

# Council



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13 June 2017

A meeting of the **North Norfolk District Council** will be held in the **Council Chamber** at the Council Offices, Holt Road, Cromer on **Wednesday 21<sup>st</sup> June 2017 at 6.00 p.m.**

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

To: All Members of the Council  
Members of the Management Team, appropriate Officers, Press and Public.



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

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## A G E N D A

**1. PRAYER**

Led by Pastor Ian Savory, Lighthouse Community Church, Sheringham.

**2. CHAIRMAN'S COMMUNICATIONS**

To receive the Chairman's communications, if any.

**3. TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS**

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.

**4. APOLOGIES FOR ABSENCE**

To receive apologies for absence, if any.

**5. MINUTES**

(attached – page 5)

To confirm the minutes of the meeting of the Council held on 24 May 2017.

**6. 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.

**7. PUBLIC QUESTIONS**

To consider any questions received from members of the public.

**8. APPOINTMENTS**

To consider any appointments, if any

**9. RECOMMENDATIONS FROM CABINET 05 JUNE 2017**

(page 10)

**a) AGENDA ITEM 10: 2016/17 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)**

**RECOMMENDATION to Council:**

- a) **The provisional outturn position for the general fund revenue account for 2016/17;**

- b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2017/18 budget;
- c) Transfer part of the surplus of £300,000 to the Organisational Development Reserve to support the development of the apprenticeship scheme with the balance of £371,399 being transferred to the Asset Management Reserve;
- d) The financing of the 2016/17 capital programme as detailed within the report and at Appendix D;
- e) The balance on the General Reserve of £2.332 million;
- f) The updated capital programme for 2017/18 to 2020/21 and the associated financing of the schemes as outlined within the report and detailed at Appendix E.

#### **RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

The Overview & Scrutiny Committee will consider this recommendation at their meeting on 14<sup>th</sup> June. The Chairman will provide an oral update to the Council meeting.

- b) AGENDA ITEM 11: TREASURY MANAGEMENT ANNUAL REPORT 2016/17** (page 67)

#### **RECOMMENDATION to Council:**

**That the Council be asked to RESOLVE that The Treasury Management Annual Report and Prudential Indicators for 2016/17 are approved.**

#### **RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

The Overview & Scrutiny Committee will consider this recommendation at their meeting on 14<sup>th</sup> June. The Chairman will provide an oral update to the Council meeting.

- c) AGENDA ITEM 12: DEBT RECOVERY 2016/17** (page 76)

#### **RECOMMENDATION to Council:**

**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.**

#### **RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

The Overview & Scrutiny Committee will consider this recommendation at their meeting on 14<sup>th</sup> June. The Chairman will provide an oral update to the Council meeting.

- d) AGENDA ITEM 16: DEEP HISTORY COAST PROJECT** (page 90)

#### **RECOMMENDATION TO COUNCIL:**

The authorisation of a sum of £500,000 from the Capital Reserve to implement some capital elements of the project, including a trail and improved facilities.

### **10. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 14 JUNE 2017**

To consider any further recommendations from the Overview & Scrutiny Committee meeting held on 14th June 2017.

**11. RECOMMENDATIONS FROM GOVERNANCE RISK & AUDIT COMMITTEE**

(page 99)

To receive the Annual Governance Statement along with the updated Local Code of Corporate Governance.

**12. TO RECEIVE THE APPROVED MINUTES OF THE UNDERMENTIONED COMMITTEES**

Members are requested to note that the minutes of the undermentioned committees have been approved. Copies of all the minutes are available on the Council's website or from Democratic Services.

- 1) Cabinet – 08 June 2017
- 2) Development Committee – 13 April 2017
- 3) Development Committee – 11 May 2017
- 4) Governance, Risk & Audit Committee – 28 March 2017
- 5) Overview & Scrutiny Committee – 12 April 2017

**13. REPORTS FROM THE CABINET OR MEMBERS OF THE CABINET**

To receive reports from Cabinet members on their portfolios.

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

- 1) Legal Services & Democratic Services – Cllr Judy Oliver (page 141)
- 2) Planning & Planning Policy – Cllr Sue Arnold (page 143)
- 3) Community Engagement & Liaison – Cllr Becky Palmer (page 148)
- 4) Strategic Housing – Cllr R Price (page 149)
- 5) Health & Wellbeing, Leisure and Culture – Cllr M Prior (page 150)

**14. QUESTIONS RECEIVED FROM MEMBERS**

None received

**15. OPPOSITION BUSINESS**

None received

**16. NOTICE(S) OF MOTION**

None

**17. EXCLUSION OF PRESS AND PUBLIC**

To pass the following resolution – if necessary:

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

**18. PRIVATE BUSINESS**

**Circulation:**

All Members of the Council.

Members of the Management Team and other appropriate Officers.

Press and Public

# COUNCIL

Minutes of a meeting of North Norfolk District Council held on 24 May 2017 at the Council Offices, Holt Road, Cromer at 6.00 pm.

## Members Present:

Mrs S Arnold	Mr S Hester	Mr E Seward
Mr D Baker	Mr J Lee	Mr S Shaw
Mr P Butikofer	Mrs B McGoun	Mr R Shepherd
Mrs S Butikofer	Mrs M Millership	Mr B Smith
Mrs A Claussen-Reynolds	Mr W J Northam	Mr D Smith
Mrs H Cox	Mrs J Oliver	Mr N Smith
Mr N Dixon	Miss B Palmer	Mr R Stevens
Mrs J English	Mr N Pearce	Mrs V Uprichard
Mrs A Fitch-Tillett	Mr R Price	Mrs L Walker
Mr T FitzPatrick	Mrs M Prior	Mrs K Ward
Mr V FitzPatrick	Mr J Punchard	Mr G Williams
Ms V R Gay	Mr J Rest	Mr A Yiasimi
Mrs A Green	Mr R Reynolds	Mr D Young
Mrs P Grove-Jones	Mr P Rice	
Mr B Hannah		

**Officers in Attendance:** The Corporate Directors, the Monitoring Officer, the Head of Finance & Assets, the Media & Campaigns Officer and the Democratic Services Manager

**Press:** Present

## 1. PRAYERS

The Chairman invited Reverend James Porter, Cromer Parish Church with St Martins to lead prayers. He began by asking Members to observe a minutes silence to remember the victims of the recent terror attack in Manchester.

## 2. PRESENTATION OF AWARD TO DEMOCRATIC SERVICES

Christine Christensen of the National Association of Civic Officers (NACO) presented the award for second place in the Civic Team of the Year awards to the Democratic Services Manager.

The Chairman said that the Council was delighted to receive such a prestigious national award.

## 3. PRESENTATION TO THE CHAIRMAN'S CHARITIES

The Chairman informed Members that he had recently attended the annual presentation evening for Cromer Youth Football Club and had been very proud to present them with a cheque for £1125.23 for funds raised during his year as Chairman. He then invited Tim Jenkins from his other nominated charity, the Fishermen's Mission, to accept a cheque for £1,125.23.

#### **4. OUTGOING CHAIRMAN'S COMMUNICATIONS**

The Chairman said that it was very hard to talk about such an enjoyable year in light of the recent terrorist attack in Manchester. He said that his year in office had begun with a highlight – the Royal Garden Party at Buckingham Palace. Other memorable events included the welcoming of royalty to the District and the hosting of two new events – Merchant Navy Day and a service for volunteers. He had been delighted to host the Big Society Awards which recognised the role of volunteers

The Chairman concluded by thanking everyone who had attended his events and the Corporate PA team and Democratic Services for their support in organising them. He then thanked his wife, Donna, without whom the year would have been impossible.

#### **5. ELECTION OF CHAIRMAN**

It was proposed by Mr T FitzPatrick, seconded by Mrs J Oliver that Mr R Shepherd be elected Chairman. There being no other nominations, it was unanimously

##### **RESOLVED that**

Mr R Shepherd be elected Chairman of the Council for the ensuing year.

Mr J Lee then vacated the Chair in favour of Mr Shepherd.

#### **6. INCOMING CHAIRMAN'S COMMUNICATIONS**

Mr Shepherd began by saying that it was a huge honour to be elected as Chairman of the Council. He said that the role represented everyone in North Norfolk and he hoped to use it as an opportunity to give something back to the community. He said that his nominated charities for the upcoming civic year would be the East Anglian Children's Hospice (EACH) and Nelson's Journey.

The Chairman finished by presenting three bouquets of flowers on behalf of the outgoing Chairman to the Corporate PA Team Leader, the Democratic Services Manager and the outgoing consort to the Chairman, Mrs Donna Lee.

#### **7. APPOINTMENT OF VICE-CHAIRMAN**

It was proposed by Mr T FitzPatrick and seconded by Mr W Northam that Mr R Reynolds be appointed Vice Chairman of the Council. There being no other nominations, it was

##### **RESOLVED that**

Mr R Reynolds be appointed Vice-Chairman of the Council for the ensuing year.

#### **8. DECLARATIONS OF INTEREST FROM MEMBERS**

None

#### **9. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr N Coppack, Mr N Lloyd, Mr M Knowles and Mrs G Perry-Warnes.

**10. MINUTES**

The minutes of the meeting held on 22 March 2017 were approved as a correct record and signed by the Chairman.

**11. ITEMS OF URGENT BUSINESS**

None

**12. PUBLIC QUESTIONS OR STATEMENTS**

Mrs H Cox said that although it was not a question or statement, she would like to thank the Planning Department for their hard work in ensuring that the new car park on the Runton Road in Cromer progressed smoothly.

**13. REPORT ON THE CABINET**

The Leader congratulated Mr Shepherd on his appointment as Chairman. He said that he was making two changes to the membership of Cabinet. Mrs A Fitch-Tillett was stepping down and Mr J Lee and Mrs A Claussen-Reynolds were both joining Cabinet. He thanked Mrs Fitch-Tillett for her hard work.

Mr FitzPatrick then said he wanted to let Members know that he had sent letters of condolence on behalf of the Council to the Leader of Manchester City Council and the Elected Mayor.

He concluded with the positive news that North Norfolk was officially the District at the top of the league of best beaches in England, with no fewer than six of its beaches being awarded prestigious Blue Flags. East Runton and West Runton beaches had now joined Cromer, Mundesley, Sea Palling and Sheringham in the top tier of English beaches.

**14. APPOINTMENT OF COMMITTEES, CHAIRMEN AND VICE-CHAIRMEN AND SUBSTITUTES**

Mr T FitzPatrick said that he wished to propose that Mr R Reynolds be appointed as Chairman of Development Committee so that Mr Shepherd could focus on his role as Chairman of the Council. Regarding all other appointments, he said that due to recent IT issues at the Council he had not been able to finalise his nominations. He said that he would notify Democratic Services as soon as possible.

The Leader of the Opposition, Mrs S Butikofer, concurred that she had also had difficulties and said that she wished to advise Council of her nominations at the next meeting in June.

**RESOLVED**

To appoint Mr R Reynolds as Chairman of Development Committee

That all other appointments be notified in writing to the Democratic Services Manager.

**15. APPOINTMENT OF MEMBERS ON WORKING PARTIES, FORUMS AND PANELS**

**RESOLVED**

That appointment of Members on working parties, forums and panels be notified in writing to the Democratic Services Manager.

**16. APPOINTMENT OF MEMBERS TO OUTSIDE BODIES**

**RESOLVED**

That appointment of Members to outside bodies be notified in writing to the Democratic Services Manager.

**17. PIER MANAGEMENT CONTRACT**

Mrs M Prior, Portfolio Holder for Leisure, said that she welcomed the progress being made regarding the procurement of the new Pier Management contract and that she endorsed the establishment of a member panel to provide challenge around the procurement negotiations.

It was proposed by Mrs M Prior, seconded by Mr T FitzPatrick and

**RESOLVED**

To establish a politically balanced Member Panel for the Pier Management contract.

**18. RECOMMENDATION FROM CABINET 08 MAY 2017**

The Portfolio Holder for Housing, Mr R Price, introduced this item. He said that it had been considered by the Overview and Scrutiny Committee and as a result of their discussions a change had been made to the scheme to clarify when an applicant would be demoted from Band 1 to Band 2 as a result of rent arrears.

**RESOLVED**

1. That Council adopts the new Housing Allocations Scheme.
2. That up to £20,000 is made available through the capital programme towards the cost of the required IT changes for the implementation of the Housing Allocations Scheme to be funded from capital receipts.

**19. FURTHER RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE**

There were no further recommendations from the Overview and Scrutiny Committee.

**20. TO RECEIVE THE APPROVED MINUTES OF THE UNDERMENTIONED COMMITTEES**

The minutes of the meetings below were noted as a correct record;

- a) Cabinet – 06 March 2017
- b) Cabinet – 03 April 2017
- c) Development Committee – 16 February 2017
- d) Development Committee – 16 March 2017
- e) Governance, Risk & Audit Committee – 06 December 2017
- f) Overview & Scrutiny Committee – 16 March 2016

**21. QUESTIONS RECEIVED FROM MEMBERS**

None

**22. NOTICE OF MOTION**

None



**23. PRIVATE BUSINESS**

None

Before the meeting closed, Mrs S Arnold said that she was delighted to see the new roundabout at the Felbrigg junction and she thanked Mrs H Cox for her support in bringing the scheme to fruition.

The meeting concluded at 6.56 pm.

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Chairman

## **2016/17 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)**

- Summary:** This report presents the provisional outturn position for the 2016/17 financial year and shows a General Fund surplus of just over £173,000 with a further transfer from the Collection Fund in relation to Business Rates of £498,000, giving a final overall underspend on the revenue account of just over £671,000. 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 2016/17. The report also makes recommendations for contributions to Earmarked Reserves and the General Reserve 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 2016/17 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 2017 shows an underspend. The final position allows for a number of underspends to be rolled forward within Earmarked Reserves to fund ongoing and identified commitments for which no budget has been allocated in 2017/18. 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 2016/17;**
  - b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2017/18 budget;**
  - c) Transfer part of the surplus of £300,000 to the Organisational Development Reserve to support the development of the apprenticeship scheme with the balance of £371,399 being transferred to the Asset Management Reserve;**
  - d) The financing of the 2016/17 capital programme as detailed within the report and at Appendix D;**

e) The balance on the General Reserve of £2.332 million;

f) The updated capital programme for 2017/18 to 2020/21 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 2016/17 that will be used to produce the statutory accounts for 2016/17.

#### **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
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#### **1. Introduction**

- 1.1 This report presents the provisional outturn position for the 2016/17 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 September 2017.
- 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 2016/17 capital programme. The capital programme for the period 2017/18 to 2020/21 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 2017. At the time this report was forecasting a General Fund underspend of £105,125 with a further transfer from the Collection Fund in relation to Business Rates of £441,000, giving an overall underspend of just over £546,000.
- 1.5 The outturn position as now reported shows a General Fund surplus of just over £173,000 with a further transfer from the Collection Fund in relation to Business Rates of £498,000, giving a final overall underspend of just over £671,000. 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 14 June 2017.

- 1.6 At the time of preparing this report there are a number of final figures for 2016/17 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 current deadline for the statutory annual accounts is 30 June for the draft statements and 30 September for the published audited version. Next year these deadlines will be brought forward to 31 May and 31 July respectively for the draft and audited accounts. This will inevitably mean that deadlines for the closure of the accounts will have to be brought forward and there will be an increased reliance on estimates within the annual statements which must be based upon a robust methodology.

## 2. Revenue Account – Outturn 2016/17

- 2.1 The revenue account position for the year shows a surplus of £671,399 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, and by 31 March 2017, and also where no future budget exists or where there is a one-off commitment that continues into the 2017/18 financial year;
  - b) Where external funding has been received in 2016/17 for which the expenditure has not yet been incurred;
  - c) Where the 2016/17 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 2017/18.

### 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 and Business Rates Retention.
- 2.3 **Benefit Subsidy** - The benefit subsidy return was completed and submitted by 30 April 2017 and will be subject to external audit review later in the year. Depending on the outcome from the external audit review there could be an impact on the overall financial position, for example should subsidy be due to the Department for Work and Pensions. It is for this reason that the Council holds a Benefits Earmarked Reserve to mitigate any such impact.
- 2.4 **Business Rates** - Under the current system 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 - 2016/17 Subjective Analysis	2016/17 Updated	2016/17 Actuals	Variance	
	£	£	£	%
Employee Costs	10,251,159	10,288,568	37,409	0.36
Premises	2,559,872	2,882,477	322,605	12.60
Transport Related Expenditure	298,801	279,331	(19,470)	(6.52)
Supplies & Services	9,545,989	9,800,407	254,418	2.67
Transfer Payments	28,520,045	26,944,501	(1,575,544)	(5.52)
Support Services - Charges In	9,085,250	9,665,443	580,193	6.39
Support Services - Charges Out	(9,271,274)	(9,798,782)	(527,508)	5.69
Capital Financing Costs	2,343,944	2,010,464	(333,480)	(14.23)
Income	(38,492,697)	(38,525,333)	(32,636)	0.08
<b>Total cost of services</b>	<b>14,841,089</b>	<b>13,547,077</b>	<b>(1,294,012)</b>	<b>(8.72)</b>

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** – The budget assumes 2% turnover for employee costs 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. In addition to this during 2016 a Strategic Management review was undertaken which was estimated to deliver savings in the region of £100,000 in 2016/17.
- b) **Premises** – The significant variances under this heading include works undertaken following the storm surge in January 2017. It is anticipated that a large proportion of these will be recovered through insurance claims. Reactive repairs and maintenance works to the Council's property assets also account for a proportion of the variance.
- c) **Supplies and Services** – 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 and external printing and stationary costs relating to elections.

- d) **Capital Financing Costs** – The variance reflects the timing of capital programme schemes that were budgeted to be funded from the Capital Projects Reserve. This includes slippage in the Housing 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 2016/17

- 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 to the 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 the reporting and explaining 'real cash' variances, table 2 provides a summary of the position excluding notional charges.

<b>Table 2 - 2016/17 Revenue Account (Excluding Notional Charges)</b>	<b>Updated Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Service Area:</b>			
Corporate and CLT	265,734	303,543	37,809
Community, Economic Development & Coast	2,127,688	1,719,964	(407,724)
Customer Services and ICT	2,005,537	1,854,316	(151,221)
Democratic and Legal Services	661,966	614,684	(47,282)
Environmental Health	3,375,769	3,055,932	(319,837)
Finance and Assets	2,574,642	2,381,285	(193,357)
Planning	1,749,501	1,806,814	57,313
<b>Net Cost of Services</b>	<b>12,760,837</b>	<b>11,736,538</b>	<b>(1,024,299)</b>
Parish Precepts	1,887,806	1,887,806	0
Net Interest Receivable/ Payable	(602,000)	(561,290)	40,710
Capital Financing	891,080	343,843	(547,237)
Provision for Debt Repayment	81,000	0	(81,000)
Contribution to /(from) Earmarked Reserves	201,572	4,054,718	3,853,146
Contribution to /(from) General Reserve	(304,331)	(265,986)	38,345
<b>Net Service Expenditure/Income to be met from government Grant &amp; Taxpayers</b>	<b>2,155,127</b>	<b>5,459,091</b>	<b>3,303,964</b>
<b>Government Grants and Council Tax</b>	<b>(14,915,964)</b>	<b>(17,867,028)</b>	<b>(2,951,064)</b>
<b>Net (Surplus)/Deficit for the year</b>	<b>0</b>	<b>(671,399)</b>	<b>(671,399)</b>

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.

<b>Service and Details</b>	<b>Net (Under)/Overspend (Direct Cost and Income Only)</b>
<b>3.3 Corporate And CLT</b>	
<b>Corporate Leadership Team</b> - Part year staff savings following restructure.	(£12,932)
<b>Registration Services</b> - This variance relates to the net cost of conducting various elections in the year.	£15,553
<b>3.4 Community, Economic Development and Leisure</b>	
<b>Car Parking</b> – £38,948 additional expenditure on repairs and maintenance of ticket machines. £24,232 additional rental share payments offset by income. £24,761 additional fees associated with	(£98,709)

Service and Details	Net (Under)/Overspend (Direct Cost and Income Only)
prospective new car parks. (£76,828) reduction in car park management costs successfully negotiated following changes to car parking orders and enforcement requirements. (£124,781) additional Income including income from fees and season ticket income.	
<b>Sports Centres</b> – £12,006 Sports hall improvements that will be funded from the Earmarked Reserve. Income from use of facilities and bar sales was lower than anticipated.	£19,022
<b>Other Sports</b> – (£21,781) Sports Hubs and Clubs expenditure lower than anticipated.	(£20,802)
<b>Woodlands Management</b> – £15,441 Greater expenditure relating to additional grounds maintenance and tree works. £7,349 Improvement works at Holt Visitor Centre.	£22,892
<b>Beach Huts and Chalets</b> – Additional chalet and beach hut rental income (£18,116). (£15,200) potential insurance claim relating to January 2017 Storm damage.	(£31,883)
<b>General Economic Development</b> – (£14,600) slippage in planned expenditure during the year, this has been requested to be rolled forward in an Earmarked Reserve for spend in 2017/18. (£8,966) reduction in the provision for bad and doubtful debts, this is not budgeted for at service level. (£20,000) coastal grants being held in respect of Sheringham and Blakeney projects.	(£53,146)
<b>Housing Strategy</b> – This variance is in relation to Vat Shelter receipts received from Victory Housing Association in relation to the Vat Sharing agreement. There is no impact on the bottom line as these receipts are transferred to the Capital Projects reserve to fund capital expenditure.	(£143,033)
<b>Community and Localism</b> – (£145,887) uncommitted and unclaimed Big Society Fund grants. (£18,725) adjustment to the grant received from Norfolk County Council in relation to the Council's share of second homes council tax. This will be earmarked in the Communities reserve for spend in 2017/18.	(£166,221)
<b>3.5 Customer Services and ICT</b>	
<b>Local Taxation</b> – This figure is made up of a number of variances including £10,700 staff costs, £9,195 lower court costs awarded and £19,610 relating to the movement in the provision for bad and doubtful debts which is not budgeted for at service level.	£53,014
<b>Benefits Administration</b> – (£108,557) staff turnover resulting from vacant posts. (£79,114) Benefits Administration grant received from Department for Works and Pensions (DWP) greater than budgeted. (£15,782) Income drawn down re Universal Credit delivery.	(£208,534)



Service and Details	Net (Under)/Overspend (Direct Cost and Income Only)
<b>Benefits and Revenues Management</b> – Underspend due to a vacant post which was not filled during 2016/17. This post has been deleted from the budgeted establishment from 2017/18 onwards.	(£47,495)
<b>Reprographics</b> – (£18,829) staff turnover resulting from a vacant post. (£27,848) operating lease rentals are lower than anticipated as a result of successful printer contract renegotiations.	(£59,140)
<b>3.6 Democratic and Legal Services</b>	
<b>Members Services</b> – (£16,965) The financial impact of increased Member’s allowances not as great as anticipated.	(£21,326)
<b>Legal Services</b> – (£25,283) staff costs resulting from a vacant post, this post was budgeted to be funded from the legal Earmarked Reserve which will be adjusted to show this saving. (£74,156) Legal fee income is higher than anticipated mainly due to additional contract work.	(£104,547)
<b>3.7 Environmental Health</b>	
<b>Public Protection</b> – The underspend mainly reflects fees for taxis and premises licences where a cyclical fee structure exists, £29,102 has been allocated to an Earmarked Reserve to smooth the timing of the receipts of fee income between financial years.	(£19,473)
<b>Waste Collection and Disposal</b> – £113,834 Additional contract costs including trade waste vehicle costs, additional garden waste treatment costs and changes to NEWS gate fees and contamination costs. These additional costs have been offset by additional income received from bulky, garden and trade waste collections. Additional income was also received from recycling credits.	(£94,101)
<b>3.8 Finance and Assets</b>	
<b>Industrial Estates</b> – £10,274 Additional Repair and Maintenance costs. £18,801 Reduced rental income as a result of vacant premises.	£29,254
<b>Corporate Finance</b> – The savings within this service area relate to vacant posts. The Chief Accountant post was vacant throughout 2016/17. In October the then Head of Finance left and following a review a new structure was agreed delivering staffing savings.	(£105,931)
<b>Internal Audit</b> – Lower than budgeted Internal Audit fees.	(£26,017)
<b>Non Distributed Costs</b> – Additional pension strain costs funded from the Restructuring Reserve.	£31,816
<b>Administrative Buildings</b> – this variance is made up of a number of smaller differences, including canteen staffing costs, reactive	£65,251

Service and Details	Net (Under)/Overspend (Direct Cost and Income Only)
repair and maintenance costs and reduced income recovered from the North Walsham office following change of premises in year.	
<b>Public Conveniences</b> – £49,623 additional repairs and maintenance costs.	£54,215
<b>Investment Properties</b> – £21,500 additional repairs and maintenance expenditure. £14,500 Grove Lane Holt vacant during 2016/17. £13,720 reduction in rental income following extended period of tenants not being able to trade from their premises due to coastal works along Cromer Promenade.	£50,944
<b>Corporate and Democratic Core</b> – (£41,227) external audit fee lower than budgeted. £19,021 additional staff costs charged to Corporate from Planning. (£16,206) Central Government Transparency Grant not budgeted for. (£20,500) grant received for shared services project.	(£58,238)
<b>3.9 Planning</b>	
<b>Development Management</b> – £66,276 additional staff costs. (£70,005) slippage in Planning appeal and enforcement works which were allocated reserves funding - this spend is anticipated to be incurred in 2017/18. £156,277 planning fee income lower than anticipated mainly due to a lower number of large fee applications being received. This has been partially offset by more income being received from chargeable advice.	£123,848
<b>Planning Policy</b> – (£118,763) of this significant variance relates to slippage in budgeted Local Plan expenditure. This expenditure is funded from the New Homes Bonus Reserve which will be adjusted to reflect this movement. The Council also received new burdens grants relating to the establishment of a Self Build and Custom Housebuilding register and Brownfield land register; these were not budgeted for and will be earmarked for future expenditure.	(£164,279)
<b>Conservation and Design</b> – External professional fees relating to enforcement works, this is funded from the Enforcement Board Reserve.	£25,477
<b>Building Control</b> – Net Surplus income to be earmarked and used to inform the future fee setting process.	(£36,225)
<b>Property Information</b> – (£17,093) 2015/16 Accrual re legal challenges not offset by expenditure. (£8,139) Street Naming and Numbering income. (£6,640) new burdens grant received. (£25,972) Land Charge fee income - the net surplus will be transferred to the Earmarked Reserve and considered when setting future fee levels.	(£68,616)

**Non Service Expenditure and Income**

- 3.10 The non-service expenditure and income predominantly relates to investment income.
- 3.11 The updated income budget for 2016/17 anticipated £604,800 would be earned in interest from an average balance of £25.2m at a rate of 2.4%. A total of £546,776 was earned from investments over the year from an average balance of £35.6m at an average rate of interest of 1.54%. This resulted in an adverse variance against the budget of £58,024 in respect of investment income.
- 3.12 Investment balances were consistently higher than anticipated in the budget, although the overall rate of interest earned was 0.86% lower than budget. The capital loans to a Housing Association were not made and this contributed to the lower rate of return for the year. These loans are now anticipated to be made in June 2017. Once again the return from the Local Authorities Mutual Investment Trust (LAMIT) pooled property fund produced an excellent income return for the Council earning 5.87%.
- 3.13 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**

- 3.14 The total variance for the year under the Business Rate Retention Scheme was £498,287. This sum is made up from an increased levy payable to Norfolk County Council of (£28,210), additional income from renewable energy schemes of £388,579 and increased amounts receivable in respect of reliefs funded by central government using Section 31 grants of £137,918.
- 3.15 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 £558,488 but this has increased by £28,210 to £586,698 at outturn. The increase is due to a higher retained business rate income figure (after reliefs) than was anticipated when the NNDR1 Return was completed.
- 3.16 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 2015/16 from renewable energy schemes was £388,579 above the NNDR1 figure for that year of £199,200, and this additional income will be included in the 2016/17 outturn.
- 3.17 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 £137,918 in grant received.
- 3.18 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 2016/17 and a significant Provision is required in the Accounts to cover expected appeals against the rateable values of purpose built Health Centres.

- 3.19 The Council's share of the overall deficit on the Collection Fund at the time of completing the 2017/18 NNDR1 is £193,224.

#### **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 The Council received a grant of £2,436,942 for the Community Housing Fund from the Department for Communities and Local Government (DCLG). This additional funding was not included within the 2016/17 base budget. The funding is to support community led housing schemes and assisting in delivering affordable housing within the area. To enable this project to be allocated to revenue and capital schemes, it has been earmarked within the Housing Earmarked Reserve.
- 4.5 Section 3 of the report has highlighted a number of service areas where an underspend had 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.
- 4.6 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 2016/17 for use in 2017/18.
- 4.7 The General Reserve balance at 31 March 2017 is £2.332 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 2016/17**

- 5.1 The outturn position for the year ending 31 March 2017 is a £671,399 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 Council is keen to support the development of an apprenticeship scheme and the report is therefore recommending that £300,000 of the surplus for the year is transferred to the Organisational Development Reserve to support this

initiative. The balance of £371,399 is recommended for transfer to the Asset Management Reserve to support the Council's asset commercialisation agenda.

## 6. Capital Programme 2016/17

- 6.1 This section of the report presents the financing of the capital programme for 2016/17, together with the updated programme for the financial years 2017/18 to 2020/21. Appendix D provides the detail of the outturn on the 2016/17 capital programme for all service areas, together with the financing for all schemes. The updated capital programme for 2017/18 to 2020/21 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 2016/17 capital programme at Appendix D highlights where schemes have slipped between years. The reasons for slippage 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 2017/18 budgets. The following paragraphs provide further explanations and where necessary commentary on individual schemes within the capital programme. The details include the outturn expenditure compared to the 2016/17 budget, and explanations of variances where applicable.
- 6.3 In total the expenditure on the capital programme for the year was £3,210,525, compared to an updated budget of £7,756,923, which resulted in a variance of (£4,546,398). Of this variance the most significant underspends were; £1,114,407 in relation to the Egmere scheme where the new build is to potentially be undertaken in the new financial year, £750,000 in respect of the Housing Loans to Registered Providers where the first tranche of monies has yet to be paid over, £466,103 for the Compulsory Purchase of the Shannocks Hotel which is still at the negotiation phase, and £400,000 for the Community Housing Fund (more information is provided within Table 5).
- 6.4 There has been a requirement to claw back budget of £17,425 from the 2017/18 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).
- 6.5 The updated programme for 2017/18 onward (Appendix E) reflects the adjustments to the capital programme detailed above.

**Table 3 - Capital Schemes where Claw Back is required from 2017/18 Budget**

Capital Scheme	Claw Back Amount £
Parkland Improvements	1,397

Cromer Pier – External and Roofing Improvements	261
e-Financials Financial Management System	12,575
Planning Scanning	3,192
<b>Total</b>	<b>17,425</b>

- 6.6 Schemes completed in 2016/17 – In total there were nine 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 2016/17 Financial Year**

<b>Capital Scheme</b>	<b>Variance £ ( Under ) / Over</b>	<b>Financing Commentary</b>
North Norfolk Railway	-	The final grant payment has been made and the scheme has been completed on budget.
North Walsham Regeneration Scheme	(2,902)	All works for this scheme are complete with the scheme coming in slightly under budget.
Felbrigg Junction Improvement Scheme	-	The full contribution to this scheme was passed over to the County Council at the start of the financial year.
Cabbell Park Sport Changing Facilities	2,681	This scheme has been completed and the minor overspend is to be financed from the use of additional capital receipts.
Cabbell Park	17,860	This scheme is now complete; the additional expenditure incurred is to be financed from the use of capital receipts.
Trade Waste Bins	10,027	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 a Revenue Contribution to Capital Outlay (RCCO).
Telephony Procurement	(2,061)	This scheme is complete and has come in under budget.
Web Content Management System	1,425	This scheme is complete and the minor overspend is to be financed by capital receipts.

Log Solution to Satisfy PSN Code of Connection	(3,619)	This scheme is complete and has come in under budget.
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- 6.7 In addition to these, further explanations are required in relation to capital schemes which have incurred expenditure during the financial year.
- 6.7.1 Bacton Walcott Joint Study – During the 2016/17 financial year the Environment Agency gave further approvals for expenditure to be incurred against a scheme which will identify works to be undertaken as part of the Bacton Walcott Coastal Management Scheme. In total a further £57,008 of expenditure was incurred, which is to be funded by the receipt of a grant from the Environment Agency. In addition to this there is also a remaining balance of unspent grant allocation of £30,540 which has been included within the new year capital programme.
- 6.7.2 FLAG Projects – In 2015/16 the Council received approval to undertake various improvements to beach access across the district. This expenditure was to be financed from both grant monies, Revenue Contribution to Capital Outlay (RCCO) from the Coastal Management budget, and use of the Coastal Protection Reserve. In 2016/17 a further £2,492 of expenditure was incurred, which is to be funded from the use of capital receipts.
- 6.7.3 Bacton Walcott Sea Flood Assessment – This scheme was approved by the Environment Agency at the end of the 2015/16 financial year. Minor expenditure of £137 was incurred in the 2016/17 financial year in order to complete this scheme, with Environment Agency grant having been received in order to finance this.
- 6.7.4 GIS – Web Based Solution – Although this scheme was identified as being completed in 2015/16, a further £5,400 was incurred in relation to integration software development. This additional expenditure is to be funded by the use of capital receipts.
- 6.7.5 Fakenham Connect and Cromer Office Works – The final retention payments in relation to this scheme were paid in 2016/17 and were £95 more than accrued for in the previous financial year. The expenditure has been financed by an increase in the direct contributions from the new tenants.
- 6.8 In addition to the above, there have been a number of schemes where slippage of budgets has been identified from the 2016/17 budget into the new financial year. This has arisen mainly due to delays in scheme implementation, and more accurate re-profiling of these expenditure budgets will be undertaken as part of the Capital Budget Monitoring process in the new year.
- 6.9 Of the schemes where slippage is required there are nine where the budgets to be taken to the new financial year are in excess of £100,000. These schemes are summarised in Table 5.

**Table 5 - Slippage on Capital Schemes in Excess of £100,000**

<b>Capital Scheme</b>	<b>Amount £</b>
Egmere Business Zone	1,114,407
Disabled Facilities Grants	100,874
Housing Loans to Registered Providers	750,000
Compulsory Purchase of Long Term Empty Properties	289,200
Shannoeks Hotel	466,103
Community Housing Fund	400,000
Cromer Pier and West Prom Refurbishment	215,987
Pathfinder Project	139,907
Sheringham West Prom	171,496
<b>Total</b>	<b>3,647,974</b>

## **7 Capital Programme – 2017/18 Update**

- 7.7 Appendix E shows the updated capital programme for the period 2017/18 to 2020/21. 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 2017/18 budget report.
- 7.8 In addition to the schemes identified as part of the budget process, two further schemes have been included within the updated programme, as identified in paragraph 6.7.1.
- 7.9 The Bacton Walcott Joint Study received further Environment Agency grant approvals within 2016/17, which have resulted in the scheme continuing into the 2017/18 financial year. The total scheme allocations across the two stage scheme are £201,514, with all expenditure to be financed from grant. In total a balance of budget of £30,540 is available to be spent within the 2017/18 financial year.
- 7.10 At the Cabinet meeting on the 8<sup>th</sup> May approval was also given to the inclusion of a scheme for the information technology changes that will be required for the adoption and implementation of the Housing Allocations Scheme. In total a budget of £20,000 was to be made available, to be funded from capital receipts.
- 7.11 An amendment has also been made in respect of the budget available for the Disabled Facilities Grants capital scheme in 2017/18. Previously no assumption had been made in relation to the allocation of grant from the Department for Communities and Local Government for the 2017/18 financial year. The Council have subsequently received confirmation that the allocation for the new financial year is £1,030,087, which when added to the slippage from



2016/17, and existing budgets, has resulted in a total budget available of £2,377,012.

7.12 The final amendments made to the capital programme for 2017/18 relate to three schemes which have been removed due to the balance of budget no longer being required;

- Sheringham Beach Handrails - the balance of budget of £2,352 has been removed due to there being no further works identified
- Sheringham Promenade Lighting – as with the handrails no further works have been identified for this scheme and therefore the budget of £2,107 is to be removed
- Procurement for upgrade of Civica System (Revenues and Benefits) - there is a significant budget of £119,098 remaining for this scheme, however at the present time the potential costs of a new/upgraded system are not known. Once there is clarity around the potential costs and timing of any procurement an appropriate capital budget can then be identified.

## 8 2017/18 Budget Implications and Financial Forecast 2018/19 Onwards

8.1 The budget for 2017/18 was approved in February 2017. At the same time financial projections for the following three years to 2020/21 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 £804,839 in 2018/19 and to just over £858,000 for 2019/20.

8.2 The forward financial projections from 2018/19 onwards make assumptions around the future funding from government support and known commitments and changes to service expenditure. Table 6 below provides a summary of the current reported funding gaps for the next three years.

<b>Table 6 – Current Reported Funding Forecast</b>			
	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Current Funding Gap/(surplus) <sup>1</sup>	(39)	732	1,276

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 2018/19 budget process.

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

<sup>1</sup> As reported in the 2017/18 Budget Report, February 2017

- 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 and responding to spending pressures and changes in service demand. The more significant risks in relation to the outturn position for 2016/17 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 2017/18 financial year. Some of the underspends from 2016/17 which are in relation to ongoing savings have already been factored into the 2017/18 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 £27 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. These risks are again however mitigated by the Business Rates Earmarked Reserve.
- 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 2016/17

	Full Year Budget £	Outturn £	Variance £
<b>Net Cost Of Services</b>			
Corporate	325,834	316,811	(9,023)
Community, Econ Dev & Leisure	3,259,370	2,956,264	(303,107)
Customer Services & ICT	2,260,104	2,075,198	(184,906)
Democratic and Legal Services	664,466	620,241	(44,225)
Environmental Health	3,837,850	3,222,187	(615,663)
Finance and Assets	2,701,920	2,520,598	(181,322)
Planning	1,791,545	1,835,777	44,232
<b>Net Cost Of Services</b>	<b>14,841,089</b>	<b>13,547,076</b>	<b>(1,294,013)</b>
<b>Non Service Expenditure/Income</b>			
Precepts Of Parish Councils	1,887,806	1,887,806	(0)
Capital Charges	(2,209,805)	(1,801,049)	408,756
Refcus	(134,139)	(209,415)	(75,276)
Provision for Debt Repayment	81,000	0	(81,000)
Interest Receivable	(602,000)	(561,290)	40,710
Retirement Benefits	263,692	199,926	(63,766)
Revenue Financing For Capital	891,080	343,843	(547,237)
<b>Non Service Expenditure/Income</b>	<b>177,634</b>	<b>(140,179)</b>	<b>(317,813)</b>
<b>Contributions To/(From) Earmarked Reserves:</b>			
Contributions To/(From) General Reserve	(304,331)	(265,986)	38,345
Contributions To/(From) Capital Projects Reserve	(707,790)	(21,484)	686,306
Contributions To/(From) Earmarked Reserves	909,362	4,076,202	3,166,840
Total Contributions To/From Earmarked Reserves	(102,759)	3,788,732	3,891,491
	14,915,964	17,195,629	2,279,665
<b>Income</b>			
Collection Fund - Parishes	(1,887,806)	(1,887,806)	0
Collection Fund - District	(5,473,605)	(5,473,605)	0
Retained Business Rates	(3,406,572)	(3,904,859)	(498,287)
Revenue Support Grant	(1,575,147)	(1,575,147)	0
New Homes Bonus	(2,092,049)	(2,092,049)	0
Community Housing Fund Grant	0	(2,436,942)	(2,436,942)
Council tax Grant	0	(15,835)	(15,835)
Rural Services Delivery Grant	(480,785)	(480,785)	0
<b>Income from Government Grant and Taxpayers</b>	<b>(14,915,964)</b>	<b>(17,867,028)</b>	<b>(2,951,064)</b>
<b>(Surplus)/Deficit</b>	<b>0</b>	<b>(671,399)</b>	<b>(671,399)</b>

## Service Area Summaries 2016/17

## Community, Econ Dev &amp; Coast

	Budget	Outturn	Variance
	£	£	£
Health	0	0	0
Car Parking	(1,609,397)	(1,671,221)	(61,824)
Markets	65,400	72,601	7,201
Parks & Open Spaces	436,876	457,441	20,565
Foreshore	230,440	194,960	(35,480)
Sports Centres	272,926	297,269	24,343
Leisure Complexes	644,283	874,762	230,479
Other Sports	106,979	87,416	(19,563)
Recreation Grounds	14,797	13,184	(1,613)
Arts & Entertainments	105,921	124,686	18,765
Pier Pavilion	104,530	97,292	(7,238)
Foreshore (Community)	398,214	396,159	(2,055)
Woodlands Management	199,064	238,151	39,087
Cromer Pier	102,595	96,688	(5,907)
Beach Huts & Chalets	(7,131)	(27,086)	(19,955)
General Economic Development	375,802	321,494	(54,308)
Tourism	102,208	106,230	4,022
Nnflag Project	0	0	0
Coast Protection	1,080,719	1,077,135	(3,584)
Regeneration Management	87,140	0	(87,140)
Economic & Comm Dev Mgt	0	0	0
Leisure	(1,500)	0	1,500
Housing (Health & Wellbeing)	239,821	185,266	(54,555)
Housing Strategy	174,348	(82,592)	(256,940)
Cctv	2,160	2,160	0
Community And Localism	133,176	94,268	(38,908)
Coastal Management	0	0	0
<b>Total Community, Econ Dev &amp; Coast</b>	<b>3,259,370</b>	<b>2,956,264</b>	<b>(303,107)</b>

## Service Area Summaries P12 2016/17

## Community, Econ Dev &amp; Coast

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Health</b>				
Gross Direct Costs	0	4,038	4,038	No Major Variances.
Gross Direct Income	0	(4,038)	(4,038)	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Car Parking</b>				
Gross Direct Costs	681,438	707,674	26,236	<b>Note 1</b>
Capital Charges	29,485	29,485	0	No major Variances.
Gross Direct Income	(2,468,018)	(2,592,962)	(124,944)	<b>Note 2</b>
Support Service Charges	147,698	184,583	36,885	£44,644 - Additional recharges from Property Services. (£8,980) - Reduction in recharges from Accountancy.
	<b>(1,609,397)</b>	<b>(1,671,221)</b>	<b>(61,824)</b>	
<b>Note 1</b> - £38,948 - Additional expenditure on repairs and maintenance of machines. £24,232 - Additional rental due in relation to Gold Park and Clink Road Car Parks, offset by additional income. £5,887 - Increase in NNDR costs. £24,761 - Additional fees associated with prospective new car parks. £7,513 - Additional credit card charges resultant from change in payment methods. (£76,828) - Reduction to Management Contract costs following changes to car parking orders and enforcement requirements.				
<b>Note 2</b> - (£69,729) - Additional car park fee income. (£8,842) - Penalty charge notice income. (£31,346) - Additional season ticket income. (£14,864) - Rental income following use of car parks as compounds by contractors.				
<b>Markets</b>				
Gross Direct Costs	74,776	69,564	(5,212)	No Major Variances.
Gross Direct Income	(61,626)	(58,838)	2,788	Reduction in market fee income following downward trend in the number of traders.
Support Service Charges	52,250	61,875	9,625	£12,377 - Additional Property Services recharges.
	<b>65,400</b>	<b>72,601</b>	<b>7,201</b>	
<b>Parks &amp; Open Spaces</b>				
Gross Direct Costs	326,180	335,269	9,089	Repairs to fixtures and fitting at Evington lawns, Marrams and various water features.
Capital Charges	41,446	48,223	6,777	Depreciation.
Gross Direct Income	(14,590)	(11,394)	3,196	No Major Variances.
Support Service Charges	83,840	85,342	1,502	No Major Variances.
	<b>436,876</b>	<b>457,441</b>	<b>20,565</b>	
<b>Foreshore</b>				
Gross Direct Costs	120,002	112,050	(7,952)	Underspend on repairs and maintenance.
Capital Charges	48,528	7,979	(40,549)	Reduction in depreciation costs as capital scheme is not yet complete.
Gross Direct Income	0	(2,188)	(2,188)	No Major Variances.
Support Service Charges	61,910	77,119	15,209	Additional Property Services recharges.
	<b>230,440</b>	<b>194,960</b>	<b>(35,480)</b>	
<b>Sports Centres</b>				
Gross Direct Costs	298,880	303,538	4,658	(£5,828) - Expenditure on bar stock is lower than expected. (£11,060) - Hall hire charges are lower than anticipated. £12,006 - Sports Hall improvements at Stalham. This will be funded from the earmarked reserve. The balance consists of minor variances.
Capital Charges	12,496	12,497	1	No Major Variances.
Gross Direct Income	(142,820)	(128,456)	14,364	£7,460 - Income from charges to use the facilities is lower than anticipated. £7,161 - Income from bar sales is lower than expected.
Support Service Charges	104,370	109,690	5,320	£12,118 - Admin Buildings, reallocation of office space. The balance consists of minor variances.
	<b>272,926</b>	<b>297,269</b>	<b>24,343</b>	
<b>Leisure Complexes</b>				
Gross Direct Costs	317,055	330,384	13,329	Lighting and external repairs, including roof repairs at The Splash.
Capital Charges	306,998	525,644	218,646	Depreciation.
Support Service Charges	20,230	18,734	(1,496)	No Major Variances.
	<b>644,283</b>	<b>874,762</b>	<b>230,479</b>	

## Service Area Summaries P12 2016/17

## Community, Econ Dev &amp; Coast

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Other Sports</b>				
Gross Direct Costs	148,929	122,008	(26,921)	(£21,781) - Sports Hubs and Clubs spend lower than anticipated, offset by reduced grant. (£6,000) - Grants awarded are lower than expected.
Gross Direct Income	(82,700)	(76,581)	6,119	No Major Variances.
Support Service Charges	40,750	41,989	1,239	No Major Variances.
	<b>106,979</b>	<b>87,416</b>	<b>(19,563)</b>	
<b>Recreation Grounds</b>				
Gross Direct Costs	8,108	8,595	487	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	7,610	5,798	(1,812)	No Major Variances.
	<b>14,797</b>	<b>13,184</b>	<b>(1,613)</b>	
<b>Arts &amp; Entertainments</b>				
Gross Direct Costs	101,288	95,271	(6,017)	No Major Variances.
Capital Charges	211	211	0	No Major Variances.
Gross Direct Income	(27,738)	(25,288)	2,450	No Major Variances.
Support Service Charges	32,160	54,493	22,333	£5,502 - Business growth staffing charge, £18,943 - Housing Strategy & Communities staffing charge
	<b>105,921</b>	<b>124,686</b>	<b>18,765</b>	
<b>Pier Pavilion</b>				
Gross Direct Costs	90,380	86,329	(4,051)	Contract procurement support not spent in 2016/17, will be required in 2017/18 therefore will be transferred back to an earmarked reserve.
Support Service Charges	14,150	10,963	(3,187)	No Major Variances.
	<b>104,530</b>	<b>97,292</b>	<b>(7,238)</b>	
<b>Foreshore (Community)</b>				
Gross Direct Costs	365,344	361,756	(3,588)	£8,455 - Expenditure incurred in relation to the Blue Flag and other seaside awards. (£9,384) - Expenditure was not incurred on memorial seats.
Gross Direct Income	0	(2,730)	(2,730)	No Major Variances.
Support Service Charges	32,870	37,133	4,263	No Major Variances.
	<b>398,214</b>	<b>396,159</b>	<b>(2,055)</b>	
<b>Woodlands Management</b>				
Gross Direct Costs	134,928	169,955	35,027	£8,702 - Grounds maintenance costs higher than expected. £6,865 - Salaries and on costs higher than anticipated. £7,349 - Improvement works at Holt County Park Visitor Centre. £6,739 - Tree work at Holt Country Park roadside.
Capital Charges	1,346	1,346	0	No Major Variances.
Gross Direct Income	(25,550)	(37,685)	(12,135)	(£4,419) - Grant for works at Pretty Corner Woods. (£8,393) - Income from events held.
Support Service Charges	88,340	104,535	16,195	£6,849 - Admin Buildings - reallocation of office space. £4,364 - Leisure Services - as a result of higher costs. The balance consists of minor variances.
	<b>199,064</b>	<b>238,151</b>	<b>39,087</b>	

## Service Area Summaries P12 2016/17

## Community, Econ Dev &amp; Coast

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Cromer Pier</b>				
Gross Direct Costs	82,320	112,438	30,118	Costs relating to the January 2017 Storm Surge.
Capital Charges	24,795	23,716	(1,079)	No Major Variances.
Gross Direct Income	(16,490)	(47,750)	(31,260)	(£29,857) - Insurance claim relating to the January 2017 Storm Surge.
Support Service Charges	11,970	8,283	(3,687)	No Major Variances.
	<b>102,595</b>	<b>96,688</b>	<b>(5,907)</b>	
<b>Beach Huts &amp; Chalets</b>				
Gross Direct Costs	47,829	49,261	1,432	£3,936 - Increased repairs and maintenance costs inclusive of repairs resulting from Storm Surge damage. (£4,303) - Reduced NNDR costs
Gross Direct Income	(111,400)	(144,716)	(33,316)	(£18,116) - Additional chalet and beach hut rental income. (£15,200) - Potential insurance claim recovery following Storm Surge.
Support Service Charges	56,440	68,368	11,928	£8,882 - Increased Property Services Recharges
	<b>(7,131)</b>	<b>(27,086)</b>	<b>(19,955)</b>	
<b>General Economic Development</b>				
Gross Direct Costs	161,272	128,361	(32,911)	(£9,345) Adjustment re Pension deficit funding following staffing restructure. (£8,966) Reduction in provision for bad and doubtful debts not budgeted for at service level. (£14,600) Slippage in planned expenditure, this has been requested to roll forward to be utilised in 2017/18.
Gross Direct Income	0	(20,235)	(20,235)	Grants received in respect of Sheringham and Blakeney Coastal Communities. This will be drawn down during 2017/18.
Support Service Charges	214,530	213,368	(1,162)	No Major Variances.
	<b>375,802</b>	<b>321,494</b>	<b>(54,308)</b>	
<b>Tourism</b>				
Gross Direct Costs	52,338	44,095	(8,243)	(£8,243) Slippage in planned expenditure, this has been requested to roll forward to be utilised in 2017/18.
Support Service Charges	49,870	62,135	12,265	Lower recharges to internal customers reflecting lower direct costs.
	<b>102,208</b>	<b>106,230</b>	<b>4,022</b>	
<b>Coast Protection</b>				
Gross Direct Costs	320,975	349,431	28,456	£40,262 Relates to Storm Surge work; £16,636 - Retentions, stock issues, surveys and small maintenance works; (£29,000) Project for Bacton/Walcott Stage 15 not completed in-year - to be rolled forward for use in 2017/18.
Capital Charges	529,999	477,557	(52,442)	Lower than anticipated capital spend in a prior year.
Gross Direct Income	(25)	(5,000)	(4,975)	Contributions towards the LGA Coastal SIG (Special Interest Group).
Support Service Charges	229,770	255,147	25,377	£15,622 Coastal Management; £8,664 Property Services.
	<b>1,080,719</b>	<b>1,077,135</b>	<b>(3,584)</b>	
<b>Regeneration Management</b>				
Gross Direct Costs	292,117	279,530	(12,587)	Staff saving from vacant post.
Gross Direct Income	0	(1,025)	(1,025)	No Major Variances.
Support Service Charges	(204,977)	(278,504)	(73,527)	£9,292 Admin Buildings - reallocation of office space. (£80,072) Higher recharges to internal customers.
	<b>87,140</b>	<b>0</b>	<b>(87,140)</b>	

## Service Area Summaries P12 2016/17

## Community, Econ Dev &amp; Coast

	Budget £	Outturn £	Variance £	Variance Explanation
<b>Economic &amp; Comm Dev Mgt</b>				
Gross Direct Costs	67,365	68,649	1,284	No Major Variances.
Support Service Charges	(67,365)	(68,649)	(1,284)	No Major Variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Leisure</b>				
Gross Direct Costs	91,869	118,794	26,925	Reorganisation costs funded from reserves.
Gross Direct Income	(700)	0	700	No Major Variances.
Support Service Charges	(92,669)	(118,794)	(26,125)	(£17,852) - Increased recharges to internal customers as a result of higher costs. The balance consists of minor variances.
	<b>(1,500)</b>	<b>0</b>	<b>1,500</b>	
<b>Housing (Health &amp; Wellbeing)</b>				
Gross Direct Costs	148,228	141,650	(6,578)	This balance is made up of a number of smaller variances.
Capital Charges	33,231	0	(33,231)	This reflects the current capital programme.
Gross Direct Income	0	(8,184)	(8,184)	This reflects the balance of DFG admin that will be earmarked for spend in 2017/18.
Support Service Charges	58,362	51,800	(6,562)	No Major Variances.
	<b>239,821</b>	<b>185,266</b>	<b>(54,555)</b>	
<b>Housing Strategy</b>				
Gross Direct Costs	218,377	204,461	(13,916)	£12,988 Staff Costs . (£22,000) Viability Consultant expenditure, this will be rolled forward in the reserve to be utilised in 2017/18.
Capital Charges	100,908	100,908	0	
Gross Direct Income	(175,000)	(304,117)	(129,117)	Greater VAT shelter receipts received from Victory Housing Association. This will not affect the General Fund position as these receipts are transferred to the Capital Project Reserve to fund capital expenditure.
Support Service Charges	30,063	(83,844)	(113,907)	(£74,702) Housing Strategy & Communities, (£37,345) Legal Services & Client Disbursements, £12,035 Customer Services Housing, £5,477 Admin Buildings, £6,156 Personnel & Computer costs. (£24,627) Higher recharges to internal customers.
	<b>174,348</b>	<b>(82,592)</b>	<b>(256,940)</b>	
<b>Cctv</b>				
Capital Charges	2,160	2,160	0	No Major Variances.
	<b>2,160</b>	<b>2,160</b>	<b>0</b>	
<b>Community And Localism</b>				
Gross Direct Costs	655,879	508,383	(147,496)	(£145,887) - 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.
Gross Direct Income	(624,773)	(643,498)	(18,725)	Additional for council tax base - adjustment for outturn of 2nd homes tax base in 16/17 , this will be transferred to the Communities reserve.
Support Service Charges	102,070	229,383	127,313	£20,016 - Business growth staffing charge, £113,659 - Housing Strategy & Communities staffing charge
	<b>133,176</b>	<b>94,268</b>	<b>(38,908)</b>	
<b>Coastal Management</b>				
Gross Direct Costs	146,910	158,507	11,597	£17,538 - Contribution to Coastal Partnership East (CPE) offset by a saving of (£7,513) due to a vacant post
Support Service Charges	(146,910)	(158,507)	(11,597)	Higher recharges to internal customers reflecting higher direct costs
	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>3,259,370</b>	<b>2,956,264</b>	<b>(303,107)</b>	



## Service Area Summaries 2016/17

## Clt / Corporate

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Human Resources & Payroll	8,000	0	(8,000)
Policy & Performance Mgt	(4,000)	0	4,000
Registration Services	321,834	316,811	(5,023)
Corporate Leadership Team	0	0	0
Web Team	0	0	0
<b>Total Clt / Corporate</b>	<b>325,834</b>	<b>316,811</b>	<b>(9,023)</b>

## Service Area Summaries P12 2016/17

## Clf / Corporate

	Budget £	Outturn £	Variance £	Variance Explanation
<b>Human Resources &amp; Payroll</b>				
Gross Direct Costs	325,837	379,586	53,749	£43,514 - Salaries and oncosts, offset by shared service income. The balance of £21,269 is as a result of not being able to operate a shared HR Service including either sharing or running external payrolls. (£19,362) - Lower expenditure on the Common Training programme. The balance consists of minor variances
Gross Direct Income	(1,000)	(49,337)	(48,337)	Shared services income including (£4,347) for Shared services training costs.
Support Service Charges	(316,837)	(330,249)	(13,412)	£6,578 - Postal & Scanning, higher costs and more staff time. £15,029 - Admin Buildings, reallocation of office space. (£36,372) - Higher recharges to internal customers reflecting higher direct costs.
	<b>8,000</b>	<b>0</b>	<b>(8,000)</b>	
<b>Policy &amp; Performance Mgt</b>				
Gross Direct Costs	54,241	47,558	(6,683)	(£4,409) - Salaries and oncosts lower as a result of a vacant post.
Support Service Charges	(58,241)	(47,558)	10,683	(£10,009) - Personnel services charge lower following restructuring. £19,960 - Lower recharges to internal customers reflecting lower direct costs.
	<b>(4,000)</b>	<b>0</b>	<b>4,000</b>	
<b>Registration Services</b>				
Gross Direct Costs	204,664	679,274	474,610	The variance relates to the conduct of various elections held in the year with costs relating to stationery, equipment and printing of £147,203, postage costs of £22,504, hall hire of £39,296, staffing at £238,680. VAT of £23,533 has been repaid to HMRC.
Gross Direct Income	(38,720)	(497,776)	(459,056)	Income received relating to elections as follows: (£2,290) - By-elections; (£184,243) - Police and Crime Commissioner Election and (£192,257) - EU Referendum. (£76,990) relates to funding received for IER (Individual Electoral Registration).
Support Service Charges	155,890	135,314	(20,576)	Postal and Scanning £21,838 offset against savings of (£20,610) Personnel, (£5,429) Creditors, (£5,096) Reprographics, (£5,442) Customer Services, (£4,560) CLT/Digital Transformation
	<b>321,834</b>	<b>316,811</b>	<b>(5,023)</b>	

## Service Area Summaries P12 2016/17

## Clt / Corporate

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Corporate Leadership Team</b>				
Gross Direct Costs	470,474	497,363	26,889	£39,821 - Salaries and oncosts, offset by shared service income. (£12,126) - Savings resulting from restructuring.
Gross Direct Income	0	(39,821)	(39,821)	Shared services income
Support Service Charges	(470,474)	(457,542)	12,932	£9,422 - Admin Buildings, reallocation of office space. £9,633 - Lower recharges to internal customers reflecting lower direct costs. The balance consists of minor variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Web Team</b>				
Gross Direct Costs	235,928	237,400	1,472	No Major Variances
Capital Charges	60,100	7,000	(53,100)	Intangible Amortisation
Gross Direct Income	0	(5,135)	(5,135)	Charges for filming rights.
Support Service Charges	(296,028)	(239,265)	56,763	Lower recharges to internal customers reflecting lower direct costs. The balance consists of minor variances.
	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>325,834</b>	<b>316,811</b>	<b>(9,023)</b>	

## Service Area Summaries 2016/17

## Customer Services &amp; ICT

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Local Taxation	521,008	624,104	103,096
Benefits Administration	1,023,512	709,994	(313,518)
Benefits & Revenues Mgmt	0	0	0
It - Support Services	23,620	6,248	(17,372)
Tic'S	221,803	305,580	83,777
Homelessness	404,720	429,273	24,553
Customer Services Housing	0	0	0
Digital Transformation	84,588	0	(84,588)
Reprographics	0	0	0
Customer Services - Corporate	(19,147)	0	19,147
<b>Total Customer Services &amp; ICT</b>	<b>2,260,104</b>	<b>2,075,198</b>	<b>(184,906)</b>

## Customer Services &amp; ICT

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Local Taxation</b>				
Gross Direct Costs	549,609	593,428	43,819	£10,700 Staff costs. £19,610 Movement in the provision for bad and doubtful debts not budgeted for at service level. £6,611 Postage costs.
Gross Direct Income	(430,781)	(421,586)	9,195	Reduction in income from court costs awarded.
Support Service Charges	402,180	452,262	50,082	£48,238 Corporate Enforcement Team, £22,850 Admin Buildings, £44,432 Digital Transformation, (£18,414) Postal & Scanning, (£14,200) Benefits & Revs Mgt., (£7,410) Legal Services, (£11,111) Telephone Services, Reprographics and Communications.
	<b>521,008</b>	<b>624,104</b>	<b>103,096</b>	
<b>Benefits Administration</b>				
Gross Direct Costs	830,882	735,063	(95,819)	(£108,557) Staff savings from vacant posts. £10,265 Supplies and services expenditure including computer software.
Capital Charges	118,371	17,497	(100,874)	This reflects slippage in the capital programme.
Gross Direct Income	(431,761)	(544,475)	(112,714)	(£79,114) Benefits Administration grant greater than anticipated. Misc. grants from DWP to fund additional costs i.e. software.
Support Service Charges	506,020	501,910	(4,110)	No Major Variances.
	<b>1,023,512</b>	<b>709,994</b>	<b>(313,518)</b>	
<b>Benefits &amp; Revenues Mgmt.</b>				
Gross Direct Costs	47,495	0	(47,495)	Full Year effect of Head of Revs and Bens post not recruited in to. This has been taken out of the establishment from 2017/18 inwards.
Support Service Charges	(47,495)	0	47,495	
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>It - Support Services</b>				
Gross Direct Costs	1,016,634	1,030,573	13,939	£7,398 - Expenditure on hardware purchases is greater than anticipated. (£17,256) - Expenditure on software licences is lower than anticipated. £21,442 - Computer maintenance spend is higher than expected. £9.850 - Information Technology training is higher than expected. (£9,674) - Telephone call costs are lower than anticipated.
Capital Charges	92,912	95,452	2,540	No Major Variances.
Gross Direct Income	(410)	(4,022)	(3,612)	No Major Variances.
Support Service Charges	(1,085,516)	(1,115,755)	(30,239)	£16,422 - Admin Buildings, higher costs and reallocation of office space. £56,164 - Digital Transformation, higher costs and reallocation of staff time. (£100,420) - Higher recharge to internal customers as a result of higher service costs.
	<b>23,620</b>	<b>6,248</b>	<b>(17,372)</b>	
<b>Tic'S</b>				
Gross Direct Costs	129,250	134,014	4,764	£5,238 - Salaries and oncosts are higher than expected.
Capital Charges	6,473	56,187	49,714	£50,000 - Refcus charge re North Norfolk Railway.
Gross Direct Income	(35,210)	(30,147)	5,063	£5,063 - Income from fees and sales is lower than anticipated.
Support Service Charges	121,290	145,525	24,235	(£5,006) - Reduced recharge from Customer Services as a result of changes in staff time. £10,795 - Admin Buildings, reallocation of office space. £26,004 - Digital Transformation, higher costs and reallocation of staff time. The balance consists of minor variances.
	<b>221,803</b>	<b>305,580</b>	<b>83,777</b>	

## Customer Services &amp; ICT

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Homelessness</b>				
Gross Direct Costs	87,692	128,593	40,901	£47,843 Expenditure on temporary Bed and Breakfast accommodation. (£13,440) Reduction in advances relating to rent deposits. £7,278 Movement in the provision for bad and doubtful debts.
Capital Charges	6,630	6,630	0	No Major Variances.
Gross Direct Income	(79,042)	(103,713)	(24,671)	Additional recoverable income from homelessness accommodation.
Support Service Charges	389,440	397,763	8,323	No Major Variances.
	<b>404,720</b>	<b>429,273</b>	<b>24,553</b>	
<b>Customer Services Housing</b>				
Gross Direct Costs	240,238	232,616	(7,622)	No Major Variances.
Gross Direct Income	0	(146)	(146)	No Major Variances.
Support Service Charges	(240,238)	(232,470)	7,768	No Major Variances.
	<b>0</b>	<b>0</b>	<b>(0)</b>	
<b>Digital Transformation</b>				
Gross Direct Costs	269,059	286,346	17,287	£5,160 - Salaries and oncosts are higher than anticipated. £12,812 - Pensions deficit funding.
Support Service Charges	(184,471)	(286,346)	(101,875)	£9,122 - Personnel services, increase in staff time. £27,442 - Computer Network and PCs, higher costs and reallocation of staff time. £23,415 - Computer Applications Team, higher costs and reallocation of staff time. £10,192 - Admin Buildings, reallocation of office space. (£190,835) - Higher recharge to internal customers as a result of higher service costs. The balance consists of minor variances.
	<b>84,588</b>	<b>0</b>	<b>(84,588)</b>	
<b>Reprographics</b>				
Gross Direct Costs	149,688	93,097	(56,591)	(£18,829) - Salaries and on costs are lower as a result of a vacant post. (£27,848) - Operating lease rental costs are lower than expected as a result of renegotiating the printer contract. (£5,286) - Expenditure on paper is lower than expected.
Capital Charges	12,000	12,603	603	No Major Variances.
Gross Direct Income	(7,500)	(10,048)	(2,548)	No Major Variances.
Support Service Charges	(154,188)	(95,651)	58,537	£66,162 - Lower recharge to internal customers as a result of lower service costs.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Customer Services - Corporate</b>				
Gross Direct Costs	548,220	560,719	12,499	(£10,344) - Salaries and on costs are lower as a result of vacant posts. £10,061 - Pensions deficit funding. £10,600 - Higher than expected equipment repair and maintenance costs.
Capital Charges	18,181	18,160	(21)	No Major Variance
Gross Direct Income	(29,070)	(30,764)	(1,694)	No Major Variance
Support Service Charges	(556,478)	(548,116)	8,362	(£14,750) - No recharge from Benefits and Revenues Management £15,805 - Personnel Services, higher costs and reallocation of staff time. £36,808 - Admin Buildings, reallocation of office space. £55,278 - Digital Transformation, higher costs and reallocation of staff time. (£84,046) - Higher recharge to internal customers as a result of higher service costs.
	<b>(19,147)</b>	<b>0</b>	<b>19,147</b>	
	<b>2,260,104</b>	<b>2,075,198</b>	<b>(184,906)</b>	

## Service Area Summaries 2016/17

### Democratic & Legal Services

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Members Services	664,466	620,241	(44,225)
Legal Services	0	0	0
<b>Total Legal &amp; Democratic Svs</b>	<b>664,466</b>	<b>620,241</b>	<b>(44,225)</b>

## Service Area Summaries P12 2016/17

## Democratic &amp; Legal Services

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Members Services</b>				
Gross Direct Costs	505,756	484,261	(21,495)	(£16,965) - The original budget assumed a level of increase to Member allowances, the financial impact of the actual allowances approved was less than the level budgeted. The balance consists of minor variances.
Capital Charges	2,500	2,500	0	No Major Variances.
Gross Direct Income	(400)	(231)	169	No Major Variances.
Support Service Charges	156,610	133,711	(22,899)	(£19,250) - Personnel services, reallocation of staff time.
	<b>664,466</b>	<b>620,241</b>	<b>(44,225)</b>	
<b>Legal Services</b>				
Gross Direct Costs	547,583	517,153	(30,430)	(£25,283) - Salaries and oncosts are lower as a result of vacant posts. The balance consists of minor variances.
Gross Direct Income	(252,630)	(326,746)	(74,116)	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	(294,953)	(190,406)	104,547	£6,362 - Personnel services, higher costs and reallocation of staff time. (£4,195) - Reprographics, lower service costs. (£3,165) - Communications, lower service costs. £13,628 - Admin Buildings, reallocation of office space. (£4,560) - Housing Strategy and Communities, lower staff time. £98,953 - Lower recharge to internal customers as a result of lower service costs.
	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>664,466</b>	<b>620,241</b>	<b>(44,225)</b>	



## Service Area Summaries 2016/17

## Environmental Health

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Commercial Services	497,472	473,903	(23,569)
Rural Sewerage Schemes	376,944	368,266	(8,678)
Travellers	100,585	97,639	(2,946)
Public Protection	111,400	109,800	(1,600)
Street Signage	32,516	13,892	(18,624)
Pest Control	18,300	15,210	(3,090)
Environmental Protection	586,702	601,484	14,782
Dog Control	66,877	36,457	(30,420)
Env Health - Service Mgmt	0	0	0
Corporate Enforcement Team	120,139	0	(120,139)
Waste Collection And Disposal	1,132,112	712,564	(419,548)
Cleansing	609,129	610,179	1,050
Environmental Strategy	14,760	17,306	2,546
Community Safety	22,599	33,439	10,840
Civil Contingencies	148,315	132,048	(16,267)
<b>Total Environmental Health</b>	<b>3,837,850</b>	<b>3,222,187</b>	<b>(615,663)</b>

## Service Area Summaries P12 2016/17

## Environmental Health

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Commercial Services</b>				
Gross Direct Costs	363,407	366,900	3,493	Costs associated with Private Water Sampling (PWS) offset by staff savings - maternity cover and secondments.
Gross Direct Income	(22,435)	(33,159)	(10,724)	Additional income associated with PWS and risk assessments.
Support Service Charges	156,500	140,162	(16,338)	£13,208 Admin Buildings - higher costs and reallocation of office space. Offset by lower recharges from Environmental Health, Central Costs, Digital Transformation, Reprographics and Computers reflecting a more accurate reflection of staff time spent on the service.
	<b>497,472</b>	<b>473,903</b>	<b>(23,569)</b>	
<b>Rural Sewerage Schemes</b>				
Gross Direct Costs	376,504	368,091	(8,413)	Inland Drainage Board levies less than budgeted.
Support Service Charges	440	175	(265)	No major variances.
	<b>376,944</b>	<b>368,266</b>	<b>(8,678)</b>	
<b>Travellers</b>				
Gross Direct Costs	5,355	(834)	(6,189)	No Major Variances.
Capital Charges	97,800	97,800	0	
Gross Direct Income	(4,000)	(594)	3,406	Lower facility charges due to lower occupancy.
Support Service Charges	1,430	1,267	(163)	No Major Variances.
	<b>100,585</b>	<b>97,639</b>	<b>(2,946)</b>	
<b>Public Protection</b>				
Gross Direct Costs	164,545	187,477	22,932	£6,020 Pension deficit funding; £13,179 Staffing costs to cover maternity leave.
Gross Direct Income	(161,185)	(203,590)	(42,405)	Additional income for taxis and premises licences where there are cyclical fee structures. £30,000 will be transferred to the EH earmarked reserve and considered as part of future fee setting.
Support Service Charges	108,040	125,913	17,873	(£6,297) Environmental Health, (£4,905) Legal, £5,389 Postal & Scanning, £4,783 Personnel, £6,297 Computers - reallocation of staff time. £8,341 - Admin Buildings - higher costs and reallocation of office space.
	<b>111,400</b>	<b>109,800</b>	<b>(1,600)</b>	
<b>Street Signage</b>				
Gross Direct Costs	24,341	5,995	(18,346)	Delay in installation of street signs due to a vacant post. Request made to roll forward for future use.
Capital Charges	7,565	7,565	0	
Gross Direct Income	0	(185)	(185)	No Major Variances.
Support Service Charges	610	517	(93)	No Major Variances.
	<b>32,516</b>	<b>13,892</b>	<b>(18,624)</b>	
<b>Pest Control</b>				
Gross Direct Costs	15,919	16,712	793	No Major Variances.
Capital Charges	1,306	1,306	0	
Gross Direct Income	(4,945)	(2,808)	2,137	No Major Variances.
Support Service Charges	6,020	0	(6,020)	Minor variances reflecting a more accurate allocation of time.
	<b>18,300</b>	<b>15,210</b>	<b>(3,090)</b>	

## Service Area Summaries P12 2016/17

## Environmental Health

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Environmental Protection</b>				
Gross Direct Costs	437,127	449,659	12,532	Staffing - maternity cover and secondments.
Gross Direct Income	(10,055)	(21,490)	(11,435)	Additional income from LAPC (Local Authority Pollution Control), assisted burials and rechargeable works.
Support Service Charges	159,630	173,315	13,685	£8,431 Personnel, £7,158 Computers, (£8,517) Legal, (£3,588) Customer services and reprographics - reallocation of staff time. £16,461 Admin Buildings - higher costs and reallocation of office space. (£5,420) Capitalized salaries.
	<b>586,702</b>	<b>601,484</b>	<b>14,782</b>	
<b>Dog Control</b>				
Gross Direct Costs	39,161	35,840	(3,321)	No Major Variances.
Capital Charges	1,306	1,306	0	
Gross Direct Income	(1,000)	(689)	311	No Major Variances.
Support Service Charges	27,410	0	(27,410)	Minor variances reflecting a more accurate allocation of time.
	<b>66,877</b>	<b>36,457</b>	<b>(30,420)</b>	
<b>Env Health - Service Mgmt</b>				
Gross Direct Costs	138,550	122,877	(15,673)	(£6,888) Staff on secondment within other areas of Environmental Health. The balance relates to misc. underspends in supplies and services which include postage and equipment/computer purchases.
Capital Charges	33,385	4,771	(28,614)	Lower than anticipated capital spend in a prior year.
Support Service Charges	(171,935)	(127,648)	44,287	Lower recharges to internal customers reflecting lower direct costs.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Corporate Enforcement Team</b>				
Gross Direct Costs	120,139	132,305	12,166	Pension deficit funding and additional travelling costs.
Support Service Charges	0	(132,305)	(132,305)	(£202,937) - Higher recharges to internal customers of the new Corp. Enforcement Team - these are offset by recharges of officer time including: £32,148 Head of Planning, £5,760 Personnel, £11,406, £4,480 Central Costs and £5,226 Digital Transformation. £5,867 Admin Buildings - higher costs and reallocation of office space.
	<b>120,139</b>	<b>0</b>	<b>(120,139)</b>	
<b>Waste Collection And Disposal</b>				
Gross Direct Costs	3,364,878	3,476,589	111,711	See <b>Note A</b> below
Capital Charges	316,061	44,836	(271,225)	Depreciation costs.
Gross Direct Income	(2,777,927)	(2,983,739)	(205,812)	See <b>Note B</b> below
Support Service Charges	229,100	174,878	(54,222)	See <b>Note C</b> below
	<b>1,132,112</b>	<b>712,564</b>	<b>(419,548)</b>	

**Note A** : £59,830 Kier contractor costs including a trade waste vehicle, additional garden waste treatment costs and lower bin delivery costs; £54,004 Norfolk Environmental Waste Services (NEWS) - change in gate fee structure and additional contamination costs; (£12,146) Lower commercial disposal costs; £9,775 Bin refurbishments.

**Note B** : (£152,278) Additional fee income from bulky, garden and trade waste collections; (£35,171) Additional income from recycling credits; (£20,031) Smoothing adjustment payment from NEWS joint venture.

**Note C** : (£8,464) Environmental Health, (£12,225) Customer Services, (£4,810) Computers, (£14,575) Sundry Debtors, (£4,144) Central Costs, (£4,750) Digital Transformation, (£5,835) Creditors/Accountancy - reallocation of staff time. £6,604 Admin Buildings - higher costs and reallocation of office space.

## Service Area Summaries P12 2016/17

## Environmental Health

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Cleansing</b>				
Gross Direct Costs	634,373	634,561	188	£6,751 Staffing - secondment costs; £16,489 Replacement litter bins (Storm Damage); (£24,393) Kier default payments.
Capital Charges	4,658	0	(4,658)	Depreciation costs.
Gross Direct Income	(44,962)	(52,387)	(7,425)	Additional income from dog and litter bin recharges.
Support Service Charges	15,060	28,005	12,945	Minor variances reflecting a more accurate allocation of time.
	<b>609,129</b>	<b>610,179</b>	<b>1,050</b>	
<b>Environmental Strategy</b>				
Gross Direct Costs	19,000	26,734	7,734	Additional costs associated with the Green Build event - partly offset by event income.
Gross Direct Income	(11,000)	(15,400)	(4,400)	Additional income from sponsorship and exhibitors fees for the Green Build event.
Support Service Charges	6,760	5,972	(788)	No Major Variances.
	<b>14,760</b>	<b>17,306</b>	<b>2,546</b>	
<b>Community Safety</b>				
Gross Direct Costs	22,229	23,256	1,027	No Major Variances.
Support Service Charges	370	10,183	9,813	Minor variances reflecting a more accurate allocation of time.
	<b>22,599</b>	<b>33,439</b>	<b>10,840</b>	
<b>Civil Contingencies</b>				
Gross Direct Costs	95,445	92,918	(2,527)	No Major Variances.
Gross Direct Income	0	(337)	(337)	No Major Variances.
Support Service Charges	52,870	39,467	(13,403)	(£4,560) Reduced recharge from Environmental Health and various minor variances reflecting a more accurate allocation of time.
	<b>148,315</b>	<b>132,048</b>	<b>(16,267)</b>	
	<b>3,837,850</b>	<b>3,222,187</b>	<b>(615,663)</b>	

## Service Area Summaries 2016/17

## Finance &amp; Assets

	Budget	Outturn	Variance
	£	£	£
Industrial Estates	2,181	61,143	58,962
Surveyors Allotments	3,650	6,595	2,945
Handy Man	13,352	34,732	21,380
Parklands	13,629	21,294	7,665
Benefits Subsidy	19,280	15,789	(3,491)
Discretionary Payments	82,388	82,588	200
Non Distributed Costs	67,444	99,000	31,556
Administration Buildings Svs	235,352	184,750	(50,602)
Property Services	136,910	0	(136,910)
Corporate Finance	0	0	0
Insurance & Risk Management	(4,000)	0	4,000
Internal Audit	0	0	0
Playgrounds	56,080	49,952	(6,128)
Community Centres	22,946	11,327	(11,619)
Public Conveniences	623,225	687,863	64,638
Investment Properties	84,402	140,643	56,241
Central Costs	0	0	0
Corporate & Democratic Core	1,345,081	1,124,922	(220,159)
<b>Total Finance &amp; Assets</b>	<b>2,701,920</b>	<b>2,520,598</b>	<b>(181,322)</b>

## Service Area Summaries P12 2016/17

## Finance &amp; Assets

	Budget £	Outturn £	Variance £	Variance Explanation
<b>Industrial Estates</b>				
Gross Direct Costs	19,727	29,659	9,932	Additional repairs and maintenance costs following requirement to clear and maintain vacant premises.
Capital Charges	46,239	46,239	0	No Major Variances.
Gross Direct Income	(128,035)	(108,713)	19,322	£18,801 - Reduction in rentals and service charges as a result of vacant premises.
Support Service Charges	64,250	93,958	29,708	£30,718 - Additional Property Services Recharges.
	<b>2,181</b>	<b>61,143</b>	<b>58,962</b>	
<b>Surveyors Allotments</b>				
Gross Direct Income	(50)	0	50	No Major Variances.
Support Service Charges	3,700	6,595	2,895	£2,669 - Additional Property Services recharges.
	<b>3,650</b>	<b>6,595</b>	<b>2,945</b>	
<b>Handy Man</b>				
Gross Direct Costs	63,113	85,168	22,055	<b>Note 1</b>
Capital Charges	2,739	2,739	0	
Gross Direct Income	(106,800)	(124,917)	(18,117)	(£17,984) - Further Handyman recharges as a result of increased costs of service and additional hours worked.
Support Service Charges	54,300	71,743	17,443	£2,673 - Admin Buildings recharge. £14,319 - Additional Property Services recharge.
	<b>13,352</b>	<b>34,732</b>	<b>21,380</b>	
<b>Note 1 - £17,899 - Additional staffing costs resultant from sickness cover, additional working required as a result of office improvements and Storm Surge. (£3,376) - Vehicle contract hire savings used to offset capital costs of purchase of vehicle in a prior year. £4,036 - Consumable materials purchases for fitting out an additional vehicle, together with incidental Storm Surge costs.</b>				
<b>Parklands</b>				
Gross Direct Costs	26,140	24,317	(1,823)	(£2,544) - Reduced repairs and maintenance costs. £1,109 - Write off of bad debts.
Capital Charges	1,709	585	(1,124)	Reduction in depreciation as a result of lower than anticipated capital scheme expenditure in a prior year.
Gross Direct Income	(56,380)	(53,141)	3,239	(£5,500) - Additional commission fees on sale of caravan. £5,826 - Reduction in recoverable electricity charges. £3,192 - Reduced rental following tenancy changes.
Support Service Charges	42,160	49,533	7,373	£10,987 - Additional Property Services recharges. (£2,252) - Reduction in Legal Services costs.
	<b>13,629</b>	<b>21,294</b>	<b>7,665</b>	
<b>Benefits Subsidy</b>				
Gross Direct Costs	28,447,815	27,020,384	(1,427,431)	£148,124 Increase in the provision for bad and doubtful debts. (£1,575,554) Housing Benefit Payments, this is offset by a reduction in subsidy.
Gross Direct Income	(28,429,815)	(27,004,596)	1,425,219	£1,698,154 Reduction in Housing Benefit Subsidy based on lower level of benefits made. (£272,935) Recovered benefit overpayments transferred to revenue.
Support Service Charges	1,280	0	(1,280)	No Major Variances.
	<b>19,280</b>	<b>15,789</b>	<b>(3,491)</b>	
<b>Discretionary Payments</b>				
Gross Direct Costs	80,148	79,552	(596)	No Major Variances.
Support Service Charges	2,240	3,036	796	
	<b>82,388</b>	<b>82,588</b>	<b>200</b>	

## Service Area Summaries P12 2016/17

## Finance &amp; Assets

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Non Distributed Costs</b>				
Gross Direct Costs	67,184	99,000	31,816	This budget reflects notional charges in relation to IAS 19 pension costs. The variance consists of £99,000 for Past Service Costs which arise as a result of awarding added years or allowing employees to retire early on unreduced benefits on the grounds of efficiency. (£67,184) - Actuarial strain costs. The impact of these costs are reversed out of the account to ensure there is no impact on the bottom line.
Support Service Charges	260	0	(260)	No Major Variances.
	<b>67,444</b>	<b>99,000</b>	<b>31,556</b>	
<b>Administration Buildings Svcs</b>				
Gross Direct Costs	629,850	682,168	52,318	<b>Note 1</b>
Capital Charges	87,379	102,183	14,804	<b>Note 2</b>
Gross Direct Income	(247,530)	(234,596)	12,934	<b>Note 3</b>
Support Service Charges	(234,347)	(365,004)	(130,657)	<b>Note 4</b>
	<b>235,352</b>	<b>184,750</b>	<b>(50,602)</b>	
<b>Note 1</b> - £5,798 - Additional staffing costs resultant from sickness cover at Cromer Office.( £12,994) - Reduction in Canteen direct salary costs as a result of chef vacancy in year. £6,998 - Purchase of additional furniture for the Cromer Boardroom. £8,505 - Costs associated with new Intruder Alarm for Cromer Office. £5,475 - Emergency Lighting improvement works at the Cromer Offices. £3,441 - Additional repairs and maintenance costs for canteen equipment. £3,200 - Additional repairs and maintenance costs for Storage Depots. (£9,166) - Reduction in repairs and maintenance costs at Fakenham Connect. £3,267 - Increase in repairs and maintenance costs, resultant from requirement to move from existing premises at North Walsham. £6,055 - Additional food purchase costs for Canteen. £21,848 - Canteen agency staff costs resultant from chef vacancy in year.				
<b>Note 2</b> - £15,483 - Reduction in depreciation charges following recategorisation of Fakenham Connect as an investment property which is revalued each year and therefore not subject to depreciation. £29,506 - Refcus charges relating to capital expenditure incurred on new office premises in North Walsham in 2016/17.				
<b>Note 3</b> - £4,100 - Reduction in service charges following change in office premises in North Walsham during 2016/17. £4,382 - Reduction in internal canteen recharges.				
<b>Note 4</b> - £25,471 - Additional Property Services Recharges. £31,756 - Change in basis of allocation of Admin Building recharge to floor area for Canteen. (£6,070) - Reduction in recharge from creditors based on transactions processed on behalf of the Canteen. (£206,895) Higher recharges to internal customers reflecting higher direct costs.				
<b>Property Services</b>				
Gross Direct Costs	729,868	735,803	5,935	<b>Note 1</b>
Capital Charges	27,638	12,773	(14,865)	(£15,000) - Reduction in intangible amortisation costs as capital scheme is not yet complete.
Gross Direct Income	0	(923)	(923)	No Major Variances.
Support Service Charges	(620,596)	(747,653)	(127,057)	<b>Note 2</b>
	<b>136,910</b>	<b>0</b>	<b>(136,910)</b>	
<b>Note 1</b> - £3,900 - Emergency generator costs. £8,284 - Additional insurance premiums in respect of Fire / General policy. (£14,343) - Underspend on budget allocation for Professional Fees for Asset Commercialisation (Gleeds). £4,906 - Additional costs associated with property valuations in year. £2,400 - Enforcement Board works				
<b>Note 2</b> - £6,362 - Additional Personnel Services recharges. £13,718 - Admin Buildings recharges. £54,787 - Reduction in capitalisation of salary costs. (£202,151) - Increase in Property Services recharges following increases in costs during the financial year (including £86,220 for Environmental Insurances, and £40,000 further budget allocations for asset commercialisation).				
<b>Corporate Finance</b>				
Gross Direct Costs	496,823	413,790	(83,034)	Staff Savings resulting for staff vacancies and senior officer restructure.
Capital Charges	10,901	4,491	(6,410)	This reflects the outturn capital programme.
Gross Direct Income	0	(22,897)	(22,897)	Costs recovered from Great Yarmouth Borough Council relating to shared service agreement.
Support Service Charges	(507,724)	(395,383)	112,341	Lower recharges to internal customers reflecting lower direct costs.
	<b>0</b>	<b>0</b>	<b>0</b>	

## Service Area Summaries P12 2016/17

## Finance &amp; Assets

	Budget £	Outturn £	Variance £	Variance Explanation
<b>Insurance &amp; Risk Management</b>				
Gross Direct Costs	174,877	171,991	(2,886)	(£5,236) - Salaries and oncosts are lower as a result of vacant posts.
Gross Direct Income	(650)	(11,860)	(11,210)	Insurance claim reimbursed.
Support Service Charges	(178,227)	(160,131)	18,096	(£11,480) - Personnel services, increase in staff time. £30,899 - Lower recharge to internal customers as a result of lower service costs.
	<b>(4,000)</b>	<b>0</b>	<b>4,000</b>	
<b>Internal Audit</b>				
Gross Direct Costs	94,000	67,983	(26,017)	Internal audit costs lower than budget
Support Service Charges	(94,000)	(67,983)	26,017	Lower recharge to internal customers as a result of lower service costs.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Playgrounds</b>				
Gross Direct Costs	42,670	33,923	(8,747)	Equipment purchases lower than expected.
Gross Direct Income	(12,000)	(12,175)	(175)	No Major Variances.
Support Service Charges	25,410	28,204	2,794	No Major Variances.
	<b>56,080</b>	<b>49,952</b>	<b>(6,128)</b>	
<b>Community Centres</b>				
Gross Direct Costs	5,904	709	(5,195)	Underspend on repairs and maintenance.
Capital Charges	5,342	0	(5,342)	Reduction in depreciation charges following recategorisation of Fakenham Community Centre as an investment property which is revalued each year and therefore not subject to depreciation
Support Service Charges	11,700	10,618	(1,082)	No Major Variances.
	<b>22,946</b>	<b>11,327</b>	<b>(11,619)</b>	
<b>Public Conveniences</b>				
Gross Direct Costs	414,095	477,611	63,516	<b>Note 1</b>
Capital Charges	144,323	138,244	(6,079)	Reduction in depreciation as a result of reduced capital expenditure in a previous year.
Gross Direct Income	0	(9,301)	(9,301)	(£4,445) - Recovery of Sheringham TIC portable PC costs. (£4,479) - Insurance claim following vandalism damage to PC's.
Support Service Charges	64,807	81,309	16,502	Additional Property Services Recharges.
	<b>623,225</b>	<b>687,863</b>	<b>64,638</b>	
<b>Note 1 - £49,623 - Additional repairs and maintenance costs, of which £7,170 relates to 10% savings not achieved for Redevelopment of PC's. £6,820 - Additional water costs. £4,483 - Rental of portable PC's for Sheringham TIC offset by additional income. £6,109 - Additional Kier Cleansing costs due to non achievement of 10% savings</b>				
<b>Investment Properties</b>				
Gross Direct Costs	70,661	93,523	22,862	£21,500 - Additional repairs and maintenance expenditure. £2,652 - Advertising costs for expression of interest in relation to new letting opportunity. £2,611 - Increase in electricity costs. (£6,247) - Reduction in premises insurance costs.
Capital Charges	64,700	51,906	(12,794)	Reduction in depreciation costs as a result of lower than anticipated capital expenditure being incurred in previous years.
Gross Direct Income	(113,309)	(85,226)	28,083	<b>Note 1</b>
Support Service Charges	62,350	80,441	18,091	Additional Property Services recharges
	<b>84,402</b>	<b>140,643</b>	<b>56,241</b>	
<b>Note 1 - £14,500 - Reduction in income as a result of the Grove Lane property being vacant for the full year. £13,720 - Reduction in rental income following extended period of tenants being unable to trade from their premises due to coast works along Cromer Prom, and non achievement of savings on public convenience redevelopment. £3,000 - Reduced recovery of Rocket House service charge expenditure.</b>				



## Service Area Summaries P12 2016/17

## Finance &amp; Assets

	Budget	Outturn	Variance	Variance Explanation
	£	£	£	
<b>Central Costs</b>				
Gross Direct Costs	54,960	54,441	(519)	No Major Variances.
Capital Charges	0	29,000	29,000	Refcus, Felbrigg junction improvement scheme.
Support Service Charges	(54,960)	(83,441)	(28,481)	£18,203 - Recharge from Corporate Enforcement Team. £35,132 - Customer Services charge is higher as a result of an increase in general enquiries. (£146,158) - Admin Buildings, reallocation of office space. £61,958 - Lower recharge to internal customers as a result of lower service costs.
	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Corporate &amp; Democratic Core</b>				
Gross Direct Costs	423,011	401,479	(21,532)	£19,021 - Salaries and oncosts relating to Democratic Representation and Management are higher than expected. (£41,527) - The external audit fee is lower than anticipated.
Gross Direct Income	0	(36,706)	(36,706)	(£16,206) - Transparency grant. (£20,500) - Grant income re shared services project.
Support Service Charges	922,070	760,149	(161,921)	(£9,280) - Personnel services, decrease in staff time. (£13,890) - Environmental Health, lower service costs. (£93,110) - Admin Buildings, reallocation of office space. (£41,441) - Accountancy, lower service costs. (£6,861) - Corporate Leadership Team, lower service costs.
	<b>1,345,081</b>	<b>1,124,922</b>	<b>(220,159)</b>	
	<b>2,701,920</b>	<b>2,520,598</b>	<b>(181,322)</b>	

## Service Area Summaries 2016/17

## Planning

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Development Management	680,551	953,748	273,197
Planning Policy	486,310	327,236	(159,074)
Conservation, Design & Landscape	174,989	182,812	7,823
Major Developments	293,391	325,498	32,107
Building Control	81,676	56,175	(25,501)
Head Of Planning	16,052	0	(16,052)
Property Information	58,576	(9,692)	(68,268)
<b>Total Planning</b>	<b>1,791,545</b>	<b>1,835,777</b>	<b>44,232</b>

## Service Area Summaries P12 2016/17

## Planning

	Budget £	Outturn £	Variance £	Variance Explanation
<b>Development Management</b>				
Gross Direct Costs	940,962	938,374	(2,588)	£66,276 Additional staff costs. (£70,005) Planning Appeal work and enforcement works funded from reserves. The use of reserves will be amended to reflect this slippage.
Capital Charges	42,044	18,886	(23,158)	This reflects the outturn capital programme.
Gross Direct Income	(755,620)	(629,184)	126,436	£156,277 Planning fee income, due to a lower number of large fee applications being received. This is partially offset by increased income from professional advice.
Support Service Charges	453,165	625,672	172,507	(£102,010) Planning Support, £37,797 Head of Planning, £136,495 Corporate Enforcement Team, £88,537 Postal & Scanning Services, £29,238 Customer/Personnel Services, £28,416 Admin Buildings, (£31,698) Housing Strategy & Communities, (£14,942) Legal Services. These all reflect a more accurate allocation of time spent on the service.
	<b>680,551</b>	<b>953,748</b>	<b>273,197</b>	
<b>Planning Policy</b>				
Gross Direct Costs	430,418	320,024	(110,394)	Local Plan expenditure funded from the New Homes Bonus including (£73,763) Staffing and (£45,000) Professional Fees. £16,200 Payment of Neighbourhood grant.
Gross Direct Income	0	(53,885)	(53,885)	(£34,645) New Burdens Grant funding, this will be earmarked for spend in 2017/18. £20,850 relation to Self Build and Custom Housebuilding registers and £14,645 Brownfield land registers. The balance relates to neighbourhood planning grants which was paid over to the parish and town council it related to.
Support Service Charges	55,892	61,097	5,205	No Major Variances.
	<b>486,310</b>	<b>327,236</b>	<b>(159,074)</b>	
<b>Conservation, Design &amp; Landscape</b>				
Gross Direct Costs	90,713	116,190	25,477	Expenditure relating to enforcement works which will be funded from the Enforcement reserve.
Support Service Charges	84,276	66,622	(17,654)	Minor variances reflecting a more accurate allocation of time.
	<b>174,989</b>	<b>182,812</b>	<b>7,823</b>	
<b>Major Developments</b>				
Gross Direct Costs	201,957	215,452	13,495	£14,142 Additional Staff costs.
Support Service Charges	91,434	110,046	18,612	Legal - a more accurate allocation of time.
	<b>293,391</b>	<b>325,498</b>	<b>32,107</b>	
<b>Building Control</b>				
Gross Direct Costs	331,573	350,664	19,091	£24,726 Additional Staff costs.
Gross Direct Income	(361,045)	(416,361)	(55,316)	Income from fees; the net surplus will be transferred to the Building Control earmarked reserve and considered as part of future fee setting.
Support Service Charges	111,148	121,872	10,724	Admin Buildings - higher costs and reallocation of office space.
	<b>81,676</b>	<b>56,175</b>	<b>(25,501)</b>	
<b>Head Of Planning</b>				
Gross Direct Costs	161,508	173,151	11,643	£12,822 Additional Staff costs.
Support Service Charges	(145,456)	(173,151)	(27,695)	Higher recharges to internal customers reflecting higher direct costs.
	<b>16,052</b>	<b>0</b>	<b>(16,052)</b>	
<b>Property Information</b>				
Gross Direct Costs	190,880	163,345	(27,535)	(£17,093) Accrual re Legal challenges by property search companies not offset by expenditure. (£9,378) Search fees paid to Norfolk County Council for Highway elements.
Gross Direct Income	(185,000)	(226,081)	(41,081)	(£6,640) New Burdens grant. (£8,139) Street Naming and Numbering income. (£25,972) Land charge fee income - the net surplus will be transferred to the earmarked reserve and considered as part of future fee setting.
Support Service Charges	52,696	53,044	348	No Major Variances.
	<b>58,576</b>	<b>(9,692)</b>	<b>(68,268)</b>	
	<b>1,791,545</b>	<b>1,835,777</b>	<b>44,232</b>	

## Reserves Statement 2016/17 Outturn

Reserve	Purpose and Use of Reserve	Balance 01/04/16	2016/17 Outturn Movement	Balance 01/04/17	Budgeted Movement 2017/18	Balance 01/04/18	Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20
		£	£	£	£	£	£	£	£	£
<b>General Fund - General Reserve</b>	A working balance and contingency, current recommended balance is £1.75 million.	<b>2,597,761</b>	(265,986)	<b>2,331,775</b>	(44,337)	<b>2,287,438</b>	0	<b>2,287,438</b>	0	2,287,438
<b>Earmarked Reserves:</b>										
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	<b>2,335,462</b>	(21,484)	<b>2,313,978</b>	(834,596)	<b>1,479,382</b>	0	<b>1,479,382</b>	0	1,479,382
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	<b>154,398</b>	346,494	<b>500,892</b>	828,718	<b>1,329,610</b>	0	<b>1,329,610</b>	0	1,329,610
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.	<b>558,376</b>	(31,000)	<b>527,376</b>	0	<b>527,376</b>	0	<b>527,376</b>	0	527,376
Broadband	Earmarks £1million for superfast broad band in North Norfolk. (600k was transferred from the BSF reserve and £400k from NHB reserve)	<b>1,000,000</b>	0	<b>1,000,000</b>	(1,000,000)	<b>0</b>	0	<b>0</b>	0	0
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	<b>145,451</b>	26,329	<b>171,780</b>	0	<b>171,780</b>	0	<b>171,780</b>	0	171,780
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.	<b>2,027,045</b>	500,000	<b>2,527,045</b>	0	<b>2,527,045</b>	0	<b>2,527,045</b>	0	2,527,045
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	<b>173,516</b>	29,000	<b>202,516</b>	(29,000)	<b>173,516</b>	0	<b>173,516</b>	0	173,516
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.	<b>48,450</b>	0	<b>48,450</b>	0	<b>48,450</b>	0	<b>48,450</b>	0	48,450
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.	<b>1,032,567</b>	164,612	<b>1,197,179</b>	152,829	<b>1,350,008</b>	27,196	<b>1,377,204</b>	(242,000)	1,135,204
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	<b>116,283</b>	17,175	<b>133,458</b>	(17,175)	<b>116,283</b>	0	<b>116,283</b>	0	116,283
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	<b>13,000</b>	30,000	<b>43,000</b>	40,000	<b>83,000</b>	40,000	<b>123,000</b>	(80,000)	43,000

## Reserves Statement 2016/17 Outturn

Reserve	Purpose and Use of Reserve	Balance 01/04/16	2016/17 Outturn Movement	Balance 01/04/17	Budgeted Movement 2017/18	Balance 01/04/18	Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20
		£	£	£	£	£	£	£	£	£
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	110,663	(6,989)	103,674	88,237	191,911	0	191,911	0	191,911
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	200,287	79,102	279,389	(55,619)	223,770	0	223,770	0	223,770
Grants	Revenue Grants received and due to timing issues not used in the year.	411,403	27,949	439,352	(49,097)	390,255	0	390,255	0	390,255
Housing	Previously earmarked for stock condition survey and housing needs assessment.	75,617	2,445,126	2,520,743	0	2,520,743	0	2,520,743	0	2,520,743
Treasury (Property) Reserve	Property Investment (Treasury), to smooth the impact on the revenue account of interest fluctuations.	66,068	0	66,068	0	66,068	0	66,068	0	66,068
Land Charges	To mitigate the impact of potential income reductions.	215,926	17,243	233,169	0	233,169	0	233,169	0	233,169
Legal	One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus.	79,069	65,105	144,174	0	144,174	0	144,174	0	144,174
Local Strategic Partnership	Earmarked underspends on the LSP for outstanding commitments and liabilities.	0	0	0	0	0	0	0	0	0
LSVT Reserve	To meet the cost of successful warranty claims not covered by bonds and insurance following the housing stock transfer.	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*	1,418,041	416,399	1,834,440	(152,062)	1,682,378	(185,944)	1,496,434	(82,944)	1,413,490
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	42,728	302,400	345,128	(2,400)	342,728	0	342,728	0	342,728
Pathfinder	To help Coastal Communities adapt to coastal changes.	206,378	0	206,378	0	206,378	0	206,378	0	206,378
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	393,183	(224,519)	168,664	(123,485)	45,179	(31,670)	13,509	0	13,509
Restructuring & Invest to Save Proposals	To fund one-off redundancy and pension strain costs and invest to save initiatives. Transfers from this reserve will be allocated against business cases as they are approved. Timing of the use of this reserve will depend on when business cases are approved.	1,875,372	558,707	2,434,080	(98,391)	2,335,689	(20,117)	2,315,572	0	2,315,572
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.	28,181	(15,532)	12,649	0	12,649	0	12,649	0	12,649
<b>Total Reserves</b>		<b>15,760,224</b>	<b>4,460,131</b>	<b>20,220,355</b>	<b>(1,296,378)</b>	<b>18,923,977</b>	<b>(170,535)</b>	<b>18,753,442</b>	<b>(404,944)</b>	<b>18,348,498</b>

## GENERAL FUND CAPITAL PROGRAMME - OUTTURN POSITION 2016/17

<u>Scheme</u>	Updated Budget 2016/17	Actual Expenditure	Variance to Updated Budget	Comments
	£	£	£	
<b>Jobs and the Economy</b>				
North Norfolk Enterprise Innovation Centre	39,705	-	39,705	Scheme remains on hold. Balance of budget is requested to be taken to 2017/18.
Rocket House	39,750	-	39,750	The remaining budget is requested for slippage to 2017/18
North Norfolk Enterprise and Start Up Grants	8,793	-	8,793	Although a number of grants have been repaid, the remaining balance of budget is requested to be carried forward to 2017/18.
Public Convenience Water Heater Improvements	10,988	6,707	4,281	Works are partially complete, and the balance of budget is requested to be taken to 2017/18.
Egmere Business Zone	1,213,013	98,606	1,114,407	This scheme is ongoing, with the build works due to commence in the new year. The balance of budget is to be taken to 2017/18.
Car Park Refurbishment 2016/17	72,833	21,098	51,735	This scheme is progressing with works being undertaken in Holt, Fakenham and Weybourne. Further works are anticipated in 2017/18.
North Lodge Park	39,427	10,958	28,469	Works are ongoing, with some expenditure being incurred in relation to the yacht pond and the shelter within the park. The remaining budget is requested to be taken to 2017/18.
North Norfolk Railway	50,000	50,000	-	This scheme is now complete.
North Walsham Regeneration Scheme	57,681	54,779	2,902	This scheme is complete and has come in £2,902 under budget.
Office Improvements Kings Arms St	30,000	29,507	493	This scheme is almost complete with final invoices awaited. The small balance of budget is requested to be taken to 2017/18 to cover any minor invoices forthcoming.
	<u>1,562,190</u>	<u>271,654</u>	<u>1,290,536</u>	
<b>Housing and Infrastructure</b>				
Disabled Facilities Grants	953,786	852,912	100,874	The payments made under this capital budget were less than the updated budget for 2016/17. The payment of grants is ongoing and therefore the remaining budget allocation is to be slipped into 2017/18.
Housing Associations	100,909	100,909	0	The payments in relation to this scheme are now complete.
Housing Loans to Registered Providers	750,000	-	750,000	This scheme has not progressed in year, but the loan payment is due to be made early in 2017/18. the budget is therefore requested to be taken to the new financial year.
Parkland Improvements	-	1,397	1,397	Design works have commenced, and as such there is a requirement to claw back £1,397 from the budget which was slipped into 2017/18.
Compulsory Purchase of Long Term Empty Properties	290,000	800	289,200	Planning applications have been put through, but any purchase is not anticipated until 2017/18. The balance of budget is requested to be taken forward.
Felbrigg Junction Improvement Scheme	29,000	29,000	-	This scheme is complete.
Shannoeks Hotel	490,000	23,897	466,103	Some design works have been undertaken, but any purchase is not anticipated until 2017/18. The balance of budget is requested to be taken forward.
Temporary Accommodation for Homeless Households	180,000	169,950	10,050	The purchase of premises for temporary accommodation has been completed, but the stamp duty is still to be paid. The remaining budget is requested to be taken into 2017/18.
Community Housing Fund	400,000	-	400,000	A programme of works is being drawn up, but no expenditure has been incurred to date. The budget is requested to be carried forward to 2017/18.
	<u>3,193,695</u>	<u>1,178,865</u>	<u>2,014,830</u>	

**Coast and Countryside**

<b>Gypsy and Traveller Short Stay Stopping Facilities</b>	35,707	44,240 -	8,533	The expenditure represents the actual incurred in year, and the overspend of £8,533 is to be clawed back from future years budget.
<b>Sheringham Beach Handrails</b>	2,352	-	2,352	This budget is no longer required.
<b>Cromer Pier Structural Works - Phase 2</b>	20,597	522	20,075	Actual expenditure was lower than originally anticipated. The remaining budget in year is requested for slippage into 2017/18.
<b>Sheringham Promenade Lighting</b>	2,107	-	2,107	This budget is no longer required.
<b>Cromer Pier and West Prom Refurbishment Project</b>	699,522	483,535	215,987	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Refurbishment Works to the Seaside Shelters</b>	30,731	8,677	22,054	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Cromer Coast Protection Scheme 982 and SEA</b>	534,720	443,957	90,763	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Pathfinder Project</b>	140,000	93	139,907	The main payments in relation to this scheme have been delayed and are likely to be processed in 2017/18. The remaining budget is requested to be taken to the new financial year.
<b>Coastal Erosion Assistance</b>	5,000	525	4,475	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Storm Surge</b>	163,240	93,227	70,013	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Sheringham West Prom</b>	308,798	137,302	171,496	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Cromer Pier - External and Roofing Improvements to Pavilion Theatre</b>	-	261 -	261	The scheme has commenced with minor costs being incurred. The budget had previously been slipped to 2017/18, and it will be necessary to claw back the £261 to cover the expenditure in year.
<b>Sheringham Gangway</b>	40,247	2,567	37,680	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Vale Road Beach Access</b>	18,600	15,115	3,485	This scheme is progressing. It is requested that the balance of budget is slipped into 2017/18
<b>Mundesley - Refurbishment of Coastal Defences - Business Plan</b>	88,037	35,225	52,812	This scheme is progressing and the remaining budget is requested for slippage to the new year.
<i>Bacton Walcott Joint Study</i>	-	57,008 -	57,008	Environment Agency approval was given in year to this scheme and grant income has been received to cover this expenditure
<i>Flag Projects</i>	-	2,492 -	2,492	Minor expenditure has been incurred against this scheme which was in excess of the budget allocation. This expenditure is to be covered by the use of capital receipts.
<i>Bacton Walcott Sea Flood Assessment</i>	-	137 -	137	Minor expenditure has been incurred in year. Additional grant of £137 was received in year to cover this.
	<b>2,089,658</b>	<b>1,324,883</b>	<b>764,775</b>	

**Health and Well Being**

<b>Splash Roof Repairs</b>	53,254	-	53,254	Some revenue funded works have been undertaken against this scheme.
<b>Cromer Sports Pitch</b>	50,000	1,406	48,594	This scheme is progressing and the remaining budget is requested for slippage to the new year.
<b>Cabbell Park Sport Changing Facilities</b>	49,444	52,125 -	2,681	This scheme is complete, and has come in £2,681 over budget. The additional expenditure is to be financed from capital receipts.
<b>Cabbell Park</b>	38,732	56,592 -	17,860	This scheme is complete, and has come in £17,860 over budget. The additional expenditure is to be financed from capital receipts.
	<b>191,430</b>	<b>110,122</b>	<b>81,308</b>	

<b>Service Excellence</b>			
Trade Waste Bins/ Waste Vehicle	14,487	24,514 -	10,027 Significant bin purchases have been made in excess of the original budget. The balance of expenditure is to be financed by a revenue contribution to capital outlay.
Personal Computer Replacement Fund	24,722	1,068	23,654 This scheme is ongoing and the remaining budget is requested for slippage to the new year.
Procurement for Upgrade of Civica System	119,098	-	119,098 This budget is no longer required.
e-Financials Financial Management System Software Upgrade	-	12,575 -	12,575 The budget for this scheme was taken forward to 2017/18, but it was necessary to make some software purchases in year. A clawback of £12,575 budget is to be undertaken.
Administrative Buildings	45,047	17,269	27,778 This scheme is ongoing and the remaining budget is requested for slippage to the new year.
Planning System (Scanning of Old Files) - Business Transformation Programme	62,224	65,416 -	3,192 The overspend incurred in year is to be offset against the clawback of budget from 2017/18.
Telephony Procurement	11,560	9,499	2,061 This scheme is complete and has come in £2,061 under budget.
Council Chamber and Committee Room Improvements	89,000	948	88,052 Works have commenced against this scheme, which is to be fully implemented in 2017/18. The balance of budget is requested for slippage to the new year.
Environmental Health IT System Procurement	100,000	5,420	94,580 This scheme is ongoing and the actual procurement and implementation of the system is anticipated in the new financial year. The balance of budget is requested for slippage to 2017/18.
Document and Records Management System	55,297	13,706	41,591 This scheme is ongoing and the remaining budget is requested for slippage to the new year.
Web Content Management System	25,150	26,575 -	1,425 This scheme is complete and has come in £1,425 over budget. The overspend is to be funded from capital receipts.
Access Control Systems	17,000	15,087	1,913 Minor elements of work are still to be undertaken in May 2017. The balance of budget is therefore requested for slippage into 2017/18.
Log Solution to Satisfy PSN Code of Connection	41,365	37,746	3,619 This scheme is complete and has come in £3,619 under budget.
Purchase of Bins	40,000	28,459	11,541 This scheme is ongoing and the remaining budget is requested for slippage to the new year.
Customer Contact Centre	60,000	17,825	42,175 This scheme is ongoing and the remaining budget is requested for slippage to the new year.
Purchase of Property Services Vehicle	15,000	-	15,000 The order has been placed for this vehicle and the delivery is awaited. The budget of £15,000 is therefore requested for slippage to 2017/18.
GIS - Web Based Solution	-	5,400 -	5,400 Additional expenditure has been incurred in year against this scheme. The additional expenditure is to be funded by capital receipts.
Fakenham Connect and Cromer Office Works	-	95 -	95 There was a minor balance of expenditure against this scheme which is offset by an equivalent additional contribution from the new tenants.
Choice Based Lettings - Software	-	43,400 -	43,400 The purchase of the Choice Based Lettings additional modules has been incurred in year, and is offset by external contributions to the scheme which are ongoing.
	<b>719,950</b>	<b>325,001</b>	<b>394,949</b>
	<b>7,756,923</b>	<b>3,210,525</b>	<b>4,546,398</b>
<b>Capital Programme Financing</b>			
Grants	2,294,535	1,516,730	
Affordable Housing Contributions			
Other Contributions	833,374	44,762	
Asset Management Reserve	15,000		
Revenue Contribution to Capital (RCCO)			
Capital Project Reserve	862,080	304,816	
Invest to Save Reserve / Broadband Reserve	29,000	29,000	
Capital Receipts	2,947,934	1,305,190	
RCCO	25,000	10,027	
Internal / External Borrowing	750,000		
<b>TOTAL FINANCING</b>	<b>7,756,923</b>	<b>3,210,525</b>	



**GENERAL FUND CAPITAL PROGRAMME - 2017/18**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/17 Actual Expenditure	Current Budget 2017/18	Actual Expenditure 2017/18	Updated Budget 2018/19	Updated Budget 2019/20	Updated Budget 2020/21
	£	£	£		£	£	£
<b>Jobs and the Economy</b>							
North Norfolk Enterprise Innovation Centre	50,000	10,295	39,705	0	0	0	0
Rocket House	77,084	37,334	39,750	0	0	0	0
North Norfolk Enterprise and Start Up Grants	135,000	126,207	8,793	0	0	0	0
Public Convenience Water Heater Improvements	11,837	7,556	4,281	0	0	0	0
Egmere Business Zone	1,895,000	98,606	1,796,394	0	0	0	0
Better Broadband for Norfolk	1,000,000	0	1,000,000	0	0	0	0
Public Conveniences - Review, Reprovision and Redevelopment	450,000	0	450,000	0	0	0	0
Car Park Refurbishment 2016/17	112,827	21,098	91,729	0	0	0	0
North Lodge Park	197,000	11,690	185,310	0	0	0	0
Office Improvements Kings Arms St	30,000	29,507	493	0	0	0	0
Purchase of New Car Park Vehicles	60,000	0	60,000	0	0	0	0
	<b>4,018,748</b>	<b>342,293</b>	<b>3,676,455</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**GENERAL FUND CAPITAL PROGRAMME - 2017/18**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/17 Actual Expenditure	Current Budget 2017/18	Actual Expenditure 2017/18	Updated Budget 2018/19	Updated Budget 2019/20	Updated Budget 2020/21
	£	£	£		£	£	£
<b>Housing and Infrastructure</b>							
Disabled Facilities Grants	Annual programme	0	2,377,012	0	0	0	0
Housing Loans to Registered Providers	3,500,000	0	3,500,000	0	0	0	0
Parkland Improvements	100,000	12,996	87,004	0	0	0	0
Compulsory Purchase of Long Term Empty Properties	630,000	800	629,200	0	0	0	0
Shannoeks Hotel	490,000	23,897	466,103	0	0	0	0
Laundry Loke - Victory Housing	100,000	0	80,000	0	20,000	0	0
Temporary Accommodation for Homeless Households	180,000	169,950	10,050	0	0	0	0
Community Housing Fund	2,436,942	0	2,436,942	0	0	0	0
Provision of Temporary Accommodation	610,000	0	488,000	0	122,000	0	0
	<b>8,046,942</b>	<b>207,643</b>	<b>10,074,311</b>	<b>0</b>	<b>142,000</b>	<b>0</b>	<b>0</b>
<b>Coast and Countryside</b>							
Gypsy and Traveller Short Stay Stopping Facilities	1,417,533	1,270,950	42,000	0	104,583	0	0
Cromer Pier Structural Works - Phase 2	1,378,549	1,322,094	56,455	0	0	0	0

**GENERAL FUND CAPITAL PROGRAMME - 2017/18**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/17 Actual Expenditure	Current Budget 2017/18	Actual Expenditure 2017/18	Updated Budget 2018/19	Updated Budget 2019/20	Updated Budget 2020/21
	£	£	£		£	£	£
<b>Cromer Pier and West Prom Refurbishment Project</b>	<b>1,465,000</b>	699,013	215,987	0	550,000	0	0
<b>Refurbishment Works to the Seaside Shelters</b>	<b>149,500</b>	127,446	22,054	0	0	0	0
<b>Cromer Coast Protection Scheme 982 and SEA</b>	<b>8,822,000</b>	5,246,343	3,575,657	0	0	0	0
<b>Pathfinder Project</b>	<b>1,967,015</b>	1,683,310	283,705	0	0	0	0
<b>Coastal Erosion Assistance</b>	<b>90,000</b>	17,203	72,797	0	0	0	0
<b>Storm Surge</b>	<b>1,176,000</b>	1,105,987	70,013	0	0	0	0
<b>Sheringham West Prom</b>	<b>804,000</b>	632,504	171,496	0	0	0	0
<b>Mundesley - Refurbishment of Coastal Defences</b>	<b>2,221,000</b>	0	2,221,000	0	0	0	0
<b>Ostend Targeted Rock Placement and Coastal Adaptation</b>	<b>55,000</b>	219	54,781	0	0	0	0
<b>Cromer Pier - External and Roofing Improvements to Pavilion Theatre</b>	<b>275,000</b>	1,250	273,750	0	0	0	0
<b>Sheringham Gangway</b>	<b>201,514</b>	116,533	84,981	0	0	0	0
<b>Vale Road Beach Access</b>	<b>18,600</b>	15,115	3,485	0	0	0	0
<b>Bacton and Walcott Coastal Management Scheme</b>	<b>500,000</b>	0	500,000	0	0	0	0

## GENERAL FUND CAPITAL PROGRAMME - 2017/18

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/17 Actual Expenditure	Current Budget 2017/18	Actual Expenditure 2017/18	Updated Budget 2018/19	Updated Budget 2019/20	Updated Budget 2020/21
	£	£	£		£	£	£
Mundesley - Refurbishment of Coastal Defences - Business Case	89,000	36,188	52,812	0	0	0	0
Bacton and Walcott Joint Study	201,514	170,974	30,540	0	0	0	0
	<b>20,831,225</b>	<b>12,445,129</b>	<b>7,731,513</b>	<b>0</b>	<b>654,583</b>	<b>0</b>	<b>0</b>
<b>Health and Well Being</b>							
Splash Roof Repairs	63,120	9,866	53,254	0	0	0	0
Steelwork Protection to Victory Pool and Fakenham Gym	27,500	33	27,467	0	0	0	0
Fakenham Gym	62,500	0	45,000	0	17,500	0	0
Splash Pool - Steelworks	35,000	0	35,000	0	0	0	0
Cromer Sports Pitch	50,000	1,406	48,594	0	0	0	0
Fakenham Community Centre Window Replacement	30,000	0	30,000	0	0	0	0
	<b>268,120</b>	<b>11,305</b>	<b>239,315</b>	<b>0</b>	<b>17,500</b>	<b>0</b>	<b>0</b>
<b>Service Excellence</b>							
Personal Computer Replacement Fund	205,583	181,929	23,654	0	0	0	0
Asset Management Computer System	75,000	63,730	11,270	0	0	0	0
e-Financials Financial Management System Software Upgrade	47,505	34,080	13,425	0	0	0	0

**GENERAL FUND CAPITAL PROGRAMME - 2017/18**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/17 Actual Expenditure	Current Budget 2017/18	Actual Expenditure 2017/18	Updated Budget 2018/19	Updated Budget 2019/20	Updated Budget 2020/21
	£	£	£		£	£	£
<b>Administrative Buildings</b>	<b>250,570</b>	197,792	52,778	0	0	0	0
<b>Planning System (Scanning of Old Files) - Business Transformation Programme</b>	<b>100,000</b>	83,890	16,110	0	0	0	0
<b>Council Chamber and Committee Room Improvements</b>	<b>89,000</b>	948	88,052	0	0	0	0
<b>Environmental Health IT System Procurement</b>	<b>150,000</b>	6,327	143,673	0	0	0	0
<b>Stonehill Way Fire and Security System</b>	<b>15,000</b>	0	15,000	0	0	0	0
<b>Document and Records Management System</b>	<b>60,000</b>	18,409	41,591	0	0	0	0
<b>Access Control Systems</b>	<b>17,000</b>	15,087	1,913	0	0	0	0
<b>Purchase of Bins</b>	<b>120,000</b>	28,459	51,541	0	40,000	0	0
<b>Customer Contact Centre</b>	<b>60,000</b>	17,825	42,175	0	0	0	0
<b>Purchase of Property Services Vehicle</b>	<b>15,000</b>	0	15,000	0	0	0	0
<b>User IT Hardware Refresh</b>	<b>220,000</b>	0	55,000	0	55,000	55,000	55,000
<b>Goat Livestock Grazing Project</b>	<b>17,000</b>	0	17,000	0	0	0	0
<b>Replacement Environmental Health Vehicle</b>	<b>21,935</b>	0	21,935	0	0	0	0

**GENERAL FUND CAPITAL PROGRAMME - 2017/18**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/17 Actual Expenditure	Current Budget 2017/18	Actual Expenditure 2017/18	Updated Budget 2018/19	Updated Budget 2019/20	Updated Budget 2020/21
	£	£	£		£	£	£
Uniform Planning System	140,000	0	140,000	0	0	0	0
Back Scanning of Files	200,000	0	150,000	0	50,000	0	0
Housing Options System	20,000	0	20,000.00		0	0	0
	<b>1,803,593</b>	<b>648,476</b>	<b>900,117</b>	<b>0</b>	<b>145,000</b>	<b>55,000</b>	<b>55,000</b>
	<b>34,988,628</b>	<b>13,654,846</b>	<b>22,641,711</b>	<b>0</b>	<b>959,083</b>	<b>55,000</b>	<b>55,000</b>
<b><u>Capital Programme Financing</u></b>							
Grants			9,824,297		104,583	0	0
Affordable Housing Contributions							
Other Contributions			456,715		350,000	0	0
Asset Management Reserve			3,443		0	0	0
Revenue Contribution to Capital (RCCO)							
Capital Project Reserve			834,596		0	0	0
Invest to Save Reserve / Broadband Reserve			1,000,000		0	0	0
Capital Receipts			7,022,660		504,500	55,000	55,000
Internal / External Borrowing			3,500,000		0	0	0
<b>TOTAL FINANCING</b>			<b>22,641,711</b>		<b>959,083</b>	<b>55,000</b>	<b>55,000</b>

## Prudential Indicators and MRP Outturns 2016/17

### 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.

<b>Capital Expenditure</b>	<b>2016/17 Estimate £000s</b>	<b>2016/17 Outturn £000s</b>
Total	12,539	3,211

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

<b>Capital Financing</b>	<b>2016/17 Estimate £000s</b>	<b>2016/17 Outturn £000s</b>
Capital receipts	2,408	1,333
Government Grants	7,948	1,534
Revenue contributions and Reserves	1,161	344
Internal Borrowing	1,022	0
<b>Total Financing</b>	<b>12,539</b>	<b>3,211</b>

### 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	2016/17 Estimate £000s	2016/17 Outturn £000s
Total CFR	1,603	688

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. Please note that although included within the estimated figures the latter scheme has not actually been progressed in the 2016/17 financial year.

### 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.

	2016/17 Estimate £000s	2016/17 Outturn £000s
Authorised Limit for Borrowing	7,970	7,970



Authorised Limit for Other Long-term Liabilities	688	688
<b>Authorised Limit for External Debt</b>	8,658	8,658
Operational Boundary for Borrowing	5,640	5,640
Operational Boundary for Other Long-term Liabilities	688	688
<b>Operational Boundary for External Debt</b>	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.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2016/17 Estimate %</b>	<b>2016/17 Outturn %</b>
Total	(4.14)	(3.62)

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.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2016/17 Estimate £</b>	<b>2016/17 Outturn £</b>
Increase in Band D Council Tax	(2.13)	(0.14)

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.

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

**Treasury Management Annual Report 2016/17**

Summary: This report sets out the Treasury Management activities actually undertaken during 2016/17 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 2016/17 are approved.

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

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

**1. Introduction**

- 1.1 The Chartered Institute of Public Finance and Accountancy's Treasury Management Code requires the Council to report on the performance of the treasury management function at least twice a year (mid-year and at the year-end).
- 1.2 Treasury Management activities for 2016/17 have been carried out in accordance with the Council's Treasury Management Strategy 2016/17 which was approved by Full Council on 23 February 2016.
- 1.1 The Council has invested substantial sums of money and is therefore exposed to financial risks, including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.

**2. Context**

- 2.1 Global political events in the year, most notably the US Presidential Election and the uncertainty over the UK's future relationship with the EU, resulted in heightened market volatility during the year. UK inflation had been low in the first half of 2016, but following the EU Referendum and the sharp fall in the Sterling exchange rate, CPI rose from 0.3% year/year in April 2016 to 2.3% year/year in March 2017.
- 2.2 The Bank of England's Monetary Policy Committee judged the effects of the referendum outcome on economic growth to be sufficiently severe to initiate a cut in the Bank Rate to 0.25% in August. Cheap funding for banks was provided through its Term Funding Scheme to maintain the supply of credit in the economy.
- 2.3 Despite growth forecasts being downgraded, economic activity caused a growth in GDP of 0.6% in the second, 0.5% in the third and 0.7% in the fourth quarters of 2016. The labour market showed resilience, with unemployment rates dropping to 4.7% in February, an 11 year low.
- 2.4 Equity markets fell sharply following the Referendum result, and later showed increased volatility in November around the time of the US Presidential Election. However, the markets have recovered and the FTSE-100 and FTSE All Share closed on 31<sup>st</sup> March 18% up over the year. Money market rates for overnight and short term periods remained low since the Bank Rate was cut.
- 2.5 Indicators of credit risk took a generally negative turn in reaction to the Referendum result. UK bank share prices fell sharply, by 20% on average. The credit ratings agency's Fitch and Standard and Poor's downgraded the UK's rating to AA, and, along with Moody's, have a negative outlook on the UK. None of the banks on the Authorities lending list failed the stress tests conducted by the European Banking Authority July and the Bank of England in November.

### 3. Borrowing

- 3.1 The Council is currently debt-free. The strategy has been to remain debt-free and not to borrow long-term monies to finance its capital spending, relying instead on usable capital receipts, government grants and revenue contributions. Any decision to borrow in the future will need to have regard to the treasury implications, including taking account of the additional credit risk of holding both investments and borrowing.

### 4. Investment Activity

- 4.1 The Department for Communities and Local Government's (DCLG) Guidance on Local Government Investments requires the Council to focus on security and liquidity, rather than yield when undertaking its treasury activities
- 4.2 The table below gives Members an appreciation of the investment activity undertaken in 2016/17, showing the position at the start and end of the year, together with the transactions during the year. The average investment return achieved for call accounts, term deposits, and certificates of deposits, covered bonds and pooled funds (excluding the LAMIT fund) was 0.83% for the year. The LAMIT pooled property fund realised an income return of 5.87%, giving an overall return on all investments for the year of 1.54%.

	Balance 01/4/2016	Invested	Matured	Balance 31/3/2017

	£000s	£000s	£000s	£000s
Short term Investments (call accounts, deposits and CDs with banks & building societies)	1,000	0	1,000	0
UK Government (DMADF and other local authorities)	3,000	55,885	58,885	0
Money Market Funds	3,625	60,360	54,085	9,900
Pooled Funds	11,000	9,000	0	20,000
Covered Bonds	10,500	0	4,500	6,000
All investments	29,125	125,245	118,470	35,900

4.3 Security of the capital sum invested remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17.

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

## 5. Credit Risk

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

Date	Value Weighted Average Credit Risk Score	Value Weighted Average Credit Rating	Time Weighted Average Credit Risk Score	Time Weighted Average Credit Rating
31/03/2016	1.97	AA+	1.18	AAA
30/06/2016	2.00	AA+	1.12	AAA
31/09/2016	2.63	AA	1.20	AAA
31/12/2016	3.09	AA	1.13	AAA
31/03/2017	3.27	AA	1.01	AAA

5.1 All investment counterparties are given a credit score. Weighted average scores are then calculated for both value and time. The value weighted average reflects the credit quality of investments compared to the size of the deposit. The time weighted average reflects the credit quality of investments compared to the number of days to maturity of the deposit.

5.2 Appendix 1 shows the different credit scores which apply to the long-term credit ratings of an institution. In the Treasury Management Strategy 2016/17 the Council adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. The target credit score has been set at 6 which equates to a long term rating of A (or equivalent).

- 5.3 The table shows how the scores and ratings have changed over the financial year. The more investments the Council has with counterparties with higher credit ratings, the lower the score will be. Over the year, the time weighted average scores have fallen indicating that the credit rating on both a time weighted basis has improved. However, the value weighted average score as increased, indicating that the credit rating on this basis has reduced.
- 5.4 The graphs at Appendix 2 shows the Council's risk/return position at 31 March 2017 and compares how the Council has performed in relation to other clients of the Council's treasury advisors, Arlingclose Limited. The graphs only cover the investments made internally – i.e. the Council's investment in the LAMIT pooled property fund and other pooled funds are excluded from the information. This is because these funds are not for a defined period of time and may not have a credit rating. The graphs use credit ratings, rate of return and period of time to calculate the relative results.

## **6. Counterparty Update**

- 6.1 The two European Directives which place the burden of rescuing failing EU banks disproportionately onto unsecured institutional investors such as local authorities and pension funds, has now been incorporated into UK legislation. This, therefore, now prevents governments from providing support to failing institutions through a bail-out. This, together with the introduction of bail-ins and the preference being given to large numbers of depositors other than local authorities, means that the risks of making unsecured deposits in an institution rose relative to other investment options. The Council has therefore made (whenever possible) secure investments and diversified alternatives such as covered bonds, non-bank investments and pooled funds instead of unsecured bank and building society deposits.
- 6.2 In accordance with this strategy, the Council made further investments in pooled funds during 2016/17. During the year £3m was invested in each of the Investec Asset Management Diversified Income Scheme and Threadneedle Investment Services Strategic Bond Fund. The Income Maximiser Fund, managed by Schroder Unit Trusts Ltd, the UK Income Distribution Fund and the Global Dividend Fund, both managed by M&G Securities were subscribed to by £1m each. The funds are rated AAA and offer the opportunity for enhanced returns over the liquidity money market funds which the Council has used for some time. The fund manager aims to achieve this through a diversified portfolio of cash instruments and short-dated fixed income assets.
- 6.3 Commercial property values fell around 5% in the wake of the UK's Referendum on EU Membership, but had mostly recovered by the end of March 2017. This affected the growth of the Council's investment in the LAMIT pooled property fund, which saw a reduction in fair value to 2015/16 by £121,328, although, has grown overall since initial investment by £1,323,034.

## **7. Budgeted Income and Outturn**

- 7.1 The income budget for 2016/17 anticipated £604,800 would be earned in interest from an average balance of £25.2m at a rate of 2.4%. A total of £546,776 was earned from investments over the year from an average balance of £35.6m at an average rate of interest of 1.54%. This resulted in an adverse variance against the budget of £58,024.
- 7.2 Throughout the year, investment balances were consistently higher than anticipated, although overall the rate of interest earned was 0.86% lower than budget. This was partly a consequence of the loans to Broadland Housing Association under the Local Investment Strategy not being made, and these are now anticipated to be made in June 2017.

7.3 However, the income return on the LAMIT pooled property fund was again higher than budget earning 5.87% over the year, producing an excellent income return for the Council.

## 8. Compliance with Prudential Indicators

8.1 The Council confirms compliance with its Prudential Indicators for 2016/17 which were set on 23 February 2016 as part of the Council's Treasury Management Strategy Statement, with one exception, detailed in section 8.6 of this report.

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

8.3 Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate exposures, expressed as the proportion of net principal borrowed (i.e. fixed rate debt net of fixed rate investments, will be:

	2016/17	2016/17	2017/18
Upper limit on fixed interest rate exposure	(100%)	(100%)	(100%)
Actual	(100%)		
Upper limit on variable interest rate exposure	(100%)	(100%)	(100%)
Actual	(100%)		

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

8.5 Maturity Structure of Borrowing:

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

Maturity structure of fixed rate borrowing	Lower Limit for 2016/17 %	Upper Limit for 2016/17 %
under 12 months	0	100
12 months and within 24 months	0	100
24 months and within 5 years	0	100
5 years and within 10 years	0	100
10 years and above	0	100

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

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£17m	£15m	£15m
Actual	£24.5m		

In 2016/17, this indicator was revised to reflect the change in the Council's treasury management strategy of investing longer term in pooled funds to take advantage of the higher interest rate available from long term deposits. This strategy is in line with advice from the Council's treasury management consultants, Arlingclose.

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

	Target	Actual
Portfolio average credit score	6.0	3.27

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

	Target	Actual
Total cash available within 3 months	£3.0m	£9.9m

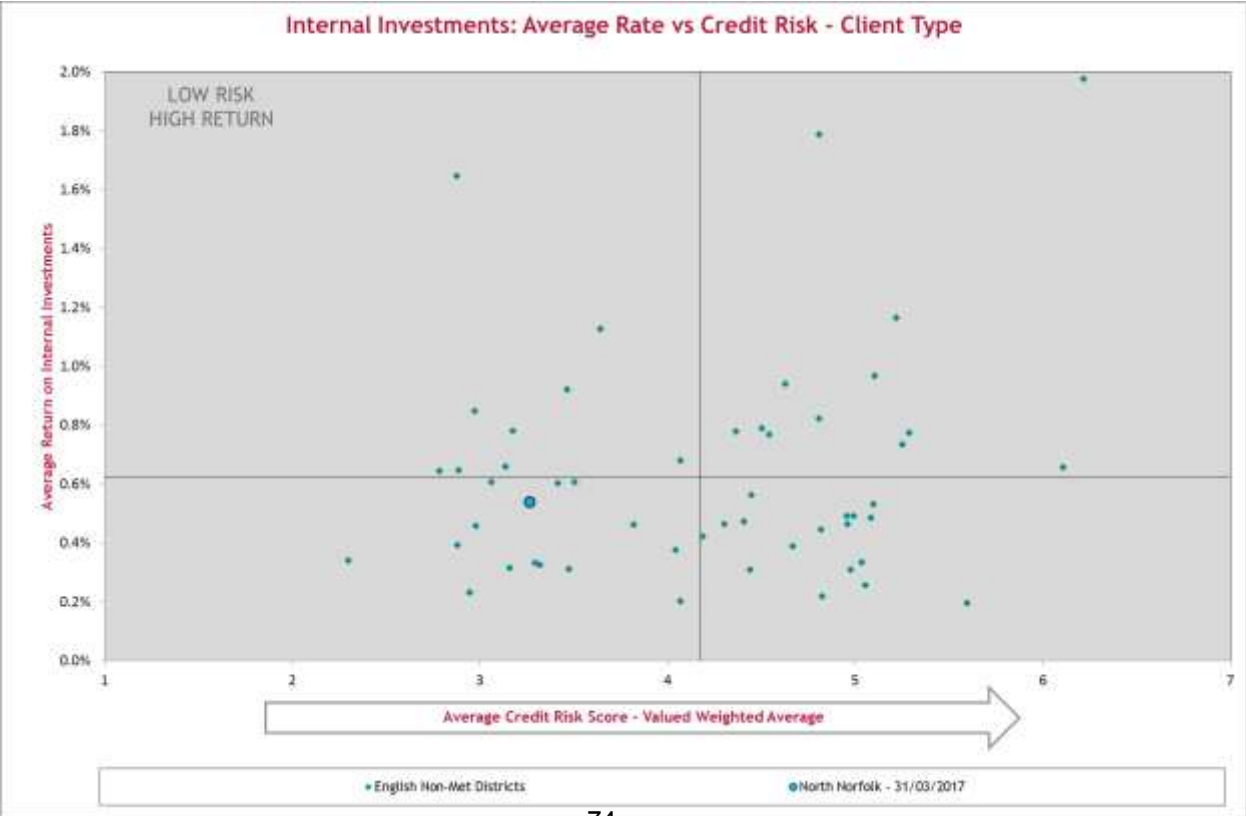
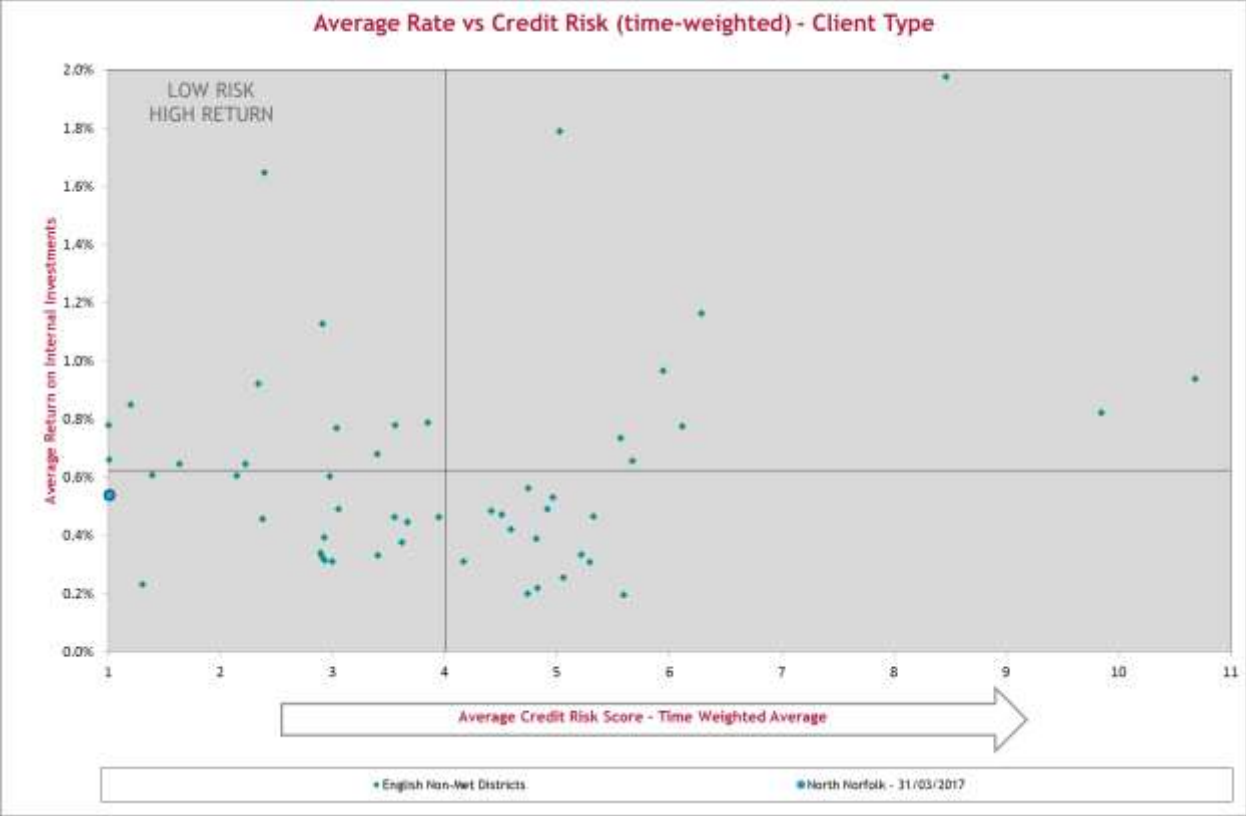
## 9. Financial Implications and Risks

- 9.1 The financial impact of implementing the Council's treasury strategy for 2016/17 has been set out in this report.
10. **Sustainability** – None as a direct consequence of this report.
11. **Equality and Diversity** – None as a direct consequence of this report.
12. **Section 17 Crime and Disorder considerations** – None as a direct consequence of this report.



**Credit Score Analysis**

<b>Long-Term Credit Rating</b>	<b>Score</b>
AAA	1
AA+	2
AA	3
AA-	4
A+	5
A	6
A-	7
BBB+	8
BBB	9
BBB-	10
Not rated	11
BB	12
CCC	13
C	14
D	15





**Debt Recovery 2016-17**

Summary: This is an annual report detailing the council's collection performance and debt management arrangements for 2016/17  
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: To approve the annual report giving details of the Council's write-offs in accordance with the Council's Debt Write-Off Policy and performance in relation to revenues collection.

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

**1 Introduction**

- 1.1. The Corporate Debt Management annual report is one of the performance management measures to provide members with outturn figures for 2016/17 for the following:
- A summary of debts written off in each debt area showing the reasons for write off and values.
  - Collection performance for Council Tax and Non - Domestic Rates (NNDR).
  - Level of arrears outstanding
  - Level of provision for bad and doubtful debts

**2. Background**

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

**3. Performance**

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

Table 1

Income Area	Year/Date	Total Arrears at 31 <sup>st</sup> March	Current Years	% of Current Arrears v Net	Provision for Bad/Doubtful
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		All Years (after write offs)* (£)	Years write offs** (£)	Arrears Included (after write – offs)** (£)	Debit	Debt for all years (£)
Council Tax	2013/14	2,140,624		1,043,935	1.83%	774,981
	2014/15	2,096,472		902,738	1.56%	777,268
	2015/16	2,069,261		836,404	1.42%	762,413
	2016/17	1,998,329*		844,646**	1.36%	733,817

Income Area	Year/Date	Total Arrears at 31 <sup>st</sup> March All Years (after write offs)* (£)	Current Years Arrears Included (after write – offs)** (£)	% of Current Arrears v Net Debit	Provision for Bad/Doubtful Debt for all years (£)
NNDR	2013/14	336,511	195,269	0.81%	115,027
	2014/15	304,708	150,005	0.65%	167,962
	2015/16	343,855	153,179	0.62%	200,746
	2016/17	331,206*	134,548**	0.52%	189,593

3.2. \*This is the cumulative arrears (excludes costs) for all years including 2016/17.

3.3. \*\* This is the arrears figure as at 31/3/2017. Collection of the 2016/17 debt is ongoing and £100,928 council tax and £5,394 NNDR has been collected since that date against previous year's arrears.

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

Table 2

Income Area	Year	Total Arrears at 31 <sup>st</sup> March All Years (after write offs) (£)	Net Debit Raised End of Year (£)	% outstanding against debit at year end (£)	Provision for Bad/Debt for all years (£)
Sundry Income (including Housing Benefit Overpayments).	2013/14	727,460	4,639,974	15.68%	481,568
	2014/15	984,083	5,480,215	17.95%	491,040
	2015/16	1,282,697	6,356,269	20.18%	609,130
	2016/17	1,540,486	6,328,603	24.34%	710,210

3.5. The table below shows the breakdown of 2016/17 level of sundry debt including the residual housing benefit overpayments in finance and the level of housing benefit overpayments in revenues outstanding at the year end and being collected by invoicing customers.

Table 3

Income Area	Year	Total Arrears at 31st March All Years (after write offs) (£)	Net Debit Raised End of Year (£)	% outstanding against debit at year end (£)	Provision for Bad/Debt for all years (£)
Sundry Income (including residual Housing Benefit Overpayments in Finance).	2016/17	*638,238	5,837,350	10.93%	164,598
Housing Benefit Overpayments in Revenues.	2016/17	**902,248	491,253	183.66%	545,612

3.6. \*The above figure includes 19 invoices over £5,000 each totaling £501,700. Five invoices totaling £350,000 are with one organisation which has since paid. Eight of these invoices totaling £99,167 are residue Housing Benefit Overpayments of which six are being repaid by Attachment to Earnings.

3.7. \*\* The above figure includes 33 invoices over £5,000 each totaling £307,063. Eight are being repaid by Attachment to Earnings and another eight collected through the County Court.

3.8. The Provision for Bad/Debt for Sundry Income for all years is £710,210 which includes £545,612 for Housing Benefit Overpayments.

Table 4

Income Area	Year/Date	Net Collectable Debit (£)	Number of Accounts (£)	Average Amount per Account (after adjustments) (£)	Total of all Years Arrears (£)
Council Tax	2013/14	56,911,522	53,038	1,073	2,140,624
	2014/15	57,915,564	53,352	1,086	2,096,472
	2015/16	59,066,218	53,737	1,099	2,069,261
	2016/17	61,902,431	54,172	1,143	1,998,329
NNDR	2013/14	24,047,238	6,285	3,826	336,511
	2014/15	23,805,739	6,414	3,712	304,708
	2015/16	24,854,602	6,631	3,748	342,572
	2016/7	26,115,380	6,865	3,804	331,206
Sundry Income	2013/14	4,639,974	5,231	887	727,460
	2014/15	5,480,215	4,618	1,187	984,083
	2015/16	6356,268	5,723	1,111	1,282,285
	2016/17	6,328,732	5,833	1,085	1,540,486

Table 5

<b>Income Area</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>Target 2016/17</b>
Council Tax	98.1%	98.5%	98.6%	98.7%	98.5%
NNDR	99.1%	99.3%	99.3%	99.36%	99.2%

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

3.10 There are no longer national indicators for the collection of Council Tax and Non-Domestic (Business) Rates. The performance indicator (PI) is retained as a local PI, and continues to be monitored monthly. An important part of debt management is to ensure that bills are sent out accurately and timely and that council tax and business rate payers are aware of any appropriate discounts, exemptions, reliefs and benefit entitlement they may be entitled to. Information is sent with the annual bills, is shown on our web site and service information is provided on these. The ongoing promotion of Direct Debit also forms an important part of debt management 72% of council tax payers are paying by direct debit and 42% of NNDR customers pay by direct debit.

3.11 The Government has made the Small Business Rate Relief (SBRR) scheme more generous from 1 April 2017. Small businesses with a Rateable Value below £12,001 may now be entitled to receive 100% relief (increase funded by Government). Small businesses with a Rateable Value between £12,000 and £15,001 may now be entitled to receive a percentage reduction in their rates bill.

#### 4. Write-Offs

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

Table 6

<b>Income Area 2011/12(£)</b>	<b>2013/14(£)</b>	<b>2014/15(£)</b>	<b>2015/16</b>	<b>2016/17</b>
Council Tax	193,560	139,971	179,556	123,931
NNDR	91,111	83,864	48,142	48,950
Sundry Income (includes residual Housing Benefit write- offs)	58,072	41,526	162,794	16,113
Housing Benefit	74,971	34,214	79,207	56,121

4.2. The table below details the category of debts that have been written off over the year 2016/17 (includes costs) for all years.

Table 7

<b>Category</b>	<b>Council Tax(£)</b>	<b>NNDR(£)</b>	<b>Sundry Income(£)</b>
Unable to collect Uneconomic/ bailiff unable to collect	-198	46	1,098
Debtor deceased	10,389	0	27,065
Debtor absconded	45,722	1,385	4,300
Debtor in bankruptcy Or liquidation or other Insolvency proceedings	51,528	47,637	21,396
Debt cannot be proved (conflict of evidence)	11,907	1,080	11
Ill health & no means	306	0	1,808
Undue hardship	3	731	0
Debt remitted by the Court	0	0	0
Irrecoverable	4,200	-1,928	19,563
Detained/Prison	74	0	654



Other	-599	0	-3,661
Totals	123,931	48,950	72,234

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

## 5. Implications and Risks

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

## 6. Financial Implications and Risks

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

## 7. Sustainability

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

## 8. Equality & Diversity

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

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

## 9. Section 17 Crime and Disorder considerations

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

# **CORPORATE DEBT MANAGEMENT AND RECOVERY POLICY**

## **INTRODUCTION**

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

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

The following policies have been prepared within this framework:

Benefit Overpayment Policy  
Counter-Fraud and Prosecution Policies  
Debt Write -Off policy as shown in Appendix B.

## **POLICY AIMS**

The key aims of this policy are as follows:

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

## **SUPPORTING THE COUNCIL'S CORPORATE PRIORITIES**

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

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

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

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

## **DEBTS COVERED BY THIS POLICY**

The main section involved in debt recovery is Finance.

The debts involved are primarily:

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

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

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

## **THE LEGAL AND POLICY FRAMEWORK FOR RECOVERY**

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

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

### **Local Taxation**

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

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

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

### **Housing Benefits**

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

### **Miscellaneous Income**

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

## **THE POLICY**

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

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

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

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

If a debtor fails to co-operate by:

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

### **LIMITATIONS ON DEBT RECOVERY**

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

### **PROCEDURES AND TRAINING**

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

### **MONITORING**

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

Revised May 2017

## DEBT WRITE OFF POLICY

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

Category	Requirement	Action
De-minimus / Uneconomic to collect	Debts less than £10.00 would not be cost effective to pursue. Sundry Income Debts of £100 plus which have been returned from tracing agents and where legal costs will exceed the debt.	Submit for Write Off
Debtor deceased – No Estate	Insufficient funds in estate to discharge debt.	Submit for Write Off
Debtor absconded / Unable to Trace / Detained or Imprisonment *	All attempts to trace debtor have failed. Including tracing agent for debts over £25.00. Including long-term imprisonment (12 months) or more.	Submit for Write Off
Debtor in bankruptcy or liquidation or other insolvency proceedings including Debt Relief Orders**	A claim against the debtor has been lodged with the administrators. No dividend is to be paid or the balance after the dividend is submitted.	Submit for Write Off
Debt cannot be proved (conflict of evidence)	An explanation should be given as to why recovery cannot be made.	Submit for Write Off
Ill Health & no means	Written evidence of one of the following criteria: 1. Terminal illness and limited means 2. Where payment would cause further ill health 3. Old age and frailty and no financial	Submit for Write Off

## Appendix 2

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

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

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

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

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



## Appendix 2

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

Section Manager / Team Leader	up to £1,000
Head of Service / Revenues Manager	up to £10,000
Head of Finance	up to £20,000
Head of Finance or Chief Executive in consultation with the Portfolio Member	over £20,000
16. The Head of Service will record all write-off decisions, and provide a summary to the Head of Finance. This will be available for further Scrutiny, for Audit purposes and for quarterly reporting to Cabinet.
17. The Head of Corporate Finance will submit an annual report to Cabinet identifying the following:
  - A summary of debts written off in each debt area showing reason for write-off, values and number of cases.
  - Collection performance for each service area
  - Level of arrears outstanding
  - Level of provision for bad and doubtful debts

Reviewed May 2017

**Deep History Coast Project**

Summary:

In accordance with the priority set out in the Corporate Plan, an initiative was established to use the evidence of Britain’s ancient past discovered along the north Norfolk coastline to attract visitors and investment to the area.

A substantial project was developed, which proposed an integrated set of capital and revenue schemes, relating to the cliffed stretch of coast (between Weybourne and Cart Gap). The project envisaged the coast as a ‘living landscape museum’ and a bid was submitted to the Coastal Communities Fund (administered by the DCLG) for £2,010,000 to develop and implement it over the next two years. The funding application was unsuccessful and so this report suggests other ways in which the project could be delivered and requests funding from the Council’s Capital Reserves in order to deliver key aspects of it in a timely fashion.

Options considered:

This report sets out a variety of possible alternatives to the recommended proposal, from abandoning the project to re-submitting it to the Coastal Community Fund later this year. The recommended approach seeks to balance the desire to progress elements of the project in a timely manner with the cost of the project and the likelihood of attracting external funding.

Conclusions:

It is considered that a robust and potentially beneficial project was developed as a means of achieving the Corporate Plan objective of *“investing in our assets to support the tourism economy and promote the ‘Deep History’ concept”*. It is regrettable that an application to the Coastal Community Fund was unsuccessful but, given the resources that have been committed towards the project thus far, and the widespread support for it from a range of stakeholders, appropriate alternative means of delivering the project should be pursued, including utilising the Council’s own capital reserves and applying to other external funding sources to deliver elements of it.

Recommendation: It is recommended that Cabinet:  
Authorise the Head of Economic & Community Development, in consultation with the Leader of the Council, to re-evaluate the project and engage further with local communities, town and parish councils, businesses and possible partners and recommend to Full Council the authorisation of a sum of £500,000 from the Capital Reserve to implement some capital elements of the project, including a trail and improved facilities

Reason for Recommendations: To ensure the timely and cost effective implementation of the project, engage relevant stakeholders and fully account for the risks and uncertainty.

Cabinet Member(s) Ward(s) affected: All  
Cllr T FitzPatrick

Contact Officer, telephone number and email: Robert Young, 01263 516162, robert.young@north-norfolk.gov.uk

## 1. Background

- 1.1 The Corporate Plan includes the following objective:  
*“Capitalise on our tourism offer both inland and along our historic coast by investing in our assets to support the tourism economy and promote the ‘Deep History’ concept.”*
- 1.2 The term Deep History Coast was coined by Norfolk Museums Service. It refers to the evidence that points to human habitation of our coast some 850,000 years ago and to the fossil relics of glacial geology.
- 1.3 To explore ways of using the fascinating geological and historical facets of the north Norfolk Coast for the benefit of the local economy, a steering group was established between NNDC, Norfolk County Council and Visit Norfolk. A successful application was then made to the DCLG for the establishment of a Coastal Community Team, based on the Deep History Coast concept and covering the area between Weybourne and Cart Gap. This attracted £10,000 in funding, which was used to put together ideas for an ambitious project that would promote the area for new investment.
- 1.4 The concept was built up into a project that would help establish a year-round destination to attract visitors of all ages. An application was submitted to the Coastal Communities Fund (administered by the DCLG) in the hope of attracting funding of just over £2m. The project envisaged the coast as a ‘living landscape museum’.

1.5 Despite getting through the first round of the application process (last summer) and submitting with our second stage application fully costed and comprehensively developed plans and evidence of the proposed project outcomes, we found out on 3<sup>rd</sup> April that our funding application was unsuccessful. And so this report suggests other ways in which the project could be delivered and requests funding from the Council's Capital Reserves in order to deliver key aspects of it in a timely fashion.

## **2. Funding bid to the Coastal Communities Fund (CCF)**

2.1 The UK Government announced in 2015 that the CCF will be extended to 2021 with at least £90m of new funding available for the period 2017/18 to 2020/21.

2.2 Round 4 of the CCF opened to applications in England on 22 May 2016 and one further funding round in England is expected to open in late 2017.

2.3 The Coastal Communities Fund is designed to support the economic development of coastal communities by promoting sustainable economic growth and jobs. All projects funded through the CCF are expected to deliver an outcome where coastal communities will experience regeneration and economic growth through projects that directly or indirectly create sustainable jobs, and safeguard existing jobs.

2.4 The project that NNDC (supported by partners in the Deep History Coast Coastal Community Team) submitted for funding sought just over £2m. The stage two application was submitted in December 2016 and the outcome was received in April 2017. The full application pack, including the supporting business plan is provided in the Members' Room for reference.

2.5 The project aimed to coordinate the various sites of interest along this stretch of coast, to provide interpretation material, new features of interest, improved visitor facilities, events, curatorial activities and novel ways of promoting and marketing the area. As our local economy is heavily dependent upon a highly seasonal visitor pattern, this project sought to promote year-round attractions, beyond the traditional hot-spots. In doing so it would enable businesses to exploit new markets, repeat visits and longer stays. Whilst the activities and interventions were planned to take place along the coastal strip, it was intended that the benefits of the project would be felt across the whole district (and indeed the wider region). It would 'put the District on the map', and that recognition would help drive other investment, beyond just the hospitality industry.

2.2 The idea was to see the features of our eroding coastline as exhibits in a huge, dynamic, outdoor attraction, by:

- Establishing the Deep History Coast as a 'living landscape museum', with Discovery Points and trails, interpretation and themed signage (on the ground) and improved visitor facilities and infrastructure at key locations

- Developing a gateway to the Deep History Coast at Cromer by designing a new exhibition space, a Deep History Coast themed art installation and 'start-up' retail opportunities (within the setting of the rejuvenated West Promenade)
- Creating a feature of the site of the West Runton mammoth, by creating a mammoth display, installing a new feature/ attraction, improving visitor facilities, and enhancing the year-round commercial potential of the site
- Establishing a geology hub, with both on-line content and a physical presence (at Cromer Museum), which would: create and curate the resources and content of the 'living landscape museum'; coordinate and put on events and exhibitions; provide resources to support visitors to the coast (tourists and educational field study visits from national institutions)
- Devising novel ways of telling the story to markets locally, nationally (and even internationally) through brand development, marketing activity, promotional campaigns, and business ambassador schemes

2.3 Evidence produced to support the bid, showed that over the life of the project, this initiative could bring an additional 717,000 visitors to the area, generate £35m in the North Norfolk Economy, create seventeen direct jobs and 552 indirect jobs.

2.4 The CCF is highly competitive and, whilst our bid seemed to meet the criteria, it was unsuccessful. No feedback has been provided on the merits of our bid, although during the application process all the relevant information and supporting evidence had been provided and officers were confident that it closely matched the funding criteria. Several projects in the eastern region were supported, including additional funding (£311,124) for the Wells Maltings Project and £302,739 for Norfolk County Council's 'Coastal Treasures' project (which proposes to promote the cultural heritage from Hunstanton Sea Front to King's Lynn). The full list of funded projects around the country can be found on the following link:  
<https://www.biglotteryfund.org.uk/global-content/programmes/uk-wide/coastal-communities#>

### **3. Current position**

3.1 The context within which the project was formulated remains broadly the same as when the CCF stage-two application was made. All of the partners involved in the project's development have expressed disappointment about the outcome of the CCF application and have shown their continuing support for the project.

3.2 In support of the application, architects drawings of the proposed capital build elements of the project were completed and detailed costings for the implementation of these were provided. These included: proposed new WCs and display spaces at West Runton and cart Gap and an exhibition space and retail units at the Melbourne slope, Cromer.

- 3.3 A detailed *Interpretation Plan* for the project was undertaken on behalf of the Council by Ugly Studios (available in the Member's room for reference). This sets out a vision for the project and demonstrates how the heritage of the coast can be better interpreted and explained for target audiences. The Plan proposes the themes, objectives and messages that the project should attempt to portray and includes a detailed display plan as a framework for the installation of the new information and discovery points. Furthermore this provides the designs and cost plans for the various installations proposed.

#### 4. Options

- 4.1 In the light of the CCF funding decision, the principle options for the project are set out in the following table

Option	- ve impact	+ ve impact
1. Abandon the Project	<ul style="list-style-type: none"> <li>This would be a waste of all the resources expended to-date and the goodwill that exists</li> <li>The local economic benefits will not be achieved</li> </ul>	<ul style="list-style-type: none"> <li>No further resources needed</li> </ul>
2. Put the whole project on the back burner and re-submit for the next round of CCF (expected to be announced in late 2017)	<ul style="list-style-type: none"> <li>This would delay implementation for another year</li> <li>There is a risk it would still not be supported</li> <li>This would prevent another CCF bid being submitted by NNDC (only one bid is accepted per organisation)</li> </ul>	<ul style="list-style-type: none"> <li>Very limited resources would need to be expended to update the bid</li> </ul>
3. Re-cast the project for submission to other funds (e.g. HLF)	<ul style="list-style-type: none"> <li>This would introduce significant delay and uncertainty</li> <li>Considerable staff resources needed</li> </ul>	<ul style="list-style-type: none"> <li>Opportunity to re-evaluate the objectives and potentially bring in additional funds</li> </ul>
4. Unpack the project and deliver elements of it through other resources	<ul style="list-style-type: none"> <li>The project may be less coherent, potentially jeopardising some of its benefits</li> <li>It is likely to mean the use of NNDC's own financial reserves</li> <li>NNDC staff resources needed to manage/ implement the project</li> </ul>	<ul style="list-style-type: none"> <li>A mix &amp; match approach will mean more control over different elements of the bid and a clearer focus on the objectives for each</li> </ul>

- 4.2 If option 4 above were to be selected, the table below sets out suggestions for taking forward elements of the project in other ways.

<b>Project element</b>	<b>Recommendation</b>	<b>Finance</b>	<b>Notes/ options</b>
<b>Infrastructure</b>			
West Runton Exhibition/ WC	Re-consult on possible proposals	NNDC capital	Explore the commercial potential of the existing WC site. W Runton has, since the CCF bid achieved Blue Flag beach status
Cart Gap exhibition/ WC	Re-consult on possible proposals	NNDC Capital	Consider the incorporation of a kiosk or licence for concession
Discovery points	Consult and review the number and location of these installation in the light of feedback received	NNDC capital	There may be some partnering/ sponsorship opportunities (e.g. local businesses/ attractions/ parish councils)
Artistic installations	Review options for funding or abandon	Arts Council England, HLF, patron?	This could be considered as possible separate initiative
Gateway Exhibition Hub and retail units	Reconsider options for the development of the gateway in other ways but abandon the plans for the proposed new-build of the units on the Melbourne Slope, Cromer	NNDC Capital or incorporation into new funding bid (possibly CCF)	This was an expensive element of the project, due in part to the characteristics of the proposed location. It could potentially be incorporated into existing premises/ attractions/ facilities
Re-fit Cromer Museum geology exhibition	reconsider options	NCC or incorporation into new funding bid (possibly CCF)	Smaller scale updating/ improvement of the exhibition (incorporating DHC branding) would be cheaper to implement
<b>Marketing</b>			
Brand development	Evaluate funding opportunities and potential partnership approaches (e.g. Visit North Norfolk/ Visit Norfolk)	NNDC revenue budget (tourism promotion)	Will be needed for installations. Best undertaken as part of a coherent, holistic, project.

Marketing	Evaluate funding opportunities and potential partnership approaches (e.g. Visit North Norfolk/ Visit Norfolk)	NNDC revenue budget (tourism promotion)	Through working with partners, linking with other projects and identifying other methods of delivery many of the outcomes should still be possible
Interpretation	Use the existing work commissioned from Ugly Studios for the CCF bid and build this into the Capital elements of the project above	NNDC Capital	The digital content etc. will need to be reconsidered
<b>Revenue activity</b>			
Activities proposed to be undertaken by the Geology Hub (inc. curatorial, events, liaison, volunteer support and ambassador scheme)	Consider for re-submission in an amended application to the CCF (or other possible funding opportunities)	NCC or funding application (possibly re-submission to CCF)	Whilst beneficial to the achievement of the <i>outcomes</i> of the original project (as submitted) – aside from external funding sources it will be difficult to find resources for such revenue activities
Digital content, including possible animations, films, website development	Consider for re-submission in an amended application to the CCF (or other possible funding opportunities)	NCC or funding application (possibly re-submission to CCF)	This is an interesting and novel aspect of the project and it could be re-imagined and submitted as a separate project bid or incorporated into a revised CCF bid

## 5. Suggested way forward

It is recommended that, in order to maintain momentum and partner support, and make best use of the detailed work that has been done, particularly in advancing the capital elements of the project, significant parts of it should be undertaken by using some of the Council's own capital reserves. Further consultation should be undertaken with local communities, businesses and interested organisations in order to help inform the detailed location, nature and content of any proposed installations. It is recommended also that the remaining elements of the project be reviewed and re-packaged for submission to other external funding opportunities (particularly the next available round of the Coastal communities Fund).



## **6. Conclusions**

- 6.1 It is considered that a robust and potentially beneficial project was developed as a means of achieving the Corporate Plan objective of “*investing in our assets to support the tourism economy and promote the ‘Deep History’ concept*”. It is regrettable that an application to the Coastal Community Fund was unsuccessful but, given the resources that have been committed towards the project thus far, and the widespread support for it from a range of stakeholders, appropriate alternative means of delivering the project should be pursued, including utilising the Council’s own capital reserves and applying to other external funding sources to deliver elements of it.

## **7. Implications and Risks**

- 7.1 The proposals set out in this report are oriented towards meeting the priorities of the Corporate Plan and creating growth and investment in the local economy. The principle risk to being able to deliver these relate to the availability of finance and staff resources. If the recommendations are approved then it is anticipated that the resources will be available to implement the proposed actions.
- 7.2 The Deep History Coast project involves a potentially wide range of interventions, from capital build to revenue activities. Landowner consent has yet to be secured and the proposed works do not have the benefit of planning permission.
- 7.3 Engagement with a range of relevant stakeholders has been undertaken in the gestation of this project and feedback received has helped to inform the proposals. Further local consultation will be necessary in defining the precise location and design details of the various installations.
- 7.4 The project will rely on suitable funds for its successful implementation. It will be necessary to liaise with relevant organisations, including Norfolk County Council, which is a partner in the project, in order to develop appropriate proposals and orientate them appropriately

## **8 Financial Implications and Risks**

- 8.1 The total cost of installing the high quality new facilities specified in the original bid, would need a sum of approximately £625,000. It is suggested, however that substantial elements of it could be achieved with a budget of £500,000. The budget is available from the Council’s Capital Reserves.

## **9 Sustainability**

- 9.1 There are no specific sustainability implications arising from the recommendations in this report

## **10 Equality and Diversity**

- 10.1 There are no specific impacts on equality and diversity arising from the recommendations in this report

**11 Section 17 Crime and Disorder considerations**

11.1 There are no section 17 implications arising from the recommendations in this report

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### 1. SCOPE OF RESPONSIBILITY

- 1.1. North Norfolk District Council (NNDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. NNDC also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this overall responsibility, NNDC is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3. NNDC has approved and adopted a Local Code of Corporate Governance, and this has been updated for the 2016/17 financial year based on the development of the new '*Delivering Good Governance in Local Government: Framework*' (CIPFA/Solace, 2016) ('the Framework'). A copy of the Council's current Local Code is on our website at [www.northnorfolk.org](http://www.northnorfolk.org) or can be obtained from the Head of Finance and Assets at the Council Offices, Holt Road, Cromer. This statement demonstrates how NNDC has complied with the Framework and also supports the requirement of the Accounts and Audit (England) Regulations 2015 in relation to the approval (Part 2 regulation 6) and publication (Part 3 regulation 10) of an Annual Governance Statement (AGS), prepared in accordance with proper practices in relation to internal control and is reviewed annually or more frequently as required. In addition NNDC's framework for delivering good Corporate Governance is embedded within its Constitution, policies and procedures.

### 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1. The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to appropriate, cost-effective service delivery.
- 2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact should those risks be realised and to manage those risks efficiently, effectively and economically.

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- 2.3. The governance framework has been in place at NNDC for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

### **3. THE GOVERNANCE FRAMEWORK – THE SEVEN CORE PRINCIPLES**

- 3.1. The Council's governance framework is derived from the following core principles as per the new CIPFA/SOLACE 2016 Framework which is based upon the 7 core principles of the International Framework for Corporate Governance in the Public Sector as follows;
- A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law
  - B – Ensuring openness and comprehensive stakeholder engagement
  - C – Defining outcomes in terms of sustainable economic, social and environmental benefits
  - D – Determining the interventions necessary to optimise the achievement of the intended outcomes
  - E – Developing the entity's capacity, including the capability of its leadership and the individuals within it
  - F – Managing risks and performance through robust internal control and strong public financial management
  - G – Implementing good practices in transparency, reporting and audit to deliver effective accountability
- 3.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of not fully achieving policies, aims and objectives and therefore provides a reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of NNDC policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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- 3.3. Revisions were required to the Council's Local Code of Corporate Governance to ensure it reflected the changing context of the Council and that it was consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for English authorities. This Annual Governance Statement explains how the Council has complied with the terms of the new CIPFA/SOLACE Framework (2016) for the year ended 31 March 2017 and should be read in conjunction with the Council's Local Code of Corporate Governance (2016/17) which is attached to this document as Appendix 1 which sets out the framework and key principles, which are required to be complied with, to demonstrate effective governance.
- 3.4. The Local Code of Corporate Governance highlights how good governance supports the Council and demonstrates what we aim to achieve by following the seven core principles, along with the tools we use to support our compliance. It goes further to identify the behaviours and actions that can demonstrate our compliance with the code, how we put this into practice and the source documents, policies, procedures and frameworks that enable us to evidence compliance.
- 3.5. If there are any areas which require strengthening, these are highlighted within the Annual Governance Statement as part of the Action Plan within Section 5.

### **4. REVIEW OF EFFECTIVENESS**

- 4.1. NNDC annually reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors and from comments made by the external auditors and other inspection agencies.
- 4.2. Both during the year and at year end, reviews have taken place. In year review mechanisms include:
  - 4.2.1. The Cabinet is responsible for considering overall financial and performance management and receives comprehensive reports on a quarterly basis. It is also responsible for key decisions and for initiating corrective action in relation to risk and internal control issues.
  - 4.2.2. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. In addition the Constitution Working Party is in place to review the constitution and make recommendations to Full Council as appropriate.

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- 4.2.3. The Council has a Scrutiny Committee which can establish ‘task and finish’ groups, to look at particular issues in depth, taking evidence from internal and external sources, before making recommendations to the Cabinet. Scrutiny can “call-in” a decisions of the Cabinet which are yet to be implemented, to enable it to consider whether the decision is appropriate. In addition the Scrutiny Committee can exercise its scrutiny role in respect of any Cabinet function, regardless of service area or functional responsibility, and will conduct regular performance monitoring of all services, with particular attention to areas identified as under-performing.
- 4.2.4. The Local Government and Public Involvement in Health Act 2007 include powers to enable Councillors to formally champion local issues where problems have arisen in their ward. North Norfolk has embedded the “Councillor Call for Action”. This allows Councillors to ask for discussion at Overview and Scrutiny Committee on issues where other methods of resolution by the District Member have been exhausted.
- 4.2.5. The development of the procurement function across the public sector has led to the establishment of a number of framework agreements for purchasing where the detailed work on price and quantity with suppliers has already been carried out. Contracts for supply are only established when goods works or services are called off under the agreement.
- 4.2.6. The Council has introduced a new electronic procurement system (Delta) this year to help improve the transparency of the Council’s procurement process and to further support the audit trail for decision making. Further work will be undertaken in relation to the Contract Standing Orders within the Constitution to ensure this system becomes thoroughly embedded within the Council’s procurement practices.
- 4.2.7. The Equality Framework builds on the work already undertaken in this area. It is based on three levels of “developing, achieving and excellent”.
- 4.2.8. The Standards and Conduct provisions of the Localism Act 2011 came into force on 1st July 2012. The authority has appointed an Independent Person pursuant to the Act and has decided to have a Standards Committee (which is now not mandatory). The Committee has received a number of items during the year including reports detailing complaints received by the Monitoring Officer and the status of such complaints. It has held one full hearing in relation to a parish complaint.
- 4.2.9. The Governance, Risk and Audit Committee met four times during the year to provide independent assurance to the Council in relation to the effectiveness of the risk management framework and internal control environment. The Committee received regular reports on,

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internal control and governance matters in accordance with its agreed work programme. During the year 17 (15 in 2015/16) internal audit assignments were completed delivered over 179 days (170 days in 2015/16), a reasonable audit opinion was given for the year. All reviews were completed as planned in the year, with a minor amend to the scope of the Environmental Health audit agreed within year to focus on Business Continuity, with the wider review to take place in 2017/18.

- 4.2.10. The Accounts and Audit Regulations 2015 require that “a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. The conclusions of the internal audit enable an opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control to be provided. In addition, Internal Audit can undertake fraud investigation and proactive fraud detection work which includes reviewing the control environment in areas where fraud or irregularity has occurred. All significant weaknesses in the control environment identified by Internal Audit are reported to senior management and the Governance, Risk and Audit Committee. There was one urgent (priority one) recommendation raised in the year, which has been adequately addressed by management and there are no outstanding urgent recommendations at year end. Internal Audit also carry out regular reviews of the status of implementation of Internal Audit recommendations. During the year there has been a drop in the number of recommendations raised as the result of audit reviews, compared to the previous year. At 31 March 2017, of the 32 recommendations raised, there were seven recommendations outstanding - four important (priority two) and three needs attention (priority three) compared to 12 outstanding at 31 March 2016 (seven important and five needs attention). For these outstanding recommendations revised implementation dates have been agreed between Internal Audit and Officers and will be followed up during 2017/18.
- 4.2.11. It should also be noted that, not only did the internal audit contract consortium either meet or exceed all of its performance indicators for the year, but of the 14 audits undertaken where an opinion was issued, 5 were given the highest assurance level possible (substantial assurance) representing 36% of the audits undertaken, indicating a very positive direction of travel.
- 4.2.12. As part of the 2016/17 audit work plan a high level advisory review was undertaken in relation to the implementation of a Senior Information Risk Officer (SIRO) role. The objective of the review was to help provide support and advice regarding the implementation of an appropriate SIRO framework. The audit suggested actions to implement the role of the Senior Information Risk Officer and relevant supporting roles, including training and the action plan will continue to be progressed during the new financial year. This role has been allocated to the Corporate Director and joint Head of Paid Service (Nick Baker).

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- 4.2.13. The External Auditor's Annual Audit Letter is considered by the Governance, Risk and Audit Committee and the Risk Management Board.
  - 4.2.14. The Risk Management Board monitor and also continually review corporate risks and ensure that actions are being taken to effectively manage the Council's highest risks.
  - 4.2.15. The Council continues to review its treasury management arrangements in line with best practice and in response to regular updates and advice from the Council's Treasury advisors, Arlingclose. During the year training was provided to Members on treasury management by the council's advisors.
  - 4.2.16. Management Team (Heads of Service and CLT) complete an annual Self-Assessment Assurance Statement which identifies non-compliance in a number of areas including procedures, risk and control, financial management and procurement. Any significant areas of non-compliance will either be taken account of in service plans or if corporate included in the AGS action plan.
- 4.3. The year-end review of the governance and the control environment arrangements by the Risk Management Board included:
- 4.3.1. Obtaining assurances from Directors and Heads of Service that key elements of the control framework were in place during the year in their departments.
  - 4.3.2. The statement itself was considered by CLT and is supported by them as an accurate reflection of the governance arrangements in place for the year.
  - 4.3.3. Obtaining assurances from other senior management, including the Monitoring Officer that internal control and corporate governance arrangements in these essential areas were in place throughout the year.
  - 4.3.4. Reviewing any high level audit recommendations that remained outstanding at the year end and taking appropriate action if necessary.
  - 4.3.5. Reviewing external inspection reports received by the Council during the year, the opinion of the Head of Internal Audit in her annual report to management and an evaluation of management information in key areas to identify any indications that the control environment may not be sound.
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- 4.3.6. Reviewing the updated Local Code of Corporate Governance.
- 4.4. The Governance, Risk and Audit Committee received assurances from the Head of Internal Audit that standards of internal control, corporate governance arrangements and systems of risk management were all operating to an adequate standard, with a reasonable assurance being concluded.
- 4.5. The Governance, Risk and Audit Committee review the effectiveness of the governance framework as part of an annual review of the Local Code of Corporate Governance, and an improvement plan to address weaknesses and ensure continuous improvement of the system is in place.
- 4.6. In terms of gaining assurance on risks associated with delivering services through third parties, at the start of the financial year the Council entered into a formal partnership known as Coastal Partnership East between NNDC, Great Yarmouth Borough Council and East Suffolk (Waveney and Suffolk Coastal District Council partnership). This new approach is considered the best way for these Councils to address the challenges that are common to the whole coastline of Norfolk and Suffolk. By collaborating, rather than competing with one another for resources, we will be far better able to:
- Retain and recruit staff
  - Broaden the scope of works that we can undertake
  - Share experiences, lessons and new techniques
  - Prepare joint schemes and projects (achieving economies of scale)
  - Explore new and innovative approaches to adaptation as well as coast protection
- 4.7 Coastal Partnership East formed by bringing together the coastal management resources and expertise from North Norfolk District Council, Gt. Yarmouth Borough Council, Suffolk Coastal District Council and Waveney District Council. The Partnership works along the 220km of coastline across Norfolk and Suffolk. Our coastal team has a reputation that is the envy of many local authorities and this new approach is seen an appropriate way of capitalising on our strengths and building resilience for the future.

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- 4.8 A Section 113 Agreement was made between each authority which means that staff remain employed through their respective authorities and the management of each frontage remains with each Council, however, the shared resources of the Partnership are able to flex across local authority boundaries to enable all to benefit from a more resilient resource and skills base. The partnership is overseen by a Board comprising of relevant Member Portfolio holders/Committee Chairs which is supported by an Operational (senior) Officer Group, both of which meet on a quarterly basis.
- 4.9 The manager for Coastal Partnership East was included as part of the Council's annual Self Assurance process and there are some recommended improvements identified below as a result of this.

### 5. GOVERNANCE ISSUES

- 5.1. Following from the review of the Annual Governance Statement for 2016/17 and the Self-Assessment Assurance Statements the following actions have been identified. There are still some Internal Audit recommendations not being implemented in accordance with the original timescales. This is an action that will continue to be monitored and the implementation of the SIRO role will further help to strengthen governance arrangements. The Partnership framework requires review as do a number of the current partnerships operating within the Council. Resource issues have been raised by a number of teams, some of which relate to national shortages of suitably qualified professional staff but additional funding has been provided recently for staffing resources in a number of key areas to try and help support service areas, this will continue to be monitored by CLT but there are no further specific actions arising from this. A Business Process Review (BPR) is currently being undertaken within the Planning service area and once completed this will require an update to various procedures and protocols along with additional staff training.

Action	Officer	Target Date
Implementation of Internal Audit Recommendations	Management Team (All Heads of Service and CLT)	31 March 2018
Complete the implementation of the recommendations from the high level audit review in relation to the Senior Information Risk Officer (SIRO) role	CLT	31 March 2018
Review of Partnership framework and	Management Team (All Heads of Service and	31 March 2018

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specific partnerships identified as part of the self-assessment process, including Coastal Partnership East	CLT)	
<p>Following completion of the BPR process within Planning undertake;</p> <ul style="list-style-type: none"> <li>• Update of protocols for planning and pre-application planning advice</li> <li>• Update to working procedures, including risk assessments</li> <li>• Management training to cover Freedom of information (FOI) requests and Business Continuity</li> </ul>	Head of Planning	31 March 2018

## Annual Governance Statement 2016/17

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### 6. CERTIFICATION

6.1. To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year with the exception of those areas identified above. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangement. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Leader of the Council:**

**Cllr Tom FitzPatrick**



**Corporate Directors and Heads of  
Paid Service:**

**Mr Nick Baker**



**Mr Steve Blatch**



**North Norfolk District Council  
Local Code of Corporate Governance 2016/17**

North Norfolk District Council works to improve the lives of its residents while retaining and improving the quality of life and prosperity of the district for future generations – working with and for you. As a Local Authority, we are entrusted with public funds, and aim to spend these wisely to improve outcomes in our District. Our Local Code of Corporate Governance is the framework of policies, procedures, behaviours and values which determine how we work to achieve our priorities, and is based upon the 7 core principles of the International Framework for Corporate Governance in the Public Sector which are as follows;

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entities capacity, including the capacity of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

Good governance supports the Council through:

- Enabling the Council to achieve its objectives in an open and accountable way
- Ensuring decisions are sound and lawful, upholding the Council's reputation and minimising the risk of financial loss
- Ensuring decisions take into account local people's needs and priorities
- Giving the public confidence in the work we do
- Underpinning our Code with our four corporate values which are as follows;
  - We respect people and treat everyone fairly
  - We are open and honest and listen
  - We strive to offer the best value for money service
  - We welcome new challenges and embrace change
- Each year, the Council reviews its governance arrangements through the Annual Governance Statement, ensuring these arrangements are adequate and operating effectively. Where reviews identify any gaps in corporate governance, or areas for improvement, recommendations for improvements are made

## North Norfolk District Council – Local Code of Corporate Governance

<b>Principle</b>	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting and audit, to deliver effective accountability
<b>What we aim to achieve</b>	We are accountable for the money entrusted to us. We can demonstrate decisions we take are appropriate and there are strong processes in place to encourage and enforce compliance with the Council's values and the law	Local Government is accountable to its public. We use clear channels of communication to engage with our residents and stakeholders, understanding their needs. We manage expectations and model Service delivery to respond to demand	We form clear, long term priorities in line with our long term ambitions. We balance the competing demands and priorities we face and allocate resources accordingly.	We have robust decision making processes to ensure defined outcomes can be achieved given the varying demands we face. We monitor our performance and delivery on an ongoing basis to ensure intended outcomes are achieved	We are a recognized investor in our people and work to develop our talent to maximize the potential of the resources we hold. We remain at the forefront of national developments to support our commitment to retaining viability.	We have robust management information procedures to ensure that outcomes are accurately reported and monitored. We welcome challenge to the way we operate, and actively learn in order to improve the way we deliver	We pro-actively make information available to give Stakeholders confidence in our decision making. We have strong systems of oversight, including audit and scrutiny, to maintain accountability for our delivery
<b>The key tools we use to support our compliance</b>	Codes of Conduct Constitution Corporate Values Financial Standing Orders Contract Standing Orders Staff/Member induction/training/appraisal Performance Framework Counter-Fraud and Fraud and Corruption Policy Whistleblowing Policy Register of Interests/Gifts Compliments and Complaints Systems and Policy Procurement Policy Partnership Framework	Customer Charter and Management Strategy Publication of minutes and decision notices Compliments and Complaints Systems and Policy Consultation Exercises Communications Strategy Annual Report FOI scheme Council website Corporate Plan Committee timetables Constitution Performance Framework Statutory provisions Partnership Framework Staff/Member Bulletin	Corporate Plan Annual Action Plan Annual Service Planning Budget and Capital Programme Medium Term Financial Plan Asset Management Plan Risk Management Framework/Business Continuity Plan/Policy Programme Management approaches Equality Assessments Performance Framework Communications Strategy Committee reports	Committee work Programmes/timetables Consultation exercises Risk Assessments/Framework Procurement Strategy Reviews of core services Medium Term Financial Strategy Communications Strategy Performance Management Framework Partnership Framework Budget framework Medium Term Financial Plan Committee reports Annual Governance Statement	Digital Transformation Programme Service Reviews Investors in People (Gold) Scheme of Delegation Performance Management Framework Peer Reviews Appraisal and development systems Agile Working Policy Attendance & Absence Policy Employee Code of Conduct Equality & Diversity Policy Asset Management Plan Partnership Framework Job descriptions	Risk Management Framework/Business Continuity Plan/Policy Business Plans Scrutiny Committee Governance, Risk & Audit Committee (GRAC) Internal/external audit Budget Management procedures Health and Safety Policies Information Management Strategy Performance Management Framework SIRO Officer Information Management Strategy Data Protection Policy Data Quality Policy Risk Assessments Corporate Risk Register	Internal/external audit External inspection of internal audit Corporate Governance Frameworks Annual Governance Statement Pay Policy Statement Transparency agenda Council website Annual Report Financial Statements Scrutiny Committee Annual Report Local Code of Corporate Governance Audit protocols Medium Term Financial Plan

Principles of Good Governance	Behaviours and actions that can demonstrate this	How we put this in practice	Source Documents
<p><b><i>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</i></b></p> <p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.</p>	<p>Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p>	<p>The Council has approved Codes of Conduct which are included within induction packs. All officers are part of the Council’s performance management framework and expected to perform in line with designated competencies appropriate to their role and job description. The authority’s leadership style is underpinned by the Constitution, Policies, Protocols and Codes of Conduct. The values of the organisation are documented within the Corporate Plan. The Council has introduced and encourages public speaking at Committees and has invested in upgrading its website, actively managing its content to ensure easy access to information.</p>	<p>Constitution, Articles in Staff / Members Bulletin, Head of Paid Service update emails, Corporate briefings held during the year to update staff of key issues and items, Appraisal and Development Scheme, Member/Officer Codes of Conduct, Member/Officer Protocol, Whistle blowing policy, Anti-Fraud and Corruption Policy, Freedom of Information (statement and publication scheme), Planning Protocol, Standards Committee, Officer Register of Gifts and Hospitality, Member / Officer Registers of Interests, Annual Governance Statement, Local Code of Corporate Governance.</p>
	<p>Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p>	<p>The Corporate Plan sets out our clear vision for the District, and our ambition. This is further supported by our Annual Action Plan which is monitored through the Council’s Performance Management Framework.</p>	<p>Corporate Plan, Annual Action Plan, Performance Management Framework, Standards Committee Annual Report, Member/Officer Codes of Conduct, Member/Officer Protocol, Whistle blowing policy, Anti-Fraud and Corruption Policy, Member / Officer Register of Gifts and Hospitality.</p>

	<p>Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p>	<p>The values of the organization are documented within the Corporate Plan. Our decision making processes are embedded into the Council's constitution which is periodically reviewed and endorsed by Councillors. Members are required to make any 'Declarations of Interest' where appropriate.</p>	<p>Corporate Plan, Constitution, Member/Officer Codes of Conduct, Whistle blowing policy, Anti-Fraud and Corruption Policy, Planning Protocol, Member/Officer Register of Gifts and Hospitality, Member/Officer Registers of Interests, Financial Regulations, Contract Procedure Rules, Combined Equalities Scheme, Member / Officer Induction and Training Audit Committee terms of reference</p>
	<p>Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<p>The Council has a number of documents which reinforce its commitment to best practice, including Whistleblowing policies, Counter-fraud and Corruption policies, Registers of Interests and Gifts and Hospitality and Complaints policies. These are all subject to periodic review. New staff are required to review the Council's key polices as part of the induction process and to sign to confirm this has been completed.</p>	<p>Member/Officer Codes of Conduct, Whistle blowing policy, Anti-Fraud and Corruption Policy, Planning Protocol, Member / Officer Register of Gifts and Hospitality, Member / Officer Registers of Interests, Financial Regulations, Contract Procedure Rules, Combined Equalities Scheme, Member / Officer Induction and Training Audit Committee terms of reference Constitution</p>



	<p>Seeking to establish, monitor and maintain the organisation's ethical standards and performance</p>	<p>The Nolan principles are embedded into Codes of Conduct. The Monitoring Officer produces an Annual Report on the activity of the Standards Committee and its activity to maintain the organisation's standards. The Council has achieved Investors in People Gold status, demonstrating its commitment to monitoring our organisation standards and performance. Shared values have been developed and are documented within the Corporate Plan. Leadership training is undertaken between the Corporate Leadership Team and the Cabinet to reinforce these values. Internal Audit provides assurance that policies built on ethical standards are being complied with. Ongoing monitoring of the application and effectiveness of the local standard regime is undertaken.</p>	<p>Staff and Member Briefings, Corporate Plan, Internal &amp; External Audit Reports, Monitoring Officer's Annual Report.</p>
	<p>Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</p>	<p>New members and staff are provided inductions, which emphasises areas such as codes of conduct and appropriate behaviours. Ongoing training is then provided, for example through member training sessions</p>	<p>Internal Audit Reports, Competency framework, Constitution, Staff &amp; Member training and development.</p>

	<p>Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p>In addition to policies identified above, the Constitution includes specific rules and procedures with respect procurement; financial governance, and members sitting in a regulatory capacity. These are reviewed and updated on a regular basis.</p>	<p>Constitution, Member/Officer Codes of Conduct, Whistle blowing Policy, Counter-Fraud and Fraud and Corruption Policy, Procurement Strategy.</p>
	<p>Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation</p>	<p>As part of Council procurement exercises, service providers are required to provide statements confirming compliance with ethical standards and, for example, anti-money laundering statements. The Partnership Framework also further supports this.</p>	<p>Council's Website, Constitution, Procurement Strategy, Individual Partnership / Service Level Agreements, Partnership framework.</p>
	<p>Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p>	<p>The Constitution is regularly updated to include new specific laws and regulations. Staff are required to hold relevant professional qualifications and comply with the law and codes of conduct. The Council has an appointed Monitoring Officer responsible for the maintenance of the Constitution and for guiding members on the information contained therein. The Council has appropriate legal advice both on the specific requirements of legislation and the general responsibilities placed on local authorities by public law. Induction training for new staff includes review of the Council's policies, which include provisions from legislation.</p>	<p>Constitution, Report Template requiring input from Monitoring Officer and S151 Officer (information quality for decision taking) / Positive Sign Off, Legal advice to Licensing and Planning Committees, Statutory Provisions, Whistle blowing policy, Anti-Fraud and Corruption Policy, Data Protection Policy, IT Policy.</p>

	<p>Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p>	<p>Staff are provided with key legal changes where relevant in addition to the Council holding a number of subscriptions to services to ensure staff are provided with appropriate professional support. Members making regulatory decisions are provided with training to ensure they are sufficiently aware of the legal requirements of their role. Areas for focus are highlighted as part of the appraisal process and provided as part of the corporate training plan.</p>	<p>Constitution Monitoring Officer Provisions / Protocol, Report Template requiring input from Monitoring Officer and S151 Officer (information quality for decision taking) / Positive Sign Off, Availability of legal advice to Licensing and Planning Committees Appraisal framework Job descriptions Terms of Reference</p>
	<p>Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p>	<p>There are clear, defined decision making processes within the Council to ensure that all appropriate options are considered prior to any decisions being made.</p>	<p>Monitoring Officer Provisions / Protocol, Report Template, Standing Orders, Complaints and Compliments Procedures, Investigations, Records of Delegated Authority decisions, Planning protocol.</p>
	<p>Dealing with breaches of legal and regulatory provisions effectively</p>	<p>The Monitoring Officer and Section 151 Officer are informed of all key decisions to be made and any such occurrences are reported as required.</p>	<p>Monitoring Officer Provisions / Protocol, Records of Delegated Authority decisions, Constitution, Standing Orders.</p>
	<p>Ensuring corruption and misuse of power are dealt with effectively</p>	<p>The Council has a well-established Anti-fraud and Corruption policy, access to which is available on the intranet.</p>	<p>Anti-Fraud and Corruption Policy, Constitution</p>

<p><b>Ensuring openness and comprehensive stakeholder engagement</b></p> <p>Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.</p>	<p>Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</p>	<p>The Council has a clear vision, demonstrated through its Corporate Plan. The website has undergone a number of improvements for 2016/17 and provides a large amount of information to the public, including a section dedicated to the requirements of the Transparency Code. The Council has an FOI policy in place and produces an Annual Report to highlight progress against the Annual Action Plan.</p>	<p>Constitution, Stakeholder Identification, Performance Management Framework, Communications Strategy Satisfaction Surveys, Councillor Call to Action, Council Tax online information Norfolk Crime and Disorder Partnership, Council's Website</p>
	<p>Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</p>	<p>All Committee reports are prepared using pre-agreed templates. If a Cabinet meeting has to consider anything under Part 2 business the press/public will be excluded for that item but the reasons for this need to be justified and is often on the basis of commercial sensitivity.</p>	<p>Meeting minutes, Communications and Consultation Strategy, Statutory Provisions, Council's Website, Forums and Partnerships, Direct communication with Parish &amp; Town Councils (121 newsletter)</p>
	<p>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p>	<p>The Committee schedule is prepared in advance of the year and is then subject to negotiation with key officers to ensure timely decisions can be made. All Committee reports are subject to pre-approval procedures, including pre-meetings with key members and consultation with portfolio holders to ensure relevant matters have been taken into account. Reports are based on agreed templates and must record key considerations and decisions.</p>	<p>Committee timetable, Council's Website, Constitution, Report template, Meeting minutes, Input from Monitoring Officer/S151 Officer.</p>

	<p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p>	<p>The Council adapts its consultation procedures according to the relevant decision being made with the public on planning decisions. Decisions are considered on a case by case basis and in line with legal requirements.</p>	<p>Planning protocols, Communication Strategy, Legal requirements, Consultation workshops (West prom/Deep History), Direct communication with Parish &amp; Town Councils (121 newsletter).</p>
	<p>Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p>	<p>Engagement practices are adapted to the environment rather than operating to a pre-defined strategy. Where appropriate, particularly where major change occurs that is likely to have a significant impact on the public, communication plans are developed to tailor engagement and to plan for responding to particular circumstances.</p>	<p>Communications Strategy, Consultation workshops (West prom/Deep History), Local Development Framework consultation, Council's website.</p>
	<p>Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p>	<p>This is an inherent part of the Council's operation. Partnerships are developed to support service delivery and link to activities within the Corporate Plan and Service Plans. Partnerships are subject to periodic review to ensure they remain effective and deliver Council outcomes.</p>	<p>Partnership Framework and Principles Guidance.</p>
	<p>Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> <li>• trust</li> <li>• a shared commitment to change</li> <li>• a culture that promotes and accepts challenge among partners</li> </ul> <p>and that the added value of partnership working is explicit</p>	<p>Partnerships are based on the Partnership Framework and Principles Guidance and include a Service Level Agreement (SLA) where appropriate. Each Partnership will normally have a defined agreement (SLA etc), which will detail the nature of the working relationship and how it operates, including any governance arrangements. Service Managers are accountable for ensuring the successful operation and monitoring or partnerships.</p>	<p>Partnership Framework and Principles Guidance, Service Plans.</p>

	<p>Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</p>	<p>The Council has a clear Communications Strategy that details how we will engage, consult and listen to our community and stakeholders.</p>	<p>Communications Strategy.</p>
	<p>Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p>	<p>Communications come through various forms. Communication Plans are developed for more significant changes that will have an impact on the public. Members receive a monthly bulletin informing them of key events ongoing in the Council of which they need to be aware. Staff receive a weekly Bulletin and Town and Parish Council's receive the 'One to One' monthly newsletter.</p>	<p>Communications Strategy, Members Bulletin Staff Bulletin One to One newsletter</p>
	<p>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p>	<p>As above, engagement comes through a variety of forms and is covered by the Council's Communications Strategy. Specific decisions will be subject to consultation – for example, the Local Plan Process has various forms of communication and engagement to ensure the public and wider stakeholders are fully consulted.</p>	<p>Communications Strategy, Planning Local Plan Review process/protocols, Consultation workshops (West prom/Deep History).</p>

	<p>Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p>	<p>The Council welcomes customers to raise concern or compliments with any aspect of service provision. All complaints and compliments are recorded on a corporate database. A summary of complaints and compliments is published on a quarterly basis with decisions fed back to stakeholders.</p>	<p>Communications Strategy, Customer Charter, Customer Complaints, Compliments &amp; Contacts Policy, Customer Management Strategy.</p>
	<p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p>	<p>This seeks to primarily address how the council can deal with competing demands in a community. The primary competing demand for the Council is the decreasing level of Council resources versus demands from customers for a high level of service.</p>	<p>Communications Strategy, Equality and Diversity Policy, Equality Impact Assessments (EQIA's).</p>
	<p>Taking account of the interests of future generations of tax payers and service users</p>	<p>This is considered on a case by case basis and balancing the various needs within the Council.</p>	<p>Committee reports, Budget setting process, Equality Impact Assessments (EQIA's).</p>

<p><b><i>Defining outcomes in terms of sustainable economic, social, and environmental benefits</i></b></p> <p>The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>	<p>Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions</p>	<p>The Council's Corporate Plan clearly identifies the organisation's vision and purpose. This is supplemented by the Annual Action Plan which identifies specific annual objectives and is reported upon regularly throughout the year. The Service Planning process is directly linked to these plans, and set out specific activities to achieve outcomes in the Plan. Each activity is linked to defined corporate plan themes which then cascades into individual performance and service plan objectives.</p>	<p>Corporate Plan, Annual Action Plan, Service Plans, Performance system.</p>
	<p>Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p>	<p>The Corporate Plan, Annual Action Plan and subsequent Service Plans seek to identify specified performance measures to evaluate how the organisation will deliver its priorities and benefit its local environment and this is reported on regularly throughout the year.</p>	<p>Corporate Plan, Annual Action Plan, Service Plans, Performance system.</p>
	<p>Delivering defined outcomes on a sustainable basis within the resources that will be available</p>	<p>The Service Plans feed into the budget setting process which identifies the level of cost and resources required to deliver the activity. There are frequent updates to committees in terms of budget monitoring and also performance against the targets and objectives contained within the Annual Action Plan to demonstrate how the Council is delivering against its objectives.</p>	<p>Corporate Plan, Annual Action Plan, Service Plans, Performance system, Budget monitoring protocols and reports, Committee reports, Medium Term Financial Plan.</p>



<p>Identifying and managing risks to the achievement of outcomes</p>	<p>The Council has an agreed Risk Management Framework, and has embedded reporting of risk (to the Risk management Board) alongside its performance and financial reporting to ensure these are reviewed on an ongoing basis. Individual business plans and key decisions are subject to risk assessment at the time to ensure that issues have been raised and mitigation plans developed.</p>	<p>Risk Management Framework, Risk Management Board reports, Committee reports, Performance system.</p>
<p>Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available</p>	<p>The Annual Action Plan and Service Plans define established performance measures to monitor how services are provided and the outcomes achieved. Service Planning helps to determine how resources should be allocated to defined activities, as well as the core 'business as usual' service delivery. The Communications Strategy and plans help to set expectations to service users on their potential user experience.</p>	<p>Corporate Plan, Annual Action Plan, Service Plans, Performance system, Communications Strategy, Budget process, Medium Term Financial Plan.</p>
<p>Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</p>	<p>The Council takes into account a wide range of factors when considering the impact of policies and plans when making decisions about service delivery. For example, the capital bidding process requires managers to complete a capital budget template which details not only the cost of their proposals but also any wider benefits in terms of service delivery, environmental enhancements etc. This is supported by the Capital Strategy and the budget framework and monitoring processes.</p>	<p>Medium Term Financial Plan, Capital bidding process, Budget framework, Capital Strategy.</p>

	<p>Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</p>	<p>All decision making should be linked to the Council's longer term Corporate Plan and Medium Term Financial Strategy. The Service Planning process helps to support this in that all activities should be identified in the Service Plan and any additional activities would have to be subject to appropriate consideration, taking into account the ability to deliver already identified priorities. This can be evidenced through decisions taken at Cabinet.</p>	<p>Corporate Plan, Medium Term Financial Plan, Budget setting process, Annual Outturn report, Committee reports.</p>
	<p>Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p>	<p>Decisions made have to necessarily balance the public interest and achievement of outcomes, as can be evidenced through various committee reports.</p>	<p>Communications Strategy, Committee reports and minutes, Annual Governance Statement.</p>
	<p>Ensuring fair access to services</p>	<p>The Council evaluates equality impacts as appropriate within its decision making, ensuring due regard is given to enabling groups to access services. Our Customer Strategy seeks to support this through identifying how customers access services and ensuring that the Council's service provision responds to this.</p>	<p>Equality Impact Assessments (EQIA's), Statutory guidance, Customer Strategy.</p>

<p><b><i>Determining the interventions necessary to optimise the achievement of the intended outcomes</i></b></p> <p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.</p>	<p>Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided</p>	<p>This can be evidenced through papers presented to Cabinet and to the Council's Scrutiny Committee which helps to ensure this is put into practice by engaging with members at the earliest possible stage in the development of plans and strategies, enabling their input into the potential options and ensuring these have been considered before key decisions are made. A recent example is with the update of the Communications Strategy.</p>	<p>Committee reports and minutes, Communications Strategy.</p>
	<p>Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</p>	<p>This is covered within the Council's Communications Strategy and can be further evidenced through the consultation processes involved with the update of the Local Plan. The Council's Medium Term Financial Plan also enables the Council to prioritise competing demands with limited resources.</p>	<p>Communications Strategy, Medium Term Financial Plan, Local Plan protocols.</p>
	<p>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p>	<p>The annual committee programme is developed in advance of the calendar year. Pre-Committee meetings discuss forthcoming reports with key officers and members to ensure these are programmed, with each Committee having its own specified work programme. There are clear programmes in place for the business planning and financial planning cycle, which are complementary to each other.</p>	<p>Committee timetable, Committee reports, Budget setting framework.</p>

	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	This is a necessary part of our planning, and can be evidenced through the ongoing work on the development of the new Local Plan.	Communications Strategy, Local Plan protocols.
	Considering and monitoring risks facing each partner when working collaboratively including shared risks	This is a necessary part of planning for partnership working. Each partnership has associated protocols or agreements (SLA's) to outline how it will operate, which would be subject to agreement with each partner to ensure their risks and challenges have been taken into account.	Partnership Framework, Risk Management Framework.

	<p>Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances</p>	<p>Change procedures, poor performance and termination is embedded into agreements and contracts to ensure that the Council is not locked into arrangements which are not effective. Performance targets for individuals and partnerships are reviewed regularly and incorporated within service plans.</p>	<p>Partnership Framework, Performance system.</p>
	<p>Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</p>	<p>This is firmly embedded into the Annual Action Plan and Service Planning process. Each year, and then as part of quarterly reporting, key performance indicators are subject to review to ensure to introduce new / amendments to the indicators, and ensure they remain</p>	<p>Annual Action Plan, Service Plans, Annual Report, Quarterly performance reports.</p>
	<p>Ensuring capacity exists to generate the information required to review service quality regularly</p>	<p>The Council has a Policy &amp; Performance Management Officer who works with officers and Members to monitor and track performance cascading down from the Corporate Plan, Annual Action Plan and into the Service Plans. There are quarterly performance reports to Committee to monitor performance, highlighting any corrective action that might be required where appropriate.</p>	<p>Corporate Plan, Annual Action Plan, Service Plans, Annual report.</p>
	<p>Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan</p>	<p>The Budget and Service Planning process is fully integrated, with priorities cascading down from the Corporate Plan and Annual Action Plan into Service Plans. Managers develop their budgets and resource requirements with the finance team to ensure these objectives are deliverable.</p>	<p>Corporate Plan, Annual Action Plan, Service Plans, Budget setting process, Committee reports, Medium Term Financial Plan.</p>

	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	The service planning and budget cycles are fully integrated and informed by the production of the Medium term Financial Plan, which sets out how the Council will address the future funding challenges.	Corporate Plan, Annual Action Plan, Service Plans, Budget setting process, Committee reports, Medium Term Financial Plan.
	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	The Medium Term Financial Plan is updated ahead of the Service Planning and budget setting process to ensure it remains deliverable. Budgets and Service Plans are then based on this work to take account of any potential issues as required.	Service Plans, Budget setting process, Committee reports, Medium Term Financial Plan.
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	As above, the budget and Service Planning process comprehensively links service demands and activities to the projected cost of service delivery.	Service Plans, Budget setting process, Committee reports, Medium Term Financial Plan.
	Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	This is covered within the Council's Medium Term Financial Strategy which considers issues ongoing service delivery costs and issues in the context of the ever changing external environment to ensure resources are optimized and that efficiency plans are developed where appropriate.	Service Plans, Budget setting process, Committee reports, Medium Term Financial Plan.
	Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes"	The Council has committed, through its Procurement Strategy, to supporting social value. The current procurement for the new Cromer Pier contract helps to demonstrate this with some of the scoring being allocated to Social Value.	Procurement Strategy, Pier tender documents.

<p><b><i>Developing the entity's capacity, including the capability of its leadership and the individuals within it</i></b></p> <p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfill its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<p>Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness</p>	<p>There are currently two Business Process Reviews (BPR) reviews being undertaken within the Planning and Environmental Health service areas to increase efficiency and improve performance. All changes in staffing are subject to robust procedures to ensure that resources are right for the relevant service.</p> <p>The Council has defined Asset Management Plan supported by the Disposal, Investment and Acquisitions Policy (both of which are being reviewed and updated for 2017/18). This is complemented by the Community Asset Transfer Policy; all of these policies combine to help ensure that property assets are effectively utilized while supporting the Council's Asset Commercialisation agenda which is a key theme within the Council's efficiency plans.</p>	<p>Asset Management Plan, Disposal, Investment and Acquisitions Policy, Community Asset Transfer Policy.</p>
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	<p>Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently</p>	<p>The Council is currently undertaking a Digital Transformation Programme, to enable the most efficient forms of service access. There are two BPR reviews being undertaken in Planning and Environmental Health service areas to increase efficiency and improve performance. These are facilitated by an external company who are helping to redesign services based on best practice and benchmarking from other external high performing Councils. The Council also participates in peer reviews to support further improvements.</p>	<p>Peer reviews, Digital Transformation initiative, Business planning Reviews.</p>
	<p>Recognising the benefits of partnerships and collaborative working where added value can be achieved</p>	<p>Partnership agreements are subject to a robust review to ensure they deliver against Council priorities. Services are required to identify within business planning processes the financial resources required to deliver through partnership means as opposed to internal service delivery</p>	<p>Partnership framework, Service Plans, Budget protocols.</p>
	<p>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<p>The Council currently holds IIP Gold and is now due to start the next assessment. There are numerous Organisational Development plans, strategies and policies in place to help support the Council's staff, ranging from the Agile Working Policy, which supports staff to work more flexibly, through to the Employee Code of Conduct which outlines the Council's expectations from staff. The Appraisal and Development scheme is fully integrated into the Council's planning processes.</p>	<p>Appraisal and Development scheme, IIP Gold award, Agile Working Policy, Employee Code of Conduct.</p>



	<p>Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p>	<p>The Leader has served in place for a number of years and while there have been changes to the senior management team during the 2016/17 financial year the Council's operational effectiveness has remained strong. The Corporate Directors and joint Heads of Paid Service have regular meetings with the Leader and have introduced Business Planning meetings which follow on from Cabinet to discuss forthcoming issues and reports. These meetings help to clarify objectives and outcomes at an early stage and are supported by the various Cabinet and Portfolio Members. They are strongly empowered to support Portfolio Holders and Heads of Service in developing their roles and relationships.</p>	<p>Job descriptions.</p>
	<p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p>	<p>The Council has a Scheme of Delegation which is periodically reviewed to ensure it remains current. Standing Orders and Financial Regulations are also periodically reviewed. This process is undertaken by the Constitution Working Party.</p>	<p>Constitution, Constitution Working Party.</p>

	<p>Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p>	<p>As outlined above, the relationship between the Corporate Directors and joint Heads of Paid Service and Leader is strong and their respective roles and responsibilities are clearly defined'</p>	<p>Job descriptions.</p>
	<p>Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <p>ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</p> <p>ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</p> <p>ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</p>	<p>The Council has been well recognised for developing the leadership of staff at all levels in the organisation. The Council has already secured IIP Gold status, and is about to embark on a further review. A robust performance programme is in place to encourage open and honest communication with staff, enable effective performance management discussions and identify future development needs. This is fully supported by the Appraisal Framework which is fully embedded within the Council's processes. Training requirements flowing from the appraisal process feed into the corporate training needs assessment undertaken by the Organisational Development team.</p> <p>Members are provided induction training on commencing their roles at the Council, and encouraged to identify training needs. Ongoing training is held on a knowledge and competency basis, enabling members to develop their skills at all levels. An annual member training programme is produced to support their development.</p>	<p>Appraisal framework, Corporate Training programme, Service specific training requirements, Training update courses/briefings, IIP Gold, Staff/Member induction protocols.</p>

	<p>Ensuring that there are structures in place to encourage public participation</p>	<p>The Council welcomes members of the public to engage in decision making, with meetings being held in public where possible and consultations undertaken on relevant decisions.</p>	<p>Committee minutes.</p>
	<p>Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p>	<p>The Council periodically has peer reviews and takes part in benchmarking and other relevant processes to evaluate leadership effectiveness. Feedback is welcomed and considered to ensure that it can be implemented.</p>	<p>Peer review, 360 Degree Appraisal, Appraisal framework.</p>
	<p>Holding staff to account through regular performance reviews which take account of training or development needs</p>	<p>The Council has a clearly defined performance management framework and appraisal system. All staff undertake an annual appraisal which is further supported by a 6 monthly review. Objectives and personal development plans are established for staff at all levels.</p>	<p>Appraisal framework.</p>
	<p>Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</p>	<p>The Council places strong emphasis on employee health and wellbeing. The Council's Staff Focus Group and the Health and Wellbeing team help senior leadership implement health and wellbeing initiatives, such as active workplace events which staff are encouraged to take part in at all levels. There is a section dedicated to Health and Wellbeing on the Council's intranet which staff and Members can access.</p>	<p>Health and Wellbeing Team, Staff Focus Group, Various Organisational Development policies and strategies, Intranet.</p>

<p><b>Managing risks and performance through robust internal control and strong public financial management</b> Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.</p>	<p>Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p>	<p>The Council has an agreed Risk Management Framework and operates a Risk Management Board along with the Governance, Risk and Audit Committee (GRAC). The Committee report templates which must be used for all Committee reports include a specific section on risk and staff and managers are encouraged to raise risks, and how these should be managed / mitigated as part of key decision making processes. At an operational level, staff are encouraged to take personal accountability for risks. The Council has a Business Continuity Framework with Business Continuity Plans in place for key service areas which are subject to annual review.</p>	<p>GRAC reports/minutes, Committee report template, Health and Safety Policy, Risk assessments, Business Continuity Framework, Business Continuity Plans, Risk Management Board.</p>
<p>A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.</p>	<p>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</p>	<p>The Risk Management Framework has been agreed through the relevant decision making processes and is subject to regular review and updating. On a quarterly basis, key risks are formally evaluated and monitored by the Risk Management Board, however services are expected to maintain a watching brief on all operational level risks on a daily basis. Health and Safety risks are also monitored as part of this process.</p>	<p>GRAC reports/minutes, Health and Safety Policy, Risk assessments, Business Continuity Framework, Business Continuity Plans, Risk Management Board, Corporate Risk Register.</p>

<p>It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>	<p>Ensuring that responsibilities for managing individual risks are clearly allocated</p>	<p>Each risk within the Risk Register has been formally allocated to individual responsible owners.</p>	<p>Corporate Risk Register.</p>
	<p>Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</p>	<p>The Annual Action Plan and Service Planning process identifies performance measures for services. Services are subject to periodic review to ensure delivery remains efficient and effective. The Major Projects Board considers and monitors key corporate projects in terms of key project aims, targets/benefits, milestones, progress, risks, financial position etc. At the end of projects there is a formal review process to consider 'lessons learnt' that can be fed back into future projects.</p>	<p>Annual Action Plan, Annual Report, Service Plans, Performance framework, Major Projects Board, Project Management framework, Project Initiation Documents (PIDs), Project review documents.</p>

	<p>Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</p>	<p>Quarterly reporting of risks at a strategic level highlights core risk factors that may influence the council's ability to deliver objectives over the longer term. Significant decisions are subject to robust challenge and clear processes to ensure that all relevant factors have been considered.</p>	<p>Risk Management Board, GRAC reports/minutes, Committee report template.</p>
	<p>Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible</p>	<p>The Council's Overview and Scrutiny Committee operates to scrutinize, challenge and debate policies and objectives, a recent example being the Communications Strategy. The Committee also has its own work programme and will often review previous initiatives to ensure that decisions have been implemented as intended and clear benefits have resulted.</p>	<p>Overview and Scrutiny Committee reports and minutes, Overview and Scrutiny Committee terms of reference, Member training.</p>
	<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>Quarterly reports are presented to Cabinet containing updates on finance, performance and risks for the Council's agreed plans.</p>	<p>Cabinet reports and minutes, Committee timetable.</p>
	<p>Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements )</p>	<p>The quarterly reports evaluate budgetary positions, seeking approval to significant variances and highlighting major changes to agreed programmes. The final quarter reports then seek to align to financial reporting with the outturn position.</p>	<p>Budget reports, Outturn report, Financial Statements, Financial Standing Orders.</p>

	Aligning the risk management strategy and policies on internal control with achieving the objectives	The Risk Management Framework seeks to establish how organisational risk is managed. Risks form the basis of internal control evaluation through the annual audit programme, and will be subject to ongoing evaluation through each programmed internal audit.	Risk Management framework, Internal Audit Plan, Audit reports, External review of effectiveness, Annual Governance Statement, Internal Audit Annual Report and Opinion, Local Code of Corporate Governance.
	Evaluating and monitoring the authority's risk management and internal control on a regular basis	Risks are subject to quarterly reviews, and the Risk Management framework is periodically reviewed to ensure it remains current. The internal audit programme is subject to an annual review and formal review, with planning over the longer term, balancing the Council's priorities and risks. The GRAC undertake regular self- assessments of their performance, regular updates on progress towards the audit plan and implementation of recommendations are provided to the Committee on a quarterly basis along with and Annual Report and Opinion. The internal audit contract is also subject to an external quality control review.	GRAC self-assessment, Risk Management framework, Internal Audit Plan, Audit reports, External review of effectiveness, Head of Internal Audit Statement of Compliance, Annual Governance Statement, Internal Audit Annual Report and Opinion, Local Code of Corporate Governance.
	Ensuring effective counter fraud and anti-corruption arrangements are in place	The Council has an agreed Fraud and Corruption Policy which is in the process of being updated. The Council takes part in national initiatives to reduce the potential for fraud and to identify fraud that may have occurred.	Fraud and Corruption Policy, National Fraud Initiatives.

	<p>Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p>	<p>The Council is part of the South Norfolk Internal Audit Consortium. The Consortium is currently subject to External Review to ensure it is delivering in accordance with best practice. Internal Audit plans are developed and the Internal Audit Service is resourced according to these plans.</p>	<p>External review of effectiveness, Annual Governance Statement, Internal Audit Annual Report and Opinion, Head of Internal Audit Statement of Compliance, Local Code of Corporate Governance.</p>
	<p>Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon</p>	<p>The Council has elected to develop the Governance, Risk and Audit Committee (GRAC) to have oversight of internal control while taking responsibility for good governance practice. The Committee has strong oversight and is empowered to hold the organisation to account.</p>	<p>GRAC terms of reference, GRAC reports and minutes, Member training, GRAC self-assessment.</p>
	<p>Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p>	<p>The Council has a Data Protection Policy and a Data Quality Policy and is also PSN Compliant to ensure the most sensitive data it holds is held securely. This is further supported by the Council's IT Security Policy. The Council has also taken the decision to introduce a Senior Information Risk Officer (SIRO) with the Corporate Director and Joint Head of Paid Service being assigned to this role. The audit position statement highlighted some recommendations in relation to this new role which are due to be implemented during 2017/18.</p>	<p>Data Protection Policy, Data Quality Policy, IT Security Policy, PSN compliance, SIRO audit position statement.</p>
	<p>Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p>	<p>Information sharing is subject to defined information sharing protocols.</p>	<p>Data Protection Policy, Data Quality Policy, IT Security Policy, PSN compliance.</p>



	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	The Council does not have formal data validation programmes, however data validity and quality is evaluated through internal audit assessment and during the BPR service review work.	BPR protocols, Audit reports.
	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	This is embedded into the Medium Term Financial Plan, which has been developed alongside the Service Plans and budget planning processes. Financial reporting is strongly linked to performance and risk reporting to ensure it correlates to service delivery.	Medium Term Financial Plan, Service Plans, Budget monitoring reports and protocol.
	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Management accounts are produced on a monthly basis for service analysis, and to ensure budgets remain on track to those established within business planning. Significant variances are reported to key decision making.	
<b>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b> Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.	Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate  Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	Report templates have been designed to help highlight key information quickly and easily. Reports undertake review processes to ensure they remain succinct and effective in imparting their messages. All reports are available for the public to review from the Council directly or on the Council's website with contact details for key officers prominently placed. The Council's Annual Report also provides a high level review of the Council's achievements during the year in an easy to understand high level format.	Council website, Annual Report, Committee template, Committee reports.
	Reporting at least annually on performance, value for money and the stewardship of its resources	The Council's statement of accounts includes a "narrative" report which outlines how the Council has delivered against its objectives and financial targets during the year. The	Statement of accounts, Annual Report, Annual Governance Statement.

		report makes extensive use of charts to aid users to quickly understanding the information. The Annual Governance Statement provides a key oversight of the Council's governance arrangements and how these can be developed.	
	Ensuring members and senior management own the results	On a quarterly basis, Cabinet receives performance and finance reports outlining how the Council has performed against corporate objectives. Significant areas of concern are highlighted with recommendations for corrective action where appropriate.	Performance reports/framework, Annual Report, Budget monitoring reports, Minutes highlighting appropriate approvals, Outturn report.
	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	The CIPFA Code of Corporate Governance principles have been benchmarked, and this will be subject to evaluation by both the Risk Management Board and also the Governance, Risk and Audit Committee. Necessary actions will then be reviewed and incorporated into the Annual Governance Framework as required.	Annual Governance Statement, Local Code of Corporate Governance.
	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	The Council is not presently involved with any shared service arrangements. The Council is however part of Coastal Partnership East and this framework has been applied to the partnership. The annual review process has highlighted some areas for consideration in respect of this partnership and these will be included within the Annual Governance Statement.	Annual Governance Statement, Local Code of Corporate Governance, Terms of Reference.

	<p>Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations</p>	<p>The Council's financial statements are prepared in accordance with best practice to help support comparison with similar organisations. The Council has accelerated timeframes for evaluated finance and performance outcomes, with the Outturn Report now being produced within 6 weeks of the year end to ensure decisions can be made on a timely basis with insight to the performance and so that this information can then support the production of the Statement of Accounts.</p>	<p>Statement of accounts, Outturn Report.</p>
	<p>Ensuring that recommendations for corrective action made by external audit are acted upon</p> <p>Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p>	<p>Recommendations made by external and internal auditors are reported to the GRAC as part of the Statement of Accounts approval process. The Internal Audit Consortium Manager has access to report directly to the GRAC with outcomes from her work and any key concerns she may have.</p>	<p>Statement of accounts, External audit opinion, GRAC reports/minutes, Internal Audit Opinion.</p>
	<p>Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations</p>	<p>Peer challenge is undertaken periodically to evaluate how the Council is performing. Regulators will undertake periodic inspections and the outcomes of their reports escalated as appropriate.</p>	<p>Peer review, Regulatory review.</p>
	<p>Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p>	<p>The Annual Governance Statement includes a section on the "Review of Effectiveness" which includes consideration of governance arrangements for service delivery through third parties.</p>	<p>Annual Governance Statement, NNDS Self-assessment Assurance Statement.</p>

	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met	Partnerships are subject to relevant agreements to ensure the nature of the partnership and reporting frameworks / objectives are clear.	Communication Strategy, Partnership Framework, Terms of Reference, Service Level Agreements (SLA's).
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## **CABINET MEMBERS REPORT TO COUNCIL**

**21<sup>st</sup> June 2017**

### **COUNCILLOR J OLIVER - CABINET MEMBER FOR LEGAL SERVICES AND DEMOCRATIC SERVICES**

For the period March to June 2017

#### **1 Progress on Portfolio Matters.**

Eastlaw finished the year with a significant budget surplus on anticipated income (£326, 746 against a budget of £252,630). The practice has continued to take on additional work and consequently it is currently recruiting for two trainee solicitors.

In day to day matters;

The completion of the sale to Wetherspoons of the old council offices is imminent following some delay caused by specious access claims across the old car parking area. No evidence was produced to support these and the way is now clear for the delivery of this important development which will enhance North Walsham.

Following the listing of the Itteringham Community Shop as an asset of community value, the Council has received an appeal against the listing which will be heard within the next few weeks.

The High Court challenge that the Council mounted against the Planning Inspectorate decision to grant permission for a wind turbines at Bodham and Selbrigg was successful, with the decision being quashed by consent before reaching hearing stage. The Court also awarded the Council our costs in making the application. This is a pleasing outcome given that the amount of local support that the Councils position has attracted.

We have completed the purchase of a new property for temporary accommodation in North Norfolk, which will help some of our most vulnerable families.

The team has also successfully prosecuted a number of public protection cases to ensure that North Norfolk's community stays safe whether that's travelling in a taxi or eating out.

The number of FOI requests continues to rise with 654 for 2016/17 as opposed to 588 for 2015/16 but performance is being maintained and we are preparing for the implementation of the General Data Protection Regulation.

The Democratic Services team was delighted to receive the award for second place in the National Association of Civic Officers 'Civic Team of the Year' awards. This is the second year running that the NNDC team has been placed – coming third last year.



## CABINET MEMBERS REPORT TO COUNCIL

### Date of Council Meeting

#### **COUNCILLOR SUE ARNOLD CABINET MEMBER FOR PLANNING**

For the period April to June 2017

#### **1 Progress on Portfolio Matters.**

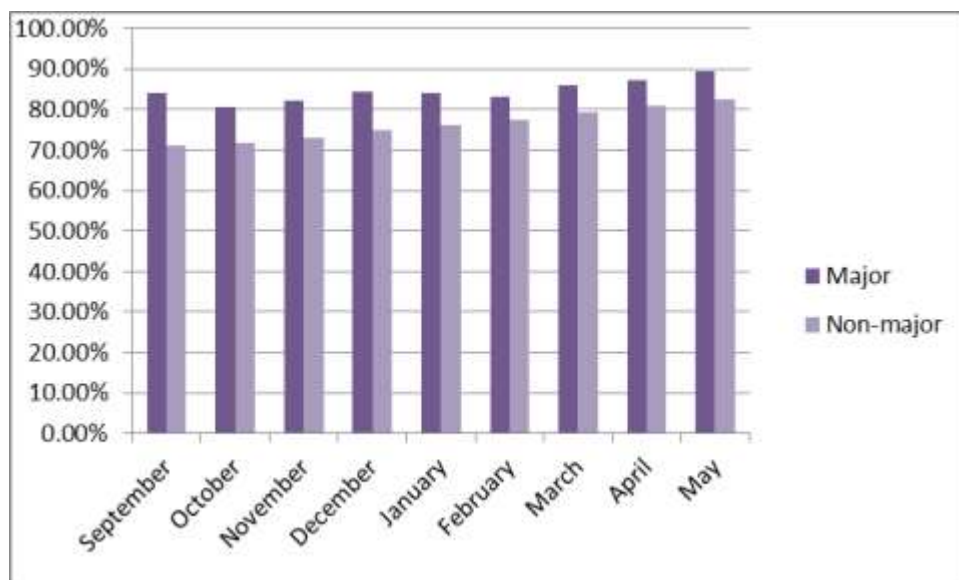
##### **Recruitment Update:**

Two additional planners have been recruited and are now in post in the development management and major projects teams. A Planning Officer has also been recruited into the policy team, and is due to start in September. However there are still 2 vacancies and the service is looking at ways of making best use of existing staff and resources, before going out to recruitment again. In the meantime, there is a rolling advertisement on the Council's website to make sure we don't miss any potential candidates.

##### **Development Management Performance**

Our focus remains firmly on exceeding the Government targets for major and non-major applications. Our last figures for majors is 89.47% (Government target is 60%) and for non-major 82.5% (Government target is 70%). Graph below demonstrates the continuous improvement.

Purple-major development, light purple – non major development



### **New Pre-application advice service**

A new pre-application advice service (Phase 1) for householders and small scale residential and commercial development went live on the 1<sup>st</sup> June 2017. This will be extended in Phase 2 to include Listed Buildings and Tree Works pre-apps and Phase 3 will include the larger major pre-app schemes where we currently are having some difficulties in engaging larger developers in formal pre-app discussions.

### **Local Validation Checklist:**

The planning application validation check list sets out the minimum requirements in terms of supporting information to register a planning application. The consultation period on a new Local Validation Checklist has ended. A small number of comments were received to the consultation. The new local validation checklist is expected to take effect on 17 July 2017 We will be running a workshop for agents working in the local area in the next few weeks to explain the new requirements.

### **Planning Appeals**

The planning Inspector decision to allow the appeals for the wind turbines at Bodham and Selbrigg were overturned by the High Court (the planning Inspectorate indicated they would not seek to defend the Inspectors decision). Both appeals will be referred back to the Planning Inspectorate for a further Public Inquiry.

The Sculthorpe Public Inquiry took place over six days at the end of April. The Council awaits the decision which the Inspector has confirmed should be issued on the 6<sup>th</sup> of July.

### **Local Plan Review**

Work on the Local Plan is now focused on two main work streams, namely, identifying the potential development sites in the district and devising a sound approach to assess the options for allocation and secondly, commissioning and considering the various evidence documents that are required to prepare the Plan. The following evidence has or will shortly be published

- A new study of housing need and demand (expected June 2017)
- Gypsy and Traveller Needs Assessment (July 2017)
- District Wide development viability Assessment (September/Oct 2017)
- Strategic Flood Risk Assessment for all of Norfolk (released in stages over 2017/18)
- Retail Study (published)

A housing capacity study (HELAA) has been prepared and will be published in June.



### **The Duty to Co-operate**

The duty to cooperate is a formal legal requirement designed to ensure that adjacent planning authorities are working together on significant cross boundary planning issues. The duty is being met via the joint preparation of a Norfolk Strategic Framework which will explain cross boundary planning issues and document where agreements between authorities have been reached. A good example is the agreement between Norwich, South Norfolk and Broadland Councils to prepare a joint Local Plan. A consultation draft of this document is expected to be completed in June/July for agreement by each authority before consultation.

## **2 Forthcoming Activities and Developments.**

### **Applications**

A outline planning application for up to 950 dwellings, hotel, primary school , employment development and public open space has been submitted by Trinity College for the large allocated site at Fakenham. The application is currently out to public consultation

### **Graham Allen Award**

Entries are now being sought for the 36<sup>th</sup> annual running of the Council's conservation and design awards. Named after the first chairman of NNDC, the closing date for entries is June 30<sup>th</sup> 2017 with the judging taking place mid August. The presentation ceremony, which this year will follow bite size training for members, has been provisionally set for the 21<sup>st</sup> September

### **Conservation Area Appraisals**

A Project Brief is being prepared for review of the Conservation Areas within Blakeney, Cley-next-the-Sea, Morston, Wiveton and the wider Glaven Valley.

The five conservation areas in question were designated in the 1970's and 80's and have not been reviewed since. The council is inviting tenders from suitably qualified and experienced consultants to undertake:-

1. A comprehensive review of the original conservation area;
2. The production of a Conservation Area Appraisal which analyses and reviews the latest factors and conditions on the ground including any associated regression modelling;
3. The production of a Management Plan with recommendations for the areas preservation and enhancement including any suggested changes to the conservation area boundary where appropriate.

### **S106 Obligations**

Work is underway to review all procedures and practices relating to S106 Obligations to ensure that there are appropriate management and monitoring arrangements in place. This will help in securing all commitments and obligations are met in relation to planned and proposed development. This is a significant but important piece of work which will help improve accountability especially for the large allocated sites which carry the majority of S106 Obligations.

### **Building Control**

NNDC have been successful in promoting some high quality schemes within the district, by gaining selection as finalists at the annual LABC regional awards. The event promotes the Local Authority Building Control Service, with winners going forward to the National event in November.

Three projects have made it through to the event which is being held at Kings College Cambridge on the 30<sup>th</sup> June. The 3 projects chosen are

1. Pensthorpe Natural Park, Pensthorpe – Best Inclusive Building
2. The Watch House, Cromer – Best Extension or Alteration to an existing home
3. Running Hare Barn, East Ruston – Best Change of Use

I will be attended this event, along with two surveyors from the team.

### **3 Meetings Attended**

23.3.17 – Portfolio and Chairs meeting with Nicola Baker  
28.3.17 – Meeting with Friends of North Norfolk  
3.4.17 – Cabinet  
11.4.17 – Pre Development  
12.4.17. Scrutiny  
13.4.17 – Development  
20.4.17 – Meeting with Emma Duncan  
21.4.17 – Portfolio and Chairs meeting with Nicola Baker  
24.4.17 – Heritage and Planning Policy  
25.4.17 – Pre Cabinet and Sculthorpe Enquiry  
4.5.17 - Sculthorpe Enquiry  
8.5.17 – Cabinet  
17.5.17 – Scrutiny  
19.5.17 – Portfolio and Chairs meeting  
23.5.17 – Pre Cabinet  
24.5.17 – Full Council



## CABINET MEMBERS REPORT TO COUNCIL

21<sup>st</sup> June 2017

### **COUNCILLOR B PALMER - CABINET MEMBER FOR COMMUNITY ENGAGEMENT**

For the period March to June 2017

#### **1 Progress on Portfolio Matters.**

Two editions of the parish and town council newsletter, 121, have been issued with the third imminent. A good response has been received so far with some very positive comments from parish clerks.

#### **2 Forthcoming Activities and Developments.**

Progress is being made on engaging with local schools. A leaflet is now available for primary schools outlining options for a visit to the Council offices and it is hoped that some local schools will be able to visit before the end of the summer term. An information pack is being produced for high schools to encourage engagement with the democratic process – at both local and national level and it is hoped that local members will become involved in any sessions – either here at the Council or at local schools. The Democratic Services Manager has recently qualified as a certified trainer for the Parliament Outreach service and it is anticipated that training sessions on Parliament will be offered to interested schools.

#### **3 Meetings Attended and Meetings Scheduled**

Cllr Palmer has attended a quarterly 'Joint Opportunities' meeting with the Media & Campaigns Officer and representatives from the Police. These meetings have focussed on sharing information and exploring ways of working together in the future and community projects and engagement are a key area of focus.

## **CABINET MEMBERS REPORT TO COUNCIL**

**21<sup>st</sup> June 2017**

### **COUNCILLOR PRICE - CABINET MEMBER FOR STRATEGIC HOUSING**

For the period March to June 2017

#### **1 Progress on Portfolio Matters.**

##### **Community Housing Fund**

Appointments have been made to the posts funded by the Community Led Housing Fund and once in position the post holders will begin to deliver the activities agreed by Cabinet. This will build on the engagement work that has already begun within some local communities.

The Local Housing Enabler will solely work in North Norfolk (the post was recruited to on job share basis with two officers, in combination, working a total of 51 hours per week - the first starting in June). The Community Housing Delivery Officer post is shared with the Borough Council of King's Lynn and West Norfolk and Breckland District Council and the new post holder will start shortly. All three appointees have considerable housing experience and are looking forward to starting to deliver community led housing schemes. Work on delivering the initial quick wins is in progress.

##### **Affordable Housing Delivery**

In April, 20 additional affordable dwellings were completed on sites at Stalham and Wells-next-the-Sea. Nineteen of the homes were for rent, with the remaining dwelling sold on a shared ownership (no rent payable) basis, with the freehold passed to the Council. Due to the nature of development, the next affordable housing completions are not expected until July.

##### **Housing Allocations Scheme**

Following the adoption of the new Housing Allocations Scheme in May, work is underway to agree the necessary IT changes required to implement the new scheme later this year.

## **CABINET MEMBERS REPORT TO COUNCIL**

**21<sup>st</sup> June 2017**

**COUNCILLOR PRIOR - CABINET MEMBER FOR HEALTH & WELLBEING LEISURE AND CULTURE**

For the period March to June 2017

### **1 Progress on Portfolio Matters.**

#### **Health & wellbeing**

For 2017/18 the Council will receive Disabled Facility Grant funding of £1,030,087 - an increase of 7% on the funding available in 2016/17. At the end of May:

- 17 Disabled Facility Grant applications had been approved
- 20 Disabled Facility Grant applications were completed
- 114 Disabled Facility Grant applications were being processed.

Disabled Facility Grant applications are a demand led service, during this year the team will be looking to see how grants can be more preventative to ensure that residents in receipt of a DFG can improve their health and wellbeing and have the maximum benefit from adaptations that enable them to live independently.

Work on increasing the number of agencies in the Early Help Hub is ongoing, currently there are 24 agencies in addition to the Council who participate in supporting residents through the hub. Over the next several months we will work to further integrate the work of the hub across the council as we move to an "Every Contact Counts" approach.

The Council is engaging with Norfolk County Council in relation to the development of the new "Edge of Care" service which will replace the current floating support services which are in the process of being decommissioned. The Council has developed a proposal which would locate the Edge of Care service within the Early Help Hub which would ensure the maximum benefit could be achieved from the funding available.

The Council is also engaging with Norfolk County Council in relation to the forthcoming changes to the county's funding for Advice and Information services. It is not yet known whether this will impact on the availability of Norfolk County Council joint funding for general advice and information services in North Norfolk from January 2019 onwards.

#### **Sports and Leisure Services**

Membership and activity levels at the Council's six sports and leisure facilities, together with Cromer Tennis Club, are buoyant (in line with 2016), with Victory Swim and Fitness centre recording the best figures ever. In May the overall visitor number was 46,123 (across all facilities).

### **Dual Use Facilities**

- Two sessions were held for the first time over Whitsun at Cromer (selling 40 tickets - 67% of capacity filled - with 90% of customers utilised the online booking option)
- At NWSC there were four days of activities, attracting 98 visits (84% capacity, with 65% of customers utilising the online booking option)
- At Stalham, 4 days of activities attracted 75 visits (68% capacity, with 44% of customers booking online)
- Over the three sites the activities generated around £2000 of income over the four days
- So far this year 977 tickets have been sold for activity sessions across the three sites, 212 of these at Stalham, which was re-launched in February after an 18 month break due to a previous lack of uptake
- 34 people opted to use the new early drop off/late pick up option over Whitsun, compared to 26 in February and 51 at Easter (2 week holiday).
- Participation at the centres for April and May saw Cromer exceed the number of visits from the previous year, with NWSC and SSC falling only slightly below their 2016 return
- Income at the 3 sites is slightly up on the same stage last year.

### **Splash Leisure Facility**

Work is continuing to develop a model to replace the Splash leisure facility. The Council has taken advice from a number of partners, including Sport England, with the aim of designing a new facility that can operate with minimal subsidy and attract additional visitors (and so increased participation in sport and physical activity - in line with the Council's corporate objectives).

### **Parkrun**

The Council continues to support the parkrun based at Sheringham Park. Parkrun is a non-competitive weekly 5K off road run, available for all. This project was set up in partnership with Active Norfolk, parkrun UK, The National Trust and North Norfolk Beach Runners. Numbers continue to grow with a total over 2,022 registered runners, averaging over 124 participants each week. There have been over 29,762 runs completed, 148,810 km covered with over 5,211 individual runners taking part!

### **Beaches**

Two new beaches (West and East Runton) have achieved the Blue Flag Award for 2017, in addition to the four existing beaches at Sheringham, Cromer, Mundesley and Sea Palling. North Norfolk thus has the highest number of Blue Flags of any district Council in the country, and second only to Cornwall (a unitary authority) which has seven.

### **Countryside and Parks**

The Council has applied for four Green Flag Awards this year, Holt Country Park, Pretty Corner Woods, Sadler's Wood, with Happy Valley (Cromer) being the new addition. Three events were held at these sites over Whitsun half term: shelter building; amphibians, reptiles & lizards; and water rockets and all were well attended.

## **2 Forthcoming Activities and Developments.**

### **Orchestras Live**

Another series of the highest quality orchestral concerts, developed by North Norfolk District Council in partnership with Orchestras Live and local community, is being planned, with the first one taking place on 25<sup>th</sup> June at 'Cabinet of Curiosity', Gresham's School, Holt. Billed as "the perfect show for families, music fans, lovers of performance and those with a curious mind for exploration," this is a concert by Sinfonia Viva, entitled 'Curiously Classical'. Details of two further concerts, expected to take place in spring 2018, will be announced in due course.

### **North Norfolk Sporting Centre of Excellence**

Following the outstanding success of the Sporting Centre of Excellence programme, with over 70 young people included in the programme, and a throughput of 1,680 attendances (over eight weeks) – many of whom achieved great success in their chosen sport, it has been agreed to commence a new programme in autumn 2017.

### **Pier Pavilion Theatre**

The contract for the operation of the Pier ends in November 2017, and work is progressing well to procure a new contract, with an emphasis on reduction to a nil subsidy for running the facility. The Council is currently involved in the procurement of the future operator, with the successful bidder expected to be announced in September 2017.

### **'Sports Clubs and Hubs' Project**

We are now entering the third year of the sports clubs and hubs project. It is going extremely well and likely to achieve the target of setting up at least 6 community sports hubs and 10 sports clubs. The project is also on target of engaging over 2,000 individuals, with a total visit number of over 20,000 by the end of 2017. We are now in discussions with Sport England to investigate the possibility to extend the project to a fourth year.