, at this stage,

could have initial conversations with their town councils. It was not the intention of the scheme to disengage anyone from the process. The Chairman pointed out that each area was likely to have different ideas for their projects.

- i) Cllr V Gay thanked officers for the clarifications they had provided. One of the stipulations of the Overview and Scrutiny Committee had been that meetings of the Working Group were open to all Members. There would be a public launch for all community groups.
- j) In response to a question from Mr E Seward, it was confirmed that the public launch would be in July. Following this there would be information about the application process which would start in September. Cllr Bütikofer had circulated a timeline to Members of the Overview and Scrutiny Committee. The Democratic Services Manager would ensure it was sent to all local Members.

RESOLVED

To receive the draft minutes of the Market Towns Initiative Working Group and progress to date.

173. BEACH HUTS AND CHALETS TASK & FINISH GROUP

The Chairman of the Group, Cllr M Knowles, reported that the work was making good progress and was on track, although more complex than originally perceived. A site visit had taken place on 16 May and the programmed agenda was moving forward. Other Members, especially local Members, were welcome to attend but it was essential to adhere to the programme if the work was to be completed on schedule. Cllr A Fitch-Tillett asked that minutes should be circulated to local Members.

Cllr R Price thanked officers for joining the site visit. As Portfolio Holder, he was pleased to see how things were progressing. It was exciting but there were also some challenges.

Cllr A Claussen-Reynolds asked if the supply of electricity to some chalets was part of the review. The Democratic Services Manager said she would check this with the Property, Project and Programme Manager.

RESOLVED

To note the draft minutes of the Beach Huts and Chalets Task and Finish Group and progress to date.

174. THE CABINET WORK PROGRAMME

The Financial Penalty Policy and Waste Contract Arrangements would now go to Cabinet in July.

RESOLVED

To note the upcoming Cabinet Work Programme.

175. OVERVIEW AND SCRUTINY WORK PROGRAMME AND UPDATE

- a) Three Scrutiny in a Day reviews – Local Plan, Housing and Recycling – had been

agreed by the Committee in April and had been programmed in for July, September and November respectively.

- b) There would be a 2-hour session for Overview and Scrutiny Committee Members with David McGrath on 04 June. He would use the Local Plan as a basis. The Scrutiny in a Day session would be all day on 04 July. The Democratic Services Manager and the Democratic Services Officer (Scrutiny) would work on this.
- c) The Committee agreed to receive the Debt Management Annual Report and the Treasury Management Annual Report as update items in June.
- d) Responding to a question from Mr R Reynolds, the Democratic Services Manager explained that the demonstration of electronic devices would take place at the Member Development Group on 05 June. Members could try the devices and make input.
- e) The Democratic Services Manager would circulate all upcoming dates to Members, including local Members.
- f) Mrs A Claussen-Reynolds reported that the recommendation of the Norfolk Health Overview and Scrutiny Committee to the Clinical Commissioning Groups and Norfolk and Suffolk Foundation Trust that the local NHS should reimburse travel costs for families of service users who were placed in out-of-area beds due to unavailability of local beds had not been accepted.

RESOLVED

- 1. To note the Overview and Scrutiny Committee Work Programme.**
- 2. To circulate dates to Members, including local Members.**

The meeting ended at 10.30 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)

<i>Budget Monitoring Reports, NNDR returns</i>
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Cabinet Member(s): Cllr Wyndham Northam	Ward(s) affected All
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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)	
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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

		Outturn 2017/18												
Reserve	Purpose and Use of Reserve	Balance 01/04/17	Transfers in	Transfers out	Total Movement	Balance 01/04/18	Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Balance 01/04/22
		£	£	£	£	£	£	£	£	£	£	£	£	£
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, Re provision 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.

Overview and Scrutiny Annual Review 2017 – 2018

Chairman's Introduction



This is the **thirteenth** report by North Norfolk District Council's Overview and Scrutiny Committee, which gives an overview of the Committee's activities over the past year and its plans for the future as well as explaining the aims and functions of Overview and Scrutiny.

This report covers 2017/2018, a period of change within the Council, where the role of Scrutiny has been increasingly important in engaging Members across the whole Council in the delivery of the Corporate Plan.

The Committee has focused on increasing the transparency and participation in decision making on critical issues like the Asset Management Policy Framework and has encouraged all Members to bring issues to the Committee which impact all residents of North Norfolk.

I would like to thank the former Chair, Cllr. Peter Moore for his services to this office, my Vice Chairman Cllr Simon Hester and Democratic Services Officers Emma Denny and Mary Howard for their help and support throughout the year. I also welcome our new Scrutiny Officer Matthew Stembrowicz.

We have been actively reviewing the way Overview & Scrutiny operates this year to ensure we are able to make a difference on behalf of residents. Members are working collaboratively across political party lines to ensure we capture all good ideas. This means we are conducting more in-depth reviews of district wide issues.

We actively encourage and welcome the participation of outside bodies, not just to join existing conversations, but also to propose areas for future policy development. Please do let us know if there is an issue you believe we should be considering in more depth.

It is vital that all residents feel they have access to, and the ability to influence, the work of Local Government and I am proud that our Committee offers this opportunity. I look forward to hearing from many of you in 2018/19.



Councillor Karen Ward

1. What is Scrutiny?

The Overview and Scrutiny Committee is the Council's watchdog, ensuring that the Cabinet is held to account and is carrying out the Council's aims as well as getting the best value for money as a result of its decisions. Originating from the Local Government Act of 2000, Scrutiny Committees not only keep an eye on the Council but can also review the work of other bodies such as the Police, our utility providers and the voluntary sector.

As outlined within the Council's Constitution, the Committee's terms of reference are as follows:

- To scrutinise and review decisions or other actions taken with respect to non-executive functions.
- To make reports or recommendations to the Full Council or to the Cabinet about one or more particular issue(s), service(s) or matter(s), which affects North Norfolk and its residents. Reports or recommendations may be carried out on whatever issue, service or matter the Scrutiny Committee thinks fit and may be carried out on any subject if the Full Council or the Cabinet requests it to do so.
- To carry out best value reviews.
- To act as the Council's Crime and Disorder Committee.
- To produce an annual report to Council on the work of the Committee over the year.
- To ensure effective scrutiny of the treasury management strategy and policies.

The remit of the Overview and Scrutiny Committee also includes undertaking policy review and development, monitoring performance management, promoting community well-being and improving the quality of life in the District. Scrutiny is Member-led and independent of political party arrangements. At North Norfolk District Council, the Overview and Scrutiny Committee is chaired by a member of the opposition. Scrutiny is a function which belongs to and benefits the whole council.

2. Who gets involved in Scrutiny?

- a) The Chairman and Vice Chairman of the Overview and Scrutiny Committee take a pro-active role throughout the process, attending pre-agenda meetings and steering and scoping the direction of questioning and investigation.
- b) The Overview and Scrutiny Committee Members – Scrutiny is different from other committees and calls for Members with investigative and creative minds who are

- prepared to “do their homework” out of the Council Chamber and to think outside of the usual committee framework, tailoring the method of review to suit the topic.
- c) Cabinet Portfolio Members are invited to attend meetings of Overview and Scrutiny which involve their portfolio. The aim is that the Portfolio Member should have an opportunity to contribute to any issues relating to their portfolio.
 - d) All non-Executive Members are invited to attend, to ask questions or to suggest topics for scrutiny.
 - e) Officers are involved in a number of ways – those directly involved in supporting the Scrutiny process and those who are called to make reports to the Committee.
 - f) Invitees and Witnesses can be called not just from within the Council, but from partners and utilities providers.
 - g) The public are always welcome to attend meetings of the Overview and Scrutiny Committee and to suggest areas of public concern that they would like to see tackled by the Committee.

3. Overview and Scrutiny Training

To ensure that members fully understand the role of Scrutiny, a comprehensive training programme is set in place to keep committee members up to date. In recent months, David McGrath of Link Training Services has been working with all Council Members and Senior Officers to explore the role of Overview & Scrutiny in a Council with No Overall Control. This has included working with the Overview & Scrutiny Committee members to develop their skills following the establishment of working groups (sub committees) and to support them as they introduce ‘rapid reviews’ of some services. This training has been widely welcomed and is supporting the Committee to be more effective with its time to ensure it is focusing on critical issues which will make a difference to residents.

Several members of the Committee also attended general financial training and a session on treasury management.

4. Overview and Scrutiny Activities

Scrutiny activities include:

- a) Scrutiny of Decisions made by Cabinet – Call-ins. The Overview and Scrutiny Committee can “call in” a decision which has been made by the Cabinet but not yet implemented. This enables the Committee to consider if the decision is appropriate and it may recommend that the Cabinet reconsiders the decision.
- b) Commenting on Budget Proposals – Budget Monitoring and Draft Budget reports are cyclical items on the Overview and Scrutiny Committee Work Programme.
- c) Pre - Scrutiny:
 - Commenting on and making input into Corporate Priorities.
 - Contributing to the Development of Draft Policies.
 - Looking at key agenda items before they go to Cabinet.
 Pre – Scrutiny enables greater co-ordination between the Cabinet and Scrutiny work programmes, ensuring Overview and Scrutiny Committee input into key agenda items, thus reducing the likelihood of Call–ins.
- d) Performance Monitoring – this is a regular cyclical item on the work programme. Performance Monitoring reports are a useful tool in highlighting areas which may require further investigation. They are equally important for showing areas of the Council’s work which are going particularly well!

- e) Presentations – the Committee may request presentations from external bodies on an item of interest. These are usually followed by a question and answer session to gain a further insight into the chosen subject. Following a review of working practices, many of these Presentations will now be made to all members ahead of each Full Council to ensure maximum participation.
- f) Reviews – the Overview and Scrutiny Committee may choose to look at a topic in depth and over a period of time. This could be undertaken by the whole Committee or by a Task and Finish Group.
- g) Petitions – the Committee considers petitions received from members of the public. These can be submitted electronically or in hard copy.

4. The work of the Overview and Scrutiny Committee 2017 - 2018

There have been a number of areas of work carried out by the Overview and Scrutiny Committee over the year:

- Review work
- Pre-scrutiny
- Budget monitoring
- Holding the Cabinet to account
- Petitions

Minutes and reports of the Overview and Scrutiny Committee meetings can be found on the Council's website via the link below:

<http://www2.north-norfolk.gov.uk/apps/committees/default-copy.asp?pathh=Scrutiny%20Committee>

a) Review work

The Overview and Scrutiny Committee has continued to review specific areas of service provision within the Council. Regular updates have been received on waste management contracts including garden waste services, housing strategy, public conveniences, citizen's advice, mental health support, and arts and culture.

b) Pre-scrutiny

Pre-scrutiny in the year 2017/18 looked at several items beginning with leisure provision and contract procurement in the district that looked into future options for the existing Splash site in Sheringham, and a proposed Community Sports Hub in Cromer. The establishment of a North Norfolk lottery scheme was also considered with the possibility of funds raised being used to fund community projects. Finally, the Asset Management Plan (AMP) and Supporting Documents were sent to the committee to seek recommendations for Cabinet. The consideration of the AMP demonstrated the value of the Committee working in smaller more informal groups and led the way to the introduction of Task & Finish Groups, including one on the provision of Beach Huts & Chalets across the District.

c) Budget Monitoring

Budget Monitoring reports were received in September and November 2017 and February and March 2018. Reports have also been received on the Property Investment Strategy, Treasury Management and Debt Management. The Financial Strategy was also considered by Scrutiny ahead of consideration by Council and this enabled additional budget proposals to be included in the final Budget with cross party agreement.

d) Call-in

The Committee did not Call-in any Cabinet decisions during 2017/18.

e) Petitions

No petitions were received during 2017/18. However, the public did attend meetings to see progress on specific items of business.

f) Matters raised by members

There is a standing item on the agenda for Members to bring forward matters for the Committee to consider. During 2017/18 this was used six times to address the following matters;

- Calls for a peer review of council governance and decision-making processes.
- Consideration of the IT provisions provided to members.
- A request for a report on the current situation of homelessness in the district
- A request for a presentation on the provision of mental health support in the district.
- A request for a presentation by the district's housing associations on their current strategies.
- A request for a report on the work of the North Norfolk Early Help Hub.

5. Successes and challenges

During 2017-18 the Committee received several presentations on topics of interest to them. These included the production of a report into homelessness figures in the district, an update on the work of the Norfolk Early Help Hub with evidence provided of a clear requirement for the service to continue its work. The sessions were well attended by Members and enabled the Committee to ask questions regarding both NNDC's service provision in the district and that of its partners. The establishment of the Task & Finish Group for Beach Huts and Chalets has made excellent progress in reviewing a complex policy area and the conclusion of this work in the forthcoming year 2018/19 will be beneficial for residents and visitors alike. Thank you to the Committee members leading this work. Following the Cabinet decision to purchase the Itteringham shop under urgent business, it became clear that the Asset Management policy framework needed significant updating to reflect the changing financial climate. Committee members undertook a comprehensive review of the proposals at short notice and made a number of recommendations to increase the visibility and transparency of the Asset Management decisions. It was agreed to establish a politically balanced Asset Management Working Party to oversee the prudent acquisition, disposal and management of the Council's Asset portfolio. Following a change in the political balance of the Council, a request was received from a member to consider a peer review to ensure that the Council's decision-making

process continued to follow 'best practice'. The Committee effectively resolved the issue after being advised that the Local Government Association was offering ongoing support to all political Groups and Senior Officers as and when required.

Challenges for 2018/19 include:

- Following the approval of the Market Towns Initiative by Full Council, the Committee has established a working group to oversee the implementation of the project and to ensure that it provides both a positive impact and value for money for the towns it seeks to improve (Fakenham, Holt, North Walsham & Stalham).
- The procurement of new leisure contracts and projects for the district has significantly grown the workload and importance of pre-scrutiny within the Committee. It is important that this trend of increased pre-scrutiny continues with valuable recommendations being made to Cabinet from a wide range of Members
- Following a report on homelessness figures in the district, the committee agreed that it is important that the situation is monitored and they requested a follow-up report in June 2018.
- The committee has changed its working style and practice considerably, with more focus on task and finish groups, working groups or panels and rapid reviews on key topics including the emerging Local Plan; Housing Strategy including the provision of affordable homes and Recycling in 2018. This new approach requires additional commitment and input from Overview & Scrutiny members, together with some additional training on new skills. Members have risen to the challenge admirably and this considerably enhances the ability of the Committee to make a difference.

6. Members of the Committee 2017 – 2018

Councillors: Karen Ward – Chairman
Simon Hester – Vice-Chairman

Sarah Butikofer, Annie Claussen-Reynolds, Jenny English, Virginia Gay, Nigel Lloyd, Roy Reynolds, Mike Knowles, Eric Seward, Barry Smith, Norman Smith.

7. How to get in touch with the Overview and Scrutiny Committee

Members of the public wishing to find out more about the scrutiny process are requested to contact Democratic Services at democraticservices@north-norfolk.gov.uk
If you have any topic suggestions for scrutiny please use the form attached at the end of this document.

If you would like this document in large print, audio, Braille, alternative format or in a different language please contact democraticservices@north-norfolk.gov.uk

Request form to raise an item for Scrutiny Review

Councillors should be asked to carry out the following scrutiny review:

Please give your reasons (continue on a separate sheet if necessary)

Name:

Address:

Daytime Tel No

Email:

Signature

Date



**Please return this form to Democratic Services, Council Offices, Holt Road, Cromer, NR27 9JW
Tel 01263 516047 Email: democraticservices@north-norfolk.gov.uk**

Terms of Reference for

O&S ASSET MANAGEMENT WORKING GROUP

Membership	<p>The membership shall consist of a politically balanced panel of 5 Members. The Chairperson shall be a member of the Overview and Scrutiny Committee.</p> <p>The Scrutiny Officer will provide support to the Panel, as will other officers when requested in line with the Council's Constitution and legislative provisions.</p>
Purpose	<p>The Asset Management Working Group will provide democratic oversight of the Council's Asset Management Plan including but not limited to scrutiny and oversight of the following areas;</p> <ul style="list-style-type: none"> • Asset acquisitions for investment or service delivery proposals where value is over £100,000; • Redevelopment of existing assets proposals; • Disposal of land and property assets where the value is over £100,000; • Disinvestment and closure of assets; • Strategic overview of the Council's asset portfolio; • Land and Property capital projects; <p>The Working Group will have the same powers and functions as the main Overview and Scrutiny Committee in terms of making recommendations to other Council Bodies.</p>
Administration	<p>Timetable of meetings Agenda preparation Minutes</p>
Meetings	<p>The panel will meet on an "as required" basis.</p>

North Norfolk District Council
Cabinet Work Programme
For the Period 01 June to 31 July 2018



Decision Maker(s)	Meeting Date	Subject & Summary	Cabinet Member(s)	Lead Officer	Status / additional comments
July					
Cabinet	09 Jul 2018	Digital Transformation Update	John Lee	Sean Kelly Head of Bus. Transformation & IT 01263 516276	
Scrutiny	20 Jul 2018				
Cabinet	09 Jul 2018	Enforcement Board Update	Richard Price Sue Arnold	Nick Baker Corporate Director 01263 516221	
Scrutiny	20 Jul 2018				
Cabinet	09 Jul 2018	Performance Management – Annual Report	John Lee	Helen Thomas <i>Policy & Performance Management Officer</i> 01263 516214	
Scrutiny	20 Jul 2018				
Cabinet	09 Jul 2018	Compulsory Purchase Orders (3 reports)	John Lee	Will Abe Combined Enforcement Team Leader 01263 516080	
Council	25 Jul 2018				
Cabinet	09 Jul 2018	Sports Development	Becky Palmer	Karl Read Leisure & Locality Services Manager 01263 516002	



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

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

North Norfolk District Council
Cabinet Work Programme
For the Period 01 June to 31 July 2018


Cabinet	09 Jul 2018	Waste Contract Arrangements	Hilary Cox	Nick Baker Head of Paid Service 01263 516221	
Cabinet	09 Jul 2018	North Walsham Station Car Park	Richard Price	Renata Garfoot Estates & Asset Strategy Manager 01263 516086	 Exempt appendix
September					
Cabinet Scrutiny	03 Sep 2018 19 Sep 2018	Budget Monitoring P4	Wyndham Northam	Duncan Ellis Head of Finance & Assets 01263 516330	
Cabinet Scrutiny	03 Sep 2018 19 Sep 2018	Performance Management Q1	John Lee	Helen Thomas Policy & Performance Mgt Officer 01263 516214	
Cabinet Scrutiny Council	03 Sep 2018 19 Sep 2018 26 Sep 2018	Financial Strategy	Wyndham Northam	Duncan Ellis Head of Finance & Assets 01263 516330	



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

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

North Norfolk District Council
 Cabinet Work Programme
 For the Period 01 June to 31 July 2018

TBC					
Cabinet	TBC	Beach Road Toilet Site, Wells Next the Sea	Richard Price	Steve Blatch Head of Paid Service 01263 516232	



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

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

OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2018/2019

Annual Work Programme

Meeting	Topic	Lead Officer / Member	Objectives & desired outcomes	Time cycle
June 2018				
Scrutiny Council	Overview & Scrutiny Committee Annual Report 2017/18	Karen Ward Emma Denny	Committee to approve and recommend to Council	
Cabinet Scrutiny Council	Debt Management Annual Report	Wyndham Northam Sean Knight	To make recommendations to Council (update item only)	Annual
Cabinet Scrutiny Council	Out-turn report	Wyndham Northam Duncan Ellis	To make any recommendations to Council	Annual
Cabinet Scrutiny Council	Treasury Management Annual Report	Wyndham Northam	To make recommendations to Council (update item only)	
Scrutiny	Market Towns Initiative Working Group	Sarah Butikofer Emma Duncan	To keep the Committee updated on the progress of the Task and Finish group	
Scrutiny	Beach Huts and Chalets Task & Finish Group	Mike Knowles Maxine Collis	To keep the Committee updated on the progress of the Task and Finish group	

Meeting	Topic	Lead Officer / Member	Objectives & desired outcomes	Time cycle
Scrutiny	Establishment of Asset Management Working Group		To establish a politically balanced Working Group and to agree terms of reference	
July				
Scrutiny 4 th July	Local Plan – Scrutiny in a day	Mark Ashwell Sue Arnold	Rapid Scrutiny review to include: <ul style="list-style-type: none"> - challenges to rural businesses - improvement of market towns - progress against the project plan timetable (from a performance management perspective) 	<i>Questioning Skills training will be provided ahead of this session using Local Plan Scrutiny as an example</i>
Cabinet Scrutiny	Performance Management – Annual Report	John Lee Helen Thomas	To make any recommendations to Cabinet	
Cabinet Scrutiny	Digital Transformation Update	John Lee Sean Kelly	<i>To receive for noting only - unless specific issues highlighted.</i>	
Scrutiny	Market Towns Initiative Working Group	Sarah Butikofer Emma Duncan	To keep the Committee updated on the progress of the Task and Finish group	
Scrutiny	Beach Huts and Chalets Task & Finish Group	Mike Knowles Maxine Collis	To keep the Committee updated on the progress of the Task and Finish group	
September				
Scrutiny (Date tbc)	Housing – Scrutiny in a day			
Scrutiny	Market Towns Initiative Working Group	Sarah Butikofer Emma Duncan	To keep the Committee updated on the progress of the Task and Finish group	

Scrutiny	Beach Huts and Chalets Task & Finish Group	Mike Knowles Maxine Collis	To keep the Committee updated on the progress of the Task and Finish group	
Cabinet	Budget Monitoring P4	Wyndham Northam Duncan Ellis		
Scrutiny				
Cabinet	Performance Management Q1	John Lee Helen Thomas		Quarterly
Scrutiny				
Cabinet	Financial Strategy	Wyndham Northam Duncan Ellis		Annual – in advance of the Budget setting process for 2019/20
Scrutiny				
Council				
November				
Scrutiny	Recycling – Scrutiny in a day			
Scrutiny	Market Towns Initiative Working Group	Sarah Butikofer Emma Duncan	To keep the Committee updated on the progress of the Task and Finish group	
Scrutiny	Beach Huts and Chalets Task & Finish Group	Mike Knowles Maxine Collis	To keep the Committee updated on the progress of the Task and Finish group	

**Overview & Scrutiny 23 May 2018
Decision List**

	ACTION BY <i>(Additional comments in italics)</i>	PROGRESS / COMPLETION
<p><u>ITEM 8: CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER</u></p> <p>DECISION RESOLVED</p> <p>To include Section 157 disposals in the Housing – Scrutiny in a Day review.</p>	<p>Emma Denny/Nicola Turner</p> <p><i>To investigate concerns that several recent disposals had been used for second homes.</i></p>	<p>September 2018</p>
<p><u>ITEM 13: OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME AND UPDATE</u></p> <p>DECISION RESOLVED</p> <p>To circulate dates to Members, including local Members.</p>	<p>Emma Denny</p> <p><i>To include meetings of Market Towns Initiative Task & Finish Group, Market Towns Initiative Launch Event, meetings of the beach Huts & Chalets Task and Finish Group, training with David McGrath and Scrutiny in a Day of Local Plan.</i></p>	