

Council



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13 February 2018

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 February at 6.00 p.m.**

Members of the public who wish to ask a question or make a statement item are requested to submit a copy to the committee clerk 24 hours in advance of the meeting and arrive at least 15 minutes before the start of the meeting. This is to allow time for the Committee Chair to rearrange the order of items on the agenda for the convenience of members of the public. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel: 01263 516010, Email: democraticservices@north-norfolk.gov.uk

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

Emma Denny
Democratic Services Manager

To: 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 Reverend Canon Paul Thomas, Scarrowbeck Benefice.

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 6)
(Minutes Appendix A – p. 20)

To confirm the minutes of the meeting of the Council held on 19 December 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 / STATEMENTS

The following question has been submitted by Mr B Huish:

'Why does the Council take people to court for council tax arrears when they are not in arrears?'

8. LEADER'S ANNOUNCEMENTS

To receive announcements from the Leader.

9. APPOINTMENTS

1. To appoint one representative and one substitute to the Norfolk Health Overview & Scrutiny Committee (*please note these roles are reserved for members of the Overview & Scrutiny Committee*)
2. To appoint a member of the Conservative Group to the Overview & Scrutiny Committee in place of Cllr N Smith
3. To remove Cllrs N Dixon and R Price from the Visit North Norfolk Board of Directors (at the request of VNN and in agreement with NNDC)

10. RECOMMENDATIONS FROM CABINET – 05 February 2018

- a) **AGENDA ITEM 12: DIGITAL TRANSFORMATION UPDATE** (page 43)

RECOMMENDATIONS to Council:

That Council approves, as part of the 2018/2019 budget,

- a) the establishment of a Programme budget of £940,000 as detailed in the report to be funded from the Invest to Save reserve
- b) the necessary growth in the IT service budget of £119,000 to fund the additional permanent posts identified in Section 5.1.2 of the report.

b) AGENDA ITEM 13: TREASURY MANAGEMENT STRATEGY STATEMENT 2018-19 (page 64)

RECOMMENDATIONS to Council:

To resolve that the Treasury Management Strategy Statement 2018-19 is approved.

RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE

The Overview & Scrutiny Committee will consider this recommendation at their meeting on 14 February. The Chairman will provide an oral update at the meeting.

c) AGENDA ITEM 14: CAPITAL STRATEGY (page 77)

RECOMMENDATIONS to Council:

That the Capital Strategy and Prudential Indicators for 2018-19 are approved.

d) AGENDA ITEM 16: RATE RELIEF POLICY (page 87)

RECOMMENDATION to Council:

That the Rate Relief Policy is revised as indicated in Appendices A, B and C

11. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 14 FEBRUARY 2018

To consider any recommendations from the Overview & Scrutiny Committee meeting held on 14 February 2018.

Please note this meeting took place after the Council agenda was published and the Chairman of the Overview & Scrutiny Committee will provide an oral update at the meeting if any recommendations are made.

12. RECOMMENDATIONS FROM GOVERNANCE, RISK & AUDIT COMMITTEE – 05 DECEMBER 2017 (page 91)

Recommendation to Council:

To receive the revised Terms of Reference for the Governance, Risk & Audit Committee

13. BUDGET AND COUNCIL TAX SETTING 2018/19 (page 93)
(Appendix A – p.114) (Appendix B – p.115) (Appendix C – p.119)

Summary: This report presents for approval the budget for 2018/19 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2018/19. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.

Options considered: It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 5 February 2018.

Conclusions: It is the opinion of the Council's Chief Financial Officer that the budget for 2018/19 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.

Recommendations: That having considered the Chief Financial Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves, the following be approved:

- 1) The 2018/19 revenue budget as outlined at Appendix A within this report;
- 2) The surplus of £843,441 be allocated to the Invest to Save Reserve ;
- 3) The statement of and movement on the reserves as detailed at Appendix C within this report;
- 4) The updated Capital Programme and financing for 2017/18 to 2019/20 (as detailed at Appendix E within the 2018/19 Budget Report - February 2018 Cabinet Agenda);
- 5) The new capital bids (as detailed at section 8.6 within the 2018/19 Budget Report - February 2018 Cabinet Agenda);
- 6) That Members note the current financial projections for the period 2019/20 to 2021/22;
- 7) The Policy Framework for the Earmarked Reserves and the Optimum Level of the General Reserve 2018/19 to 2021/22 (Appendix B within this report);
- 8) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2018/19;
- 9) The demand on the Collection Fund for 2018/19 is as follows:
 - a. £5,909,655 for District purposes
 - b. £2,210,812 for Parish/Town Precepts;This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property.

Reasons for Recommendations: To approve the 2018/19 budget for revenue and capital and to make the statutory calculations in respect of the 2018/19 Council Tax.

Cabinet member(s): Cllr W Northam
Ward member(s): All
Contact Officer: Duncan Ellis
telephone: 01263 516246
and e-mail: duncan.ellis@north-norfolk.gov.uk

14. 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 – 04 December
- 2) Development Committee – 26 October, 20 December 2017
- 3) Overview & Scrutiny Committee – 08 November, 13 December 2017

15. REPORTS, UPDATES & BRIEFINGS 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) Big Society Fund – Cllr Tom FitzPatrick (page 121)
- 2) Environmental Health & Waste – Cllr Annie Claussen-Reynolds (page 122)
- 4) Health & Wellbeing, Leisure & Culture – Cllr Maggie Prior (page 124)
- 5) Planning – Cllr Sue Arnold (page 128)
- 7) Legal Services – Cllr J Oliver (page 134)
- 8) Strategic Housing & Licensing– Cllr R Price (page 135)

16. QUESTIONS RECEIVED FROM MEMBERS

None received

17. OPPOSITION BUSINESS

None received

18. NOTICE(S) OF MOTION

None received

19. 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.”

20. 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 19 December 2017 at the Council Offices, Holt Road, Cromer at 6.00 pm.

Members Present:

Mrs S Arnold	Mr S Hester	Mr J Rest
Mr D Baker	Mr M Knowles	Mr R Reynolds
Dr P Bütikofer	Mr J Lee	Mr E Seward
Mrs S Bütikofer	Mr N Lloyd	Mr S Shaw
Mrs A Claussen-Reynolds	Mrs A Moore	Mr R Shepherd
Mr N Coppack	Mr P W Moore	Mr B Smith
Mrs H Cox	Mr W J Northam	Mr D Smith
Mr N Dixon	Mrs J Oliver	Mrs V Uprichard
Mrs A Fitch-Tillett	Ms B Palmer	Mrs L Walker
Mr T FitzPatrick	Mr N Pearce	Ms K Ward
Mr V FitzPatrick	Mrs G Perry-Warnes	Mr A Yiasimi
Ms V Gay	Mr R Price	Mr D Young
Mrs A Green	Mrs M Prior	
Mrs P Grove-Jones		
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

67. PRAYERS

The Chairman invited Cllr Hilary Cox, Methodist Lay Preacher to lead prayers.

68. PRESENTATION OF STAFF ACHIEVEMENT AWARDS

The Head of Paid Service (SB) introduced the winners of the Council's inaugural staff achievement awards: Russell Tanner (Volunteer of the Year), Nicola Wray (Outstanding Achievement), John O'Halloran (Change and Innovation) Customer Services (Team of the Year) and Kevin Peacock (Employee of the Year). The Chairman presented each of the winners with a pin in recognition of their achievement.

CHAIRMAN'S COMMUNICATIONS

Before starting his communications, the Chairman said that he would like to show Members a short video outlining the work of his nominated charity, Nelson's Journey. There would be a collection for the charity at the end of the meeting.

The Chairman then said that he had been very busy during November and December and had attended the following events:

15 November – Christmas lights, Sheringham
22 November – Blakeney Primary School visit
25 November – Christmas show, Cromer Pier
26 November – Christmas fete for Nelson’s Journey, Tattersett
03 December – carol service, Cromer church
 – Thanksgiving service for Diane Evans, Sheringham
05 December – Pantomime, Sheringham Little Theatre
06 December – Stars of Norfolk, Norwich
08 December – NNDC staff achievement awards
11 December – Carols at Yarmouth Minster
14 December – Sheringham Town Council service

69. TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS

Mrs J Oliver – Agenda Item 10b – North Norfolk Community Sports Hub
Miss B Palmer - Agenda Item 10b – North Norfolk Community Sports Hub
Ms J English – Agenda item 10c – Sutton Mill Loan Proposals

70. APOLOGIES FOR ABSENCE

Mrs B McGoun, Mr J Punchard, Mr P Rice, Mr N Smith and Mr G Williams

71. MINUTES

The minutes of the meeting held on 15th November 2017 were approved as a correct record and signed by the Chairman.

72. ITEMS OF URGENT BUSINESS

None

73. PUBLIC QUESTIONS OR STATEMENTS

None

74. APPOINTMENTS

Following the resolution at the Council meeting on 15 November that a review of committee chairman and vice-chairman appointments would be undertaken at the meeting of Council on 19 December 2017, the Chairman explained that nominations could be put forward for the following committees:

- Development Committee
- Overview & Scrutiny Committee
- Licensing & Appeals Committee
- Governance, Risk & Audit Committee
- Standards Committee
- Constitution Working Party

He said that he would take nominations for the Chairman of each committee and then once that was voted on and agreed he would take nominations for the Vice-Chairman. The vote would be taken in the order that the nominations were received.

Mr R Price said that he wanted to remind Members that the Conservatives had won the 2015 election on their manifesto and that it was right that their priorities should be delivered. He requested a recorded vote for each of the nominations.

Ms M Prior said that she supported Mr Price's comments.

Mr B Hannah said that as the longest serving Member of the Council he hoped that lessons would be learnt from recent changes to the political groups.

Development Committee

It was proposed by Mr N Coppack and seconded by Mr J Rest that Mrs A Fitch-Tillett be nominated as Chairman

It was proposed by Mr T FitzPatrick and seconded by Mrs S Arnold that Mr R Reynolds be nominated as Chairman

Before moving to the vote, the Portfolio Holder for Planning asked to speak. She said that Development Committee was non-political and very challenging to chair. The role required judgement and sensitivity and the Chairman should be experienced and highly competent.

Mr T FitzPatrick proposed that the nominees should briefly outline their suitability for the role to help members reach a decision. Ms M Prior seconded the proposal. It was put to the vote and lost.

The Chairman then asked members to vote on the nominations for Chairman of Development Committee in the order received.

RESOLVED

That Mrs A Fitch-Tillett be elected as Chairman of Development Committee
(23 votes in favour, 19 against)

The Chairman then asked for nominations for Vice-Chairman of Development Committee.

It was proposed by Mrs S Bütikofer and seconded by Mr E Seward that Mrs V Uprichard be nominated as Vice-Chairman of Development Committee.

It was proposed by Mr T FitzPatrick and seconded by Mrs S Arnold that Mr B Smith be nominated as Vice-Chairman of Development Committee.

RESOLVED

That Mrs V Uprichard be elected as Vice-Chairman of Development Committee
(23 votes in favour, 19 against)

Overview & Scrutiny Committee

It was proposed by Mrs S Bütikofer and seconded by Mrs V Uprichard that Ms K Ward be nominated as Chairman of Overview & Scrutiny Committee.

Mr T FitzPatrick said that he accepted this nomination and would not request a recorded vote.

RESOLVED

That Ms K Ward be elected as Chairman of Overview & Scrutiny Committee.

It was proposed by Mr N Coppack and seconded by Mrs G Perry-Warnes that Mr S Hester be nominated as Vice-Chairman of Overview & Scrutiny Committee

It was proposed by Mr T FitzPatrick and seconded by Mrs J Oliver that Mr G Williams be nominated as Vice-Chairman of Overview & Scrutiny Committee.

RESOLVED

That Mr S Hester be elected as Vice-Chairman of Overview & Scrutiny Committee.
(23 votes in favour, 19 against)

Licensing & Appeals Committee

It was proposed by Mr N Coppack and seconded by Mr J Rest that Mr S Hester be nominated as Chairman of the Licensing & Appeals Committee.

It was proposed by Mr T FitzPatrick and seconded by Mr R Price that Mrs H Cox be nominated as Chairman of the Licensing & Appeals Committee.

RESOLVED

That Mr S Hester be elected as Chairman of the Licensing & Appeals Committee
(23 votes in favour, 19 against)

It was proposed by Mrs V Uprichard and seconded by Mr D Young that Mr P Bütikofer be nominated as Vice-Chairman of the Licensing & Appeals Committee.

It was proposed by Mr T FitzPatrick and seconded by Mr R Price that Mr S Shaw be nominated as Vice-Chairman of the Licensing & Appeals Committee.

RESOLVED

That Mr P Bütikofer be elected as Vice-Chairman of the Licensing & Appeals Committee.
(23 votes in favour, 19 against)

Governance, Risk & Audit Committee

It was proposed by Mrs A Fitch-Tillett and seconded by Mr S Hester that Mr J Rest be nominated as Chairman of Governance, Risk & Audit Committee.

It was proposed by Mr N Dixon and seconded by Mr W Northam that Mr V FitzPatrick be nominated as Chairman of Governance, Risk & Audit Committee.

RESOLVED

That Mr J Rest be elected as Chairman of Governance, Risk & Audit Committee.
(23 votes in favour, 19 against)

It was proposed by Mrs S Bütikofer and seconded by Mr E Seward that Mr D Young be nominated as Vice-Chairman of Governance, Risk & Audit Committee.

It was proposed by Mr T FitzPatrick and seconded by Ms M Prior that Mr M Knowles be nominated as Vice-Chairman of Governance, Risk & Audit Committee.

RESOLVED

That Mr D Young be elected as Vice-Chairman of Governance, Risk & Audit Committee.
(23 votes in favour, 19 against)

Standards Committee

It was proposed by Mrs S Bütikofer and seconded by Mr E Seward that Mr P W Moore be nominated as Chairman of Standards Committee.

It was proposed by Mr T FitzPatrick and seconded by Mrs S Arnold that Mr R Stevens be nominated as chairman of Standards Committee.

RESOLVED

That Mr P W Moore be elected as Chairman of Standards Committee.
(22 votes in favour, 19 against, 1 abstention)

It was proposed by Mrs S Bütikofer and seconded by Mr E Seward that Mr B J Hannah be nominated as Vice-chairman of Standards Committee.

It was proposed by Mr T FitzPatrick and seconded by Mrs S Arnold that Ms M Prior be nominated as Vice-chairman of Standards Committee.

RESOLVED

That Mr B J Hannah be elected as Vice-Chairman of Standards Committee.
(23 votes in favour, 19 against)

Constitution Working Party

It was proposed by Mrs S Bütikofer and seconded by Mr E Seward that Ms V Gay be nominated as Chairman of Constitution Working Party.

It was proposed by Mr T FitzPatrick and seconded by Mrs J Oliver that Mrs H Cox be nominated as Chairman of Constitution Working Party.

RESOLVED

That Ms V Gay be elected as Chairman of Constitution Working Party.
(23 votes in favour, 19 against)

It was proposed by Mrs S Bütikofer and seconded by Mr E Seward that Mrs A Moore be nominated as Vice-chairman of Constitution Working Party.

It was proposed by Mr T FitzPatrick and seconded by Mr J Lee that Mrs J Oliver be nominated as Vice-chairman of Constitution Working Party.

RESOLVED

That Mrs A Moore be elected as Vice-Chairman of Constitution Working Party.
(23 votes in favour, 19 against)

Mr T FitzPatrick said that he respected the democratic process and accepted the outcome. He added that the previous Chairmen and Vice-Chairmen had worked very hard for the Council and the District as a whole and he would like to thank them. Mr N Coppack, Leader of the Independent Group, said that he agreed with Mr FitzPatrick's comments and congratulated all

of those newly appointed to posts and said he was confident that they would work hard. He concluded by saying that he was looking forward to 2018 when every member would be free to play their part in the Council's decision making process.

Mrs S Bütikofer, Leader of the Liberal Democrat group reiterated the previous comments and said that she hoped that all Members could work together to move the agenda forward.

RECOMMENDATIONS FROM CABINET – 05 DECEMBER 2017

a) AGENDA ITEM 09: LEISURE CONTRACT PROCUREMENT AND SHERINGHAM LEISURE FACILITY

The Portfolio Holder for Assets, Mrs J Oliver, introduced this item. She briefly outlined the proposals for the replacement of the Splash Leisure Centre in Sheringham and the procurement of a new Leisure Services Management Contract. She proposed the recommendations.

Mr D Smith, Local Member for Sheringham North, said that fully supported the proposals and that Members appreciated the hard work that had gone into this project. He seconded the proposal.

Mr B Hannah, Local Member for Sheringham North, said that he was delighted to see this project coming forward, particularly as it would support the health and wellbeing of local residents. However, he felt that Option 2 was the preferred option and said that he wished to propose that recommendation was amended to reflect this. Mr S Hester seconded the proposal.

The Head of Finance and Assets advised members that Option one had an estimated cost of £10.667m and Option 2 was estimated at £11.448m – and additional £781,000 of capital costs. The annual revenue cost of Option 2 was £154,000 – an additional £40,000 pa.

Mr T FitzPatrick said that he was fully supportive of health and fitness but it was important to clarify where the additional funding for Option 2 would come from. Mr Hannah replied that the Council was just considering the viability of the proposals at the moment and he felt that it could aim higher.

The Chairman of Overview and Scrutiny Committee, Ms K Ward, said that the Committee had recommended that all options were kept open, with the exception of Option 3 which was not supported.

Mr J Lee commented that Recommendation 3 allowed for the financing to be adjusted to maximise value, essentially giving additional flexibility already.

The Head of Paid Service (SB) advised Members that if Option 2 was supported instead of Option 1 then the capital budget would need to be increased to £11.448m.

Ms M Prior pointed out that the procurement process was already underway.

Mrs J Oliver said that Mr Hannah's proposal effectively replaced Option 1 with Option 2 thus removing Option 1 from the process and this did not reflect the recommendations from the Overview and Scrutiny Committee. Mr Hannah replied that his main concern was to keep all options open.

Mr T FitzPatrick said that the financial implications of choosing Option 2 were substantial and consideration should be given as to how they would be funded.

Mrs J Oliver proposed the following additional amendment to reflect Mr Hannah's concerns:

This Council will continue to ensure Option 1 delivers best value to the taxpayer and the community.

Ms M Prior seconded the amendment. Mr Hannah agreed to withdraw his proposal following the inclusion of 'community' in the amendment.

RESOLVED

- a) **To approve the necessary capital budget to support the delivery of a replacement leisure facility (Option 1) at an estimated cost of £10.667m as detailed in this report, subject to the necessary external funding being in place.**
- b) **That the provisional financing be agreed as follows;**
 - Part land disposal £0.750m**
 - Sport England grant £1.00m**
 - Capital receipts/reserves £4.00m**
 - Borrowing £4.917m**
- c) **That delegated authority is given to the Head of Finance and Assets to adjust the financing outlined above if required to maximise the value for the tax payer.**
- d) **This Council will continue to ensure Option 1 delivers best value to the taxpayer and the community.**

b) AGENDA ITEM 10: NORTH NORFOLK COMMUNITY SPORTS HUB

The recommendations were introduced by Mrs J Oliver, Portfolio Holder for Corporate Assets. She outlined the opportunity of developing a Community Sports Hub at the Cromer Dual Use Sport Centre via the provision of an indoor tennis facility and new gym and fitness centre, along with different management arrangements, in partnership with both Cromer Academy and Cromer Tennis Club.

Mr E Seward commented that the Overview & Scrutiny Committee had recognised the benefits of the proposals but had highlighted the necessity of rolling the project out across the District to ensure that everyone could benefit. He said that he would like to propose an additional recommendation:

'In developing the project proposal, priority is given to a comprehensive development plan for the wider use of tennis facilities across the District'

Mrs Oliver said that she was supportive of the amendment and was happy to second it.

Mr T FitzPatrick thanked Mr Seward for raising the issue and said that health and fitness was a priority for the whole of the District.

RESOLVED

- 1) **To approve of the necessary capital budget for the project, subject to the external funding being made available, as described in the report:**
 - a) **The approval of the necessary capital budget to support the delivery of a Community Sports Hub at an estimated cost of £2.681m, and additional tennis facility improvements at an estimated cost of £250k, as detailed in this report, subject to the necessary external funding being in place.**
 - b) **That the provisional financing be agreed as follows;**
 - Lawn Tennis Association Grant £733k**

(25% of tennis related cost)
Capital receipts/reserves £1.465m
Lawn Tennis Association Interest free loan £733k
(25% of tennis related cost, to be funded from capital receipts)

- c) That delegated authority is given to the Head of Finance and Assets to adjust the financing outlined above if required to maximise the value for the tax payer.**
- d) In developing the project proposal, priority is given to a comprehensive development plan for the wider use of tennis facilities across the District**

Ms B Palmer abstained.

c) AGENDA ITEM 11: SUTTON MILL LOAN PROPOSALS

Mr N Dixon, Portfolio Holder for Business and Economic Development, introduced this item. He explained that the Society for the Protection of Ancient Buildings (SPAB) mills section wanted to acquire and refurbish the "At Risk" Grade 2* Listed Sutton Mill and establish a national millwrighting centre at the mill to ensure the traditional skills of millwrighting and milling are preserved for future generations. A community interest company (CIC) had been set up to take this project forward.

Total project costs, excluding site purchase, but including refurbishment, training costs and staff amount to £2.5m. SPAB had pledged £100k towards the site purchase and £400k towards the repair of the mill.

A private investor, a director of the CIC, had pledged £100k. The CIC was currently investigating funding sources including the Architectural Heritage Fund and Heritage Lottery.

The CIC had also approached the District Council to seek funding in the form of a loan for £350k to be repaid over a period of 8 years (or sooner if funds permit) Approval was sought to provide loan finance of £350,000 to the National Millwrighting Centre CIC to acquire and refurbish Sutton Mill. Any loan would have to be provided on a commercial basis to comply with State Aid.

The Chairman invited Members to speak:

Ms V Gay said that she wished to propose deferral of this decision so that due diligence could be fully explored. Mr Dixon replied that this was already covered in the second recommendation.

Mr T FitzPatrick said that he was very disappointed in Ms Gay's proposal. The mill was already in a neglected and abandoned state and it would deteriorate further if work was delayed.

Mrs J Oliver referred to section 5 of the report 'Financial Implications and Risks' which she said had been addressed thoroughly. She added that if Members felt that further due diligence was required then that could be looked at but it should not be a reason to delay the project.

Mr P W Moore suggested that any due diligence requirements could be reported back to future Council meetings.

Mr S Hester said that the project should not be delayed and that work should begin as soon as possible.

Mrs P Grove-Jones, Local Member for Stalham and Sutton, said that it was a wonderful project and although she could understand Ms Gay's reservations, it should be acknowledged

that the mill had already suffered considerable damage and the opportunity to bring other services to the area was too good to miss.

Mr V FitzPatrick said that it was a 'win-win' project and he fully supported it.

The Head of Finance & Assets explained that there were tight timescales in place and that the loan was contingent on various aspects. He said that the site needed to be purchased before the owner could apply for further funding and loans. He added that the requirement for collateral in the form of a legal charge against the mill would be at least 110% of the value of the Council's loan.

It was proposed by Mr N Dixon, seconded by Mr J Lee and

RESOLVED

- 1) That the Council provides loan funding as detailed in this report to the National Millwrighting Centre CIC to facilitate the acquisition and improvement of Sutton Mill to be finance from capital receipts**
- 2) that, following the due diligence process, delegated authority is given to the Corporate Director and Head of Paid Service (Steve Blatch), in conjunction with the Portfolio Holder for Economic Development, to agree the final terms of any loan**

d) AGENDA ITEM 13: FEES & CHARGES 2018/19

The Portfolio Holder for Finance, Mr W Northam, introduced this item. He explained that the report recommended the fees and charges for 2018/19 that would come into effect from April 2018. The fees and charges as recommended would be used to inform the income budgets for the 2018/19 budget. Approval for the fees ahead of presenting the detailed budgets would allow for implementation of changes where applicable and also informed the 2018/19 budgets. It would also enable bills for chalet charges etc to be sent out in a timely manner. Consideration was also being given to installing individual meters to chalets so that the actual usage, rather than a set fee, could be charged.

The Chairman of the Overview & Scrutiny Committee, Ms K Ward said that the committee had requested a few amendments and these had been completed and shared ahead of the Council meeting.

The Chairman invited Members to speak:

Mrs A Fitch-Tillett asked whether consideration could be given to providing local residents with a discount on beach hut rental rates.

The Monitoring Officer suggested that this issue could be referred to the Overview & Scrutiny Committee for consideration. Mrs Fitch-Tillett supported this approach, Mr S Hester seconded the proposal and when put to the vote it was carried.

It was proposed by Mr W Northam, seconded by Mr T FitzPatrick and

RESOLVED

- a) The fees and charges from 1 April 2018 as included in Appendix A.**
- b) That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required as outlined within the report**

60. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 13 DECEMBER 2017

Ms K Ward, Chairman of the Overview & Scrutiny Committee, informed Members that the Committee had undertaken pre-scrutiny of the Asset Management Plan and supporting documents and had recommended some changes. She thanked the officers for their hard work in preparing the documents.

61. DETERMINATION OF COUNCIL TAX DISCOUNTS 2018/19

Mr W Northam, Portfolio Holder for Finance, introduced this item. He explained that report set out alternative options for the level of council tax discounts which Council could resolve to apply to second homes for the financial year 2018/19. The determinations were made by the Council under sections 11A and 11B, and of the Local Government Finance Act 1992, subsequent enabling powers and Regulations made under the Act.

The legislation provided local authorities with the power to make changes to the level of council tax discount in relation to second homes. The Council had to approve its determinations for each financial year. The calculation of the tax base for 2018/19 would be made on the assumption that the determinations recommended would apply.

Mr Northam explained that this review of discounts afforded to second homes gave Members an opportunity to address residents' concerns over the high number of second homes in North Norfolk and enabled a council tax charge for a second home to be made which was more closely aligned to that of a sole or main residence.

Mr T FitzPatrick seconded the proposal and reserved his right to speak at the end of the debate.

The Chairman invited Members to speak:

Mr D Young urged those Members who were also County Councillors to continue to push for the return of second homes money to NNDC.

Mr T FitzPatrick said that he had always worked hard to retain the second homes money for the District and he had been pleased to see cross-party support at County Council level. He added that the problems had been exacerbated by the parish and town council campaign to deprive NNDC of this income. He concluded by saying that he had recently met with representatives from the County Council to discuss the issue further and he was also planning to meet with representatives from Kings Lynn and West Norfolk BC who faced the same problem. Mr Northam thanked Mr FitzPatrick for all of the work he had done so far to retain this income for the District.

It was proposed by Mr W Northam, seconded by Mr T FitzPatrick and

RESOLVED that

- (a) the council tax discount for dwellings defined as being within Class 'A' be reduced to 10% for the year 2018/19;**
- (b) the council tax discount for dwellings defined as being within Class 'B' reduced to nil for the year 2018/19.**

62. DETERMINATION OF THE COUNCIL TAX BASE FOR 2018/19 AND THE TREATMENT OF SPECIAL EXPENSES

Mr W Northam, Portfolio Holder for Finance, introduced this item. He explained that the purpose of the report was to determine the Council's tax base for 2018/19 and the 2018/19 tax base for each parish in accordance with legal requirements.

It was proposed by Mr W Northam, seconded by Mr R Price and

RESOLVED

a) That the calculations set out in the report are used to produce the Council's tax base be approved, and the tax base for 2018/19 be determined as 39,844;

b) That the tax base for each parish area for the financial year 2018/19 is as set out at paragraph 2.1 of the report

63. DRAFT PROGRAMME OF MEETINGS

The Portfolio Holder for Democratic Services, Mrs J Oliver, introduced this item. She thanked the Member Support Administrator for her hard work in preparing the schedule of meetings.

It was proposed by Mrs J Oliver, seconded by Mrs A Claussen-Reynolds and

RESOLVED

To adopt the Programme of Meetings for 2018-19.

64. TO RECEIVE THE APPROVED MINUTES OF THE UNDERMENTIONED COMMITTEES

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

- 1) Cabinet – 30 October
- 2) Development Committee – 31 August, 28 September 2017
- 3) Governance, Risk & Audit Committee – 05 September 2017
- 4) Licensing & Appeals Committee – 11 September 2017
- 5) Overview & Scrutiny Committee – 12 July, 13 September, 11 October 2017

65. REPORTS, UPDATES AND BRIEFINGS FROM CABINET

The Chairman asked whether any Cabinet member wished to add a further update to their written report.

- i. Mrs S Arnold, Portfolio Holder for Planning, said that she wished to draw Members' attention to the excellent performance figures for the planning department. She said that she was delighted to report that the judicial review regarding a decision relating to a planning application in Blakeney had found in the Council's favour.
- ii. Mr T FitzPatrick informed Members that the Council had had a number of successful recruitment campaigns which had led to a full headcount in Revenues and Benefits and also filling some posts in Planning. The Council currently had 8 apprentices and was looking to recruit a further 7 apprenticeship posts next year. A number of apprentices had gone on to secure permanent posts. He added that the Council's Wellbeing Strategy would be extended to members. He concluded by referring to the high level of attendance by members of the public at the recent Cabinet meeting and said that this was to be welcomed.
- iii. Ms B Palmer advised Members that a visit to the Council offices by Woodfield School, Sheringham (not Woodside as stated in the report) was planned for 24th January.

The Chairman invited Members to ask questions:

Mr J Rest referred to Ms B Palmer's report regarding customer services (circulated prior to the meeting). He queried the following statement: 'cashiers have shown a marked increase in income with transactions reducing'. Ms Palmer replied that she would look into it and provide a written response as soon as possible.

Mr B Hannah said that he wished to commend the Portfolio Holder for Community Engagement on the excellent work that she was doing with local schools.

66. QUESTIONS RECEIVED FROM MEMBERS

None received

67. NOTICE OF MOTION

The following motion had been proposed by Mrs S Bütikofer and seconded by Mr E Seward:

'This Council should give consideration in its budget preparations for 2018/19 to provide funding of up to two hundred thousand pounds for dedicated beat police constables for North Norfolk'

The Chairman invited Mrs Bütikofer to introduce the motion.

Mrs Bütikofer began by saying that Police Community Support Officers (PCSOs) provided a great service to the county and everyone welcomed the additional funding recently outlined by central government. However, this was still not sufficient and the Police and Crime Commissioner (PCC) and the Chief Constable had requested more funding. The PCC had launched a consultation to ascertain whether residents were willing to pay more council tax to help fund policing and the Chief Constable had recently announced plans to change the way policing was delivered in the county. The latter proposal would see a reduction in the number of PCSOs and the closure of 7 public enquiry offices and 7 police stations.

Mrs Bütikofer said that parish and town councils and community groups had expressed alarm at the proposals and she reminded Members that 49% of all events attended by the police related to public safety, this together with an ageing demographic meant that residents wanted more police 'on the beat'. She concluded by saying that as a member of the Police & Crime Panel for the County Council, she knew that the Police had a very low level of reserves whereas NNDC had large reserves to draw on.

Mr E Seward said that he seconded the proposal but reserved his right to speak at the end of the debate.

The Chairman invited Members to speak:

Mr J Lee said that it was not in the Council's remit to fund the police and that residents already paid through the police precept. He said that the Council could not afford to undertake such a commitment and he asked which services would be cut to pay for it. He concluded by asking where the line was drawn and whether the Council would be expected to fund additional nurses and firefighters in the future.

Mr T FitzPatrick said that he was not unsympathetic to the request for more police but that the outcome of the 2020 consultation should be respected. He drew Members' attention to new legislative requirements that would require funding in the future such as the Homelessness Reduction Act 2017 and questioned where the additional beat officers would go. Mr FitzPatrick went on to say that the PCC consultation regarding an increase to police funding via the council tax precept was ongoing and it therefore seemed odd that another precepting authority

would put forward these proposals at the same time. For these reasons he said that he could not support the motion.

Mrs J Oliver asked Mrs Bütikofer to clarify which body had responsibility for keeping people safe. Mrs Bütikofer replied that she felt it was a moral duty that was not enshrined in law. Mrs Oliver said that there were a huge number of statutory and discretionary services that the Council funded already and they should not start funding other services that were not in their remit.

Mr V FitzPatrick said it looked as though the Council was telling the Police what to do and that NNDC would not like it if it was the other way around.

Mr R Price said he sympathised but that the Police had the power to raise their precept by £12 per household and that it was too early to be discussing this issue. He urged the withdrawal of the motion and suggested that it could come to the Overview & Scrutiny Committee at a later date for discussion.

Mr J Rest commented that the timing of the proposals caused a dilemma for Members and he asked Mrs Bütikofer to reconsider.

Mrs Bütikofer said that she hadn't asked Members to commit at this stage just to consider the issue as part of the budget process. She said that she had spoken to the Police Constable about the proposals and he had welcomed them. She added that the funding would provide 5 beat officers across 5 market towns in the District.

Mr E Seward said that sympathy from Members was not enough and the time had come to try and address the problem and find a solution. He referred to his own ward of North Walsham and said that there were proposals to reduce the 9 current PCSOs to just 1. Safety concerns were paramount and only beat constables could address this. Addressing the concerns that the motion was premature, Mr Seward said that he welcomed the recent Government announcement but that all that was being asked was that consideration was given to the proposals as part of the budget process. By February the outcome of the PCC consultation would be known as well as the Council's own financial situation. He acknowledged that it was a new service for NNDC to fund but said that legally there was no reason why it couldn't be done. Finally, in response to the queries regarding how it would be funded, he said that the reserves would be used.

It was proposed by Mrs S Bütikofer, seconded by Mr E Seward and

RESOLVED that

This Council should give consideration in its budget preparations for 2018/19 to provide funding of up to two hundred thousand pounds for dedicated beat police constables for North Norfolk

There was one abstention.

68. PRIVATE BUSINESS

None

The meeting concluded at 9.22pm

Chairman

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Development Committee Chairman - AFT

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Development Committee Chairman - RR

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Development Committee Vice- Chairman - VU

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Development Committee Vice-Chairman - BS

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Overview & Scrutiny Committee Vice-Chairman (SH)

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Overview & Scrutiny Committee Vice-Chairman (GW)

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Licensing Committee Chairman - SH

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Licensing Committee Chairman - HC

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Licensing Committee Vice-Chairman - PB

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Licensing Committee Vice- Chairman - SS

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Governance, Risk & Audit Committee Chairman - JR

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Governance, Risk & Audit Committee
Chairman - VFP

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Governance, Risk & Audit Committee Vice-Chairman - DY

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Governance, Risk & Audit Committee Vice-Chairman - MK

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M			X	Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Standards Committee Chairman - PM

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R			X	Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McCoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

recorded votes form

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Standards Committee Chairman - RS

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Standards Committee Chairman - BH

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R			X	Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McCoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

recorded votes form

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Standards Committee Vice-Chairman - MP

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Constitution Working Party Chairman - HC

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Constitution Working Party Chairman - VG

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McCoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

recorded votes form

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Constitution Working Party Vice-Chairman - AM

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S		X		Northam, W J		X	
Baker, D		X		Oliver, J		X	
Butikofer, P	X			Palmer, B		X	
Butikofer, S	X			Pearce, N	X		
Claussen-Reynolds, A		X		Perry-Warnes, G	X		
Coppack, N	X			Price, R		X	
Cox, H		X		Prior, M		X	
Dixon, N		X		Punchard, J			
English, J		X		Rest, J	X		
Fitch-Tillett, A	X			Reynolds, R		X	
FitzPatrick, T		X		Rice, P			
FitzPatrick, V		X		Seward, E	X		
Gay, V R	X			Shaw, S		X	
Green, A R	X			Shepherd, R		X	
Grove-Jones, P	X			Smith, B		X	
Hannah, B J	X			Smith, D	X		
Hester, S	X			Smith, N			
Knowles, M		X		Stevens, R			
Lee, J H A		X		Uprichard, V	X		
Lloyd, N	X			Walker, L	X		
McGoun, B M				Ward, K	X		
Millership, M	X			Williams, G			
Moore, A	X			Yiasimi, A	X		
Moore, P W	X			Young, D	X		

COUNCIL
RECORDED VOTE FORM

Agenda item: 9 Appointment of Constitution Working Party Vice-Chairman - JO

Date: 19 December 2017

	For	Against	Abst		For	Against	Abst
Arnold, S	X			Northam, W J	X		
Baker, D	X			Oliver, J	X		
Butikofer, P		X		Palmer, B	X		
Butikofer, S		X		Pearce, N		X	
Claussen-Reynolds, A	X			Perry-Warnes, G		X	
Coppack, N		X		Price, R	X		
Cox, H	X			Prior, M	X		
Dixon, N	X			Punchard, J			
English, J	X			Rest, J		X	
Fitch-Tillett, A		X		Reynolds, R	X		
FitzPatrick, T	X			Rice, P			
FitzPatrick, V	X			Seward, E		X	
Gay, V R		X		Shaw, S	X		
Green, A R		X		Shepherd, R	X		
Grove-Jones, P		X		Smith, B	X		
Hannah, B J		X		Smith, D		X	
Hester, S		X		Smith, N			
Knowles, M	X			Stevens, R			
Lee, J H A	X			Uprichard, V		X	
Lloyd, N		X		Walker, L		X	
McGoun, B M				Ward, K		X	
Millership, M		X		Williams, G			
Moore, A		X		Yiasimi, A		X	
Moore, P W		X		Young, D		X	

Digital Transformation Programme (DTP) Update

Summary:

This report is brought to provide an update on progress within the Digital Transformation Programme (DTP) in accordance with the original Cabinet Resolution for the Programme and recommends now moving to a second phase, along with the establishment of a further Reserve to ensure the appropriate Capital and Revenue Budget.

The original Programme delivery targets have been exceeded in terms of the value of savings achieved, and in a shorter time than planned to deliver them.

In broad terms, the project timelines, expenditure and expected outcomes for the Programme are on track, with significant deliveries in this latest period including the new website and the Customer Contact System.

Conclusions:

Overall, the technology infrastructure improvement programme has continued to progress well.

That said, there are inherent risks associated with increased reliance on IT and it is important that the programme seeks to mitigate these.

There are some capacity issues with officer resources to deliver the changes we need at a fast enough pace, both in IT and the services in which we are seeking to implement change.

The Business Process Review (BPR) in Planning, where outcomes are being rolled out on a phased basis, and work on the BPR within the Environmental Health (EH) service are both progressing well.

Whilst the benefits realised from the DTP are forecast to exceed expectations there are further efficiency and customer satisfaction benefits that can be delivered from investing in a second Phase of the DTP. It is expected that further annual net savings of £216,000 can be achieved over the next 4 years (after taking account of staffing growth) for an overall investment of £940,000.

Recommendations

- 1) That Cabinet notes the progress made on the Digital Transformation Programme over the last 4 years.**
- 2) That a second phase of the Programme is approved, with draw down of the Programme budget subject to business cases being approved by Cabinet.**
- 3) That Cabinet approves the following staffing changes:**
 - a) the establishment, on a permanent basis, of three new posts as described in section 5.1.2 of the report**
 - b) the temporary posts described at section 5.1.3 of the report, at a cost of £89,000 to be funded from the Programme budget once established.**
- 4) That Cabinet continues to receive a six monthly progress update on the Programme**
- 5) That a programme of IT support for members is developed prior to the 2019 Council elections.**
- 6) That Council approves, as part of the 2018/2019 budget,**
 - a) the establishment of a Programme budget of £940,000 as detailed in the report to be funded from the Invest to Save reserve**
 - b) the necessary growth in the IT service budget of £119,000 to fund the additional permanent posts identified in Section 5.1.2 of the report.**

Reasons for Recommendations:

- 1) 2) 4) and 6) To provide appropriate governance, resources and oversight of the Digital Transformation Programme and IT service delivery.**
- 3) To ensure that the Council's IT service is appropriately staffed in order to reflect and priorities of this work for the Council.**
- 5) To ensure that appropriate levels of IT support can be provided to members to enable them to effectively carry out their role.**

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

DTP project plans Customer Services Strategy Communications Strategy IT Business Continuity Plan

Cabinet Member(s) Cllr T Fitzpatrick (IT and Digital Transformation) Cllr B Palmer (Customer Services)	Ward(s) affected All
Contact Officer, telephone number and email: Sean Kelly, 01263 516276, sean.kelly@north-norfolk.gov.uk Nick Baker, 01263 516221, nick.baker@north-norfolk.gov.uk	

Digital Transformation Programme (DTP) Update

1. Introduction

- 1.1 Members will recall that the Digital Transformation Programme (DTP), was approved by Cabinet in October 2013. The Programme set out to achieve two key objectives from digital investment and change. Firstly, improving customer service, for both internal and external customers; and secondly, being more efficient in the way we work in order to drive financial, as well as non-cashable savings.
- 1.2 It was agreed that six monthly progress reports would be submitted, along with updates on the workstreams within the DTP as these were developed. This is the latest of those updates. Covering the period June - December 2017. However, the Programme now needs to be extended into a second phase and this is detailed below.
- 1.3 The DTP set out to deliver a range of IT foundation projects, on which later transformational changes to the Council's business could be built. These changes would be identified through a series of service level and process reviews across the Council and then implemented to take advantage of the IT investments already made.
- 1.4 The guiding principles of the Programme are as follows:
- Making our processes digital by default, but with alternative access channels where appropriate
 - Building in automated features wherever possible, to enable customers to self-serve
 - Developing an integrated IT platform, thus enabling better sharing of information and data across the Council, and ensuring that our digitised systems are seamless to the user
 - An assumption that the "front office", or Customer Services, function will become wider, thus ensuring that as many contacts are dealt with as efficiently as possible, at the first point of contact.

- 1.5 The principles of future phases of the programme should continue to reflect these, as they will hold good for the constant technological changes which will, in turn, fundamentally change the way the Council does business with customers.
- 1.6 Whilst the original resolution committed a Programme budget of £1.4m over five years (revised to c£1.6m with the addition of other projects), this was conditional upon individual projects subsequently being brought forward to Cabinet with a business case for the release of the required budget.
- 1.7 From the excellent progress made so far, it is clear that the Programme has enabled significant improvements to Customer Services and is forecast to deliver annual ongoing revenue savings of £427k by the end of 2018/19; over £50k a year more than originally anticipated.
- 1.8 It is clear that with appropriate future investment, significant additional savings can be enabled and these are outlined elsewhere in the report.
- 1.9 In order to ensure this continued progress, IT resources, both in terms of infrastructure and staffing, need to be maintained in balance with the increased workload and reliance on IT. In short, with increased reliance on IT, the Council needs to improve the resilience of IT service delivery.

2. Programme Delivery

All of the projects identified in the original DTP have either been completed or are in the process of being rolled out across the Council. This rollout will continue for the foreseeable future, as business processes change as a result of service improvement and business requirements change.

2.1 Completed IT Projects

Many of the projects included the acquisition and deployment of enabling technologies, which will provide the facilities to improve customer service and deliver efficiency changes across the Council:

- A large number of stand-alone and disparate scanning and printing devices have been replaced by centrally managed, efficient, multi-function devices.
- Corporate printing facilities have been replaced with a combination of more cost-effective on site systems and web based, print and post facilities.
- The Council's telephone system has been replaced with the Skype for Business unified communications platform, which provides voice and video conferencing, desktop sharing and other collaborative facilities. These contribute to a more effective workforce and also to a more resilient communications infrastructure to support the Council's Disaster Recovery and Business Continuity arrangements.
- The Council's website has been replaced with a technology platform that better supports the delivery of self-serve for Customers and makes information significantly easier to find. This will help prevent unnecessary telephone calls, e-mails and other contact between customers and Council Officers.

- Microsoft SharePoint has been commissioned as a fundamental building block of the Council's IT infrastructure. This has already provided a new platform for the Council's Intranet and allowed for the provision of a digital HR filing system. As the DTP progresses, SharePoint will provide a range of Document and Records Management facilities across the Council.
- The outdated Customer Contact management system has been replaced to allow communication with customers to be handled accurately and efficiently, whether it is received by telephone, e-mail, web forms, web chat or social media. The system has already been deployed in Customer Services and in Revenues and Benefits, with further plans to add other teams and functions which have significant interaction with Customers

2.2 Ongoing IT Activities

- Work continues to complete the remainder of the technology improvements within the Planning Service, to provide further efficiencies and service quality improvements.
- The new Management Information System has been procured and work is on-going with the supplier to implement the system and configure it to report on all major Council systems.
- The requirements for an advanced E-Learning system are being gathered and refined to inform and support the acquisition of a system to manage the acquisition of knowledge and skills for Officers and Members.
- The incremental improvements in service processes and technology within HR continue. The scanning of historical personnel records has largely been completed and these are now being integrated with the SharePoint system to make them easily accessible to authorised persons. The improvements are being supported and enhanced by the continued development of the HR system with the recent go-live of Overtime and Holiday Management and reporting.

2.2.1 Since the last update in July 2017, officers have been primarily focused on progressing the following projects:

2.2.2 The **Customer Contact Management** system is now live and, despite a short period of instability immediately following go-live, is providing benefits in handling of customer contacts within Customer Services and for the Revenues Team. The Benefits Team is now live on the system and further services and teams will be included in the future. Web chat and social media integration are currently being tested and commissioned which will allow Customer Services Advisors to interact with customers in ways that have been proven to generate customer satisfaction and improve the efficiency of handling customer enquiries.

- 2.2.3 The **Geographical Information Systems (GIS)** project suffered a delay due to work to support the Boundary Commission Review and staff illness, but is now progressing well. Following an internal audit of the data within the GIS system, it was identified that a significant quantity of the third party data, such as the maps, required updating and refreshing. Although this has been a significant piece of work, it is now approaching a conclusion, with completion anticipated by Spring 2018. Process changes to ensure that such data is maintained in the future have also been implemented.
- 2.2.4 **Web Based Mapping** is about to go live for internal use and will be followed by availability for public use in the spring of 2018. This will allow users of the Council's website to access information about specific locations and, like the GIS, is a major building block for implementing the outputs from the Planning BPR, giving both efficiency and customer service improvements.
- 2.2.5 The **Back Scanning** project continues to reduce the size of the paper archives within the Council. In order to manage the completion of all scanning, a formal DTP Project has been initiated and a contract awarded for the scanning to be completed by an external service provider. This will also ensure that the storage facility at Stonehill Way can be released at the end of the existing lease, delivering a significant annual revenue saving.
- 2.2.6 The **Agile Working** policy has been formally approved and work continues to provide laptops and other portable devices as replacement for fixed PC's. This will improve existing flexible working for those jobs in the Council that have a current requirement for this, as well as further improving the work/life balance for many of our employees. In addition, this will improve customer service, by enabling activities and processes which are currently, only available within the Council Offices, to be made available from other locations and at times that would otherwise be difficult to achieve.
- 2.2.7 The improved **Website** went live in early 2017 including a significantly enhanced mechanism for customers to raise queries and receive responses. The work to review, update and migrate the less critical information is continuing, as is the addition of further transactional services. The next major addition will be the ability to book and pay for the community based sports and activities organised by the Council, which are currently hosted on an external website.

The priorities for further services will be based upon operational and efficiency improvements that each change will bring. As we continue to develop the website, it will allow us to offer more of our services online, in support of the council's commitments contained in the Customer Services Strategy.

- 2.2.8 Initial scoping work for the **Management Information System** has been completed and a contract has been let for the provision of 3rd party software, along with the advice and assistance necessary for its implementation, which is currently being planned. This will allow better performance data to be provided at all levels of the organisation, thus driving improved working and efficiency. The same system will allow better communication to relevant stakeholders of key performance information in a more engaging and user-friendly manner.

- 2.2.9 Following the successful **Print Solution** equipment installation, the hybrid off-site mail solution, which will allow documents to be printed and posted off site at significantly lower costs, has been piloted and will be rolled out across the Council in early 2018.
- 2.2.10 The **Electronic Document Management** IT infrastructure pilot is continuing in a number of areas to inform the future rollout across the whole Council during 2018. Third party assistance is being procured to accelerate the rollout and realise the significant improvements and efficiencies this technology will facilitate.

3. Business Process Review

3.1 Implementation in the Planning Service Area

- 3.1.1 Members will recall that service level BPR was implemented first in Planning with an initial focus on the Development Management processes.
- 3.1.2 Whilst far more complex than other services, it was recognised that Planning gave the best opportunity for digital improvement, in terms of both efficiency and customer service. Many of the same IT infrastructure components identified above have contributed to the progress made so far and will continue to do so in other service areas.
- 3.1.3 Due to the complexities of the service and the external demands placed upon it, this review has been extremely challenging and has taken much longer than anticipated. However, revenue savings have been realised as anticipated and Customer Service improved.
- 3.1.4 Parish Councils have largely been converted to paperless working, which will improve the timeliness of their interaction with the service, delivering significant production cost and staff time reductions.
- 3.1.5 The new pre-applications advice service has been launched, with an accompanying on-line request and payment system available on the Council's Website. Initially this is for Householder and Minor planning applications only, but other types of Planning Applications will be added in the coming months.
- 3.1.6 Paperless working within the Development Management (DM) team has been trialled and the issues this presents are being assessed to identify the most appropriate solution. When this is complete it will be implemented across DM.
- 3.1.7 Configuration of the Planning back office systems to allow totally automated working has been completed for both DM and pre-applications processes. This will continue to be enhanced, to ensure that many of the activities, which currently require manual action, are designed out, giving further significant improvements.
- 3.1.8 Enhancement of website functionality to support changes in Planning business processes is continuing. Already, the information on the website that will allow customers to self-serve has been reviewed and improved to better support:

- customers to obtain better pre-application advice, thus allowing a higher level of valid applications to be received and, in turn, improving service and efficiency

- customers to pay for advice and applications, and to book appointments to meet with officers, thus creating efficiency and capacity, as well as improving customer service
 - all stakeholders to view the progress of, and information related to, applications in which they are interested
 - web based mapping facilities, to give stakeholders better information about specific sites and link these to applications
- 3.1.9 Further work to improve the advice and functionality of the Planning related website pages will continue in line with the ongoing changes in Planning and other services.
- 3.1.10 Upcoming enhancements include a web based tool to allow users to identify planning constraints that apply to potential development sites, which will be delivered as a result of the GIS improvement work identified above.

3.2 Implementation of BPR in the Environmental Health (EH) Service Area

- 3.2.1 The BPR of the Environmental Health Service area commenced in October 2016 and since that time there has been a detailed and comprehensive examination of the business processes within the different teams that comprise the service.
- 3.2.2 In parallel with the BPR, a new back office IT system is being commissioned in EH, which will enable both the process improvements and the technology enhancements to be delivered together. Many of the lessons learned, and recent enhancements to the general IT infrastructure arising from the BPR in Planning, will also be utilised to deliver improvements in EH.
- 3.2.3 A business case identifying significant savings arising from the BPR implementation was accepted and is now built into the Council's Medium Term Financial Strategy, with the first savings being delivered in the current financial year.
- 3.2.4 Initial workshops with all staff from the Service have been undertaken. These workshops were facilitated by external consultants, to give additional capacity and to ensure consistency of approach. In addition, external support provides an objective, independent review of the current business processes within any service.
- 3.2.5 The outputs of the workshops and analysis of the current service have been analysed and the initial phases of improvement in service and efficiencies identified based upon operational priorities.
- 3.2.6 In order to support more efficient and effective field working in EH, a combination of mobile and laptop devices is being rolled out across the service during early 2018.

4 Proposed Future Work Activity

4.1 General landscape

- 4.1.1 The digital landscape is constantly changing and will continue to do so into the future. It is essential that the Council takes advantage of these advances to deliver further service improvement and efficiency savings.
- 4.1.2 The pace of technological change is increasing and, as the Council's services become further dependent on IT, this will increase the demands on our ability to keep pace with the change.
- 4.1.3 In order to ensure that the Council can continue to take advantage of changes in digital technology, it is essential that IT resources, both in terms of infrastructure and staffing, are maintained to support the increased reliance on IT. In short, with increased reliance on IT, the Council needs to improve the resilience of IT service delivery.
- 4.1.4 In order to ensure that the Council is best placed to take advantage of the ongoing improvements to the IT infrastructure, and the advanced facilities it will provide, it is essential that officers and members are able to continually update their IT skills. In order to facilitate this, one of the key elements of the next phase of the DTP as proposed, will deliver an E-learning system to provide tailored training for Officers and Members, both for IT and in the wider business of the Council.

4.2 Digital Customer Interaction

- 4.2.1 In order to meet the financial and service delivery challenges that face the Council in the future, it is essential that we enable and encourage more customers to transact business by digital, self-service means. In turn, this means that we need to provide reliable and easy to use IT systems. The delivery of these in a sustainable manner will require further and ongoing investment in IT infrastructure and resources.
- 4.2.2 The Customer Services Strategy details some key service areas where we have large volumes of transactions, which will be digitally enabled over the next few years, as follows:
- Customer Services Front Office
 - Environmental Health
 - Revenues and Benefits
 - Locality and Leisure Services
 - Planning
- 4.2.3 In addition, there are a number of general processes, such as payment handling, applications and bookings, which will overlay these service areas, to improve their business processes by applying modern digital technologies.
- 4.2.4 Further work is planned on the way we interact with our customers, which will be designed to encourage the take up of the self-serve, on-line facilities. This will be delivered in a manner that fully recognises the Council's commitment not to digitally exclude any individuals or groups that access Council services.

- 4.2.5 The Customer Service Strategy lays down how we intend to improve customers' access to our service, by building on the digital foundation we have invested in over the past four years. This will enable customers to transact business better with the Council at times and by means which best suit them.
- 4.2.6 Undoubtedly, we also need to identify methods and approaches that encourage take up of digital services, so that we maximise the return on investment in the underlying technology platform and systems.

4.3 Digital Infrastructure Requirements

- 4.3.1 Many of the initial building blocks required to deliver an IT infrastructure to support sustainable business process improvements have been successfully implemented, as components of the individual projects within the DTP to date.
- 4.3.2 However, to ensure further service improvements and deliver additional efficiency savings, a number of further capabilities need to be implemented and applied to business processes across the Council.

These will form much of the Programme going forward and will include:

- Joining up of significant data sets in Revenues, Electoral Services and Street Naming and Numbering, as a cross-service enabler
- Use of mobile applications Customer interaction eg Waste Collection day changes
- Use of mobile applications for Field Worker roles eg Food Hygiene inspections
- Front office service delivery improvements through further web based applications
- Continue to evolve the IT infrastructure from largely premise based to a hybrid cloud solution

4.4 Proposed Future Projects

- 4.4.1 It is recognised that the structure of the original DT programme, was based on some high level estimates and assumptions of the potential improvements which could be delivered by digital change.

Whilst it was and continues to be, very difficult to accurately predict both the nature of the changes required and the exact levels of improvement and savings that can be delivered, officers believe that there remain significant opportunities for further improvement and efficiency by extending the programme into a second phase.

- 4.4.2 The key projects which are likely to make up the future programme are listed below:

- Revenues and Benefits Services BPR
- Corporate Document and Records Management System based on Sharepoint.
- E-Learning Management System
- Wider roll out of mobile and agile working
- Locality and Leisure Services BPR

- Further Channel Shift in customer services front office
- Other BPR projects eg Finance, Tree works, Building Control, Democratic Services, Corporate Administration
- Database matching and integration – Elections, Council Tax and Street Naming and Numbering
- Member IT interface – focus on 2019 election
- Enhanced hybrid Cloud storage
- Move to Office 365 as the main desktop software suite for the Council

4.4.3 On the basis that the Cabinet approval of individual project business cases has given a high degree of scrutiny and governance, it is proposed that this is continued into the second phase of the DTP.

5. Internal Digital Transformation Capability

5.1 Staffing

5.1.1 With the significant future investment, improvement and use of digital technology across the Council's operations, there will be an equally increased reliance on IT support. This will apply to both infrastructure and staffing in the wider IT service, including supporting digital change across the organisation.

In operational terms, this would increase staffing levels within the IT service, around the Service Desk, Business Support and Applications Development and it is therefore proposed that the following staff appointments are approved:

5.1.2 Permanent Resources:

- Transformation Change Manager – making this post permanent, to reflect the ongoing need for Change Management based on digital technology across Council business processes in the future
- Applications Developer – a new permanent post to reflect the increased software maintenance requirements arising from digital change
- Additional Helpdesk Analyst – a new permanent post to reflect increased service desk demand arising from greater use of IT across the Council

5.1.3 Temporary Resources for the duration of the second phase of the DTP:

- Process Mapping Analyst
- Process Mapping Assistant – both of these posts will support the change management across the Council as new IT systems are introduced and business change is then built on the back of that IT foundation.
- Additional Web Form Developer - this post will provide additional capacity to the Web Team to allow more transactions to be carried out digitally on the Council's website

5.1.4 The additional resources fall into two categories; those required to directly support the DTP projects on a temporary basis and those required to support ongoing higher levels of "business as usual" work in the IT service. It is proposed therefore that these are funded respectively from the DTP budget, and a modest growth in the base budget of the IT service. These are detailed within the Financial Implications section below.

5.2 Business Continuity and Disaster Recovery

- 5.2.1 The provision of IT facilities to facilitate Disaster Recovery (DR) and Business Continuity (BC) is constantly under review to ensure it meets the needs of the Council in times of significant and/or long term loss of the Cromer offices.
- 5.2.2 There have been improvements to the infrastructure particularly, at the Fakenham DR site, which is used to provide live back up, system specific resilience and a work action recovery area for use in the initial phase of a major disruptive incident. Usable office space at Fakenham has been expanded, by extending WiFi coverage to include the adjacent community centre.
- 5.2.3 Whilst the Fakenham DR site is relatively demanding in terms of officer time, it is essential that DR/BC remain as critical considerations (and required by statute for the Council as a Category 1 responder under the Civil Contingencies Act) for the IT service, alongside support for the DTP and other service and technology initiatives.
- 5.2.4 Even with industry best practice arrangements in place for IT systems resilience and Business Continuity, it is simply not possible to guarantee that there will be no service disruptions or interruptions.
- 5.2.5 This was evidenced during 2017 with significant disruptions caused by a failure to some hardware that is specifically deployed to prevent failures of components in the data storage system. A further disruption to service resulted from the failure of the primary link to the internet, resulting from a failure within the third party network provider.
- 5.2.6 Following these service failures, full analysis was undertaken which has identified a number of improvements to enhance the resilience of the Council's systems, and to improve the respond to and manage any system failures. These include:
- Changes to the way in which data is stored to allow faster recovery in the event of a failure.
 - Provision of a fallback website and intranet which will significantly mitigate the effect of the failure of those facilities. This will also ensure that any other infrastructure issues and mitigations for them can be more effectively communicated to Officers and Members alike.
 - Procedural changes to ensure Members are notified directly regarding any major or ongoing service issues.
 - Improved documentation, IT staff training and testing of the facilities provided at Fakenham.
 - A review of the out of hours cover arrangements is currently in progress to ensure an appropriate level of support when required.
- 5.2.7 Since these failures, the IT team have conducted a full scale test of the DR/BC facilities at Fakenham simulating the complete loss of the Council offices in Cromer. All of the significant facilities were brought into active service within a few hours.

Whilst the exercise was very successful, it has identified some potential improvements that will ensure ~~the~~ the services are consistent with the

requirements of an extended period of use. For example, an additional Contact Centre facility has been licensed for installation at Fakenham, which will improve the level of telephone service that customers experience during a full or partial loss of the primary data centre in Cromer.

- 5.2.8 Officers are aware of the need to maintain as high a level of system availability as is reasonably practicable. Whilst the Council's availability is generally very good (Around 98.5% on average) it is accepted that any service interruption is extremely frustrating for officers, Members and customers alike. Whilst officers believe that the resource levels, including those proposed above, are adequate for current and anticipated needs, this will be kept under review, especially as reliance on IT systems increases.

5.3 Member Support

- 5.3.1 As we increase the volume of Council business undertaken by digital means, it is important that the level of IT support provided to members matches the level of digital change.

- 5.3.2 Whilst the addition of a further post on the IT helpdesk will help in this regard, it is also proposed that a wider discussion on Member IT needs and support should be progressed in 2018 with input from both the IT team and Democratic Services, along with the Member Development Group. It is hoped that this will enable us to address both the more pressing issues for Members, as well as developing a support package to be implemented from the 2019 elections. A recommendation to this effect is included elsewhere in the report.

5.4 Security

- 5.4.1 The Council has a very good record of security within its IT systems, with no major data losses or successful hacking attempts.
- 5.4.2 In order to access other government agencies and public bodies, the Council has to meet the stringent Public Sector Network (PSN) compliance requirements and this level has been maintained since the PSN standard was introduced.
- 5.4.3 The security systems and firewalls are continually monitored and regularly externally tested and any issues are acted upon to ensure security is maintained.
- 5.4.5 This level of security however, does sometimes make it difficult to work closely with some partners due to firewalls needing to be maintained. However, in some joint projects such as procurement, documents can be securely shared where necessary.
- 5.4.6 There is little doubt that cyber security is and will remain a key issue for the Council in maintaining data security and this will no doubt impact the future expansion of the Council's IT usage.

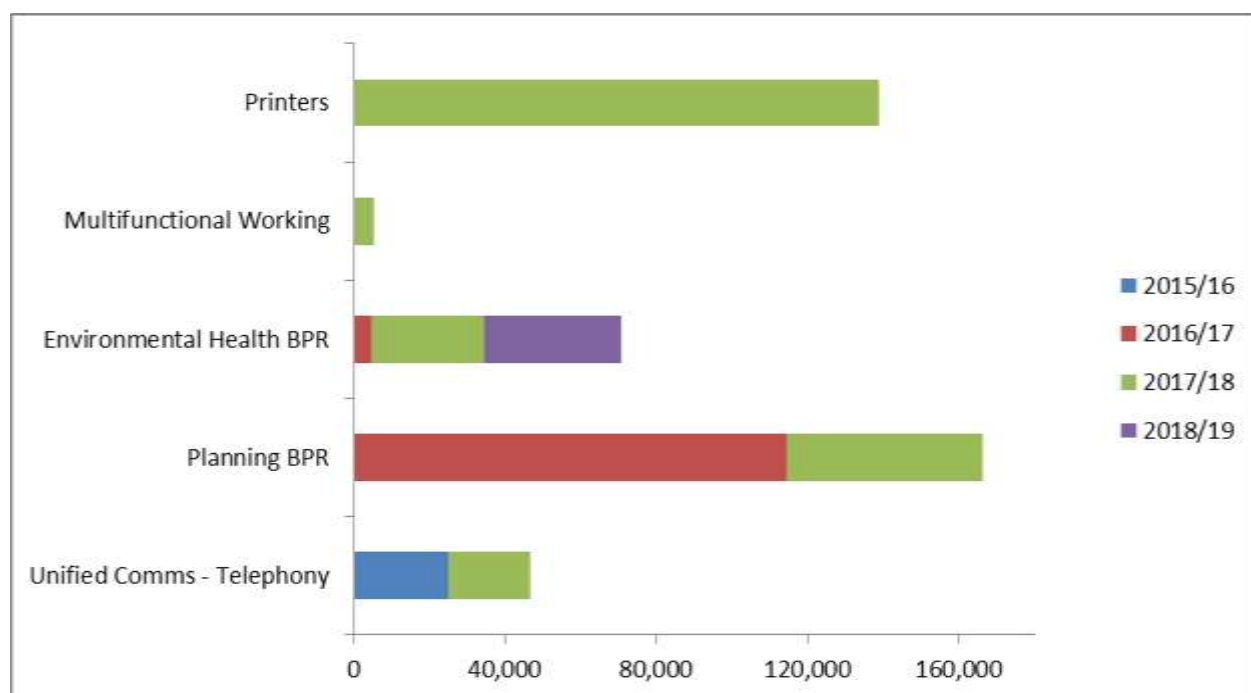
6. Financial Implications

- 6.1 The first four years of the planned, five-year Digital Transformation Programme has seen the £1.6m DTP budget spent or committed and digitally enabled savings delivered or put in train. These will total around £428,000 per year by the end of 2018/19 (based on current forecasts), some £52,000 per year more than the £376,000 that was originally envisaged.

Of this total, £25,000 was delivered in 2015/16, a further £185,000 during 2016/17 with an additional £182,000 forecast for delivery by the end of this 2017/18 financial year and £36,000 more anticipated during 2018/19.

- 6.2 Savings forecasts for future years are based on the outputs of Budget Monitoring activities that are reported to Cabinet. At the last Budget Monitoring report (September 2017), the projects shown in the table below were forecast to deliver savings totalling £427,661 by the end of 2018/19.

Project areas and associated dates of savings delivery



- 6.3 As at the end of the 2016/17 financial year, the DT programme had delivered £210,000 of annual ongoing revenue savings. These projects will result in an anticipated annual saving of £391,000 by the end of current financial year and are forecast to deliver savings of £428,000 by the end of 2018/19, as set out in the table below. These savings only include amounts that are directly attributable to DT work streams, although it is likely that other savings will have occurred indirectly.

There will also be significant non-cash benefits, as staff are able to work more efficiently and focus on 'value added' activities rather than labour intensive systems based processes which are coming more digitally enabled and automated.

	Digital Transformation Savings					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
2018/19 savings				36,400	36,400	36,400
2017/18 savings			181,594	181,594	181,594	181,594
2016/17 savings		184,667	184,667	184,667	184,667	184,667
2015/16 savings	25,000	25,000	25,000	25,000	25,000	25,000
Total anticipated savings	25,000	209,667	391,261	427,661	427,661	427,661

(Please see Appendix A for updated table)

6.4 It is believed that a broadly similar return on investment ratio could be achieved in Phase 2 of the programme. However, for this to be realised the Council will need to approve a new Programme budget which, if approved, will be funded from Reserves.

6.5 The activities detailed in the table below will provide the essential foundations to deliver the projects shown at 4.4 above are shown below along with estimates of costs and likely accrued benefits. Whilst the investment levels and annual savings are only estimates they are based on current knowledge and the experience the Council have had of the DTP to date.

Programme Area	Outcomes	Investment	Estimated Annual Savings
Accelerate the roll out of web forms	More self-serve transactional services available	£140,000	£80,000
Deploy the management information system	Improved management Information and performance data	£40,000	£20,000
Commission an advanced Customer Relations Management system integrated with other Council systems	Significantly improved customer experience and efficiency dealing with customer enquiries.	£140,000	£45,000
Develop the capability to develop and deploy secure, integrated Citizen and field worker mobile apps	Significantly increased efficiency in handling communication with Customers and case management by Council Officers.	£200,000	£80,000
Implement a data warehouse to data match between systems and cross matched reporting	Improved efficiency resulting from data sharing and matching across council services.	£100,000	£60,000
Implement a Virtual Learning Environment to support Council wide e-Learning management system.	Upskilled Officers and Members allowing them to make best use of the IT facilities that will increasingly underpin the business of the Council	£140,000	£50,000
BPR of Revenues and Benefits, Leisure & Locality	Efficient and effective consultation with customers and partners	£180,000	Included in other project savings
TOTAL		£940,000	£335,000

- 6.6 The savings accruing from these projects will be made up from a variety of sources. Some will deliver savings on IT infrastructure, licence or training costs, others will provide for less expensive customer transactions carried out across the Council's website, directly into back office systems, and others will allow a reduced number of staff in some services. In most cases there will be a combination of these savings and importantly there will be many non-cashable efficiencies such as delivering increased capacity through BPR based on IT system improvement.
- 6.7 As was discussed at the Overview and Scrutiny Committee when this report was sent for Pre-Scrutiny, it is almost impossible, until the individual project business case is brought forward, to accurately calculate such savings in advance. In addition, the business case may well change over the course of the Programme; hence the proposal for the Programme Budget to be approved initially and then for business cases to be developed and budget drawn down.
- 6.8 As discussed at 5.1 above, there is a need to increase IT and Change Management resources within the Council, not only to assist in the delivery of the projects in phase 2 of the DTP shown above, but to carry out essential enhancement and upgrades to existing IT facilities, some of which were delivered in phase 1. These resources are considered essential to ensure that the IT infrastructure and systems remain secure, reliable and available.
- 6.9 The permanent posts identified at 5.1.2 above as being necessary and their associated costs are listed below:

Change Management Resources -	£47,000
Applications Development Resources -	£47,000
Technical Support -	£25,000
Total:	£119,000

Recommendation 6(b) above allows for approval of the necessary service budget increase. Inclusion of this £119,000 of growth in the base budget for staffing will reduce the forecast annual ongoing savings from £335,000 to a net saving of £216,000 based on the investment of £940,000.

- 6.10 With regard to the temporary staffing described at 5.1.3 above, the total costs for these is as follows:

Process mapping Analyst -	£29,100
Process Mapping assistant -	£22,300
Web Form Developer –	£37,600
Total:	£89,000 per annum

- 6.11 In order to avoid the need for these staffing costs to be brought forward to a later Cabinet, Recommendation 6(a) above allows for the funding for these temporary posts to be released by Cabinet for an initial two year period, subject to the Full Council decision regarding the overall Programme budget.

7 Risks

- 7.1 Whilst the funding estimates for projects in the second phase of the DTP are based on likely business requirements and estimated technology and support costs, they could change in the future meaning that the ratio of return against investment could be reduced. However, indications are that, at this stage, we can have confidence in the estimates based on the experience of the initial DTP and of current knowledge of likely changes going forward.
- 7.2 Should business requirements alter significantly as a result of external legislative or other influences, there is a risk to Programme timescales and or costs. This will be managed by change control processes, which will assess the impact on the project of all such external influences. Any such changes, which significantly affect the Programme, or projects within it, will be referred to Cabinet.
- 7.3 Our inability to recruit specialist technical staff in IT and third party support for back office systems, in a timely manner, remains a cause for concern.
- 7.4 Recruitment to approved permanent and temporary posts for some technical staff may take an extended time, with negative implications for planned project timescales and therefore, the business benefits which they are planned to deliver or enable.
- 7.5 This has been partially mitigated by adopting a flexible approach to securing appropriately skilled resources from a variety of internal and third party sources. In this regard the use of graduate apprentices has been successful.
- 7.6 Linked to this is the baseline staffing establishment levels of relevant technically trained staff across a range IT roles. As the Council places more reliance on a wider range of systems, it is essential that this issue is addressed.
- 7.7 The Digital Transformation Programme is complex and wide ranging and based upon a rapidly and continually evolving technology and business landscape. Consequently, there is a risk that the programme fails to deliver the planned outcomes. In order to mitigate this risk, the programme and the projects within it will be managed using standard governance and programme management tools and techniques. This will include the tracking of the potential benefits and indeed, risks, through the life of each project, right through to delivery.
- 7.8 There is also a risk that stakeholders will be resistant to change, thus reducing the potential benefits of the programme. However, on the basis of more and more business being done via digital means, this risk is believed to be a relatively low.
- 7.9 However, the residual risk will be mitigated by an extensive programme of communication, and where necessary, training and development for all stakeholders, in order to maximise uptake and use of the new methods of working.

- 7.9 Digital exclusion remains a risk, which the council has committed to avoid wherever possible. We recognise some areas within the District have limited broadband coverage and some customers cannot access digital services for other reasons. We will therefore ensure people who do not have access to online services continue to be supported.

8. Equality and Diversity

- 8.1 Requirements will be included in all specifications for systems to ensure that, as far as possible, they can be used by customers and staff with disabilities or those without the ability or connectivity to access services via a digital route.
- 8.2 In addition, it is accepted that some customers may not wish to use some of the services, which may become automated as part of the Digital Transformation Programme. The Council will continue to provide mediated services where this is required by customers.

9. Section 17 Crime and Disorder considerations

- 9.1 There are no section 17 implications arising from the report.

10. Overview and Scrutiny Committee

- 10.1 A draft of this report was taken as a Pre-Scrutiny paper to the Council's Overview and Scrutiny Committee on 17 January 2018. The table below summarises the comments received from the Committee and identifies where amendments have been made to address any issues raised.

Matter Raised at Pre-Scrutiny	Response
Broad agreement for additional Member IT support and for this to be developed for implementation around the 2019 Council election.	Confirmed in report and engages the Member Development Group.
Additional support for existing members requested, including larger screens/fonts.	This will be taken forward upon receipt of specific requests wherever possible and especially if additional Service Desk support is recruited.
IT security (eg to prevent hacking) not directly mentioned in report.	Section 5.4 strengthened to reflect this.
Proposed savings are estimated and may not be accurate or deliverable.	Section 6.4 strengthened in this regard; however proposals remain as estimates, which will be further strengthened in the individual project business cases as they are brought forward.
How can we measure effectiveness of changes as well as efficiencies arising?	This will form part of the benefits realisation and performance management reporting of each project.
How can we best use the proposals to better work in partnership?	In areas where we are sharing documents; eg during our current joint procurement, SharePoint will allow direct access to joint documents. However, some partnerships are constrained by ours and our partners' security systems required for PSN compliance.
How is the Council's GIS system being improved?	This arises out an already approved project covered in the report at 2.2.3 with additional staffing, etc. to ensure that all the layers of the GIS are cleansed and updated. Whilst there is some risk to operational work, these risks are being mitigated.
The investment for the Programme has to be balanced against others needs.	The programme goes to the heart of our delivering the Council's medium term financial strategy and seeks to deliver £216k of cashable savings based on a £940k investment. In addition, there will also be wide ranging non-cashable efficiencies in delivering greater capacity to deliver more, with less resources over time.
Support expressed for the proposed increase in both permanent staffing and in those temporary posts to support the Programme. 61	Covered in detail in sections 5.1 and 6.5 of the report.

11. Conclusions

- 11.1 The Digital Transformation Programme business model remains viable and is on track to deliver the planned efficiency and service improvement outcomes. A second phase of the programme will enable us to build on the achievements to date and deliver further efficiencies and customer service improvements based on digital change.
- 11.2 However, there are inherent risks associated with increased reliance on IT and it is important that the Programme seeks to mitigate these.
- 11.3 There are some capacity issues with the officer resource to deliver the changes we need at a fast enough pace, both in IT and the services in which we are seeking to implement change.
- 11.4 The Business Process Review (BPR) in Planning, where outcomes are being rolled out on a phased basis and work on the BPR within the Environmental Health (EH) service are both progressing well.
- 11.5 Whilst the benefits realised from the DTP have exceeded expectations and been delivered earlier than anticipated there are further efficiency and customer satisfaction benefits that can be delivered from investing in a second Phase of the DTP. It is expected that a further £325,000 of gross savings can be achieved over the next 4 years, this will be offset by staffing growth of £119,000k to give a net annual ongoing saving of £216,000 for an overall Programme investment of £940,000.

Project Stream	Saving Type	Saving (£)
Multifunctional Printers	Reduced Machine Leases	79,000
	Staffing	35,000
	Reduced mail costs (hybrid mail)	25,000
	Local copying and printing	5,000
Planning BPR	Staffing	166,000
Environmental Health BPR	Staffing	71,000
Unified Comms	Reduction in Licence costs	15,000
	Reduction in call costs	7,000
Other IT procurement	Reduction in contract costs	24,000
	Total	427,000

Treasury Management Strategy Statement 2018/19

Summary:	This report sets out details of the Council's treasury management activities and presents a strategy for the prudent investment of the Council's surplus funds, as well as external borrowing.
Options Considered:	Alternative investment and debt options are continuously appraised by the Council's treasury advisors, Arlingclose and all appropriate options are included within this Strategy.
Conclusions:	The preparation of this Strategy Statement is necessary to comply with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services.
Recommendations:	That the Council be asked to RESOLVE that The Treasury Management Strategy Statement is approved.
Reasons for Recommendation:	The Strategy provides the Council with a flexible treasury strategy enabling it to respond to changing market conditions and ensure the security of its funds, as well as secure borrowing at the best value.

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

1. Introduction

- 1.1 In April 2010 The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. CIPFA has recently consulted on changes to this document, and has recently produced a revised version (the 2017 edition). North Norfolk District Council will adopt the new Code in due course.

- 1.2 In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.
- 1.3 This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4 The Authority 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. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
- 1.5 In accordance with the CLG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority's capital programme or in the level of its investment balance.

2. Context

- 2.1 **Economic background:** The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remains relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.
- 2.2 Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. However, this effect is expected to fall out of year-on-year inflation measures during 2018, removing pressure on the Bank of England to raise interest rates.
- 2.3 **Credit outlook:** Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.
- 2.4 The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.
- 2.5 **Interest rate forecast:** The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19. Stilted progress in the EU exit negotiations, softening consumer spending and a tightening of consumer credit reduce the likelihood of a further rate rise, after the Monetary Policy Committee voted to increase the Bank of England base rate in November 2017 to 0.5%. The risk of a cut to zero or negative rates has diminished and there is now a chance that rates will rise despite the economic fundamentals.

- 2.6 Longer-term interest rates have risen in the past year, reflecting the possibility of increasing short-term rates. Arlingclose forecasts these to remain broadly constant during 2018/19, but with some volatility as interest rate expectations wax and wane with press reports on the progress of EU exit negotiations.
- 2.7 For the purpose of setting the budget, it has been assumed that investments will achieve an average rate of 3.3%, and that new long-term loans will be borrowed at an average rate of 2.54%.
- 2.8 **Local Context:** On 31st December 2017, the Authority held no borrowing and £41.2m of investments. This is set out in further detail at Appendix A. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Forecast £m	31.3.20 Forecast £m	31.3.21 Forecast £m
General Fund CFR	0.886	3.855	3.231	2.962	2.692
Less: Other debt liabilities *	-0.687	-0.355	0.000	0.000	0.000
Borrowing CFR	0.199	3.500	3.231	2.962	2.692
Less: External borrowing **	0.000	0.000	0.000	0.000	0.000
Internal borrowing	0.199	3.500	3.231	2.962	2.692
Less: Usable reserves	-27.518	-27.985	-24.944	-18.862	-18.033
Less: Working capital	-10.638	-8.339	-8.339	-8.339	-8.339
Investments	37.957	32.824	30.052	24.239	23.680

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

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

- 2.9 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing where this represents best value for money.
- 2.10 The Authority is currently debt free, although current capital expenditure plans do imply a need to borrow over the forecast period. Investments are forecast to fall as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.
- 2.11 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2018/19.

3. Borrowing Strategy

- 3.1 The balance sheet forecast in table 1 shows that the Authority does not expect to need to borrow in 2018/19. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £23.4 million.
- 3.2 **Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 3.3 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy addresses the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 3.4 Alternatively, the Authority may arrange forward starting loans during 2018/19, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 3.5 In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.
- 3.6 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- Public Works Loan Board (PWLB) and any successor body
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds (except Norfolk Pension Fund)
 - UK Local Authorities
- 3.7 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- operating and finance leases
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback

4. Investment Strategy

- 4.1 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Since the 1 April 2017, the Authority's investment balance has ranged between £35.9 and £45.8 million, which is expected to reduce in the coming year, as recently approved capital schemes are delivered.

- 4.2 **Objectives:** Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 4.3 **Negative interest rates:** If the UK enters into a recession in 2018/19, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 4.4 **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2018/19 where cash is identified as available for longer-term investment. This diversification will represent a continuation of the current strategy.
- 4.5 **Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£1.5m 5 years	£3m 20 years	£3m 50 years	£1.5m 20 years	£1.5m 20 years
AA+	£1.5m 5 years	£3m 10 years	£3m 25 years	£1.5m 10 years	£1.5m 10 years
AA	£1.5m 4 years	£3m 5 years	£3m 15 years	£1.5m 5 years	£1.5m 10 years
AA-	£1.5m 3 years	£3m 4 years	£3m 10 years	£1.5m 4 years	£1.5m 10 years
A+	£1.5m 2 years	£3m 3 years	£1.5m 5 years	£1.5m 3 years	£1.5m 5 years
A	£1.5m 13 months	£3m 2 years	£1.5m 5 years	£1.5m 2 years	£1.5m 5 years

A-	£1.5m 6 months	£3m 13 months	£1.5m 5 years	£1.5m 13 months	£1.5m 5 years
None	£1m 6 months	n/a	£3m 25 years	£50,000 5 years	£1m 5 years
Pooled funds	£10m per fund				

This table must be read in conjunction with the notes below

- 4.6 **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from the main ratings agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 4.7 **Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 4.8 **Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 4.9 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- 4.10 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment as part of a diversified pool in order to spread the risk widely.
- 4.11 **Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.
- 4.12 **Pooled funds:** Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services

of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

- 4.13 Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- 4.14 **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept at a minimum. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
- 4.15 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

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

- 4.16 **Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 4.17 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the

Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

4.18 **Specified investments:** The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

4.19 **Non-specified investments:** Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-specified investment limits

	Cash limit
Total long-term investments	£31m
Total investments without credit ratings or rated below A-(except UK Government and local authorities)	£25m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£2m
Total non-specified investments	£33m

4.20 **Investment limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £16 million on 31st March 2018. In order that only an acceptable level of available reserves will be put at risk in the case of a single default,

the maximum that will be lent to any one organisation (other than the UK Government) will be £3 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£3m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£3m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£5m per country
Registered providers	£7.5m in total
Unsecured investments with building societies	£3m in total
Loans to unrated corporates	£3m in total
Money Market Funds	£20m in total

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

4.22 **Non Treasury Investments:** The Authority may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, as loans to local businesses and landlords, or as equity investments and loans to the Authority's subsidiaries. Such loans and investments will be subject to the Authority's approval processes that are set out in the Capital Strategy approved by Full Council.

5 Treasury Management Indicators

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

5.2 **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the

arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit score	6.0

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

	Target
Total cash available within 3 months	£3m

- 5.11 **Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2018/19	2019/20	2020/21
Upper limit on fixed interest rate exposure	(100%)	(100%)	(100%)
Upper limit on variable interest rate exposure	(100%)	(100%)	(100%)

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

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

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

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

- 5.13 **Principal sums invested for periods longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£35m	£35m	£35m

6 Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

- 6.1 **Policy on the use of financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 6.2 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 6.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 6.4 **Investment of money borrowed in advance of need:** The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.
- 6.5 The total amount borrowed will not exceed the authorised borrowing limit of £23.4 million. The maximum period between borrowing and expenditure is expected to be three years, although the Authority is not required to link particular loans with particular items of expenditure.
- 6.6 **MiFID II:** This organisation has reviewed the classifications under MiFID II and has decided to request financial institutions treat the Authority as a professional client..

7. Investment Training

- 7.1 The needs of the Authority's treasury management staff for training in investment management are assessed every six months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

8. Treasury Management Advisors

- 8.1 The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by periodically subjecting it to tender. Arlingclose successfully tendered for a new contract commencing 1st April 2017.

9. Financial Implications and Risks

9.1 The budget for investment income in 2018/19 is £1.15 million, based on an average investment portfolio of £35.1 million at an interest rate of 3.3%. The budget includes £3,500 for short-term borrowing interest for cash flow purposes.

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

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

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.

Existing Investment Portfolio Position as at 31st December 2017

	Proportion of Portfolio %	Amount £	Average Interest Rate %
Managed in-house			
Short-term Investments			
- Term Deposits	0	0	0
Long-term Investments			
- Covered Bonds with Banks & Building Societies	10.9	4,500,000	1.06
Managed externally			
- Money Market Funds	26.0	10,690,000	0.17
- Pooled Funds	63.1	26,000,000	3.14
Total Investments	100.0	41,190,000	1.97

Capital Strategy 2018-19

- Summary:** This report sets out the Council’s Capital Strategy for the year 2018-19. It sets out the Council’s approach to the deployment of capital resources in meeting the Council’s overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.
- Options Considered:** This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
- Conclusions:** The Council is required to approve a Capital Strategy to demonstrate compliance with the Codes and establishes the strategic framework for the management of the capital programme.
- Recommendations:** That Cabinet recommends to Full Council that;
- (a) The Capital Strategy and Prudential Indicators for 2018-19 are approved.
- Reasons for Recommendation:** Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

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

1 Introduction

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

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

- 1.2 This Capital Strategy sets out the Council's approach and process to the deployment of capital resources in meeting the Council's overall aims and objectives. It also provides a strategic framework for the effective management and monitoring of the capital programme, within which the Council will work in formulating the strategies for individual services. It is a primary document for all capital decision making, together with the Corporate Plan and other strategies.
- 1.3 The Council's Overview and Scrutiny Committee consider a draft of this report on 13 December. The report has now been further updated to reflect the latest guidance from CIPFA.

2 Capital Expenditure

- 2.1 The Corporate Plan sets out what the Council intends to do between 2015 and 2019. It focuses on five priorities which will influence how we move forward:
 - Jobs and the local Economy - a district with a thriving economy offering better jobs and prospects for local people
 - Housing and Infrastructure - to address housing and infrastructure for local people whilst meeting the market demand for housing
 - Coast and Countryside - a district where the beautiful natural environment is managed and protected for future generations
 - Health and Well-Being - a district with vibrant communities and where healthy lifestyles are accessible to all
 - Delivering Service Excellence - to make the Council more efficient so that we can both deliver our priorities and offer value for money for local taxpayers

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

- 2.2 All capital projects are considered and prioritised as part of the Council's overall budget process, with affordability in relation to the Medium Term Financial Strategy (MTFS) being a key issue. The revenue implications and funding of any approved bids are included within the Council's revenue budget forecasts to identify the resultant effects on future Council Tax levels.
- 2.3 The business case and options appraisal methodology is applied to all significant projects (those with a capital cost of over £50,000). The options appraisal should be undertaken by the relevant manager (project leader) initially.

- 2.4 The business case considers the full options appraisal as evidence to support the recommended option as required. The options analysis will cover elements such as risk, sensitivity and cost benefit analysis and will seek to identify the option that delivers maximum benefit at the lowest or most appropriate cost.
- 2.5 Projects that generate future income streams for the Council, for example industrial estates and other Asset Commercialisation projects are also viewed positively within the evaluation process. The Asset Management Plan framework helps to identify these assets in order to ensure the revenue implications are again fully accounted for in the decision-making process for the disposal of assets.
- 2.6 The Current approved Capital Programme (as at December 2017) is shown below:

	2017/18 Updated Budget £'000	2018/19 Forecast £'000	2019/20 Forecast £'000	2020/21 Forecast £'000
Jobs and the Local Economy	5,308	0	0	
Housing and Infrastructure	9,850	142	0	
Coast, Countryside and Built Heritage	7,731	655	0	
Health and Well Being	239	3,483	5,799	4,334
Service Excellence	1,073	145	55	55
Total Capital Expenditure	24,201	4,425	5,854	4,389

3 Medium and Long Term Funding Strategy

- 3.1 There are a number of sources of funding available to the Council for capital schemes (capital grants/contributions, capital receipts, borrowing etc). Revenue funding is also available via a Revenue Contribution to Capital Outlay (RCCO), however it should be noted that the scope for using revenue resources for capital purposes is limited.
- 3.2 Funding from capital receipts is forecast for the next three years to ensure a level of internal resources is maintained and can support future projects. It should however be noted that these are only forecasts at the present time and anticipated balances at the end of the period are based on the current approved capital budget.

	Capital Receipts £'000	Capital Projects Reserve £'000	Total £'000

Balance at 31/3/17	7,448	1,638	8,586
Estimated (New) Receipts 2017/18	3,091	0	2,841
Capital Financing 2017/18	(7,979)	(835)	(8,814)
New Receipts 2018/19	2,118	0	1,868
Capital Financing 2018/19	(1,505)	0	(1,505)
New Receipts 2019/20	1,450	0	1,200
Capital Financing 2019/20	(4,521)	0	(4,521)
Estimated Balance at 31/3/20	102	803	905

- 3.3 The current Capital Programme is funded from grants and contributions, capital receipts from the disposal of assets and from the Council's own reserves, internal and external borrowing. Whilst capital funding is available to invest in new assets or in improving existing assets, the impact on the revenue account due to the loss of investment income is always a key consideration.
- 3.4 The Council has access to short or long term borrowing if required to finance capital expenditure. Although business cases for new capital projects are modelled on the assumption that borrowing will be required (to reflect a 'worst case scenario' in terms of cost), the decision to borrow externally is ultimately a treasury one, and is made closer to the time when expenditure is actually incurred, taking into account available cash balances, the opportunity cost of investments, and the exposure to interest rate and credit risks.
- 3.5 Currently, the Council is expecting to borrow in future years to part fund the re-provision of Splash Leisure and Fitness Centre in Sheringham. It is anticipated that there will be external borrowing for this project in the region of £5m, with £1.3m forecasted to be required in 2019/20 and £3.7m required in 2020/21.
- 3.6 It is a requirement of the new CIPFA code that the Council consider alternative means of financing if required. The Council is aware of the opportunities that may be realisable through a Private Finance Initiative (PFI). The Procurement Strategy includes guidance on appraising Private Public Partnerships in the context of service delivery, and emphasises that obtaining 'value for money' means choosing the optimum combination of whole life costs and benefits to meet the customer's requirements. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue/resource implications as well as initial capital investment.
- 3.7 The Council recognises the importance of attracting 'new money' into the district and wherever possible supports match funding requests. When identifying and planning new schemes, the Council will try to maximise all external sources of finance without reducing the effectiveness of the scheme.

4 Asset Management and Commercial Activities

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

more effectively to meet tough financial targets both through reducing costs and generating income.

- 4.2 In the main the Council will adopt a “buy and hold” strategy for property investments. This is where the Council purchases an asset and lets it to generate revenue income, whilst retaining it for the long term. A long term investment is considered to be of 10 years and over. Whilst it cannot be guaranteed, in the long term a good overall rate of return is anticipated allowing for a cyclical property market.
- 4.3 In terms of development opportunities, the Council may seek to “buy and hold” assets for the medium term where it sees a strategic advantage of doing so, for example land assembly for town center regeneration or acquiring land to develop in a phased approach to minimise risk of oversupply and for cash flow purposes.
- 4.4 The Council may also seek to “buy and sell on” an asset in the short to medium term of between 1 – 5 years. For example, where there is opportunity to secure good terms or a low price enabling a surplus to be made from a sale or redevelopment.
- 4.5 Further information can be found in the Council’s Land and Property Acquisition Policy.
- 4.6 The Council seeks to achieve a spread of risk across a greater number of assets and by acquiring properties across the range of commercial property types, including: retail, leisure/tourism, office and industrial assets.
- 4.7 The Council has a small portfolio of commercial assets to rent within the district. These are identified within the Asset Management Plan as being held by the Council primarily for the purpose of generating income to support the Councils, revenue and capital budgets. Whilst generating income, returns and financial independence to support the delivery of services, there are a number of benefits to the Council, the community, tourist and business sector from the Council commercial portfolio including promoting strategic regeneration, increasing business rate and council tax income and supporting tourism.
- 4.8 Where assets are identified as being surplus to requirements and not achieving required financial or service delivery performance targets, they can be considered for disposal to provide useable capital receipts, which can then be redirected to achieve the Council’s objectives. Further information can be found in the Council’s Disposal Policy.
- 4.9 The Council’s Property Services Team has historically managed the Council property portfolio with support of the Finance team, Eastlaw and Economic Development. Different types of commercial property require different levels of resource to manage effectively. Business Centers with easy in and out terms, tend to be more management intensive due to the relatively high turnover of tenants, in comparison to the longer leases of industrial units, where typically tenants have responsibility for full maintenance/repairs and insuring.

4.10 Asset management undertaken includes:

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

An increase to the portfolio will require additional resource to manage effectively which could be achieved by additional staff for internal management or appointing experienced commercial agents for external management. Assets held outside of the district would require external resource to manage the assets effectively.

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

5 Debt Management and MRP Statement

- 5.1 Where a local authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP). There has been no statutory minimum amount to be applied since 2008, although the Local Government Act 2003 does require authorities to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision 2012, which is currently undergoing a revision, subject to consultation.
- 5.2 The Guidance requires that the Council approve an Annual MRP Statement in advance of each financial year, and identifies a number of options for calculation of a prudent provision for MRP. Whilst there are four alternative methods available for this calculation, only two apply to new borrowing under the Prudential system for which no Government support is being given, i.e. borrowing which is intended to be self-financed.
- 5.3 All Council decisions made in relation to capital expenditure will be reviewed on their own merits and the most equitable treatment will be introduced in respect of the financing of these schemes. For the purposes of existing schemes and those proposed for the coming financial years where borrowing has been assumed, the Council will be applying the Asset Life Basis (Option 3 under the DCLG Guidance). This allows MRP to be charged to the revenue account across the estimated life of the assets that are being funded, in accordance with the

regulations.

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

5 Prudential Indicators

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

5.2 *Authorised Limit for External Debt*

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

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Authorised limit for borrowing	10.450	23.400	23.400	23.400
Authorised limit for other long-term liabilities	0.355	0.000	0.000	0.000
Authorised	10.805	23.400	23.400	23.400

limit for external debt				
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5.3 Operational Boundary for External Debt

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

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Operational boundary for borrowing	8.250	15.030	15.030	15.030
Operational boundary for other long-term liabilities	0.355	0.000	0.000	0.000
Operational boundary for external debt	8.605	15.030	15.030	15.030

5.4 Capital Expenditure

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

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Estimated Capital Expenditure	24.102	4.424	5.854	4.389

5.5 Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. The Council is required to make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years as shown in the table below. The total CFR indicated in the

table relates in part to vehicles and equipment used on the Council's refuse and car park management contracts. These are recognized under IFRS accounting regulations which require equipment on an embedded finance lease to be recognized on the balance sheet. The CFR takes into consideration the Cabinet decision to provide loan advances to Registered Providers under the Local Investment Strategy. Although initially this will increase the CFR, the capital receipts generated by the annual repayments on the loans will be applied to reduce the CFR across subsequent years. This is a key indicator for prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
CFR	3.855	3.231	2.962	2.692
Less: Other Debt Liabilities	-0.355	0.000	0.000	0.000
Estimated Capital Financing Requirement	3.500	3.231	2.962	2.692

5.6 *Proportion of Financing Costs to Net Revenue Stream*

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

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Financing cost (net)	(0.832)	(1.147)	(1.062)	(0.979)
Net Revenue Stream	14.397	14.461	14.270	14.170
Ratio	-5.78%	-7.93%	-7.44%	-6.91%

6 **Links to other Strategies and Plans**

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

- 6.2 The Treasury Management Strategy details the Council's treasury management arrangements to manage the Council's cash flow, including the anticipated use of reserves, so as to maximise income from investments and minimise interest payments on borrowing, whilst minimising the risk to the Council's assets. This strategy can influence the potential receipts available for funding capital and will also directly inform any borrowing decisions for capital purposes.
- 6.3 The Procurement Strategy seeks to ensure that Value for Money is achieved in all of the Council's procurement decision-making activities and systems. The guidance should be applied by all Officers in conjunction with the requirements incorporated within the Council's Contract Standing Orders and Financial Regulations and has great relevance to preparing capital bids.
- 6.4 The Capital Strategy is also aligned with the Risk Management Strategy, and managers are required to consider risk when completing the standard business case pro-forma.
- 7 Financial Implications and Risks** - The financial implications and risks of any capital investment will be included as part of the budget process and business case preparation in relation to individual schemes and proposals coming forward.
- 8 Sustainability** – None as a direct consequence of this report.
- 9 Equality and Diversity** - None as a direct consequence of this report.
- 10 Section 17 Crime and Disorder considerations** - None as a direct consequence of this report.

Rate Relief Policy

Summary:

1. The 2016 Autumn Statement confirmed the doubling of rural rate relief available to eligible businesses from 50% to 100%. The Government subsequently set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the Government expects local authorities to continue to use their local discount powers to grant 100% rural rate relief to eligible ratepayers, as they have done so for 2017/18.

2. At the Budget on 22 November 2017 the Chancellor announced the Government would extend the relief scheme for public houses for another year until 31st March 2019. The scheme will be available to eligible occupied properties with a rateable value up to £100,000 for 2018/19. Under the scheme, eligible public houses will receive up to a £1,000 discount on their bill for the 2018/19 financial year.

The Norfolk wide banded Local Discretionary Revaluation Scheme that was approved by Full Council in September 2017 has been revised in order to maximise the remaining 2017/18 Government funding available that needs to be awarded by 31 March 2018. This report provided the Council's Section 151 officer with delegated authority to agree the 2018/19 revised scheme and the proposals are included within this policy.

All of the above will be compensated in full for our loss of rates income as a result of this change. This compensation will be paid by section 31 grant and calculated on the basis of the returns that councils make under the rates retention scheme.

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

Conclusions:

The policy has been updated to reflect the extended schemes announced and the revised 2017/18 and the new 2018/19 Local Discretionary Revaluation Scheme with guidelines as to how the schemes are to be implemented and the financial implications on the authority.

Recommendations:

It is agreed that Cabinet note this report and recommend to Full Council that the Rate Relief Policy is revised as indicated in Appendix A, B and C.

Reasons for Recommendations: The new policy effective from April 2018 will enable the Rural Rate Relief, the scheme for public houses and the Local Discretionary Revaluation Scheme to continue to be awarded discretionary reliefs in 2018-9 onwards.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

1. Introduction

- 1.1 National Non Domestic Rates (NNDR) are paid by those occupying non domestic property and collected by the local authorities. Under the business rate retention scheme introduced from April 2013, 50% of the business rates paid is kept locally, 40% by North Norfolk District Council (NNDC) and 10% Norfolk County Council and the balance is paid back to government, an element of which is then paid back to local authorities through the Formula Grant System. As part is retained by local authorities they are incentivised to increase their NNDR yield as they now benefit directly from it.
- 1.2 There are currently a number of different reductions available to businesses. Empty properties – Business rates will not be payable in the first three months that a property is empty (six months for certain industrial properties). After this period empty rate is payable at the full charge. There are a number of exemptions such as listed buildings and land used as storage.
- 1.3 Small business rate relief (SBRR) – the relief supports small businesses who generally occupy only one property. SBRR was available at 100% for eligible properties up to £6,000 rateable value (RV), and was tapered for properties with a RV up to £12,000. The 100% relief was extended until 31 March 2017 and if a ratepayer receiving small business rate relief took on an additional property they continued to receive their existing relief for 12 months (previously if they had taken on a second property they would have been disqualified from the relief).
- 1.4 At Budget 2016, the Government confirmed that the doubling of the SBRR from 50% to 100% would be made permanent from 1 April 2017.
- 1.5 The relief has been increased from 2017/18 to 100% for eligible properties up to £12,000 rateable value (RV), and is tapered for properties with a RV up to £15,000 and if a ratepayer receiving SBRR takes on an additional property or

properties within the threshold RV they will continue to receive their existing relief for 12 months.

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

2. Discretionary Rate Relief

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

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

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

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

3. New Schemes

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

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

4. Conclusion

- 4.1 The Rate Relief Policy and guidelines have been amended to reflect the changes introduced by central government in its autumn statement.

5. Implications and Risks

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

6. Financial Implications and Risks

- 6.1 The new schemes are fully funded by central government.
- 6.2 The other discretionary and mandatory relief schemes are funded as indicated in paragraph 2.2 through the business rate retention scheme.

7. Sustainability

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

8. Equality and Diversity

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

9. Section 17 Crime and Disorder considerations

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

Appendix B - Proposed Terms of Reference for Governance and Audit Committee

The purpose of the Governance, Risk and Audit Committee is to monitor governance, risk management and internal control arrangements at the Council, to provide independent assurance that these are effective and efficient.

This is achieved through key regular items received by the Committee in relation to, but not limited to; internal and external audit, key finance items, governance reviews and strategic risk management reporting.

Internal Audit

To consider and approve annually the Internal Audit plan of work, considering the scope and depth of the work in addressing the Council's significant risks and issues.

To consider the outcomes of the internal audit plan of work and to monitor management's progress in implementing agreed audit recommendations.

To consider and approve the Annual Report and Opinion of the Head of Internal Audit, ensuring that the systems of internal control, governance and risk management have been effective and efficient over the course of the year.

To consider the performance of the internal auditors in relation to the adherence to the Public Sector Internal Audit Standards.

External Audit

To consider annually the External Audit plan of work.

To consider External Audit reports and letters.

Accounts / Finance

To consider the extent of the Council's compliance with its own and other published financial statements and controls.

To review and approve the annual Statement of Accounts and the Annual Governance Statement contained therein.

Risk Management

To review the strategic risks that the Councils faces and ensure that there are being appropriately managed, monitored and mitigated.

Governance

To review the Council's arrangements for governance, with particular regard to the Local Code of Corporate Governance and the Financial and Contracts Procedure Rules.

To review the Council's arrangements to counter fraud and corruption, with particular regard to the policies on: Counter Fraud, Whistleblowing and Money Laundering.

To hold periodic private discussion with the Head of Internal Audit and the External Auditors to review working relationships and discuss any pertinent issues.

To commission ad-hoc work from internal and external audit.

To assess the Committee's own effectiveness on an annual basis against best practice.

Note that the Chairman of the Governance Risk & Audit Committee is not permitted to be a member of the Overview & Scrutiny Committee.

BUDGET AND COUNCIL TAX 2018/19

- Summary:** This report presents for approval the budget for 2018/19 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2018/19. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.
- Options considered:** It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 5 February 2018.
- Conclusions:** It is the opinion of the Council's Chief Financial Officer that the budget for 2018/19 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.
- Recommendations:** That having considered the Chief Financial Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves, the following be approved:
- 1) The 2018/19 revenue budget as outlined at Appendix A within this report;
 - 2) The surplus of £843,441 be allocated to the Invest to Save Reserve ;
 - 3) The statement of and movement on the reserves as detailed at Appendix C within this report;
 - 4) The updated Capital Programme and financing for 2017/18 to 2019/20 (as detailed at Appendix E within the 2018/19 Budget Report - February 2018 Cabinet Agenda);
 - 5) The new capital bids (as detailed at section 8.6 within the 2018/19 Budget Report - February 2018 Cabinet Agenda);
 - 6) That Members note the current financial projections for the period 2019/20 to 2021/22;
 - 7) The Policy Framework for the Earmarked Reserves and the Optimum Level of the General Reserve 2018/19 to 2021/22 (Appendix B within this report);

- 8) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2018/19;
- 9) The demand on the Collection Fund for 2018/19 is as follows:
 - a. £5,909,655 for District purposes
 - b. £2,210,812 for Parish/Town Precepts;
 This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property.

Reasons for Recommendations:

To approve the 2018/19 budget for revenue and capital and to make the statutory calculations in respect of the 2018/19 Council Tax.

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

Budget reports and briefings, precepts (NCC, Police and Parishes)

Cabinet Member(s) All	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 for approval the 2018/19 General Fund revenue and capital budgets along with the Council Tax for 2018/19. It also presents for information only the current budget projections for the following three years 2019/20 to 2021/22.
- 1.2 The budget for 2018/19, along with detailed projections for the following three financial years, were recommended by Cabinet on 5 February 2018 and then considered by Overview and Scrutiny Committee on 14 February 2018. For clarification, the recommendations within this report make reference to those included with the Cabinet agenda and amended as applicable.
- 1.3 This report includes the updated position for the 2018/19 budget and future projections.

2. 2018/19 Budget

- 2.1 The provisional local government finance settlement was announced back in December 2016. The final settlement announcement made on 6 February 2018 provided additional funding in terms of the Rural Services Delivery Grant. This has resulted in an additional £95,559 for NNDC for 2018/19 and has been included within the updated General Fund summary contained at Appendix A and within the Reserves Statement at Appendix C.
- 2.2 The budget has been updated to reflect the final parish precepts received. The amount of all precepts has now been confirmed.

- 2.3 It should be noted that as the billing authority, the setting of the parish precepts will have an impact on the total billed amount although not on the element which represents the District Council. This means the total District amount billed for an average Band D for 2018/19 will be £199.31 (see para 4.6), comprising District element £143.82 and parish element of £55.49.
- 2.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the following matters:
- the robustness of the estimates made for the purpose of the budget calculations and
 - the adequacy of the proposed financial reserves.
- 2.5 This is provided in section 3 of the report.

3. Chief Financial Officer's Report

The Robustness of the Estimates

- 3.1 This section of the report provides a commentary on the robustness of the estimates now presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2018/19.
- 3.2 The framework within which the budget for 2018/19 has been constructed is similar to that of previous years and takes into account the following:
- a) Previous financial year out-turn position (2016/17) (3.3)
 - b) Financial Strategy 2018/19 to 2021/22 (3.4)
 - c) In-year budget monitoring and associated reports (3.10)
 - d) Cash flow monitoring (3.13)
- 3.3 The outturn position for 2016/17 was reported to Members in June 2017, this position was confirmed following the external audit review and reported to Members in September 2017. The outturn position is used to update the financial planning process and establishes the baseline for the current estimates by reflecting significant movements against the current position and those which will have an on-going impact on the future financial position of the Council.
- 3.4 The financial planning process is well established and starts each year with the production of the updated Financial Strategy, which includes high level financial projections for the medium term. The Financial Strategy was presented to and recommended by Members in October 2017.
- 3.5 This planning process includes the critical examination and challenge of the expenditure and income on existing services and seeks to identify changed priorities in service delivery and planned future developments, in line with the Corporate Plan and in response to both local and national pressures. It also identifies changes to spending plans and income projections as a result of local and national factors for example legislative changes, local economic factors and changes in demand. These are also informed by the previous year's outturn position and the current year's budget monitoring projections.
- 3.6 As the devolution deal has been rejected locally no further work is ongoing in respect of this and no changes have been factored into the budget or future year projections

as a result. The Unitary issue will undoubtedly be discussed further again in the future now that devolution is no longer on the agenda and officers will keep a watching brief in respect of this but at present no budgetary impact is being assumed.

- 3.7 It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves should any issues arise.
- 3.8 The financial forecast highlights the more significant budget movements in preparation for producing the full detailed budget for the forthcoming year. At the same time the anticipated level of future external Government funding is reviewed along with the latest forecast of Council Tax income and New Homes Bonus funding based on current tax base and planning data.
- 3.9 By consolidating the financial forecasts, the Financial Strategy seeks to identify future estimated budget requirements and funding shortfalls at an early stage of the annual budget process to enable preparation and planning beyond the short term. It also highlights workstreams that will commence prior to the start of the following financial year that will support delivery of a sustainable budget for the Council in the medium term.
- 3.10 In Year Budget Monitoring – The budget monitoring process is carried out throughout the year with all expenditure and income being monitored on a monthly basis. Not only does this provide an essential tool for ensuring that the current year's budget is achievable, but it is also fundamental in ensuring that the most up to date information is incorporated into the future budget and projections taking into account where budget pressures and additional income/ savings are highlighted during the year.
- 3.11 The regular budget monitoring is used to inform the annual financial planning and budget process of changes that will have an on-going financial impact in future years, as opposed to having only a one-off implication in the current financial year.
- 3.12 As part of the budget monitoring process, monthly variance reports are provided to budget managers and regular reports presented to Cabinet and Overview and Scrutiny Committee detailing the latest projected outturn position for the current year. Regular reviews of expenditure and commitments to date, along with income streams, are carried out to ensure that overspends or shortfalls in income are identified at the earliest opportunity and reported to Corporate Leadership Team (CLT) and Members along with recommended action plans to ensure that the Council's overall budget can be met.
- 3.13 Cash Flow Monitoring – The Council remains debt free and is forecast to be for the 2018/19 budget. It currently has no long term borrowing requirement and there have been no cashflow issues although borrowing requirements will need to be assessed when the new Splash leisure pool provision comes forward in Sheringham. Sufficient liquidity is generally maintained to cover day to day cash requirements. The cash flow position of the Council is monitored on a daily basis and managed within the Treasury Management Strategy which is approved alongside the budget each year. Monitoring of the treasury position is included within the in-year budget monitoring reports in addition to the half-yearly Treasury Management report.
- 3.14 Budgets are prepared using the best information that is available to the Council from its own sources ie budget holders and service managers and from external advisors

for example the Council's treasury advisors, Arlingclose. However, many budgets are related to factors that fall outside the control of the Council, for example pay awards, demand led income levels, inflation and interest rates, and all can have a significant impact on the Council's overall budget and financial position both in the current and future years. Forecasting for these areas requires an examination of recent trends as well as assimilating future projections from known factors.

3.15 There are a number of financial risks facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, a number of key areas within the budget need to be closely monitored in the coming financial year, these include:

- a) **Car park income** – This area generates income for the Council which in turn supports the delivery of other services across the Council. With being a demand led service which is influenced by external factors this service is regularly monitored. The 2018/19 budget assumes gross income of just over £2.6million from all car parking related fees and charges.
- b) **Planning and building control fees** – The 2018/19 base budget includes income totalling approximately £1.16million from planning and building control fees, this too is subject to external demands and is monitored regularly to highlight any significant fluctuations against the budget.
- c) **Waste and recycling credits** – This is a significant source of income to the Council and reflects the activity across the District in recycling domestic refuse. A total of £1.1million is included in the 2018/19 base budget.
- d) **Planned Savings and Additional Income** – The Council is continuing to deliver against a number of workstreams that are continuing to deliver service improvements and cashable savings over the short to medium term. Achievement of the savings are monitored during the year as part of the budget monitoring process. New savings/additional income of £710k have been included in the budget for 2018/19 and are in addition to those that are continuing to be delivered from previous financial years. For 19/20, 20/21 and 21/22 these savings figures are £801k, £818k and £818k respectively.
- e) **Council Tax Support** – The Local Council Tax Support Scheme (LCTSS) was implemented from April 2013; whilst there have been no changes to the Council's scheme for 2018/19, there still remains a risk of increases in the number of those eligible for Council Tax Support and the ability to collect Council Tax.
- f) **Business Rates Retention** – The implications of this system of funding is that the income from the Council's share of the business rates will fluctuate in-year and between years. The budget has been informed by the shares of the income as specified in the National Non Domestic Rate 1 (NNDR) return submitted for 2018/19. The actuals for 2018/19 will not be confirmed until the annual NNDR3 return is completed by the end of April 2019. The extension of the small business rate relief continues to be funded by a section 31 grant for the amount of income foregone by providing the reliefs; the actual income will fluctuate in the year as changes in eligibility change. Rural rate relief and Pub relief have been extended for a further year and the Local Discretionary Scheme will also continue for a further 3 years, again funded by Section 31 grants. In terms of appeals against the previous 2010 list and also the new 2017 list, the Valuation Office Agency (VOA) have undertaken a revaluation exercise to review the previous 2010 ratings list. The new rateable values were introduced from April 2017 but

unfortunately there are still outstanding appeals against the 2010 list and there will now be a new set of appeals against the new 2017 list. The VOA have introduced a new appeals system from 2017 and due to this and a back log of work the Council has no current information about the level of appeals against the new list which represents a significant financial risk to the Council.

- g) **New Homes Bonus (NHB)** – The provisional settlement confirmed the allocation of the 2018/19 New Homes Bonus grant and reflects the adjustments announced last year in relation to the 0.4% national baseline, the reduction in the period the grant is paid over and further changes around planning appeals for which further consultation is awaited. Some of this risk is mitigated by the earmarked reserve which can be used to smooth the impact of movements in funding from the level assumed.
 - h) **Investment Returns** – In recent years investment income has been significantly reduced as a consequence of the prolonged period of low interest rates which look likely to continue well into 2018 and beyond. The Treasury Management Strategy for 2018/19, as reported to Cabinet in February 2018, anticipates a return of 3.3% will be achieved in 2018/19. The investment income budget includes interest on loans made to housing associations, investments in various pooled funds (including the Local Authorities Mutual Investment Trust (LAMIT) pooled property fund), covered bonds and term deposits.
 - i) **Waste contract** – The waste contract is due for renewal at the end of March 2019 and officers are currently negotiating a 1 year contract extension with Kier to enable a joint procurement to be undertaken with Breckland District Council and Kings Lynn and West Norfolk Borough Council. Current indications are that this one year extension will cost an additional £1,000,000 although this is still subject to final negotiation and agreement. If this additional cost represents the current market value for the contract then this would represent significant annual growth in the revenue budget and this has been shown as a separate line of the current General Fund summary. The final cost will not ultimately be known however until the completion of the procurement exercise.
 - j) **Employee budgets** – There are ongoing discussions at a national level in relation to pay spines and the national living wage which could impact on staffing costs. It was agreed as part of the 2016-2018 pay deal that the national Joint Council (NJC) conducts a review of the NJC pay spine. The estimated impact will be 4% to 6% on the total pay bill. This is currently anticipated to be implemented from April 2019 and will increase employee costs by around £450,000.
 - k) **Splash and the North Norfolk Community Sports Hub** – at the meeting of 19 December 2017 Full Council agreed the capital budgets for the re-provision of the Splash facility and the development of the Sports Hub. The revenue impacts and associated borrowing costs of these two new schemes as identified within the December reports have now been built into the future year forecasts.
- 3.16 Looking beyond 2018/19, the financial projections included in the budget report indicate that further savings will have to be made; this is based on the assumptions about the future level of funding as included in the finance settlement. The financial projections show a budget deficit of £1.6m in 2019/20, and then £2.1m in 2020/21 and 2021/22.
- 3.17 The capital programme continues to be funded from a number of external and internal resources, for example, capital receipts from the sale of assets, preserved right to buy

receipts, the VAT shelter arrangements and where applicable future capital schemes from internal borrowing. In both cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme.

- 3.18 Budget monitoring throughout the financial year is critical to the robustness of the estimates and maintaining a sound financial position. It is through the ability to manage and control the spending within the approved budgets and, where appropriate, identify and recommend appropriate actions, which serves to mitigate the Council's level of financial risk.
- 3.19 Throughout the process of preparing the Council's budget there is involvement of the Elected Members through Officer/Member meetings and reports to Cabinet and Overview and Scrutiny Committee. This includes both budget monitoring reports during the year and the Financial Strategy Report.
- 3.20 The Council also takes advice from third party organisations concerning a number of more technical factors that impact on the budget process, for example external advice in relation to treasury management, VAT and Insurance. By doing so the Council is able to monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

Adequacy of the Reserves

- 3.21 An assessment of the adequacy of the reserves, estimated to be available to the Council throughout 2018/19 is based on the possible commitments falling to be discharged against the following categories of reserves:
 - General Reserve
 - Earmarked Reserves.
- 3.22 Where there is budgeted expenditure to be funded from a reserve (earmarked or general) these will be allowed for within the reserves statement.
- 3.23 There are three main reasons for holding reserves:
 - a) as a contingency to cushion the impact of unexpected events or emergencies;
 - b) to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
 - c) as a means of building up funds to meet known or predicted liabilities (earmarked reserves).
- 3.24 Reviewing the reserves is well established within the financial planning and budget setting process and is informed by the framework as set out in Appendix B to this report. An updated reserve statement is included at Appendix C to this report.
- 3.25 When assessing the level of reserves the Council should take account of strategic, operational and financial risks facing them.
- 3.26 In particular, the risks associated with the Local Government funding mechanism, for example the retention of business rates, continues to be a risk for Local Authorities. The system now means there will be fluctuations of income in year and between years, an element of this risk is mitigated by the earmarked reserve which was established for this purpose. It is also anticipated that there will be a number of appeals against the new rating list introduced from April 2017 following the national revaluation process as outlined above. Further guidance regarding how the scheme will operate from 2020/21 is still awaited although the settlement did announce that the system will now involve 75% retention as opposed to 100%.

- 3.27 Other income streams from demand led services remain vulnerable both from economic factors and seasonal factors including weather that can influence for example car parking income. Steps have been taken to set prudent estimates of income from these services as appropriate but the activity that drives the income remains very difficult to predict.
- 3.28 The programme of savings identified as part of previous years financial planning and budget processes are set to continue throughout 2018/19 along with a number of new savings.
- 3.29 The revised assessment of the General Reserve for 2018/19 and forward years, is only marginally different from the current minimum balance so the recommendation is that this remains at £1.85million for 2018/19. This represents 14.8% (14.2% 17/18) of the net budgeted operating expenditure (excluding parish precepts). The actual level of the General Reserve at the end of the 2018/19 financial year is estimated to be £2.1million.
- 3.30 Earmarked reserves are estimated to total just over £17million by the end of the 2018/19 financial year. The main components of this total are the Capital Projects Reserve, Broadband Reserve, Business Rates Reserve, Communities Reserve, New Homes Bonus Reserve and the Restructuring/Invest to Save Reserve. These reserves, along with all the other earmarked reserves have been reviewed against the framework in Appendix B, as decisions are made on the utilisation of these reserve, the overall reserves position and projections will be updated accordingly.
- 3.31 The Capital Projects Reserve provides the funds for major asset purchases or other capital developments. It is supported by the VAT shelter receipts following the Large Scale Voluntary Transfer (LSVT) of the councils housing stock in 2006. This reserve could provide an element of funding for the new Splash leisure pool and will be considered at the time of the project build.
- 3.32 The New Homes Bonus Reserve is currently paid as an un-ringfenced grant from Central Government predicated on the development of new dwellings within the district and reductions in long term empty properties and is calculated by reference to a prescribed formula. The balance in the earmarked reserve is earmarked for funding projects that will deliver growth and also to mitigate future changes to the funding received through the New Homes Bonus system, as seen through the top slicing in this year's settlement to help support adult social care.
- 3.33 The Council holds an Earmarked Reserve for Benefits. At a recent meeting of the Overview and Scrutiny Committee, Members requested to see payments made from the Benefits Earmarked Reserve over the last ten years. These are shown in the table below. The council has budgeted to spend £25.9m on housing benefits in 2018/19, although one hundred percent of this is budgeted to be recovered through subsidy claims to the Department for Works and Pensions (DWP). These claims are subject to external audit, as a result of which adjustments may be required. Due to the significant value of the claims as little as a 2% adjustment would require a claw back of £518k. Any adjustments would be mitigated by a transfer from this reserve.

	£		£
Opening Balance	664,776		
Additions		Withdrawals	
2009/10	169,000	2009/10	67,511
2010/11	144,361	2010/11	0

2011/12	0	2011/12	270,384
2012/13	213,922	2012/13	182,372
2013/14	50,000	2013/14	0
2014/15	50,000	2014/15	50,000
2015/16	21,466	2015/16	184,882
2016/17	902,248	2016/17	31,000
Closing Balance 16/17	1,429,624		
2017/18 Provisional			50,000
Closing Balance 17/18	1,379,624		

- 3.34 The Restructuring/Invest to Save Reserve is held to provide one-off funding for projects and schemes that will deliver longer-term savings and efficiencies to the Council, for example the Business Transformation projects. There is a report on phase two of the Digital Transformation Programme on the February Cabinet agenda which seeks funding of £940k to deliver ongoing revenue savings estimated at around £216k pa and this reserve would support this work. Similarly there is a report covering the updated Asset Management Plan which contains a request for £2m of funding for a local Property Investment Fund. Of this £1m is requested for allocation from the Invest to Save Reserve with the other £1m coming from the New Homes Bonus reserve. The proposal for the police funding would have to be balanced against these competing priorities in terms of the use of the reserves and the impact on the budget.
- 3.35 All of the earmarked reserves follow the protocol at paragraph 2.2 of the Policy Framework at Appendix B to this report.

Summary

- 3.36 In the opinion of the Chief Financial Officer the overall budgeted level of both the General Reserve and the Earmarked Reserves shown in Appendix C are considered adequate in the short term. The General Reserve balance (£2.1million) is forecast to be above that of the recommended balance (£1.85million), all reserves will be subject to further annual review in 2018/19.
- 3.37 When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and also the identified risks in relation to the revenue and capital budgets presented for approval.

4. COUNCIL TAX SETTING FOR 2018/19

- 4.1 The following pages represent the information required for Members to set the Council Tax for the year commencing 1 April 2018.
- 4.2 Norfolk County Council is scheduled to meet on the 12th February 2018 to set its Council Tax, and the recommendation is to increase the Council Tax by 5.99% (3% Adult Social Care precept plus 2.99% general inflationary increase). The Norfolk Police and Crime Panel met on the 6th February 2018 and agreed the Norfolk Police and Crime Commissioner's proposals for a 5.5% increase in Council Tax. The figures used in this report are based on the assumption that there will be a £4.95 increase for North Norfolk District Council (excluding town and parish council precepts), £74.79 for

Norfolk County Council, and a £11.97 increase for the Norfolk Police & Crime Commissioner.

- 4.3 The Localism Act 2011 makes provision for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State. These excessiveness principles are set each year and the Secretary of State has decided that for 2018/19 an increase above the amount for 2017/18 will be excessive, and a referendum must be held, in the following circumstances; for Norfolk County Council if the increase is 6% or more (comprising 3% for expenditure on adult social care and 3% for other expenditure); for the Norfolk Police and Crime Commissioner if the increase is more than £12; and for North Norfolk District Council if the increase is 3% or more, and more than £5.
- 4.4 The excessiveness principles apply in 2018/19 to billing authorities and major precepting authorities, but not to local precepting authorities (town and parish councils).
- 4.5 That it be **NOTED** that at its meeting on 19 December 2017, Full Council calculated the following Council Tax bases for the year 2018/19 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992 as amended: -

- a) for the whole Council area as 39,844 (Item T in the formula in Section 31B of the Local Government Finance Act 1992) being calculated by the Council, in accordance with Regulation 3 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax base for the year;
- b)

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Alby with Thwaite	94.04	Little Barningham	40.60
Aldborough	219.60	Little Snoring	229.11
Antingham	121.05	Ludham	492.45
Ashmanhaugh	65.94	Matlaske	63.02
Aylmerton	205.65	Melton Constable	199.56
Baconsthorpe	84.47	Morston	56.22
Bacton	532.98	Mundesley	1,169.23
Barsham	100.32	Neatishead	238.77
Barton Turf	244.81	North Walsham	3,895.12
Beckham East/West	109.63	Northrepps	388.24
Beeston Regis	389.84	Overstrand	443.81
Binham	167.13	Paston	91.63
Blakeney	542.40	Plumstead	48.76
Bodham	166.65	Potter Heigham	423.09
Briningham	66.57	Pudding Norton	75.60
Brinton	124.07	Raynham	158.51
Briston	852.77	Roughton	342.95
Brumstead	25.42	Runton	704.98
Catfield	319.90	Ryburgh	230.60
Cley	313.75	Salthouse	108.04
Colby	186.91	Scottow	289.01
Corpusty and Saxthorpe	277.10	Sculthorpe	274.71
Cromer	3,012.17	Sea Palling	213.39
Dilham	143.09	Sheringham	3,101.42
Dunton	53.59	Sidestrand	52.64

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
East Ruston	187.79	Skeyton	87.15
Edgefield	179.48	Sloley	91.91
Erpingham	236.96	Smallburgh	187.40
Fakenham	2,472.14	Southrepps	320.09
Felbrigg	69.98	Stalham	1,150.10
Felmingham	191.94	Stibbard	134.93
Field Dalling	145.26	Stiffkey	134.75
Fulmodestone	181.56	Stody	91.25
Gimingham	151.79	Suffield	58.20
Great Snoring	85.37	Sustead	93.29
Gresham	169.53	Sutton	390.24
Gunthorpe	146.23	Swafield	111.72
Hanworth	98.32	Swanton Abbott	143.86
Happisburgh	309.93	Swanton Novers	85.15
Helhoughton	148.06	Tattersett	277.65
Hempstead	75.39	Thornage	97.36
Hempton	182.34	Thorpe Market	112.88
Hickling	410.50	Thurning	30.56
High Kelling	281.16	Thursford	110.14
Hindolveston	205.81	Trimingham	135.27
Hindringham	233.10	Trunch	348.48
Holkham	86.20	Tunstead	255.66
Holt	1,571.22	Upper Sheringham	104.09
Honing	119.82	Walcott	226.13
Horning	612.11	Walsingham	346.93
Horse	29.34	Warham	77.68
Hoveton	809.70	Wells-next-the-Sea	1,140.94
Ingham	147.43	Westwick	30.64
Ingworth	41.30	Weybourne	343.73
Itteringham	58.05	Wickmere	59.27
Kelling	98.27	Wighton	109.19
Kettlestone	96.98	Witton	128.53
Knapton	146.49	Wiveton	86.29
Langham	221.04	Wood Norton	104.12
Lessingham	237.46	Worstead	316.79
Letheringsett with Glandford	132.27		

being the amounts calculated by the Council, in accordance with Regulation 6 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which special items (parish precepts) may relate.

4.6 That the following amounts be now **CALCULATED** by the Council for the year 2018/19 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 and the relevant regulations and directions as follows:-

- a) £54,590,539 being the aggregate of the amounts which the Council estimates for the expenditure items set out in Section 31A(2) of the Act.

- b) £46,649,363 being the aggregate of the amounts which the Council estimates for the income items set out in Section 31A(3) of the Act.
- c) £7,941,176 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
- d) £199.31 being the amount at (c) above divided by the amount at 4.5(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £2,210,812 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- f) £143.82 being the amount at (d) above less the result given by dividing the amount at (e) above by the amount at 4.5 (a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.
- g)

PART OF THE COUNCIL'S AREA	BASIC AMOUNT £	PART OF THE COUNCIL'S AREA	BASIC AMOUNT £
Alby with Thwaite	175.72	Little Barningham	164.95
Aldborough and Thurgarton	180.24	Little Snoring	180.48
Antingham	165.57	Ludham	162.40
Ashmanhaugh	199.93	Matlaske	150.16
Aylmerton	178.34	Melton Constable	207.71
Baconsthorpe	199.52	Morston	161.60
Bacton	171.93	Mundesley	189.14
Barsham	162.75	Neatishead	176.48
Barton Turf	169.06	North Walsham	234.99
Beckham East/West	173.92	Northrepps	182.54
Beeston Regis	173.40	Overstrand	209.16
Binham	170.74	Paston	202.26
Blakeney	213.87	Plumstead	195.09
Bodham	191.82	Potter Heigham	172.49
Brinton	167.99	Pudding Norton	209.95
Briston	193.62	Raynham	177.28
Catfield	178.58	Roughton	166.26
Cley	172.50	Runton (East & West)	165.09
Colby	223.82	Ryburgh	180.68
Corpusty and Saxthorpe	205.15	Salthouse	190.09
Cromer	230.55	Scottow	192.26
Dilham	171.64	Sculthorpe	171.32
East Ruston	170.44	Sea Palling	208.99
Edgefield	171.67	Sheringham	238.51
Erpingham	178.57	Sidestrand	169.97
Fakenham	211.71	Skeyton	156.01
Felbrigg	188.11	Sloley	172.97
Felmingham	151.63	Smallburgh	173.43

PART OF THE COUNCIL'S AREA	BASIC AMOUNT £	PART OF THE COUNCIL'S AREA	BASIC AMOUNT £
Field Dalling	166.53	Southrepps	186.20
Fulmodeston	174.22	Stalham	215.98
Gimingham	185.63	Stibbard	184.67
Great Snoring	184.81	Stiffkey	179.03
Gresham	184.69	Stody	173.73
Gunthorpe	160.91	Suffield	166.38
Hanworth	166.50	Sustead	173.08
Happisburgh	155.91	Sutton	180.95
Helhoughton	173.87	Swafield	191.48
Hempstead	171.67	Swanton Abbott	181.00
Hempton	254.60	Swanton Novers	230.91
Hickling	165.02	Tattersett	155.32
High Kelling	165.16	Thornage	159.53
Hindolveston	183.17	Thorpe Market	191.39
Hindringham	174.70	Thursford	175.59
Holkham	178.62	Trimingham	207.63
Holt	211.98	Trunch	192.60
Honing	160.51	Tunstead	165.33
Horning	170.60	Upper Sheringham	195.36
Horsey	178.58	Walcott	177.77
Hoveton	201.98	Walsingham	204.92
Ingham	152.63	Warham	208.18
Ingworth	207.86	Wells-next-the-Sea	208.40
Itteringham	186.88	Weybourne	187.45
Kelling	176.75	Wickmere	202.87
Kettlestone	180.94	Wighton	180.45
Knapton	173.86	Witton	160.92
Langham	175.05	Wiveton	190.17
Lessingham	157.47	Wood Norton	171.86
Letheringsett with Glandford	158.94	Worstead	169.79

being the amounts given by adding to the amount at 4.6(f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 4.5(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

h)

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Alby with Thwaite	117.14	136.67	156.19	175.72	214.77	253.81	292.86	351.44
Aldborough and Thurgarton	120.16	140.19	160.22	180.24	220.30	260.36	300.41	360.49
Antingham	110.38	128.78	147.18	165.57	202.37	239.17	275.96	331.15

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ashmanhaugh	133.28	155.50	177.71	199.93	244.36	288.79	333.21	399.86
Aylmerton	118.89	138.71	158.52	178.34	217.97	257.60	297.24	356.68
Baconsthorpe	133.01	155.18	177.35	199.52	243.85	288.19	332.53	399.04
Bacton	114.62	133.72	152.83	171.93	210.14	248.35	286.55	343.87
Barsham	108.50	126.59	144.67	162.75	198.92	235.09	271.26	325.51
Barton Turf	112.70	131.49	150.27	169.06	206.63	244.20	281.77	338.12
Beckham East/West	115.94	135.27	154.59	173.92	212.57	251.21	289.86	347.84
Beeston Regis	115.60	134.87	154.13	173.40	211.94	250.47	289.01	346.81
Binham	113.83	132.80	151.77	170.74	208.68	246.63	284.57	341.49
Blakeney	142.58	166.35	190.11	213.87	261.40	308.93	356.46	427.75
Bodham	127.88	149.19	170.51	191.82	234.45	277.08	319.70	383.64
Brinton	111.99	130.66	149.33	167.99	205.33	242.66	279.99	335.99
Briston	129.08	150.59	172.11	193.62	236.65	279.68	322.71	387.25
Catfield	119.05	138.89	158.73	178.58	218.26	257.95	297.63	357.16
Cley	115.00	134.17	153.33	172.50	210.83	249.17	287.50	345.01
Colby	149.21	174.08	198.95	223.82	273.55	323.29	373.03	447.64
Corpusty and Saxthorpe	136.76	159.56	182.35	205.15	250.74	296.33	341.91	410.30
Cromer	153.70	179.31	204.93	230.55	281.78	333.02	384.25	461.10
Dilham	114.43	133.50	152.57	171.64	209.79	247.93	286.08	343.29
East Ruston	113.63	132.56	151.50	170.44	208.32	246.19	284.07	340.89
Edgefield	114.45	133.52	152.60	171.67	209.82	247.97	286.13	343.35
Erpingham	119.05	138.89	158.73	178.57	218.26	257.94	297.62	357.15
Fakenham	141.14	164.66	188.18	211.71	258.75	305.80	352.85	423.42
Felbrigg	125.41	146.31	167.21	188.11	229.92	271.72	313.53	376.23
Felmingham	101.08	117.93	134.78	151.63	185.33	219.02	252.72	303.26
Field Dalling	111.02	129.52	148.03	166.53	203.54	240.55	277.56	333.07
Fulmodeston	116.14	135.50	154.86	174.22	212.93	251.65	290.37	348.44
Gimingham	123.75	144.38	165.00	185.63	226.88	268.13	309.39	371.26
Great Snoring	123.21	143.74	164.28	184.81	225.88	266.95	308.03	369.63
Gresham	123.13	143.65	164.17	184.69	225.74	266.78	307.82	369.39
Gunthorpe	107.27	125.15	143.03	160.91	196.67	232.43	268.19	321.83
Hanworth	111.00	129.50	148.00	166.50	203.50	240.50	277.50	333.00
Happisburgh	103.94	121.27	138.59	155.91	190.56	225.21	259.86	311.83
Helhoughton	115.91	135.23	154.55	173.87	212.51	251.15	289.79	347.75
Hempstead	114.45	133.52	152.60	171.67	209.82	247.97	286.12	343.35
Hempton	169.73	198.02	226.31	254.60	311.18	367.75	424.33	509.20
Hickling	110.01	128.34	146.68	165.02	201.69	238.36	275.03	330.04
High Kelling	110.10	128.45	146.80	165.16	201.86	238.56	275.26	330.32
Hindolveston	122.11	142.47	162.82	183.17	223.88	264.58	305.29	366.35
Hindringham	116.47	135.88	155.29	174.70	213.53	252.35	291.18	349.41
Holkham	119.08	138.92	158.77	178.62	218.31	258.01	297.70	357.24
Holt	141.32	164.87	188.42	211.98	259.09	306.19	353.30	423.96
Honing	107.00	124.84	142.67	160.51	196.18	231.85	267.51	321.02
Horning	113.73	132.69	151.64	170.60	208.51	246.43	284.34	341.21
Horsey	119.05	138.89	158.74	178.58	218.27	257.95	297.64	357.16
Hoveton	134.65	157.09	179.54	201.98	246.86	291.75	336.63	403.96

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ingham	101.75	118.71	135.67	152.63	186.55	220.47	254.39	305.27
Ingworth	138.57	161.67	184.76	207.86	254.05	300.24	346.43	415.72
Itteringham	124.59	145.35	166.12	186.88	228.41	269.94	311.47	373.77
Kelling	117.83	137.47	157.11	176.75	216.03	255.31	294.59	353.51
Kettlestone	120.62	140.73	160.83	180.94	221.15	261.35	301.56	361.88
Knapton	115.91	135.23	154.55	173.86	212.50	251.14	289.78	347.73
Langham	116.70	136.15	155.60	175.05	213.95	252.85	291.75	350.10
Lessingham	104.98	122.47	139.97	157.47	192.46	227.46	262.45	314.94
Letheringsett with Glandford	105.96	123.62	141.28	158.94	194.26	229.58	264.90	317.88
Little Barningham	109.96	128.29	146.62	164.95	201.60	238.26	274.92	329.90
Little Snoring	120.32	140.37	160.42	180.48	220.59	260.69	300.80	360.96
Ludham	108.26	126.31	144.35	162.40	198.49	234.58	270.67	324.80
Matlaske	100.11	116.79	133.48	150.16	183.53	216.90	250.27	300.33
Melton Constable	138.47	161.55	184.63	207.71	253.86	300.02	346.18	415.42
Morston	107.73	125.69	143.65	161.60	197.51	233.43	269.34	323.21
Mundesley	126.09	147.11	168.13	189.14	231.18	273.21	315.24	378.29
Neatishead	117.65	137.26	156.87	176.48	215.70	254.92	294.14	352.97
North Walsham	156.66	182.77	208.88	234.99	287.21	339.44	391.66	469.99
Northrepps	121.69	141.98	162.26	182.54	223.11	263.68	304.24	365.09
Overstrand	139.44	162.68	185.92	209.16	255.64	302.12	348.60	418.32
Paston	134.84	157.31	179.78	202.26	247.20	292.15	337.10	404.52
Plumstead	130.06	151.73	173.41	195.09	238.44	281.79	325.15	390.18
Potter Heigham	114.99	134.16	153.33	172.49	210.83	249.16	287.49	344.99
Pudding Norton	139.97	163.30	186.62	209.95	256.61	303.27	349.92	419.91
Raynham	118.18	137.88	157.58	177.28	216.67	256.07	295.46	354.56
Roughton	110.84	129.32	147.79	166.26	203.21	240.16	277.11	332.53
Runton	110.06	128.40	146.75	165.09	201.78	238.47	275.16	330.19
Ryburgh	120.45	140.52	160.60	180.68	220.83	260.98	301.13	361.36
Salthouse	126.73	147.85	168.97	190.09	232.34	274.58	316.83	380.19
Scottow	128.17	149.53	170.89	192.26	234.98	277.71	320.43	384.52
Sculthorpe	114.21	133.25	152.28	171.32	209.39	247.46	285.54	342.65
Sea Palling	139.33	162.55	185.77	208.99	255.44	301.88	348.32	417.99
Sheringham	159.01	185.51	212.01	238.51	291.52	344.52	397.53	477.03
Sidestrand	113.31	132.20	151.09	169.97	207.75	245.52	283.29	339.95
Skeyton	104.01	121.34	138.68	156.01	190.68	225.35	260.02	312.03
Sloley	115.31	134.53	153.75	172.97	211.41	249.85	288.29	345.95
Smallburgh	115.62	134.89	154.16	173.43	211.97	250.51	289.05	346.87
Southrepps	124.13	144.82	165.51	186.20	227.57	268.95	310.33	372.40
Stalham	143.99	167.99	191.98	215.98	263.98	311.98	359.97	431.97
Stibbard	123.11	143.63	164.15	184.67	225.70	266.74	307.78	369.34
Stiffkey	119.35	139.24	159.14	179.03	218.81	258.60	298.38	358.06
Stody	115.82	135.12	154.43	173.73	212.34	250.95	289.56	347.47
Suffield	110.92	129.40	147.89	166.38	203.35	240.32	277.30	332.76
Sustead	115.38	134.62	153.85	173.08	211.54	250.00	288.47	346.16
Sutton	120.63	140.73	160.84	180.95	221.16	261.37	301.58	361.90
Swafield	127.65	148.93	170.20	191.48	234.03	276.58	319.13	382.96

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Swanton Abbott	120.67	140.78	160.89	181.00	221.23	261.45	301.68	362.01
Swanton Novers	153.94	179.59	205.25	230.91	282.22	333.54	384.85	461.82
Tattersett	103.54	120.80	138.06	155.32	189.83	224.35	258.87	310.64
Thornage	106.35	124.08	141.80	159.53	194.98	230.43	265.89	319.06
Thorpe Market	127.59	148.86	170.12	191.39	233.92	276.45	318.98	382.78
Thursford	117.06	136.57	156.08	175.59	214.61	253.64	292.66	351.19
Trimingham	138.42	161.49	184.56	207.63	253.77	299.91	346.05	415.26
Trunch	128.40	149.80	171.20	192.60	235.40	278.20	321.00	385.20
Tunstead	110.22	128.59	146.96	165.33	202.07	238.81	275.55	330.66
Upper Sheringham	130.24	151.94	173.65	195.36	238.77	282.18	325.60	390.72
Walcott	118.51	138.27	158.02	177.77	217.28	256.79	296.29	355.55
Walsingham	136.61	159.38	182.15	204.92	250.46	296.00	341.54	409.85
Warham	138.79	161.92	185.05	208.18	254.45	300.71	346.97	416.37
Wells-next-the-Sea	138.93	162.09	185.24	208.40	254.71	301.02	347.33	416.80
Weybourne	124.97	145.80	166.63	187.45	229.11	270.77	312.43	374.91
Wickmere	135.24	157.78	180.33	202.87	247.95	293.03	338.11	405.74
Wighton	120.30	140.35	160.40	180.45	220.55	260.65	300.75	360.90
Witton	107.28	125.16	143.04	160.92	196.68	232.44	268.20	321.84
Wiveton	126.78	147.91	169.04	190.17	232.43	274.69	316.95	380.35
Wood Norton	114.57	133.67	152.76	171.86	210.05	248.24	286.44	343.72
Worstead	113.19	132.06	150.92	169.79	207.52	245.26	282.99	339.59
All Other Parts of the Council's Area	95.88	111.86	127.84	143.82	175.78	207.74	239.70	287.64

being the amounts given by multiplying (as appropriate) the amounts at 4.6(f) or 4.6(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 4.7 That it be **NOTED** that for the year 2018/19 the Norfolk County Council and the Office of the Police & Crime Commissioner for Norfolk have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Norfolk County Council	881.82	1,028.79	1,175.76	1,322.73	1,616.67	1,910.61	2,204.55	2,645.46

Norfolk Police and Crime Commissioner	152.76	178.22	203.68	229.14	280.06	330.98	381.90	458.28
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4.8 That, having calculated the aggregate in each case of the amounts at 4.6(h) and 4.7 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, **HEREBY SETS** the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings shown below:-

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Alby with Thwaite	1,151.72	1,343.68	1,535.63	1,727.59	2,111.50	2,495.40	2,879.31	3,455.18
Aldborough and Thurgarton	1,154.74	1,347.20	1,539.66	1,732.11	2,117.03	2,501.95	2,886.86	3,464.23
Antingham	1,144.96	1,335.79	1,526.62	1,717.44	2,099.10	2,480.76	2,862.41	3,434.89
Ashmanhaugh	1,167.86	1,362.51	1,557.15	1,751.80	2,141.09	2,530.38	2,919.66	3,503.60
Aylmerton	1,153.47	1,345.72	1,537.96	1,730.21	2,114.70	2,499.19	2,883.69	3,460.42
Baconsthorpe	1,167.59	1,362.19	1,556.79	1,751.39	2,140.58	2,529.78	2,918.98	3,502.78
Bacton	1,149.20	1,340.73	1,532.27	1,723.80	2,106.87	2,489.94	2,873.00	3,447.61
Barsham	1,143.08	1,333.60	1,524.11	1,714.62	2,095.65	2,476.68	2,857.71	3,429.25
Barton Turf	1,147.28	1,338.50	1,529.71	1,720.93	2,103.36	2,485.79	2,868.22	3,441.86
Beckham East/West	1,150.52	1,342.28	1,534.03	1,725.79	2,109.30	2,492.80	2,876.31	3,451.58
Beeston Regis	1,150.18	1,341.88	1,533.57	1,725.27	2,108.67	2,492.06	2,875.46	3,450.55
Binham	1,148.41	1,339.81	1,531.21	1,722.61	2,105.41	2,488.22	2,871.02	3,445.23
Blakeney	1,177.16	1,373.36	1,569.55	1,765.74	2,158.13	2,550.52	2,942.91	3,531.49
Bodham	1,162.46	1,356.20	1,549.95	1,743.69	2,131.18	2,518.67	2,906.15	3,487.38
Brinton	1,146.57	1,337.67	1,528.77	1,719.86	2,102.06	2,484.25	2,866.44	3,439.73
Briston	1,163.66	1,357.60	1,551.55	1,745.49	2,133.38	2,521.27	2,909.16	3,490.99
Catfield	1,153.63	1,345.90	1,538.17	1,730.45	2,114.99	2,499.54	2,884.08	3,460.90
Cley	1,149.58	1,341.18	1,532.77	1,724.37	2,107.56	2,490.76	2,873.95	3,448.75
Colby	1,183.79	1,381.09	1,578.39	1,775.69	2,170.28	2,564.88	2,959.48	3,551.38
Corpusty and Saxthorpe	1,171.34	1,366.57	1,561.79	1,757.02	2,147.47	2,537.92	2,928.36	3,514.04
Cromer	1,188.28	1,386.32	1,584.37	1,782.42	2,178.51	2,574.61	2,970.70	3,564.84
Dilham	1,149.01	1,340.51	1,532.01	1,723.51	2,106.52	2,489.52	2,872.53	3,447.03
East Ruston	1,148.21	1,339.57	1,530.94	1,722.31	2,105.05	2,487.78	2,870.52	3,444.63
Edgefield	1,149.03	1,340.53	1,532.04	1,723.54	2,106.55	2,489.56	2,872.58	3,447.09
Erpingham	1,153.63	1,345.90	1,538.17	1,730.44	2,114.99	2,499.53	2,884.07	3,460.89
Fakenham	1,175.72	1,371.67	1,567.62	1,763.58	2,155.48	2,547.39	2,939.30	3,527.16
Felbrigg	1,159.99	1,353.32	1,546.65	1,739.98	2,126.65	2,513.31	2,899.98	3,479.97
Felmingham	1,135.66	1,324.94	1,514.22	1,703.50	2,082.06	2,460.61	2,839.17	3,407.00
Field Dalling	1,145.60	1,336.53	1,527.47	1,718.40	2,100.27	2,482.14	2,864.01	3,436.81

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fulmodeston	1,150.72	1,342.51	1,534.30	1,726.09	2,109.66	2,493.24	2,876.82	3,452.18
Gimingham	1,158.33	1,351.39	1,544.44	1,737.50	2,123.61	2,509.72	2,895.84	3,475.00
Great Snoring	1,157.79	1,350.75	1,543.72	1,736.68	2,122.61	2,508.54	2,894.48	3,473.37
Gresham	1,157.71	1,350.66	1,543.61	1,736.56	2,122.47	2,508.37	2,894.27	3,473.13
Gunthorpe	1,141.85	1,332.16	1,522.47	1,712.78	2,093.40	2,474.02	2,854.64	3,425.57
Hanworth	1,145.58	1,336.51	1,527.44	1,718.37	2,100.23	2,482.09	2,863.95	3,436.74
Happisburgh	1,138.52	1,328.28	1,518.03	1,707.78	2,087.29	2,466.80	2,846.31	3,415.57
Helhoughton	1,150.49	1,342.24	1,533.99	1,725.74	2,109.24	2,492.74	2,876.24	3,451.49
Hempstead	1,149.03	1,340.53	1,532.04	1,723.54	2,106.55	2,489.56	2,872.57	3,447.09
Hempton	1,204.31	1,405.03	1,605.75	1,806.47	2,207.91	2,609.34	3,010.78	3,612.94
Hickling	1,144.59	1,335.35	1,526.12	1,716.89	2,098.42	2,479.95	2,861.48	3,433.78
High Kelling	1,144.68	1,335.46	1,526.24	1,717.03	2,098.59	2,480.15	2,861.71	3,434.06
Hindolveston	1,156.69	1,349.48	1,542.26	1,735.04	2,120.61	2,506.17	2,891.74	3,470.09
Hindringham	1,151.05	1,342.89	1,534.73	1,726.57	2,110.26	2,493.94	2,877.63	3,453.15
Holkham	1,153.66	1,345.93	1,538.21	1,730.49	2,115.04	2,499.60	2,884.15	3,460.98
Holt	1,175.90	1,371.88	1,567.86	1,763.85	2,155.82	2,547.78	2,939.75	3,527.70
Honing	1,141.58	1,331.85	1,522.11	1,712.38	2,092.91	2,473.44	2,853.96	3,424.76
Horning	1,148.31	1,339.70	1,531.08	1,722.47	2,105.24	2,488.02	2,870.79	3,444.95
Horsey	1,153.63	1,345.90	1,538.18	1,730.45	2,115.00	2,499.54	2,884.09	3,460.90
Hoveton	1,169.23	1,364.10	1,558.98	1,753.85	2,143.59	2,533.34	2,923.08	3,507.70
Ingham	1,136.33	1,325.72	1,515.11	1,704.50	2,083.28	2,462.06	2,840.84	3,409.01
Ingworth	1,173.15	1,368.68	1,564.20	1,759.73	2,150.78	2,541.83	2,932.88	3,519.46
Itteringham	1,159.17	1,352.36	1,545.56	1,738.75	2,125.14	2,511.53	2,897.92	3,477.51
Kelling	1,152.41	1,344.48	1,536.55	1,728.62	2,112.76	2,496.90	2,881.04	3,457.25
Kettlestone	1,155.20	1,347.74	1,540.27	1,732.81	2,117.88	2,502.94	2,888.01	3,465.62
Knapton	1,150.49	1,342.24	1,533.99	1,725.73	2,109.23	2,492.73	2,876.23	3,451.47
Langham	1,151.28	1,343.16	1,535.04	1,726.92	2,110.68	2,494.44	2,878.20	3,453.84
Lessingham	1,139.56	1,329.48	1,519.41	1,709.34	2,089.19	2,469.05	2,848.90	3,418.68
Letheringsett with Glandford	1,140.54	1,330.63	1,520.72	1,710.81	2,090.99	2,471.17	2,851.35	3,421.62
Little Barningham	1,144.54	1,335.30	1,526.06	1,716.82	2,098.33	2,479.85	2,861.37	3,433.64
Little Snoring	1,154.90	1,347.38	1,539.86	1,732.35	2,117.32	2,502.28	2,887.25	3,464.70
Ludham	1,142.84	1,333.32	1,523.79	1,714.27	2,095.22	2,476.17	2,857.12	3,428.54
Matlaske	1,134.69	1,323.80	1,512.92	1,702.03	2,080.26	2,458.49	2,836.72	3,404.07
Melton Constable	1,173.05	1,368.56	1,564.07	1,759.58	2,150.59	2,541.61	2,932.63	3,519.16
Morston	1,142.31	1,332.70	1,523.09	1,713.47	2,094.24	2,475.02	2,855.79	3,426.95
Mundesley	1,160.67	1,354.12	1,547.57	1,741.01	2,127.91	2,514.80	2,901.69	3,482.03
Neatishead	1,152.23	1,344.27	1,536.31	1,728.35	2,112.43	2,496.51	2,880.59	3,456.71
North Walsham	1,191.24	1,389.78	1,588.32	1,786.86	2,183.94	2,581.03	2,978.11	3,573.73
Northrepps	1,156.27	1,348.99	1,541.70	1,734.41	2,119.84	2,505.27	2,890.69	3,468.83
Overstrand	1,174.02	1,369.69	1,565.36	1,761.03	2,152.37	2,543.71	2,935.05	3,522.06
Paston	1,169.42	1,364.32	1,559.22	1,754.13	2,143.93	2,533.74	2,923.55	3,508.26
Plumstead	1,164.64	1,358.74	1,552.85	1,746.96	2,135.17	2,523.38	2,911.60	3,493.92
Potter Heigham	1,149.57	1,341.17	1,532.77	1,724.36	2,107.56	2,490.75	2,873.94	3,448.73
Pudding Norton	1,174.55	1,370.31	1,566.06	1,761.82	2,153.34	2,544.86	2,936.37	3,523.65
Raynham	1,152.76	1,344.89	1,537.02	1,729.15	2,113.40	2,497.66	2,881.91	3,458.30

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Roughton	1,145.42	1,336.33	1,527.23	1,718.13	2,099.94	2,481.75	2,863.56	3,436.27
Runton	1,144.64	1,335.41	1,526.19	1,716.96	2,098.51	2,480.06	2,861.61	3,433.93
Ryburgh	1,155.03	1,347.53	1,540.04	1,732.55	2,117.56	2,502.57	2,887.58	3,465.10
Salthouse	1,161.31	1,354.86	1,548.41	1,741.96	2,129.07	2,516.17	2,903.28	3,483.93
Scottow	1,162.75	1,356.54	1,550.33	1,744.13	2,131.71	2,519.30	2,906.88	3,488.26
Sculthorpe	1,148.79	1,340.26	1,531.72	1,723.19	2,106.12	2,489.05	2,871.99	3,446.39
Sea Palling	1,173.91	1,369.56	1,565.21	1,760.86	2,152.17	2,543.47	2,934.77	3,521.73
Sheringham	1,193.59	1,392.52	1,591.45	1,790.38	2,188.25	2,586.11	2,983.98	3,580.77
Sidestrand	1,147.89	1,339.21	1,530.53	1,721.84	2,104.48	2,487.11	2,869.74	3,443.69
Skeyton	1,138.59	1,328.35	1,518.12	1,707.88	2,087.41	2,466.94	2,846.47	3,415.77
Sloley	1,149.89	1,341.54	1,533.19	1,724.84	2,108.14	2,491.44	2,874.74	3,449.69
Smallburgh	1,150.20	1,341.90	1,533.60	1,725.30	2,108.70	2,492.10	2,875.50	3,450.61
Southrepps	1,158.71	1,351.83	1,544.95	1,738.07	2,124.30	2,510.54	2,896.78	3,476.14
Stalham	1,178.57	1,375.00	1,571.42	1,767.85	2,160.71	2,553.57	2,946.42	3,535.71
Stibbard	1,157.69	1,350.64	1,543.59	1,736.54	2,122.43	2,508.33	2,894.23	3,473.08
Stiffkey	1,153.93	1,346.25	1,538.58	1,730.90	2,115.54	2,500.19	2,884.83	3,461.80
Stody	1,150.40	1,342.13	1,533.87	1,725.60	2,109.07	2,492.54	2,876.01	3,451.21
Suffield	1,145.50	1,336.41	1,527.33	1,718.25	2,100.08	2,481.91	2,863.75	3,436.50
Sustead	1,149.96	1,341.63	1,533.29	1,724.95	2,108.27	2,491.59	2,874.92	3,449.90
Sutton	1,155.21	1,347.74	1,540.28	1,732.82	2,117.89	2,502.96	2,888.03	3,465.64
Swafield	1,162.23	1,355.94	1,549.64	1,743.35	2,130.76	2,518.17	2,905.58	3,486.70
Swanton Abbott	1,155.25	1,347.79	1,540.33	1,732.87	2,117.96	2,503.04	2,888.13	3,465.75
Swanton Novers	1,188.52	1,386.60	1,584.69	1,782.78	2,178.95	2,575.13	2,971.30	3,565.56
Tattersett	1,138.12	1,327.81	1,517.50	1,707.19	2,086.56	2,465.94	2,845.32	3,414.38
Thornage	1,140.93	1,331.09	1,521.24	1,711.40	2,091.71	2,472.02	2,852.34	3,422.80
Thorpe Market	1,162.17	1,355.87	1,549.56	1,743.26	2,130.65	2,518.04	2,905.43	3,486.52
Thursford	1,151.64	1,343.58	1,535.52	1,727.46	2,111.34	2,495.23	2,879.11	3,454.93
Trimingham	1,173.00	1,368.50	1,564.00	1,759.50	2,150.50	2,541.50	2,932.50	3,519.00
Trunch	1,162.98	1,356.81	1,550.64	1,744.47	2,132.13	2,519.79	2,907.45	3,488.94
Tunstead	1,144.80	1,335.60	1,526.40	1,717.20	2,098.80	2,480.40	2,862.00	3,434.40
Upper Sheringham	1,164.82	1,358.95	1,553.09	1,747.23	2,135.50	2,523.77	2,912.05	3,494.46
Walcott	1,153.09	1,345.28	1,537.46	1,729.64	2,114.01	2,498.38	2,882.74	3,459.29
Walsingham	1,171.19	1,366.39	1,561.59	1,756.79	2,147.19	2,537.59	2,927.99	3,513.59
Warham	1,173.37	1,368.93	1,564.49	1,760.05	2,151.18	2,542.30	2,933.42	3,520.11
Wells-next-the-Sea	1,173.51	1,369.10	1,564.68	1,760.27	2,151.44	2,542.61	2,933.78	3,520.54
Weybourne	1,159.55	1,352.81	1,546.07	1,739.32	2,125.84	2,512.36	2,898.88	3,478.65
Wickmere	1,169.82	1,364.79	1,559.77	1,754.74	2,144.68	2,534.62	2,924.56	3,509.48
Wighton	1,154.88	1,347.36	1,539.84	1,732.32	2,117.28	2,502.24	2,887.20	3,464.64
Witton	1,141.86	1,332.17	1,522.48	1,712.79	2,093.41	2,474.03	2,854.65	3,425.58
Wiveton	1,161.36	1,354.92	1,548.48	1,742.04	2,129.16	2,516.28	2,903.40	3,484.09
Wood Norton	1,149.15	1,340.68	1,532.20	1,723.73	2,106.78	2,489.83	2,872.89	3,447.46
Worstead	1,147.77	1,339.07	1,530.36	1,721.66	2,104.25	2,486.85	2,869.44	3,443.33

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
All Other Parts of the Council's Area	1,130.46	1,318.87	1,507.28	1,695.69	2,072.51	2,449.33	2,826.15	3,391.38

4.9 Excessiveness Determination

4.9.1 The Council's basic amount of council tax as calculated in paragraph 4.6 (f) above is 3.6% above the relevant basic amount of council tax for 2017/18, which equates to £4.95 and less than the £5.00 increase which would require a referendum to be held.

4.9.2 The Council has determined that its relevant basic amount of Council Tax for 2018/19 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2018/19 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

5 Financial Implications and Risks

5.1 The Council is required to set the Council Tax each year in accordance with the legislation set out above in this report. If this is not done, there is a risk that the council will be unable to bill in a timely manner with a consequential loss of revenue, and this may prevent the prudent management of the Council's financial affairs. The Council will be required to hold a referendum if it decides to increase its council tax by more than 3.0% or more than £5 (for lower quartile Band D authorities) above the 2017/18 amount.

5.2 The overall budget for 2018/19 is balanced and delivers a surplus which has been transferred to the Invest to Save. Section 3 of the report presents the Chief Financial Officers statement on the robustness of the estimates and the adequacy of reserves. This statement is informed by a number of risks that are facing the authority, in particular those detailed at 3.15. It is recommended that the level of the General Reserve remains at £1.85 million.

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

7 Equality and Diversity

7.1 The Council is legally required to consider the equality duty in its decision-making and this includes the budget process. As part of any savings or investments the Council must consider how it can:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between different groups; and
- Foster good relations between different groups by tackling prejudice and promoting understanding.

- 7.2 Following the savings exercise undertaken as part of the 2016/17 budget process there have been no further submissions for 2018/19 and therefore no equality issues potentially affecting the proposals.
- 8 Section 17 Crime and Disorder considerations** – None as a direct consequence of the report.

General Fund Summary 2018/19 Base Budget

2016/17 Actuals	Service Area	2017/18 Updated Base Budget	2017/18 Base Budget	2018/19 Base Budget	2019/20 Projection	2020/21 Projection	2021/22 Projection
£		£	£	£	£	£	£
316,811	Corporate Leadership Team/Corporate	330,761	306,315	316,213	480,797	321,425	325,581
2,956,264	Community & Economic Development	3,807,637	3,807,237	2,648,580	2,596,492	2,474,432	2,488,908
2,075,198	Customer Services & ICT	2,252,173	2,226,632	2,143,311	2,265,163	2,349,617	2,426,093
3,222,187	Environmental Health	3,959,001	3,914,309	3,761,582	3,785,342	3,823,943	3,864,987
1,618,350	Finance and Assets	2,421,075	2,479,665	2,429,642	3,400,350	2,343,098	2,358,782
620,241	Legal and Democratic Services	690,901	655,985	591,003	541,247	547,687	556,702
1,835,777	Planning	1,998,895	2,113,015	2,061,807	2,156,748	2,096,707	2,145,457
	0 National Joint Council (NJC) Pay Review	0	0	0	450,000	450,000	450,000
	0 Waste Contract Extension/Reprovision	0	0	0	1,000,000	1,000,000	1,000,000
12,644,828	Net Cost of Services	15,460,443	15,503,158	13,952,138	16,676,139	15,406,909	15,616,510
1,887,806	Parish Precepts (Estimate from 2019/20 onwards)	2,079,492	2,079,492	2,210,812	2,408,410	2,633,115	2,633,115
(1,801,049)	Capital Charges	(2,558,242)	(2,558,242)	(1,344,248)	(1,308,288)	(1,125,478)	(1,049,430)
(209,415)	Refcusc	(1,088,121)	(1,088,121)	0	(1,000,000)	0	0
(561,290)	Interest Receivable	(834,940)	(834,940)	(1,147,384)	(1,100,110)	(1,109,440)	(1,100,110)
	0 External Interest Paid	2,500	2,500	3,500	230,991	225,395	219,631
343,843	Revenue Financing for Capital:	1,595,539	1,780,776	751,407	1,000,000	0	0
	0 Minimum Revenue Provision	0	0	0	259,704	266,300	273,064
199,926	IAS 19 Pension Adjustment	259,287	259,287	251,249	253,762	256,300	258,863
12,504,649	Net Operating Expenditure	14,915,958	15,143,910	14,677,474	17,420,608	16,553,101	16,851,643
	Contributions to/(from) Earmarked Reserves:						
(21,484)	Capital Projects Reserve	(595,137)	(777,333)	(747,964)	0	0	0
346,494	Asset Management	337,833	901,531	(3,443)	0	0	0
871,248	Benefits	(50,000)	0	(12,838)	(12,838)	0	0
	0 Broadband	0	(1,000,000)	0	(1,000,000)	0	0
26,329	Building Control	0	0	0	0	0	0
500,000	Business Rates Reserve	(20,376)	0	(18,000)	(18,000)	(18,000)	(18,000)
29,000	Coast Protection	0	0	(20,000)	(20,000)	(20,000)	(20,000)
	0 Common Training	(48,450)	0	0	0	0	0
164,612	Communities	317,441	317,441	168,234	(242,000)	(242,000)	(242,000)
17,175	Economic Development & Tourism	(37,837)	0	(10,000)	0	0	0
30,000	Elections	40,000	40,000	40,000	(120,000)	40,000	40,000
(6,989)	Enforcement Board	82,926	140,937	0	0	0	0
79,102	Environmental Health	0	(5,619)	0	0	0	0
27,949	Grants	37,521	(24,272)	(8,792)	0	0	0
2,445,126	Housing	60,170	0	(14,247)	(72,624)	(70,248)	(32,808)
17,243	Land Charges	0	0	0	0	0	0
65,105	Legal	0	0	0	0	0	0
416,399	New Homes Bonus Reserve	111,122	(86,692)	(280,944)	(114,747)	0	0
302,400	Organisational Development	(4,281)	0	(4,649)	0	0	0
(224,519)	Planning Revenue	(123,485)	(122,395)	18,330	50,000	50,000	50,000
558,707	Restructuring/Invest to save	(354,973)	(67,356)	(86,380)	(38,924)	0	0
(15,532)	Sports Facilities	0	0	0	0	0	0
	0 Treasury (Property) Reserve	(66,068)	0	0	0	0	0
(265,986)	Contribution to/(from) the General Reserve	(142,212)	0	(60,000)	0	0	0
17,867,028	Amount to be met from Government Grant and Local Taxpayers	14,460,152	14,460,152	13,636,781	15,831,475	16,292,853	16,628,835
(1,887,806)	Collection Fund – Parishes	(2,079,492)	(2,079,492)	(2,210,812)	(2,408,410)	(2,633,115)	(2,633,115)
(5,473,605)	Collection Fund – District	(5,520,427)	(5,520,427)	(5,909,655)	(6,007,222)	(6,268,118)	(6,532,973)
(3,904,859)	Retained Business Rates	(3,841,000)	(3,841,000)	(4,190,773)	(4,416,053)	(4,501,277)	(4,588,979)
(1,575,147)	Revenue Support Grant	(936,035)	(936,035)	(535,619)	(88,359)	0	0
(2,092,049)	New Homes bonus	(1,694,986)	(1,694,986)	(1,149,592)	(957,620)	(761,604)	(762,535)
(2,436,942)	Community Housing Fund	0	0	0	0	0	0
(15,835)	New Burdens Council Tax Grant	0	0	0	0	0	0
(480,785)	Rural Services Delivery Grant	(388,212)	(388,212)	(483,771)	(388,212)	0	0
(17,867,028)	Income from Government Grant and Taxpayers	(14,460,152)	(14,460,152)	(14,480,222)	(14,265,876)	(14,164,114)	(14,517,602)
0	(Surplus)/Deficit	0	0	(843,441)	1,565,599	2,128,739	2,111,233

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2018/19 to 2021/22

1 Background

- 1.1 In accordance with statute (principally the Local Government Finance Act 2002) and following the Guidance Note on Local Authority Reserves and Balances (LAAP Bulletin No. 77 – November 2008), North Norfolk District Council maintains a range of reserves.
- 1.2 Two types of reserves are discussed in this policy framework:
- Earmarked Reserves
 - The General Reserve
- 1.3 There are also a number of other reserves which local authorities hold in relation to legislation and proper accounting practices, these are not resource-backed reserves and therefore are not considered as part of this policy framework.
- 1.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the adequacy of the proposed financial reserves.
- 1.5 This Policy framework has been informed by both the LAAP Bulletin No. 77 and the Audit Commissions report published in December 2012 ‘Striking a Balance’ Improving Councils’ Decision Making on Reserves’.

2 Earmarked Reserves

2.1 Purpose

- 2.1.1 Earmarked reserves are a means of building up funds to meet known or predicted liabilities.
- 2.1.2 Typically earmarked reserves are used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund reorganisations and restructurings. Reserves can also be held for trading and business units built up from surpluses to cover potential losses in future years, or to finance capital expenditure. In certain circumstances, if expenditure is delayed on specific budgets, it may be agreed that the underspending at a year end is carried forward for future use in an earmarked reserve.

2.2 Earmarked Reserves Protocol

- 2.2.1 For each reserve the following arrangements have been established:
- the reasons for / purpose of the reserve
 - how and when the reserve can be used
 - procedures for the reserve’s management and control
 - a process and timetable for review of the reserve to ensure continuing relevance and adequacy.
- 2.2.2 In North Norfolk, the establishment and use of earmarked reserves is reviewed at the time of budget setting and then controlled through the year as part of the regular budget monitoring processes.

2.3 Review of Earmarked Reserves

- 2.3.1 The Reserves Statement in Appendix C gives full details of the earmarked reserves. Each earmarked reserve has been assessed by the Chief Financial Officer whose

judgement is that they are properly established in accordance with the protocol and that their level and proposed use is appropriate.

- 2.3.2 It is considered that sufficient provision for the Council's capital programme (as recommended) has been included in the capital estimates and capital reserves, and that nothing further is required at the current time. As detailed within the main report however the reserves will be reviewed when it comes to financing the £10.7m Splash swimming pool redevelopment as use of reserves might reduce borrowing requirements.
- 2.3.3 Where in-year expenditure is being funded by earmarked reserves, the relevant transfers from the reserves have been allowed for within the reserves statements at Appendix C.

3 The General Reserve

3.1 Purpose

- 3.1.1 The general reserve is held for two main purposes:
- a working balance to help cushion the impact of uneven cashflows and avoid temporary borrowing;
 - a contingency to help cushion the impact of unexpected events or emergencies.

3.2 The Optimum Level of the General Reserve

- 3.2.1 There are two recommended approaches for deciding the optimum level of the general reserve:
- A risk assessment of the budget which takes full account of the context within which the budget has been prepared. The budget report itself provides this contextual information.
 - To set the reserve at a percentage of expenditure. Too low a level puts the council at unacceptable risk of failing to meet its obligations, too high a level unnecessarily ties up resources.
- 3.2.2 This appendix sets out the framework for considering a risk assessment approach and validating the result against a percentage calculation. At the end of the day, the level of reserves is a matter of opinion informed by the judgement of the Council's Chief Financial Officer.

3.3 Assessment Framework

- 3.3.1 The issues to be considered include the following:
- The Council continues to operate on an ongoing basis.
 - The robustness of the budget process including recognition of the linkages with the corporate plan, the strategic risk register and the financial plan update.
 - The adequacy of the earmarked reserves and the movements on the general reserves both in the past and planned.
 - The extent to which savings and planned service reductions are required and can be relied upon to support corporate plan targets.
 - The risk of major litigation and legal claims, both currently and in the future.
 - The impact of future Government funding reductions.
 - Implications of changes to Local Council Tax Support Schemes and increase in the demand for support.

Appendix B

- Fluctuations in retained business rate income and funding from the government for the extensions to reliefs for example retail relief and small business rates along with the impact of appeals.
- Fluctuations around certain income streams and grants, for example demand led services such as planning, building control income, land charges and car parking and fluctuations in investment income.
- Future changes to the funding for Local Authorities, for example the New Homes Bonus and business rates.
- Unplanned volume increases in major demand led budgets, particularly in the context of the current economic climate for example housing benefits, council tax support and homelessness.
- The need to retain a general contingency to provide for any unforeseen circumstances that may arise including inadequately funded Government initiatives.
- The move in local authorities to do less by direct service provision (either through the Localism Agenda or through third parties, including outsourcing) is increasing the risks borne by authorities. There is a risk that these arrangements fail and there are many circumstances when a statutory liability remains with the local authority. Such risks may not be insurable at an economic level and demand rigorous risk minimisation strategies and this is an area that will be considered in more detail if the Council pursues these arrangements in future years.
- Potential unknown impact of the decision to leave the European Union (Brexit) and potential wider implications of current world politics
- The need to retain reserves for general day to day cash flow requirements.

3.3.2 All these issues interlink and any one incident is likely to span across many of the issues. Risks change over time and the general reserve needs to be considered across the medium term financial plan. What might be an adequate level of reserves now could be inadequate in year's two to four.

3.4 The Assessment of the General Fund Reserve

3.4.1 When undertaking the assessment it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.

3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2018/19:

Item	2018/19	2019/20	2020/21	2021/22
1 Pay and Price Inflation (0.5% above budget assumption)	85,000	87,000	89,000	91,000
2 Interest Rates (0.25% below budget prediction on non-fixed investments)	78,000	63,000	62,000	63,000
3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (based on 15% of current targets) (to ensure core services are maintained)	107,000	120,000	123,000	123,000
4 Major Litigation and Legal Claims (to provide additional comfort above earmarked reserves)	100,000	100,000	100,000	100,000

Appendix B

Item	2018/19	2019/20	2020/21	2021/22
5 Emergencies and Other Unknowns (to recognise the risks associated with unpredictable events)	600,000	600,000	600,000	600,000
6 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	224,000	230,000	236,000	242,000
7 Cash Flow (to mitigate the impact of timing of cash flow including the profiling of expenditure)	25,000	25,000	25,000	25,000
8 Future Funding Fluctuations (an allowance to reflect the increased risk around local funding, i.e. business rates and new homes bonus to mitigate the impact within and between financial years)	626,000	626,000	626,000	626,000
Total Indicated General Fund Reserve Recommended	1,845,000	1,851,000	1,861,000	1,870,000
% of Net Budgeted Operating Expenditure (excluding parish precepts)	14.8%	12.3%	13.4%	13.2%
Budgeted General Fund Reserve (at year-end, after taking account of planned use)	2,129,563	2,129,563	2,129,563	2,129,563
% of Net Budgeted Operating Expenditure (excluding parish precepts)	17.1%	14.2%	15.3%	15.0%

4 Chief Financial Officer's Opinion

- 4.1 The Earmarked Reserves detailed in Appendix C are proper and appropriate with regard to purpose, level and proposed use.
- 4.2 Based on the assessment detailed above the recommended level of the general reserve for 2018/19 should be maintained at the present level of £1.85million for 2018/19. The budgeted General Fund Reserve shown in Appendix C is considered adequate for the period 2018/19 to 2021/22; however the level of the general reserve should be reviewed during the year as part of the financial planning process taking into account where applicable items identified within the assessment framework at 3.3.

Reserves Statement 2018/19 Onwards

Reserve	Purpose and Use of Reserve	Balance 01/04/17	Updated Budgeted Movement 2017/18	Balance 01/04/18	Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Balance 01/04/22
		£	£	£	£	£	£	£	£	£	£	£
General Fund - General Reserve	A working balance and contingency, current recommended balance is £1.75 million.	2,331,775	(142,212)	2,189,563	(60,000)	2,129,563	0	2,129,563	0	2,129,563	0	2,129,563
Earmarked Reserves:												0
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	2,313,978	(595,137)	1,718,841	(747,964)	970,877	0	970,877	0	970,877	0	970,877
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	500,892	337,833	838,725	(3,443)	835,282	0	835,282	0	835,282	0	835,282
Benefits	To be used to mitigate any claw back by the Department of Works and Pensions following final subsidy determination. Timing of the use will depend on audited subsidy claims.	1,429,624	(50,000)	1,379,624	(12,838)	1,366,786	(12,838)	1,353,948	0	1,353,948	0	1,353,948
Broadband	Earmarks £1million for superfast broad band in North Norfolk. (600k was transferred from the BSF reserve and £400k from NHB reserve)	1,000,000	0	1,000,000	0	1,000,000	(1,000,000)	0	0	0	0	0
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	171,780	0	171,780	0	171,780	0	171,780	0	171,780	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.	2,527,045	(20,376)	2,506,669	(18,000)	2,488,669	(18,000)	2,470,669	(18,000)	2,452,669	(18,000)	2,434,669
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	202,516	0	202,516	(20,000)	182,516	(20,000)	162,516	(20,000)	142,516	(20,000)	122,516
Common Training	To deliver the corporate training programme. Training and development programmes are sometimes not completed in the year but are committed and therefore funding is carried forward in an earmarked reserve.	48,450	(48,450)	0	0	0	0	0	0	0	0	0
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. Funded by a proportion of NCC element of second homes council tax.	1,197,179	317,441	1,514,620	168,234	1,682,854	(242,000)	1,440,854	(242,000)	1,198,854	(242,000)	956,854
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	133,458	(37,837)	95,621	(10,000)	85,621	0	85,621	0	85,621	0	85,621
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	43,000	40,000	83,000	40,000	123,000	(120,000)	3,000	40,000	43,000	40,000	83,000

Reserves Statement 2018/19 Onwards

Reserve	Purpose and Use of Reserve	Balance	Updated	Balance	Budgeted	Balance	Budgeted	Balance	Budgeted	Balance	Budgeted	Balance
		01/04/17	Budgeted	01/04/18	Movement	01/04/19	Movement	01/04/20	Movement	01/04/21	Movement	01/04/22
		£	2017/18	£	£	£	£	£	£	£	£	£
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	103,674	82,926	186,600	0	186,600	0	186,600	0	186,600	0	186,600
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives. Also included is the earmarked surplus licence fee income which is set on a cost recovery basis.	279,389	0	279,389	0	279,389	0	279,389	0	279,389	0	279,389
Grants	Revenue Grants received and due to timing issues not used in the year.	439,352	37,521	476,873	(8,792)	468,081	0	468,081	0	468,081	0	468,081
Housing	Previously earmarked for stock condition survey and housing needs assessment.	2,520,743	60,170	2,580,913	(14,247)	2,566,666	(72,624)	2,494,042	(70,248)	2,423,794	(32,808)	2,390,986
Treasury (Property) Reserve	Property Investment (Treasury), to smooth the impact on the revenue account of interest fluctuations.	66,068	(66,068)	0	0	0	0	0	0	0	0	0
Land Charges	To mitigate the impact of potential income reductions.	233,169	0	233,169	0	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.	144,174	0	144,174	0	144,174	0	144,174	0	144,174	0	144,174
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	0	435,000
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	1,834,440	111,122	1,945,562	(280,944)	1,664,618	(114,747)	1,549,871	0	1,549,871	0	1,549,871
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	345,128	(4,281)	340,847	(4,649)	336,198	0	336,198	0	336,198	0	336,198
Pathfinder	To help Coastal Communities adapt to coastal changes.	206,378	0	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.	168,664	(123,485)	45,179	18,330	63,509	50,000	113,509	50,000	163,509	50,000	213,509
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.	2,434,080	(354,973)	2,079,107	(86,380)	1,992,727	(38,924)	1,953,803	0	1,953,803	0	1,953,803
Sports Hall Equipment & Sports Facilities	To support renewals for sports hall equipment. Amount transferred in the year represents over or under achievement of income target.	12,649	0	12,649	0	12,649	0	12,649	0	12,649	0	12,649
Total Reserves		21,122,605	(455,806)	20,666,799	(1,040,693)	19,626,106	(1,589,133)	18,036,973	(260,248)	17,776,725	(222,808)	17,553,917

CABINET MEMBERS REPORT TO COUNCIL

21st February 2018

COUNCILLOR FITZPATRICK – LEADER OF THE COUNCIL

For the period December 2017 to February 2018

1 Progress on Portfolio Matters.

The fourth Big Society Grant Plan will take place in March 2018. In the period December to February the Panel chaired by Councillor Fitzpatrick met once. It considered eight grant applications. Six applications were awarded funding totalling £35,488.32. One was deferred and one was unsuccessful.

2 Forthcoming Activities and Developments.

3 Meetings Attended and Meetings Scheduled

January – Attended the opening of an extension to West Runton Scout headquarters which was awarded a grant from the North Norfolk Big Society Fund.

CABINET MEMBERS REPORT TO COUNCIL

21st January 2018

COUNCILLOR CLAUSSEN-REYNOLDS - CABINET MEMBER FOR WASTE AND ENVIRONMENTAL SERVICES

For the period November to December 2017

1 Progress on Portfolio Matters.

Work to bring the collection of Garden Bin Renewals continues to progress, including the ability to offer customers an option to pay via direct debit, is progressing well and is on track for renewal letters to go out as planned in the new financial year.

The Environmental Health IT implementation continues to progress with testing of the latest software release progressing with the aim of going live in early March. This release will provide significant functionality around the Licensing area and will enable much of changes identified through the BPR process to be realised in this area.

The Business Continuity distance learning online study course is now included as compulsory training on the Council's e-learning system.

The Council hosted a Maritime Coastguard Agency (MCA) Beachmaster Course at Wells next the Sea over two days in January. Officers from a number of agencies and other Local Authorities attended the training which provides participants with a theoretical and practical understanding of the techniques to control and clear up following a marine pollution incident. 15 officers from NNDC attended the training.

The Environmental Protection Team has a heavy enforcement workload at present with:

13 prosecution cases pending, these range across waste offences, Anti-social behaviour and nuisance.

Notices served for the following:

- 2 community protection notices associated with the build-up of pigeon guano
- 8 Notification of dark smoke from the burning of waste.
- 6 Nuisance abatement notices covering noise, smoke and odour and living condition within rented static caravans
- 1 filthy and verminous property.

The team also conducted a seizure of noise making equipment from a property via executing a warrant in conjunction with Victory Housing Trust and the Police.

The annual return on the inspection and risk assessment of Private Water supplies was completed and sent back to the Drinking Water Inspectorate on time.

The Commercial Team are supporting the investigation into the deaths of two dogs on the Norfolk and Suffolk coast. The investigation is being undertaken by the Centre for Environment Fisheries and Aquaculture Science (CEFAS) supported by a wide range of agencies. The deaths have been confirmed to have been caused by Paralytic Shellfish Poison (PSP), a naturally occurring marine bio toxin. All tests on marine species used for human consumption have been either negative or significantly below the regulatory threshold.

Work on the procuring the new Waste and Related Service Contract is continuing. Officers are negotiating a one-year extension with Kier to facilitate a longer procurement period; this is based on feedback from potential bidders who indicated that this would likely result in better procurement outcomes. The contract specification and other associated contract documents are currently being developed by officers across the three authorities.

Customers who have an Assisted waste collection, which is available to those who might otherwise not be able to present their bins for collection, have been sent a questionnaire in order to ascertain whether the service is still required. To date around 500 of the 4130 who have been written to have indicated that the service is no longer required for that household.

2 Forthcoming Activities and Developments.

The mobile solution for food inspections is in final field testing with officers and will be rolled out to all food inspectors in the coming weeks. This supports agile working and the digital transformation agenda within the department.

Planning for Greenbuild 2018 is underway. It has been confirmed this will take place at Felbrigg Hall again albeit in the meadow rather than the usual carpark area.

3 Meetings Attended and Meetings Scheduled

Norfolk Waste Partnership Board

Waste Procurement Board

Environmental Health Management Team on a monthly basis.

Regular update meetings with Head of Environmental Health and Team Managers

CABINET MEMBERS REPORT TO COUNCIL

21st February 2018

COUNCILLOR PRIOR - CABINET MEMBER FOR HEALTH AND WELLBEING

For the period December 2017 to February 2018

1 Progress on Portfolio Matters.

The Council is awaiting confirmation from Public Health that a proposal to provide a Living Well service which will work with residents across the district to improve their health has been agreed, if so, the new service will start as soon as the new Living Well Officer has been recruited. The service will operate for one year and will complement the new Social Prescribing Services and Loneliness services being developed by Norfolk County Council.

In the period December to February an Arts grant was awarded to fEast to support the theatre production SALT in a number of small venues across North Norfolk ensuring wider access to this production which has a North Norfolk focus.

2 Forthcoming Activities and Developments.

Orchestra Live will stage their second and third concerts in Sheringham and Ludham in March and April bringing national orchestra's to North Norfolk audiences.

3 Meetings Attended and Meetings Scheduled

CABINET MEMBERS REPORT TO COUNCIL

9 February 2018

COUNCILLOR M PRIOR - CABINET MEMBER FOR LEISURE

For the period December 2017 to January 2018

1 Progress on Portfolio Matters.

Sports and Leisure Facilities

The Council's sports and leisure facilities continue to do well; however the figures have now plateaued somewhat and they are currently 1% lower than at the same period in 2017. The monthly throughput for January was 45,935 with a cumulative amount for up to the end of August at 455,809.

'Sports Clubs and Hubs' Project

The 'Sports Clubs and Hubs' project continues to perform well. It is now delivering a number of seated exercise classes in public libraries and care homes across the district, for those people that need it most.

North Norfolk Sporting Centre of Excellence

The Sporting Centre of Excellence programme continues to deliver success. Three of the runners recently competed along with nine others in the County Cross Country Championships. As a result Innes O'Malley, Hattie Reynolds and Abi Durand will now compete for Norfolk at the prestigious London Mini-Marathon races in which countrywide County Champions take part. Six of the runner have also been selected to compete for Norfolk in the English School Cross Country Championships in March.

Parkrun

The Sheringham parkrun remains to be one of the finest examples of sustainable community events, organised in partnership by the Council with local organisations and the voluntary sector.

Numbers continue to grow with the current total of 2,216 registered runners averaging 129.8 participants each week. There has been a total of 275 events, with 6,387 individual runners from 616 clubs taking part in 35,694 runs covering 178,470 km!

Beaches

The Council continues to plan the national Keep Britain Tidy Blue Flag Awards Ceremony which will take place on Cromer Pier on Thursday 17. The event will put

the Council firmly “on the map”, at an event that will attract national media interest.

Pier Pavilion Theatre

The 2017 Christmas Show was the most successful on record with a total of 14,635 visitors which was a 16.03% increase on 2016. The Summer Show bookings are also currently 16% up on the same time last year.

2 Forthcoming Activities and Developments.

‘Fun and Fit’

The Council has now received £5,200 funding from Active Norfolk as part of their “Fun & Fit” programme whereby we are offering a variety of exercise classes at a variety of facilities across the district. There is a total of 13 new classes including walking football, swimming, ‘sit and be fit’, fund and fit adults, Zumba, seated exercise, legs bums and tums and yoga. All classes are free of charge and we will look to make these classes sustainable in the longer term.

Countryside and Parks

Events

The Countryside team are busy planning the forthcoming events programme, and focusing on better quality events with more people attending. Included in the new programme are the following events:

- Fancy Dress Easter Egg Trail x 2
- Spectacular Snakes & Amphibians
- Woodland Explorers
- Wild about Wensum
- Fun Dog Show
- Go Go Hare Launch
- Where’s Wally Trail
- Water Rockets & Kite Flying
- Robin Hood Treasure Hunt
- Wicked Wildlife Day
- Fun Day Out
- Marine conservation awareness
- Fun on the beach
- Fancy Dress Halloween Trail x 3
- Funghi Walk
- Father Christmas Trail x 3

CABINET MEMBERS REPORT TO COUNCIL

21st February 2018

COUNCILLOR SUE ARNOLD - CABINET MEMBER FOR PLANNING

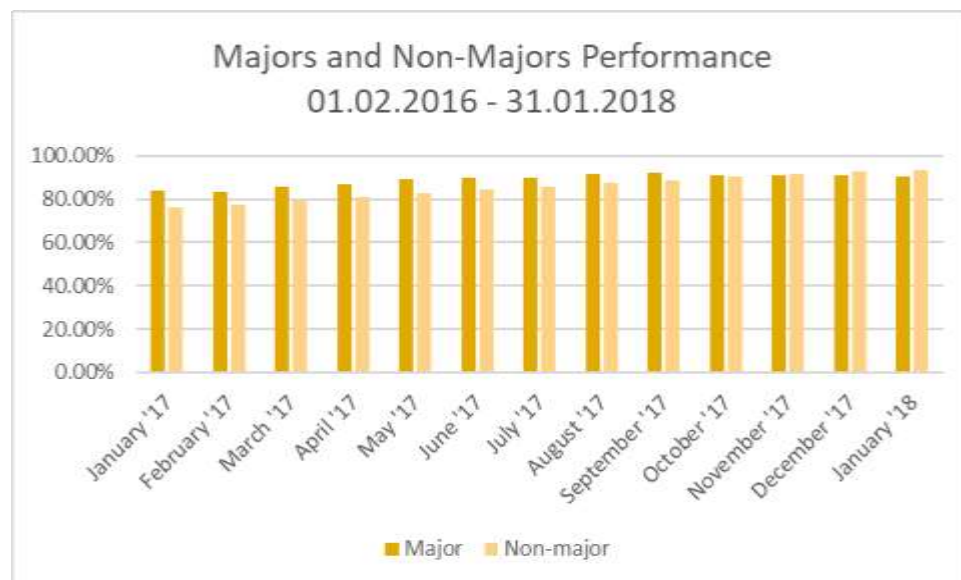
For the period December 2017 to February 2018

1 Progress on Portfolio Matters.

Development Management Performance

Our focus remains firmly on exceeding the Government targets for major and non-major applications. Our last figures for majors is 90.6% (Government target is 60%) and for non-major 93.7% (Government target is 70%). Graph below demonstrates the continuous improvement.

Yellow-major development, light yellow – non major development



Local Plan Review

Much of the evidence base which will inform the new Local Plan has now been prepared and a Strategic Framework document has been produced and agreed under the duty to co-operate. This means that the team will now commence work in earnest on the preparation of the first draft of the new plan which will be prepared for consultation in the summer of this year (probably September/Oct). As part of this first round of consultation the Council will need to prepare and publish details of a number of reasonable alternative approaches and explain how it has arrived at its preferred

approach. All options which are published for consultation will need to be subject to a detailed process of Sustainability Appraisal.

As part of this stage of the project the Working Party will start to consider which new development sites should be identified in the draft plan. Site visits to these sites are programmed for April –June this year. Local Members, and Town and Parish Councils will be invited.

Government has indicated that it intends to publish a new National Planning Policy Framework. This will be published for consultation towards the end of March and may include some significant shifts in national policy not least in relation to housing numbers which appear likely to increase. This may have significant implications for the emerging Local Plan and has the potential to delay production in order to incorporate any significant new requirements.

Significant areas of work which are on-going or have been completed include:

- A new Register of Brownfield Sites has been published. This is required by legislation and includes details of brownfield sites which are suitable for development
- Review of Open Space designations
- Review of employment land supply in the district
- Designation of Blakeney as a Neighbourhood Area allowing for the preparation of a Neighbourhood Plan.
- Response to an early draft of Holt Neighbourhood Plan
- Commissioned a Landscape Sensitivity appraisal to inform the Councils approach to renewable energy and other policies.
- Detailed appraisal of potential development sites is underway.

Conservation Design & Landscape

The Council have appointed Heritage Consultants Purcell to undertake a review of Conservation Areas in Blakeney, Cley-next-the-Sea, Wiveton, Morston and the wider Glaven Valley.

North Norfolk faces increased development pressures, especially within a number of coastal villages, and it is important to undertake a review of these Conservation Areas to make sure they remain fit for purpose in helping to preserve and enhance the character and appearance of the areas and to ensure buildings of heritage significance as well as key views into and out of the Conservation Areas are properly understood and appropriate management plans put in place for their future. This will provide a clearer strategy for these areas and help shape the direction of future development in a way that recognises the heritage significance of the area.

Public Consultation on the draft Conservation Area Appraisals and Management Plans will take place in July/August 2018 once the initial review work has been undertaken by Purcell.

Linked to the work being undertaken to review the Local Plan, the Council is

currently out for invitations to quote for a new Landscape Character Assessment and Landscape Sensitivity Study document. This will not only inform the formulation of new development management policies in the upcoming Local Plan but will also help guide and manage development so that it does not harm the very special qualities of the area which makes it so unique and attractive to residents and visitors alike. The landscape sensitivity study will help identify the sensitivities of the landscape to accommodate renewable and low carbon energy and associated infrastructure of varying scales which will again aid in the formulation of policy decisions. Bidding closes 19 Feb and a decision on the contract award will be made by end of Feb 2018.

A review of the Council's Design Guide is also underway to ensure it remains up to date and relevant to be taken forward with the new Local Plan. A key function of this document will be to help inform the Development Management process and to seek to raise the standard for new development proposals so to ensure proposals enrich the quality of the built environment across North Norfolk.

Members and Officers continue to be engaged in discussions regarding offshore wind energy schemes proposed by Orsted (Hornsea Project Three) and Vattenfall (Vanguard and Boreas). These schemes are progressing towards submission for Development Consent Order and officers continue to be involving in seeking to shape and influence the way these schemes are progressing. Proposals by Vattenfall continue to generate considerable public interest in relation to the siting of cable relay stations.

Major Projects Team

The Major Projects Team are continuing to be engaged in a number of projects across the District including many large-scale housing proposals that landowners/agents are seeking to prepare and submit ahead of the Local Plan site allocation process. Whilst the Council can currently demonstrate a five-year supply of housing land, delays in the announcement of a central government proposed standard methodology for calculating five-year housing supply has increased the level of uncertainty in the housing market with many speculative landowners adopting a wait and see approach so that they are in a position to act fast once there is greater clarity about the direction of travel in the housing market. A number of schemes are already in the public domain including North Walsham (land off Mundelsey Road) and sites on the edge of Cromer (Roughton Road and Norwich Road) which together would amount to up to 900 homes.

The Major Projects Team are also working with colleagues in the Housing Enabling Team in helping identify potential sites for affordable housing. A number of villages have been considered starting with key priority locations of greatest housing need. This work is designed to act as an early sift and help focus resources to sites with the greatest prospect of receiving planning permission under the exceptions housing policy.

New recruits

At the beginning of January the following individuals joined the Planning Team:

In Development Management:

- Robert Arguile
- Bruno Fraga da Costa
- Aaron Hunton

In Planning policy:

- Rakesh Dholiwar

An updated staff guide has been circulated to all Members. The team still has one 'maternity cover' post left vacant.

Enforcement

When the Combined Enforcement Team was created in April 2016, a backlog of 183 was left within Planning for them to resolve. This number has now been reduced to under 40.

New enforcement cases should be directed to the Combined Enforcement Team who undertake the initial investigation and assessment and seek planning advice from the team as necessary.

Building Control Update

The interim Hackitt review from the Grenfell Tower disaster has been now been published. The independent review has made some initial recommendations and the service is ready to implement and act on any changes as they happen.

New Performance standards have been written for Local Authority Building Control Services and are being rolled out throughout 2018. The standards are written by LABC (Local Authority Building Control – the body who act for all LA building Control services) and aim to ensure nationwide consistency and standards.

Nominations for the 2018 Regional awards are now being prepared by the team, so we hope to follow up recent years successes with more this year.

The Building Control Business Administration Apprentice has recently won 'Intermediate Professional Studies Apprentice of the Year' from Easton & Otley College and will be recognised at an event to be held in March.

Workload and income figures remain good with budget monitoring showing cost recovery of the service is likely again this year.

A new Building Control Charges Scheme is being prepared for implementation in April 2018 to ensure the service maintains its requirement for cost recovery as laid down in the 2010 fee regulations.

8 Wiveton Road Blakeney Judicial Review Decision

This decision went in favour of the Council. It was evident from this decision that His Honour Mr Rodgers QC considered the Council's process and procedures followed in relation to this application to be "legally sound" and as such this decision support the belief that we are doing a good job for our local communities.

A full report in respect of this decision was reported to Development Committee on 23 January 2018.

2 Forthcoming Activities and Developments.

Planning Appeals

I previously reported last time, the Planning Inspector decisions in relation to the Bodham and Selbrigg Wind Turbines were overturned by the High Court. It was expected that the Planning Inspectorate would hold a new joint Public Inquiry to re-consider the appeals. However, the Planning Inspectorate has decided that this matter can be dealt with under the written representation procedure. This would effectively exclude the direct involvement of community group known as No To That Turbine (NOTTT), although the Inspectorate maintain that this would in no way prevent NOTTT or other interested parties from making representations. The Council has challenged the Planning Inspectorate decision. In the meantime, the Inspectorate are continuing to deal with this matter by means of written representation process but, following representations from the Council, have agreed to look again at the decision not to hold another joint Public Inquiry.

Whilst the Sculthorpe appeal was dismissed, the applicant (Indigo Planning) has lodged a legal challenge against the Planning Inspector's decision. The Planning Inspectorate declined to defend their decision, however the Council has taken up this challenge and will seek to defend the Inspectors decision. The judicial hearing is due to be heard on 27 and 28th February 2018 in the High Court, London.

An appeal has been received in relation to a proposal for up to 200 homes on land between Aylsham Road and Greens Road, North Walsham. The Council refused this application on the basis that a five-year housing land supply could be demonstrated. The Planning Inspectorate consider the Public Inquiry process is most suitable. A date for the Inquiry is yet to be confirmed.

3 Meetings attended

Development Committee meetings

Portfolio Holder meetings

Planning Policy and Built Heritage working Party

Appointed member of the Cabinet to sub group re Vattenfall – first meeting 1 March

CABINET MEMBERS REPORT TO COUNCIL

21st February 2018

COUNCILLOR JUDY OLIVER - PORTFOLIO MEMBER FOR LEGAL

For the period December 2017 to February 2018

1 Progress on Portfolio Matters.

eastlaw

This month a number of long running cases have concluded successfully.

In particular we have finalised the compulsory purchase of 2 and 2A Stirling Road Sculthorpe, after the properties had remained uncompleted and empty since 2005, these will now be disposed of and brought back into use, which is a demonstration of the Council's continued commitment to ensuring that the issue of empty properties is addressed.

The Pier Contract is due to be signed imminently which marks the conclusion of a successful tender process.

We have had a successful outcome to the judicial review challenge at Wiveton Road, Blakeney and are currently challenging the Secretary of State over their decision not to allow an enquiry in relation to the Bodham and Selbrigg wind turbines so that local people can make their views known directly to the Inspector making the decision rather than relying on a paper exercise in terms of written representations.

The Amstel Group Corporation are seeking to challenge the Inspector's Decision in relation to 200 homes at Sculthorpe at the High Court at the end of February which we, together with the Secretary of State are defending.

The implementation of GDPR continues across the Council and we are currently working up a new service to Parish Councils who may be struggling with GDPR and their new responsibilities.

Finally eastlaw, has made it to the finals of the LexisNexis Legal Awards 2018 which recognise and celebrate excellence and innovation across the legal sector. eastlaw shares the shortlist with three exceptional legal teams; GLD (Government Legal Department) Grenfell Tower Team, MVF Legal Team and Reprieve.

CABINET MEMBERS REPORT TO COUNCIL

21st February 2018

COUNCILLOR PRICE - CABINET MEMBER FOR STRATEGIC HOUSING

For the period December 2017 to February 2018

1 Progress on Portfolio Matters.

Community Housing Fund:

The Community Housing team continue to engage with parishes within the target area for the Community Housing Fund to promote the opportunities which a community led housing scheme can offer communities. As a result, in January the team carried out a community consultation event to capture wider community views in Sidestrand.

Affordable Housing Delivery

Marketing of shared equity homes at Cromer and Sheringham is underway, with three of the seven dwellings available in the current offer remaining available for purchase. 29 affordable homes for rent and 8 for sale on a shared ownership basis were completed between December and January on sites at Bacton and Fakenham, with completions at Bodham, Trunch, Great Ryburgh and Fakenham expected by the end of the financial year.

The Integrated Housing Adaptations Team are working hard to approve Disabled Facility Grants with 122 grants totalling £899,278.78 approved by the end of January.

CABINET MEMBERS REPORT TO COUNCIL

21st February 2018

COUNCILLOR RICHARD PRICE - CABINET MEMBER FOR HOUSING AND LICENSING

For the period December 2017 to February 2018

1 Progress on Portfolio Matters.

The Public Protection Team gained entry to a premise under warrant for the purposes of investigating animal welfare issues and dog breeding without a licence. The operation was carried out with support from the Norfolk Police and the RSPCA and resulted in 10 dogs being signed over to the RSPCA to prevent further suffering. This case represents the second set of charges to a ongoing prosecution case, these charges have been added to the existing prosecution which, following a court direction from a case review hearing, the defendants have been required to submit offers of pleas by Friday 9th February.

The roll out of the latest version of the EH It system, Assure, is initially focussing on the Licensing functionality. The new system will significantly change the way customers can make license applications and streamline many of the administrative processes involved in the processing of applications for all license types. Work to map out all licensing applications in progressing well and to test the functionality works correctly is progressing with a view to going live on the new system set for the week commencing 5th March. Due to the work associated with the system transfer there will be limited ability to process licences although the work currently being undertaken will ensure this disruption is kept to a minimum.

2 Forthcoming Activities and Developments.

The taxi testing contracts, which are at the end of the initial three-year period, are being extended by 1 year as allowed in the contract. The procurement process will start later this year to ensure the tender and evaluation process is completed in a timely manner.