

Council



Please Contact: Emma Denny

Please email: emma.denny@north-norfolk.gov.uk

Please Direct Dial on: 01263 516010

19 June 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 27th June 2018 at 6.00 p.m.**

Emma Denny
Democratic Services Manager

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



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

Corporate Directors: Nick Baker and Steve Blatch
Tel 01263 513811 **Fax** 01263 515042 **Minicom** 01263 516005
Email districtcouncil@north-norfolk.gov.uk **Web site** northnorfolk.org

A G E N D A

1. PRAYER

Led by Reverend Cartwright, Chaplain, Beeston Hall School, Beeston.

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)

To confirm the minutes of the meeting of the Council held on 30 May 2018.

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

To consider any questions or statements received from members of the public.

8. PORTFOLIO REPORTS

To receive reports from Cabinet members on their portfolios.

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

- 1) Legal Services & Democratic Services – Cllr John Lee (page 16)
- 2) Planning, Planning Policy & Housing – Cllr Sue Arnold (page 17)
- 3) Customer Services, Health & Wellbeing, Leisure– Cllr Becky Palmer (page 22)
- 4) Asset Commercialisation – Cllr R Price (page 26)
- 5) Environmental Services & Coast – Cllr H Cox (page 28)
- 6) Economic Development & Tourism – Cllr N Dixon (page 33)
- 7) Finance, Revenue & Benefits – Cllr W Northam (page 36)

9. RECOMMENDATIONS FROM CABINET 04 JUNE 2018

(page 38)

a) AGENDA ITEM 08: 2017/18 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)

RECOMMENDATION to Council:

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

- b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2018/19 budget;
- c) Transfer part of the surplus of £994,259 to the Capital Projects Reserve to support the capital programme;
- d) The financing of the 2017/18 capital programme as detailed within the report and at Appendix D;
- e) The balance on the General Reserve of £2.196 million;
- f) The updated capital programme for 2018/19 to 2021/22 and the associated financing of the schemes as outlined within the report and detailed at Appendix E.

RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

The Overview & Scrutiny Committee will consider this recommendation at their meeting on 20th June. The Chairman will provide an oral update to the Council meeting.

b) AGENDA ITEM 09: TREASURY MANAGEMENT ANNUAL REPORT 2017/18 (page 97)

RECOMMENDATION to Council:

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

RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

The Overview & Scrutiny Committee will consider this recommendation at their meeting on 20th June. The Chairman will provide an oral update to the Council meeting.

c) AGENDA ITEM 10: DEBT RECOVERY 2017/18 (page 104)

RECOMMENDATION to Council:

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

RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

The Overview & Scrutiny Committee will consider this recommendation at their meeting on 20th June. The Chairman will provide an oral update to the Council meeting.

d) REVIEW OF POLLING DISTRICTS, POLLING PLACES AND POLLING STATIONS (page 110)

RECOMMENDATION TO COUNCIL:

That Full Council agrees to the proposed timetable for the statutory review of polling districts, places and stations.

e) LEASE OF LAND AT CROMER AND FAKENHAM FOR GYPSY AND TRAVELLER SHORT STAY STOPPING PLACE (Cabinet Agenda 11th June page 122)

PLEASE NOTE THAT THIS REPORT IS EXEMPT – BY VIRTUE OF PARAGRAPH 3 OF PART 1 OF SCHEDULE 12A (AS AMENDED) OF THE LOCAL GOVERNMENT ACT 1972 - ANY DEBATE WILL NEED TO TAKE PLACE IN PRIVATE BUSINESS

RECOMMENDATIONS TO COUNCIL:

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

10. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 20 JUNE 2018

To consider any further recommendations from the Overview & Scrutiny Committee meeting held on 20th June 2018.

11. OVERVIEW & SCRUTINY COMMITTEE ANNUAL REVIEW 2017/18 (page 116)

Summary: The Overview and Scrutiny Committee Annual Review 2017-2018 summarises the work of the Committee during the previous municipal year.

Recommendation: That Council receives the Overview and Scrutiny Committee Annual Review 2017 - 2018

Contact Officer Emma Denny
Tel. No: 01263 516010
Email: emma.denny@north-norfolk.gov.uk

12. RECOMMENDATIONS FROM THE COUNCIL TAX SUPPORT WORKING PARTY 01 JUNE 2018 (page 123)

RESOLVED

To recommend to Council that the Council Tax Support Scheme for North Norfolk remains unchanged for 2019/20.

13. RECOMMENDATIONS FROM THE CONSTITUTION WORKING PARTY 01 MAY 2018 (page 126)

RESOLVED

To recommend to Council:

1. To retain Portfolio Holder Reports but to rename them "Portfolio Reports".
2. To take the reports after the Public Questions item on the Full Council agenda.
3. To set a time limit of one hour for reports and questions.

14. RECOMMENDATIONS FROM GOVERNANCE RISK & AUDIT COMMITTEE (page 131)

To receive the Governance Risk and Audit Committee Annual Report 2017/18

15. 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 – 16 April 2018
- 2) Development Committee – 19 April, 17 May 2018
- 3) Overview & Scrutiny Committee – 25 April 2018

16. QUESTIONS RECEIVED FROM MEMBERS

None received

17. OPPOSITION BUSINESS

None received

18. NOTICE(S) OF MOTION

The following Notice of Motion has been submitted by Cllr N Lloyd, seconded by Cllr E Seward:

'In the light of the adverse environmental impact that is resulting from the introduction of household DIY waste charges at recycling centres this Council asks Norfolk County Council to reconsider its decision to introduce such charges and withdraw them'

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 30 May 2018 at the Council Offices, Holt Road, Cromer at 6.00 pm.

Members Present:

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

Officers in Attendance: The Corporate Director (NB), Mr N Doran (eastlaw), the Head of Finance & Assets, the Communications and Marketing Manager and the Democratic Services Manager

Press: not present

1. PRAYERS

The Chairman invited Reverend Dr Peter Herbert, Curator of Cromer Church.

2. APOLOGIES FOR ABSENCE

Apologies were received from Mrs S Arnold, Ms J English, Ms B Palmer, Mr J Punchard, Mr S Penfold, Mr P Rice and Ms L Walker.

3. TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS

None received

4. OUTGOING CHAIRMAN'S COMMUNICATIONS AND ANNOUNCEMENTS

The outgoing Chairman, Cllr Richard Shepherd, said that he had had a very busy year, made lots of good friends and seen a lot of worthwhile work being done across North Norfolk. Highlights had included the garden party at Buckingham Palace and the recent civic reception at the Sheringham Mo Museum.

He thanked the Vice-Chairman, Cllr Roy Reynolds, for his support during the year, including attending the recent funeral of former Chairman, Vi Bensley, on behalf of the Council.

The Chairman then spoke about the complete commitment that was required to undertake the role. He acknowledged that there had been some challenging Council meetings in recent months and he reminded members to maintain high standards going forward. He concluded by thanking the officers for their advice and support, in particular The Corporate PA Team Leader and the Monitoring Officer.

The Chairman then invited Simon Wright, Chief Executive of Nelson Journey, his nominated charity for the year, to receive a cheque for £1677.36

Mr Wright thanked everyone for supporting Nelson's Journey. He said that the charity worked with children at a very difficult time in their lives. During the last year there had been a 20% increase in referrals with more in the last six months than in the previous ten years. He said that the money raised would support group work and frontline professionals and that North Norfolk was a very important place for the charity.

5. MINUTES

The minutes of the meeting held on 28 March 2018 were approved as a correct record and signed by the Chairman.

6. ITEMS OF URGENT BUSINESS

None

7. ELECTION OF CHAIRMAN

The Chairman invited nominations for the election of Chairman for 2018/19.

Mr J Lee nominated Mr S Shaw. He said that this was a very important role as the Chairman was the first citizen of North Norfolk. Mr Lee said that when he was elected Leader of the Council he had promised to work together and talk to everyone and he had kept his word. He asked members to set aside any political views they may hold and support his nomination.

Mrs A Claussen-Reynolds seconded the proposal. She said that she had been Chairman of the Council from 2015 – 2016 and she knew the importance of the role. The new Chairman would not have had any experience as Vice-Chairman so electing the best person for the role was imperative.

The Chairman asked if there were any other nominations for Chairman.

Mr S Hester nominated Mr N Coppack. He said that he had substantial experience for such a role having worked in public relations for many years. He added that the Chairman should be erudite and articulate.

Mrs A Fitch-Tillett seconded the nomination for Mr Coppack. She said that when she was first elected to the District Council the role of Chairman always alternated between the political groups. She felt that this was fairer and more representative of the make-up of the Council.

Mr T FitzPatrick requested a recorded vote (attached at Minutes Appendix A)

RESOLVED

To elect Mr N Coppack as Chairman of the Council for 2018-19

8. ELECTION OF VICE-CHAIRMAN

The Chairman invite nominations for Vice-Chairman of the Council for 2018-19.

Mrs S Bütikofer nominated Mr B Hannah. She said that he was a long standing member who had undertaken many roles, including that of Chairman of Norfolk County Council.

Mr D Smith seconded the proposal. He said that Mr Hannah was his fellow ward member for Sheringham North and that he would be a superb ambassador for North Norfolk.

RESOLVED

To elect Mr B Hannah as Vice-Chairman of the Council for 2018-19

Mr N Coppack thanked Members for their support. He said that he accepted the role with great humility and was so pleased to see how Nelson’s Journey would benefit from Mr Shepherd’s fundraising efforts. He said that it easy to forget the good work being done across North Norfolk and although Members sometimes came into conflict in the Chamber, he intended to be open to everyone. He concluded by saying that his nominated charity for the forthcoming year was East Anglia’s Children’s Hospice.

9. VOTE OF THANKS TO THE RETIRING CHAIRMAN AND CONSORT AND VICE-CHAIRMAN

Mr J Lee said that Mr Shepherd had been an excellent Chairman and on behalf of the Council he thanked him and his consort Mrs Blake for their hard work. He said that he felt it was an injustice that Mr Reynolds had not had the opportunity to become Chairman and he thanked him for his dedication over the last year.

Mr P W Moore seconded the proposals.

RESOLVED

To thank the retiring Chairman and consort and the Vice-Chairman for their hard work and dedication over the last year.

10. APPOINTMENT OF MEMBERS AND SUBSTITUTES TO COMMITTEES, SUB COMMITTEES, WORKING PARTIES AND PANELS

RESOLVED

1. To appoint Members and substitutes to Committees, sub-committees, working parties and panels for 2018/19 as detailed below:
2. To note the appointment of Members to Executive sub-committees, working parties and Panels

Scrutiny Committee 12 seats	Conservative (5)	Liberal Democrat (5)	Independent (2)
(politically balanced)	Jenny English	Sarah Butikofer	Simon Hester
	Mike Knowles	Virginia Gay	Norman Smith
	Roy Reynolds	Eric Seward	

	Annie Claussen-Reynolds	Karen Ward	
	Barry Smith	Nigel Lloyd	
Substitutes			
	<i>Robert Stevens Jeremy Punchard Richard Shepherd</i>	<i>Brian Hannah Nigel Pearce David Young</i>	<i>Angie Fitch-Tillett</i>
Development Committee 14 seats	Conservative (7)	Liberal Democrat (5)	Independent (2)
(politically balanced)	Sue Arnold	Pauline Grove-Jones	Angie Fitch-Tillett
	Richard Shepherd	Brian Hannah	Ann Green
	Barry Smith	Nigel Lloyd	
	Maggie Prior	Nigel Pearce	
	Roy Reynolds	Vivienne Uprichard	
	Annie Claussen-Reynolds		
	Simon Shaw		
Substitutes			
	<i>Duncan Baker Jenny English Tom FitzPatrick Vincent FitzPatrick Mike Knowles Judy Oliver Becky Palmer Jeremy Punchard Paul Rice</i>	<i>Sarah Butikofer Barbara McGoun Eric Seward Karen Ward Andreas Yiasimi Pierre Bütikofer Lee Walker</i>	<i>Nick Coppack Simon Hester Georgie Perry- Warnes John Rest Doug Smith</i>
Governance, Risk and Audit Committee (6 seats)	Conservative (3)	Liberal Democrat (2)	Independent (1)
(politically balanced)	Duncan Baker	Virginia Gay	John Rest
	Vincent FitzPatrick	David Young	
	Mike Knowles		
Substitutes			
	<i>Roy Reynolds</i>	<i>Sarah Butikofer Peter Moore</i>	<i>Angie Fitch-Tillett</i>
Licensing & Appeals Committee (15 seats)	Conservative (7)	Liberal Democrat (6)	Independent (2)
(politically balanced) (no substitutes)	Annie Claussen-Reynolds	Pierre Bütikofer	Simon Hester
	Mike Knowles	Pauline Grove-Jones	John Rest

	Roy Reynolds	Marion Millership	
	Paul Rice	Peter Moore	
	Simon Shaw	Vivienne Uprichard	
	Richard Shepherd	Nigel Pearce	
	Barry Smith		
Standards Committee (7 seats)	Conservative (4)	Liberal Democrat (2)	Independent (1)
(politically balanced)	Duncan Baker	Peter Moore	Georgie Perry-Warnes
	Maggie Prior	Brian Hannah	
	Richard Shepherd		
	Robert Stevens		
Substitutes			
	<i>Jenny English Roy Reynolds</i>	<i>Sarah Bütikofer Vivienne Uprichard</i>	<i>Nick Coppack</i>
Joint Staff Consultative Committee (5 seats)	Conservative (2)	Liberal Democrat (2)	Independent (1)
(politically balanced)	Jenny English	Pauline Grove-Jones	Norman Smith
	Tom FitzPatrick	Peter Moore	
Substitutes			
	<i>Judy Oliver</i>		<i>Nick Coppack</i>

Sub Committees, Working Parties and Panels

Planning Policy and Built Heritage (12) *Executive sub-committee	Conservative (5)	Liberal Democrat (5)	Independent (2)
(politically balanced) <i>No substitutes</i>	Sue Arnold	Virginia Gay	Angie Fitch-Tillett
	Maggie Prior	Pauline Grove-Jones	Ann Green
	Jeremy Punchard	Vivienne Uprichard	
	Roy Reynolds	Nigel Pearce	
	Simon Shaw	Sarah Bütikofer	

Member Development Group (6 seats) no substitutes *Executive sub-committee	Conservative (3)	Liberal Democrat (2)	Independent (1)
(politically balanced)	Becky Palmer	Barbara McGoun	Georgie Perry-Warnes
	Jenny English	Marion Millership	
	Maggie Prior		
Council Tax Support Working Party (5 seats) *Executive sub-committee	Conservative (2)	Liberal Democrat (2)	Independent (1)
(politically balanced)	Mike Knowles	Sarah Bütikofer	Angie Fitch-Tillett
	Wyndham Northam	David Young	
Big Society Fund Grants Panel (7 seats) *Executive sub-committee	Conservative (3)	Liberal Democrat (3)	Independent (1)
(politically balanced)	John Lee	Nigel Lloyd	Nick Coppack
	Tom FitzPatrick	Pauline Grove-Jones	
	Jenny English	Saul Penfold	
Substitutes			
	<i>Becky Palmer</i>	<i>Vivienne Uprichard</i>	<i>Georgie Perry-Warnes</i>
	<i>Roy Reynolds</i>	<i>Peter Moore</i>	
	<i>Hilary Cox</i>		
Constitution Working Party (5)	Conservative (2)	Liberal Democrat (2)	Independent (1)
	Hilary Cox	Virginia Gay	Angie Fitch-Tillett
	Judy Oliver	Ann Moore	
Substitutes			
			<i>John Rest</i>

Mrs Perry-Warnes commented that she was standing down from her committees. The Chairman advised that any changes would be dealt with by the Group Leader under delegation.

11. APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND PANELS

RESOLVED

1. To appoint Chairmen and Vice-Chairmen to Committees, sub-committees, working parties and panels for 2018/19 as detailed below
2. To note the appointment of Chairmen and Vice-Chairmen to Executive sub-committees, working parties and Panels for 2018-19 as detailed below.

CHAIRMEN AND VICE-CHAIRMEN OF COMMITTEES

COMMITTEE	CHAIRMAN	VICE-CHAIRMAN
Scrutiny Committee	Karen Ward	Simon Hester
Development Committee	Angie Fitch-Tillett	Vivienne Uprichard
Governance Risk & Audit Committee	John Rest	David Young
Licensing & Appeals Committee	Simon Hester	Pierre Bütikofer
Standards Committee	Peter Moore	Brian Hannah
Joint Staff Consultative Committee	Alternate Members and Staff	

CHAIRMEN AND VICE-CHAIRMEN OF MEMBERS ON WORKING PARTIES, FORUMS AND PANELS (WHERE APPROPRIATE)

WORKING PARTY, FORUM, PANEL	CHAIRMAN	VICE-CHAIRMAN
**Planning Policy and Built Heritage Working Party	Sue Arnold	Jeremy Punchard
**Member Development Group	Becky Palmer	Jenny English
Constitution Working Party	Virginia Gay	Ann Moore
**Council Tax Support Working Party	Wyndham Northam	
**Big Society Grants Fund Panel	John Lee	

*Items marked with ** are Cabinet sub-committees and Chairmen and Vice-Chairmen are appointed by Cabinet.*

12. APPOINTMENT OF MEMBERS TO OUTSIDE BODIES

Mrs S Bütikofer proposed that Mrs V Uprichard was appointed as a substitute to the North Walsham Sports Centre User Forum. As this was an executive appointment, the Leader agreed.

RESOLVED

To note the Executive appointments to Outside Bodies (attached at Appendix A)
To agree the Council appointments to Outside Bodies (Appendix B)

The meeting concluded at 6.45pm

Chairman

COUNCIL
RECORDED VOTE FORM

Agenda item: 7 Election of Chairman – Cllr Coppack

Date: 30th May 2018

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

COUNCIL
RECORDED VOTE FORM

Agenda item: 7 Election of Chairman – Cllr Shaw

Date: 30 May 2018

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

CABINET MEMBERSREPORT TO COUNCIL

27th June 2018

COUNCILLOR JOHN LEE - CABINET MEMBER FOR LEGAL SERVICES & DEMOCRATIC SERVICES

For the period April to June 2018

1 Progress on Portfolio Matters.

Legal Services:

Legal Services continue to perform well against its income target. Due to increasing levels of service demand from clients, the team are currently looking at renegotiating the external contracts to further increase income. This is a further opportunity to expand the breadth and depth of the legal services offered at no cost to the Council.

Deputy Monitoring Officers have been allocated to deal with standards issues in relations to the parishes. This provides resilience in the absence of the Monitoring Officer.

Democratic Services

A new member of staff joined the Democratic Services Team in May. He will take on the role of Scrutiny Officer and has already started to support the new Overview & Scrutiny sub-committees.

Preparation has begun for the Prospective Candidates' event in September 2018. It is hoped that we can build on the success of the last event in 2014 and the Communications Team is working alongside Member Development Group on promotion and marketing.

Work has also begun on looking at IT provision and support for Members ahead of the District elections in May 2019. It is hoped that suitable options will be explored over the coming months, ensuring that Members have the equipment that they need to support them in their roles.

2 Forthcoming Activities and Developments.

Democratic Services:

A committee system has been purchased and installed and training for the Democratic Services team begins in late June. It is anticipated that work will continue throughout the summer and autumn and the live system will be launched later this year.

PORTFOLIO REPORT TO COUNCIL

27 JUNE 2018

COUNCILLOR SUE ARNOLD- CABINET MEMBER FOR PLANNING & HOUSING

For the period April to June 2018

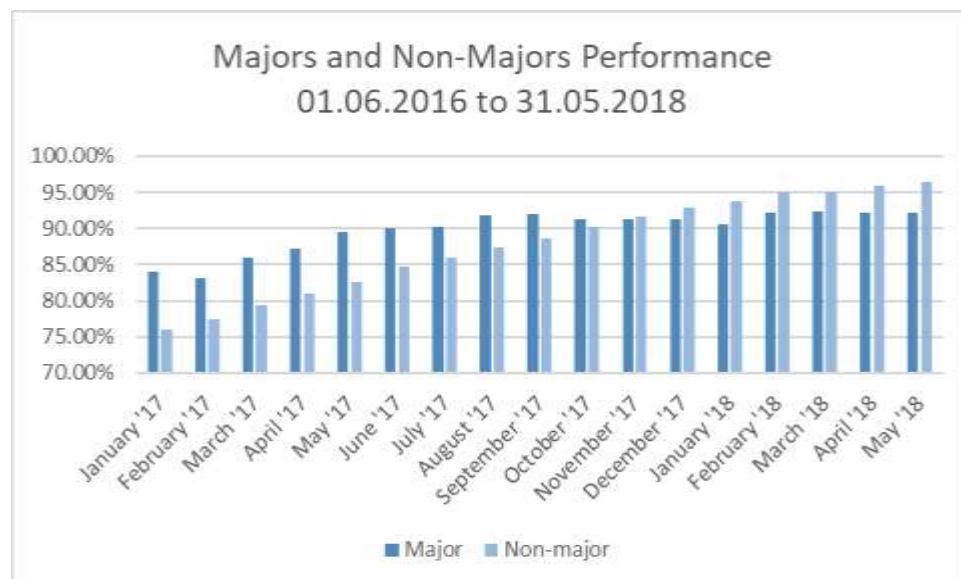
1 Progress on Portfolio Matters.

Following the Head of Planning's departure on 8th June, the department will welcome a new Head of Planning on 23 July. He joins NNDC from Suffolk Coastal and brings with him a lot of experience and knowledge.

Development Management Performance

Our focus remains firmly on exceeding the Government targets for major and non-major applications. Our last figures for majors is 92.19% (Government target is 60%) and for non- major 96.4%(Government target is 70%). Graph below demonstrates the continuous improvement.

Blue - major development, light blue – non major development



Development Management

The Development Management team are looking to progress paperless working over the next few months. The first step will be to move to more

remote working and then to reduce further the information we currently hold on paper files for live applications and move to electronic storage of information.

A large amount of appeal work has come into the department recently and this is having a knock-on effect on resources, at a time when the team is running with a vacant post. There may be a resulting dip in the performance figures reported against planning applications as a result of increased workload but the good news is that our decisions at appeal are being upheld, which shows we are making the right decisions and have robust processes.

Audit Recommendations

The Council has received a satisfactory audit report which sets out that our processes are robust with some minor recommendations which will be actioned. These include fee reconciliation (being progressed by the admin and finance teams), recommending improvements to condition discharge processes and procedures, ensuring that extension of time on applications are secured ahead of any permission going over time and recommendations to ensure S106 procedures are robust. Managers are working through these recommendations to ensure they are delivered as soon as possible.

Local Plan Review and Planning Policy Matters

A consultation on the new National Planning Policy Framework (NPPF) was published in May. When government has considered the responses it is expected to be introduced by September 2018. Its provisions build on the Housing White Paper – ‘Fixing Our Broken Housing Market’ and focus on measures to streamline the Local Plan review process and measures to speed up the delivery of a greater number of homes.

The review of the Local Plan is currently considering the options for future development sites (housing and other land uses) with a view to extensive public consultation on the options available in January next year. Prior to formal public consultation it is proposed to hold a number of events with local Town and Parish Councils to provide details of the up-coming consultation and emerging options.

Members are encouraged to attend the Planning Policy and Built Heritage working group and engage with the process.

Conservation, Design & Landscape

Work on the new Landscape Character Assessment and Landscape Sensitivity Study document is well under way. The project is designed to fit with the new Local Plan timetable for consultation and a report is planned to come before Planning Policy and Built Heritage Working Party in August 2018.

Conservation Area Appraisal work for Blakeney, Cley, Wiveton, Morston and

the wider Glaven Valley is well under way. Public consultations expected late summer.

Offshore wind farms – Orsted Hornsea Project Three & Vattenfall Vanguard .

Development Consent Order applications have now been submitted for these two separate projects.. The Council is in the process of preparing ‘Relevant Representations’ which are a summary of the Council’s comments on each proposal which will inform a Pre-Examination Inquiry). Timescales for making relevant representations are very tight.

Enforcement Appeals

The teams are dealing with more work in relation to Enforcement Appeals. Most notably the decision to enforce against the unlawful operations at Beeches Farm Tunstead has been appealed by the land owner and will be debated at a Public Inquiry in September 2018. In addition to this, there are six related written representation appeals from individual tenants. We have also recently had two enforcement notices upheld with minor amendments made by the Inspectorate at Aitken House, North Walsham and Dildash House, Great Snoring. The team is reviewing these decisions for any learning opportunities.

Building Control

Annual Figures for 2017/18 show that over 98% of Building Regulation Applications were registered and validated within 3 working days, and over 96% of applications had the first response to the agent within 18 working days. This has been a great achievement by the team, the targets (of 95% for both) were introduced in last year’s round of appraisal targets and the team has worked well to achieve these.

2017/18 Fee income remained good with continued self-financing achieved for the fee earning elements of the service. Application numbers remain high with just under 1000 applications received. The team has also increased its number of Partner architects and now runs at 24 (we had 12 in 2014) and enquiries are being received regularly from other agents interested in working with us under the Partner scheme in the future.

The Hackitt Review has now been published with lots of recommendations in a number of areas, but it highlights the possible lowering of standards where competition for enforcement allows a developer to choose the Building Control Service to oversee a project and has recommended that High Risk buildings should only be dealt with by an independent Local Authority body. It remains to be seen if this goes through as no doubt a lot of Approved Inspectors will not be happy with this outcome. The Building Control Manager and Principal Building Control Surveyor will be attending a conference in Birmingham on the 18 June to get an update from LABC and continue to monitor the situation.

Property Information

The Land and Property Team have won a Gold Achievement Award for the quality of data we hold in the Local Land and Property Gazetteer.

Community Housing Team

The Community Housing Team continue to engage with parishes within the target area for the Community Housing Fund, with 9 parish council meetings attended in the period 1 May to 26 June to discuss the opportunities which community led housing can provide and one community consultation event held. It is expected that Government will shortly announce details of future funding from the Community Housing Fund. Holt Housing Society have completed on the purchase of all four homes they have purchased with grant funding from the Community Housing Fund. Homes for Wells have also completed on the purchase of a bungalow in Stiffkey which will be let as soon as renovation works are completed.

In the period from 1 April 2018 to 26 June 2018, 23 affordable homes have been completed of which five are for sale on a shared ownership basis and the remaining 18 are for rent.

In May, the Integrated Housing Adaptations Team approved 16 grants totalling £124,859.71 and completed 18 grants. For the period 1 April to 31 May, a total of 33 grants were completed and 23 new grants were approved.

2 Forthcoming Activities and Developments.

Across the whole department the project upgrade to the back office system has commenced. This project will involve a significant amount of time to cleanse our existing data, set up the new system and transfer all our records over. Planning and IT are working closely with the software provider Idox to ensure this project runs as smoothly as it can. The projected end date is currently February 2019. Again, this will take resource out of the existing teams so will also potentially affect our performance figures.

The Development Management, Majors and Policy teams are out to recruitment at present for 3 Senior Planning Officer posts. Previous rounds of recruitment have been unsuccessful and managers are considering alternative options in conjunction with HR.

NNDC have again had 2 projects short listed for the Eastern Region LABC Awards, with the Conversion of Ebridge Mill near North Walsham and the Partnership between SMG Architects and the NNDC Building Control Service being nominated. The event is being held on 29 June at Kings College Cambridge, so we are hoping for some more success here.

3 Meetings attended

Development Committee meetings

Portfolio Holder meetings

Planning Policy and Built Heritage working Party

Appointed Cabinet Member to Vattenfall Sub-Group - first meeting April 2018

PORTFOLIO REPORT TO COUNCIL

27 June 2018

COUNCILLOR PALMER - CABINET MEMBER FOR LEISURE, CULTURE, HEALTH AND CUSTOMER SERVICES

For the period May to June 2018

1 Progress on Portfolio Matters.

Sports and Leisure Facilities

The Council's sports and leisure facilities have had a good start to the financial year. The monthly throughput for April was 46,543 which is on a par with the same point in 2017.

Dual Use Sports Centres

The sports centres organised a variety of half term activities that were all successful. The attendance was as follows:

Cromer - 57% capacity

North Walsham - 76% capacity

Stalham - 56% capacity

Parkrun

The Sheringham parkrun continues to grow with participants' numbers still on the increase. It is a fine example of a community event set up by the Council that operates through volunteers making it sustainable.

There are now a total of 2,306 registered runners averaging 132.3 participants each week. There has been a total of 291 events, with 6,930 individual runners from 658 clubs taking part in 38,512 runs covering 192,560km.

Pier Pavilion Theatre

Figures for the Pier Pavilion Theatre continue to be positive:

Summer 0.06% down on the same time last year

Christmas 0.1% up on the same time last year

Concerts 11% up on the same time last year

Hire 4% up on the same time last year

Given the successful filming of the BBC Antiques Roadshow in May, it is likely that once the anticipated two shows are aired in the summer and autumn this will boost bookings figures and visitors to Cromer and the Pier.

Countryside

A 'Doggy Day Out' dog show was organised at Pretty Corner Woods during the Whitsun half term week activities. The event was a massive success, with 73 dogs being entered and over 200 people attending. The event received some great feedback and excellent media coverage.

Health & Wellbeing

On 4 June, two new Living Well Officers - Social Prescribing and one new Living Well Officer – Health, started working for the council. These new officers will work with residents across North Norfolk to help improve health and wellbeing. A briefing on the role of these officers and the new Social Isolation and Loneliness Service was held for members before Full Council.

Culture

On 7 June, 11 charities and local organisations attended workshops to discuss the new prospectus for Arts and Culture grants and the new prospectus for Community Transport grants. Early indications suggest that applications will be received from a number of organisations which have not previously applied to the Council for grants. These workshops built upon previous publicity in relation to the new prospectuses to ensure that as many eligible organisations are aware of the availability of grant funding.

2 Forthcoming Activities and Developments.

The Council, in collaboration with Orchestra Live, will stage a concert by the Orchestra of the Age of enlightenment in St Nicholas Church, North Walsham on 1 July as part of the Paston Footprints celebration. This will feature a specially commissioned piece by composer Sarah Rodgers. All members are invited to attend and tickets are also available from the North Norfolk Information Centre in Cromer, from the Community Shop in North Walsham and on the Council's website.

PORTFOLIO REPORT TO COUNCIL

27 June 2018

COUNCILLOR PALMER - CUSTOMER SERVICES

For the period March to June 2018

1 Progress on Portfolio Matters.

The Postal and Scanning team:

Following the extensive remodelling of the post and scanning team area the team have returned to a fresh bright office environment enabling them to feel more cohesive and to offer a number of service improvements.

Customer Services:

The online facility to purchase car park permits has been live for just over a year and applications made this way are already more than double those purchased over the telephone. We continue to raise awareness of our online capabilities with our face to face customers. The breakdown of transactions for April and May is shown below;

April

Face to face 62.7%

Online 24.1%

Telephone 12.9%

Post 0.3%

May

Face to face 60.6%

Online 26.7%

Telephone 11.5%

Post 0.2%

Web Chat facility went live in February 2018 initially via the Council 'Contact Us' page on the website to allow this new contact channel to be imbedded within the Customer Services Team. There are plans to expand web chat facilities into other service areas such as Council Tax and Housing Benefits.

Customer Contacts managed within Customer Services so far for 2018/19

Face to face 27.84% - (5345 contacts)

Telephone 67.66% - (12990 contacts)

Online Forms 2.85% - (548 contacts)

Web Chat 1.65% - (316 contacts)

The above figures have been collated from the reporting functionality of C3.

2 Forthcoming Activities and Developments.
<p>The Electoral canvass starts around 2nd July with 55,000 household enquiry forms being sent out to our customers. This process will be supported by the Customer Services team taking calls and dealing with face to face enquiries and the Post & Scanning team who will open and scan the household enquiry forms and the Invitation to register forms onto the system. This will have a high impact on the workload of both teams throughout July and August.</p> <p>Further development into C3's functionality is being explored, specifically looking at its capabilities to manage contacts received via Social Media.</p> <p>Garden Bin renewal letters – approx. 20,000 letters will be posted out over an eight week period. Customers are being encouraged to renew via our new online Direct Debit facility, however it is anticipated there will still be a significant volume of customers who choose to make payment directly with the council. Environmental Services and Customer Services will jointly manage the renewal process.</p> <p>It is proposed that from September 2018 customers seeking to notify the council of Move In/Out details for council tax purposes should be taken by Customer Services. This process is being enabled by a new online customer web form and also a Customer Services version to enable staff to assist customers who cannot or do not wish to report via online channels.</p>
3 Meetings attended (as part of Portfolio responsibilities)

PORTFOLIO REPORT TO COUNCIL

27 June 2018

COUNCILLOR RICHARD PRICE - CABINET MEMBER FOR PROPERTY & ASSET COMMERCIALISATION

For the period April to June 2018

1 Progress on Portfolio Matters.

Grove Lane, Holt – Cabinet were provided with a report relating to this asset at the April meeting outlining the proposals to retain this asset and lease it on a commercial basis to an established business.

Highfield Road car park, Fakenham – Works to resurface this car park and introduce charges will commence from September 2018. The works contract is currently out to tender.

Car Parks - The Council has now installed a new 'cashless' payments system across the Council's car parks. This allows our customers to pay for their parking via a smartphone app (or via the phone or website). Early signs are that it is proving very popular, and will indeed be a welcome addition to payment options in the busier holiday months.

Asset Management Reserve – there was just under £860k in the Council's Asset Management Reserve as at 31 April 2018 which is available to support asset improvements, repairs and maintenance etc.

Gypsy and Traveller Transit Sites – the Council leases and operates sites at Fakenham and Cromer. A paper detailing future lease opportunities was considered by Cabinet on 11 June 2018 and officers were instructed to enter into new lease agreements at the end of the current agreements.

North Walsham Station Car Park – a report is due to come forward to the Cabinet meeting on 9 July to seek agreement for the Council to purchase and operate this car park.

Proposed investment by J D Wetherspoon in North Walsham –

A detailed update of the current position in respect of this property was provided as part of my last update to Full Council.

I have written personally to the senior acquisitions and disposals surveyor at Wetherspoon asking for clarity as to the company's timescales for the production of a detailed project plan and will update further once I have

received a response.

Splash and the Cromer Sports Hub – following agreement of the capital budgets for these two schemes design work is continuing with the Members Board meeting on a monthly basis to provide oversight of these two significant schemes. An update was also provided by the Corporate Director and Joint Head of Paid Service (Nick Baker) prior to last month's Full Council meeting.

2 Forthcoming Activities and Developments.

Vacant Buildings – Officers are seeking to bring back into use a number of vacant buildings and surplus land assets. These could be used to provide concessions or further beach hut space along the prom. This includes the former public toilets at the Melbourne Slope that are no longer required.

Condition Surveys – Officers are seeking to procure a company to undertake condition surveys on key assets so that the Council can fully understand the future maintenance liabilities of these assets by developing a five year planned maintenance programme. The specification for these works is currently being developed and the contract should be let in the autumn of 2018.

3 Meetings attended (as part of Portfolio responsibilities)

Nothing further to report.

PORTFOLIO REPORT TO COUNCIL

27 June 2018

COUNCILLOR HILARY COX - CABINET MEMBER FOR ENVIRONMENT AND COAST

For the period March to June 2018

1 Progress on Portfolio Matters.

General

The Business Process Review (BPR) project continues to make good progress. The current build cycle, around the Garden Waste Service renewal letters, has been subject to some delays but these now have been resolved and renewal letters will be sent out shortly. The renewal process has been made much easier for customers with an option to pay via direct debit being introduced and so it was important that, with the volume of customers involved, the system worked flawlessly.

Other BPR activity is being delivered through the implementation of the Environmental Health IT system. The Licensing Team is now issuing licenses through the system and further functionality around applications being made online is in development. Work on a number of other service areas, including HMO inspections and abandoned vehicles, is being progressed.

A number of members of staff from across Environmental Health supported the Antiques Roadshow event on Cromer Pier, both in planning for and delivering the event in conjunction with the BBC.

Civil Contingencies

The NNDC Emergency Response Plan and the NNDC Corporate Business Continuity Plan and Policy have been reviewed and republished.

The final de-brief from the Severe weather in late Feb early March (Storm Emma) was reported into the last RMB meeting.

A number of planned public events have been through the Safety Advisory Group, working closely with agencies to ensure these are delivered safely for the public who attend.

The grab bag directory, used by officers on out of hours duty, has been updated and training has been provided to those officers on the changes.

Combined Enforcement

Work has been undertaken to review the properties on the long term empty

(LTE) property list. Over 460 LTE properties were visited over a three-week period to check the information was accurate and to assess the property around the impact it had on the community. These inspections led to 90 properties being taken out of the list due to changes that Council Tax had not been advised of.

Commercial

The end of year returns for the Food Standards Agency have been completed and submitted.

The team were involved in the investigation and sampling relating to the deaths of dogs due to consumption of, and contamination of marine organisms by, biotoxins in conjunction with CEFAS, IFCA, and the FSA.

Environmental Protection

A Closure Order was obtained for a property in Barford Road, Sheringham where continued noise nuisance was being caused by the tenant. The Closure Order prevents the tenant occupying the property for three months.

The team successfully prosecuted a tenant committing ASB in Wells next the Sea which led to victim compensation and the Council's costs being awarded.

Issued a caution to a property in Cromer regarding burning of furniture.

The team worked to control a population of Brown Tailed Caterpillars on Cromer promenade and coastal slope. The caterpillars can cause significant irritation if touched.

The Public Space Protection Orders (PSPO) which introduces the seasonal restrictions dogs on beaches and dog on leads, has been successfully implemented and associated signage put up.

The Bagot goats have been reintroduced to Cromer Cliff, the profile of the herd has been changed to nannies and their kids which is proving popular with visitors.

Environmental Services

The procurement of the new Waste and Related Services Contract, in conjunction with Breckland Council and the Borough Council of Kings Lynn and West Norfolk, is progressing to timescale.

To support this work, a number of pieces of review are being undertaken:

- The team have written to Business Rated properties who were receiving a domestic collection service; around 120 of these have now taken trade waste contracts with the Council. Those who did not respond will be visited by officers.
- Written to Mobile Food Caterers about their duty of care compliance
- Letters have been sent to 4500 assisted collection customers to check this is still appropriate: over 800 customers have cancelled their collections as no longer required. Officers will visit those who have not responded to complete the review.

The team have issued over 1800 annual invoices to our Trade Waste customers.

The Community Fridge in Fakenham has been the most successful in Norfolk. A further six big belly bins have been installed; three in Sheringham, two in Cromer and one in Mundesley.

Public Protection

An Officer has served an improvement notice at an Indian restaurant for health and safety failings related to the use of a Tandoori oven.

The team took a prosecution against The Victoria Inn, Holkham for breaches of Health and Safety which resulted in the serious scalding of a guest. The Victoria Inn pleaded guilty to two offences and were fined £50k and ordered to pay the Councils full costs.

The taxi fare review and consultation has been completed and the requisite notices to enable these to be introduced will go in the press shortly.

2 Forthcoming Activities and Developments.

Planning for this September's Greenbuild event is well underway and will take place at Felbrigg in the meadow rather than the usual carpark area.

Ongoing programme for the introduction of PSPO's during 2018.

Procurement going out for stray dog kennelling contract in the near future.

3 Meetings attended (as part of Portfolio responsibilities)

Norfolk Waste Partnership Board

NNDC Joint Waste Contract Procurement Officer/Member Board

CABINET MEMBERS REPORT TO COUNCIL

27th June 2018

COUNCILLOR HILARY COX - COAST

For the period April to June 2018

1 Progress on Portfolio Matters.

Bacton to Walcott Coastal Management Scheme – Sandscaping

- Local Liaison Group has met for a first meeting and a knowledge development visit attended by representatives to a beach nourishment scheme in Lincolnshire
- Environmental Impact Assessment is near completion and awaiting final decision regarding Bacton Terminal Surface Water Outfalls before finalisation
- Assessment of sediment size completed and it is likely that the envelop of grain size for placement will be broadened to include sand of D50 from between 0.35mm to 1.2mm. Increased grain sizes may improve robustness and also assist with mitigating the risk of windblown sand
- Outline Business Case for Environment Agency Grant presented and response provided to actions identified
- Expression of Interest for the main works contract published via the Environment Agency WEM framework
- Work is progressing in anticipation of submitting applications for a Marine Licence and Planning Consent
- Earliest and target implementation most likely to be spring 2019
- Public information panels in development to assist with awareness raising locally and for visitors.
- Experience with the Dutch Sandmotor shows that in the 12 months following construction, the shape of the sediment placements will change, this is expected. With a new 'dry beach' above mean high water, there is a risk of windblown sand, particularly in the first 18 months. This will need to be monitored and managed appropriately.

Further update information available at <http://www2.north-norfolk.gov.uk/minutes/Cabinet/11%20Jun%202018/Cabinet%20Agenda%2011%20June%202018%20-%20PUBLIC%20VERSION.pdf>

Mundesley Coastal Management Scheme

- Anglian water had agreed (subject to formal written approval) a contribution of £250,000 towards the scheme.

Maintenance/Revenue Schemes

- Walcott Flood Alleviation extended scheme (NCC and NNDC) has been tendered for the NNDC aspect of the work.
- The Happisburgh ramp was recut prior to the Whitsun holiday to enable beach access for residents and visitors. This was completed in the knowledge

of the risk of it again being damaged by the sea due to the ongoing low beach levels. The ramp has been adjusted and recut since Whitsun. An application for a long term marine licence and planning consent have been submitted to enable more timely movement of rock armour (which protects the ramp). The consents are more complex due to the historic interest in the locality, however through discussion with the Norfolk Historic Environment Service an appropriate method has been developed.

- Marine License applications for works below mean high water have been submitted and have now been consulted upon.
- Refurbishment of Beach Road Sheringham Ramp completed.
- East Runton ramp extension tendered.

PORTFOLIO REPORT TO COUNCIL

27 June 2018

COUNCILLOR NIGEL DIXON - CABINET MEMBER FOR ECONOMIC DEVELOPMENT

For the period March to June 2018

1 Progress on Portfolio Matters.

Business Support

The Economic Growth Team proactively works with the business community; providing support for business growth plans and helping to overcome any barriers to growth. In the 2017/18 financial year, the team engaged **542** business via business events and has had 'meaningful' engagement with a further **223** businesses. Typically, this might include support for businesses in respect of planned projects (e.g. sites/premises/extensions), assisting with recruitment needs (including apprenticeships, skills need etc), supporting new start-ups and site visits with our larger employers.

The team actively promotes the take-up of grant funding, which historically has been low in the District. However, the team is now actively managing a 'pipeline' of business funding applications. Particular focus is being placed on the LEADER rural support grant. This financial year has seen a total of **£525,778** grants to support projects within the District.

Scottow Enterprise Park

The Scottow Enterprise Park (SEP) was one of 10 new locations in Norfolk and Suffolk designated as an Enterprise Zone. Collectively themed under the "Space to Innovate" banner, the Enterprise Zone status means that businesses choosing to locate there can benefit from a wide range of benefits including a business rate discount of up to £275,000 over five years, simplified planning and access to Superfast broadband.

NNDC has worked collaboratively with Norfolk County Council colleagues and the SEP team to promote opportunities at the site. It has recently reached a landmark **95%** occupancy level.

Key statistics:

- **390,000** sq ft of lettable space
- **114** businesses in tenancy
- **465** people employed on site
- **26** new start-ups

Further lettable space (predominantly offices) is to be delivered within the next 9-12

months. It anticipated that new build development will be proposed within the next 18-24 months to support further growth on the site.

Deep History Coast

Design work is underway for the installation of the 'discovery points' at significant locations along the coast and a marketing strategy is about to be commissioned. The initial launch of the 'Discovery Trail' is anticipated for October this year.

Tourism

The Council has sponsored Visit North Norfolk's latest marketing campaign, '*North Norfolk, Naturally*',. This will run for eleven months from June 2018 and features ten new thirty second films focussing on the unique aspects of north Norfolk. The films can be seen on www.visitnorthnorfolk.com

2 Forthcoming Activities and Developments.

North Norfolk Skills & Careers Festival

The North Norfolk Skills and Careers Festival is being held at Paston College in North Walsham on Tuesday 10th July from 9.30am to 3.30pm.

The event, supported by NNDC, gives employers the opportunity to promote their future careers and job requirements to approximately 1000 North Norfolk secondary school and college students throughout the day.

Any business with their main offices located within the North Norfolk district can exhibit at the event free of charge (courtesy of funding from North Norfolk District Council).

There are still exhibition spaces available. Interested business should visit the Festival website (<https://norfolkskills.co.uk/> and either complete the booking online or download a booking form. Alternatively contact 01603 773436 or e-mail newmedia@ccn.ac.uk

Bid Writing Workshops

On **13 June, 11 July, 5 September, 3 October** NNDC will be delivering further workshops for businesses and community groups who require practical guidance on writing grants and funding applications. These popular workshops provide tips, tools and techniques to support bids and help to identify which organisations applicants might apply to.

To book a place on this workshop participants should **email** grants@north-norfolk.gov.uk or **call 01263 516009**

Coffee Means Business

Commissioned by NNDC, Coffee Means Business is a monthly networking event hosted by Genix. These events, held at various venues across the District, provide the opportunity for local business to meet like-minded people, hear interesting presentations and learn more about local business support activities.

Following the event is on 19 June at the Prince of Wales Stadium, Fakenham Racecourse, the next event is on **17th July (9:30 – 11:30)** at the **Scarborough Hill Hotel** . Details at: www.genix.org.uk or call **0800 096 3013**.

3 Meetings attended (as part of Portfolio responsibilities)

PORTFOLIO REPORT TO COUNCIL

27 June 2018

COUNCILLOR WYNDHAM NORTHAM - CABINET MEMBER FOR FINANCE, REVENUES & BENEFITS

For the period April to June 2018

1 Progress on Portfolio Matters.

Fair Funding review – The Fair Funding review is ongoing and will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best available evidence. Central government are considering a wide range of options for developing an updated funding formula by looking again at the factors that drive costs for local authorities. Officers will continue to monitor the developments in this area and will respond to any consultation requests as required. The new funding allocation for NNDC is expected at the time the Provisional Local Government Finance Settlement is published in December 2019.

Outturn report 2017/18 – The outturn report for the 2017/18 financial year forms part of this agenda to Full Council, having been considered by Cabinet on 11 June and then by Overview and Scrutiny on 20 June. This is showing an underspend of £994,259 for the 2017/18 financial year. This report is supported by the review of the Treasury Management position for the year.

Final accounts 2017/18 – The finance team successfully completed the draft accounts by the new deadline of the end of May which is a month earlier than last year. The draft accounts now need to be audited and approved by the end of July which is 2 months earlier than last year. Authority for the sign off process (now to be undertaken by the Governance, Risk and Audit Committee) was agreed by Full Council earlier this year to help speed up this process and enable these new deadlines to be achieved.

Council tax and business rates collection performance - The annual revenues return has recently been completed and sent to the Ministry of Housing, Communities and Local Government (MHCLG) to confirm our 2017/18 collection figures at the end of March 2018 as shown below:-

- Council Tax collection was 98.74% and;
- Non-Domestic (Business) Rates collection was 99.40%

The headline is that collection targets for both Council Tax and Non-Domestic (Business) Rates have exceeded target again which is fantastic news.

1. 2017/18 Council Tax Target of 98.5% was achieved by reaching 98.74%. This is the highest Council Tax % collected for over 10 years. This also includes an increase in net collectable debit of nearly £4m since last year. The council tax net collectable debit increased to £65.8m whereas in 2016/17 it was 61.9m.

2. 2017/18 Non-Domestic (Business) Rates Target of 99.2% was achieved by reaching 99.4%. This is the highest Non-Domestic (Business) Rates % collected for 10 years and is the joint highest % ever collected by NNDC.

2 Forthcoming Activities and Developments.

Medium Term Financial Strategy (MTFS) – The MTFS will be presented to Members later in the autumn and will consider the financial challenges facing the Council over the next 4 years. This work will be used to inform the budget preparation for 2019/20.

Fair Funding review - the Council will continue to engage in any developments and further consultation that comes forward in respect of this very important area.

Localisation of Business Rates – as above the Council will continue to engage in any consultation regarding this area. The Ministry of Housing, Communities and Local Government (MHCLG) are currently seeking views around the appeals process in relation to revaluations and the Council will be feeding in to this debate. As you will no doubt be aware the current proposals are now for 75% localisation rather than the 100% that was originally proposed.

Business Rates Pilot 2019/20 – as you will be aware the Council was not successful with its joint countywide application for inclusion as part of the business rates pilots for 2018/19. However we understand that there is to be a further round of pilots for 2019/20 so there will be a further opportunity to submit another application for the next financial year subject to agreement by Members and County/District colleagues.

Budget training – the finance team are looking to schedule in some training sessions for Members on the budget process during September and will be consulting on specific areas to be covered.

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

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

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

Reasons for

Recommendations:

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

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

<i>Budget Monitoring Reports, NNDR returns</i>
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Cabinet Member(s): Cllr Wyndham Northam	Ward(s) affected All
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Contact Officer, telephone number and email: Duncan Ellis, 01263 516330, Duncan.Ellis@north-norfolk.gov.uk

1. Introduction

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

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

2. Revenue Account – Outturn 2017/18

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

Estimates Included in the Accounts

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

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

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

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

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

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

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

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

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

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

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

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

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

3. Revenue Account – Detailed Commentary 2017/18

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

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

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

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

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

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

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

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

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

Non Service Expenditure and Income

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

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

Retained Business Rate Income

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

4. Reserves

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

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

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

5. Summary – Revenue Account 2017/18

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

6. Capital Programme 2017/18

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

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

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

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

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

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

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

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

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

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

6 Capital Programme – 2018/19 Update

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 Financial Implications and Risks

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

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

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

General Fund Summary Outturn 2017/18

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

Service Area Summaries 2017/18

Corporate Leadership Team / Corporate

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

Service Area Summaries 2017/18 - Outturn

Corporate Leadership Team / Corporate

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

Service Area Summaries 2017/18

Community and Economic Development & Leisure

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

Service Area Summaries 2017/18 - Outturn

Community and Economic Development & Leisure

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

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

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

Woodlands Management

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

Cromer Pier

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

Beach Huts & Chalets

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

Economic Growth

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

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

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

Service Area Summaries 2017/18

Customer Services & ICT

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

Service Area Summaries 2017/18 - Outturn

Customer Services & ICT

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

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

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

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

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

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

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

Tic'S

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

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

Homelessness

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

Customer Services Housing

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

Digital Transformation

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

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

Service Area Summaries 2017/18

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

Service Area Summaries 2017/18 - Outturn

Environmental Health

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

Service Area Summaries 2017/18 - Outturn

Environmental Health

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

Service Area Summaries 2017/18 - Outturn

Environmental Health

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

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

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

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

Cleansing

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

Environmental Strategy

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

Community Safety

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

Civil Contingencies

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

Total Environmental Health	3,959,001	3,659,448	(299,553)	
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Service Area Summaries 2017/18

Finance & Assets

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

Service Area Summaries 2017/18 - Outturn

Finance & Assets

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

Service Area Summaries 2017/18 - Outturn

Finance & Assets

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

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

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

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

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

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

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

Service Area Summaries 2017/18 - Outturn

Finance & Assets

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

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

Service Area Summaries 2017/18 - Outturn

Finance & Assets

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

Service Area Summaries 2017/18

Legal & Democratic Services

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

Service Area Summaries 2017/18 - Outturn

Legal & Democratic Services

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

Service Area Summaries 2017/18

Planning

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

Service Area Summaries 2017/18 - Outturn

Planning

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

Service Area Summaries 2017/18 - Outturn

Planning

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

Reserves Statement Outturn 2017/18

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

Reserves Statement Outturn 2017/18

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

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

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

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

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

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

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

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

Prudential Indicator Outturn 2017/18

1. Background:

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

2. Capital Expenditure:

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

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

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

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

3. Capital Financing Requirement:

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

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

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

4. Authorised Limit and Operational Boundary for External Debt:

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

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

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

5. Ratio of Financing Costs to Net Revenue Stream:

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

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

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

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

6. Incremental Impact of Capital Investment Decisions:

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

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

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

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

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

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

Treasury Management Annual Report 2017/18

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

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

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

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

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

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

1. Introduction

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

2. Context

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

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

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

3. Long Term Borrowing

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

4. Investment Activity

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

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

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

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

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

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

5. Credit Risk

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

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

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

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

6. Regulatory Update

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

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

7. Budgeted Income and Outturn

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

8. Compliance with Prudential Indicators

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

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

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

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

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

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

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

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

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

	Target	Actual
Portfolio average credit score	6.0	2.52

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

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

9. Financial Implications and Risks

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

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

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

Debt Recovery 2017-18

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

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

Recommendations:

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

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

1 Introduction

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

2. Background

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

3. Performance

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

Table 1

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

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

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

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

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

Table 2

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

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

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

Table 3

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

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

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

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

Table 4

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

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

Table 5

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

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

4. Write-Offs

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

Table 6

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

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

Table 7

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

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

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

5. Implications and Risks

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

6. Financial Implications and Risks

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

7. Sustainability

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

8. Equality & Diversity

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

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

9. Section 17 Crime and Disorder considerations

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

Review of Polling Districts, Polling Places and Polling Stations 2018

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

Options considered:

Conclusions:

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

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

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

1. Introduction

1.1 The Representation of the People Act 1983 places a duty on the Council to divide the District into polling districts and to designate polling places for each polling district. The Council also has a duty to keep those arrangements under review.

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

2. How the review is conducted

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

3. Changes to electoral boundaries

- 3.1 The Local Government Boundary Commission for England (LGBCE) recently undertook a review of North Norfolk District Council's warding arrangements, with the resulting changes due to take effect from May 2019. As the review of polling districts, places and stations is to be carried out before the new District ward boundaries are fully in force, it will need to be based on the current electoral boundaries, but should also take any new boundaries that are not yet in force into account to avoid having to review the polling districts and polling places again once the new boundaries are fully in force.

- 3.2 Until the new boundaries are fully in force, the electoral register will need to be constructed in a way that is capable of reflecting the current and the new boundaries. This can be achieved by making any parts of existing electoral areas that will be split when the new boundaries come into effect into separate polling districts.
- 3.3 For the same reasons where, as a result of a review of one set of electoral boundaries, the boundaries for different elections are no longer co-terminous, those areas that are no longer co-terminous could be also be made into separate polling districts.

4. Role and Responsibilities

4.1 The local authority

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

4.2 The Electoral Registration Officer (ERO)

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

4.3 The (Acting) Returning Officer (ARO)

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

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

4.4 The Electoral Commission

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

5. Formal review process

When carrying out the review, the Council must:

- publish a notice of holding of a review.
- consult the (Acting) Returning Officer for every parliamentary constituency which is wholly or partly in its area.
- publish all representations made by an (Acting) Returning Officer within 30 days of receipt by posting a copy of them at the local authority's office and in at least one conspicuous place in their area and by placing a copy on the authority's website.
- seek representations from such persons as it thinks have particular expertise in relation to access to premises or facilities for persons who have different forms of disability. Such persons must have an opportunity to make representations and to comment on the representations made by the (Acting) Returning Officer.
- on completion of a review, give reasons for its decisions and publish:
 - all correspondence sent to an (Acting) Returning Officer in connection with the review.
 - all correspondence sent to any person whom the authority thinks has particular expertise in relation to access to premises or facilities for persons who have different forms of disability.
 - all representations made by any person in connection with the review.
 - the minutes of any meeting held by the Council to consider any revision to the designation of polling districts or polling places within its area as a result of the review.
 - details of the designation of polling districts and polling places within the local authority area as a result of the review.
 - details of the places where the results of the review have been published.

6. Glossary of terms

6.1 Polling District

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

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

6.2 Polling Place

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

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

6.3 Polling Station

A polling station is the room or area within the polling place where voting takes place. Unlike polling districts and polling places which are fixed by the local authority, polling stations are chosen by the relevant Returning Officer for the election.

7. Recommended Timetable

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

8. Implications and Risks

None

9. Financial Implications and Risks

None

10. Sustainability

None

11. Equality and Diversity

- 11.1 Local authorities have a duty to review the accessibility of all polling places to disabled voters and ensure that every polling place, and prospective polling

place, for which it is responsible is accessible to disabled voters so far as is reasonable and practicable.

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

12. Section 17 Crime and Disorder considerations

None

Overview and Scrutiny Annual Review 2017 – 2018

Chairman's Introduction



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

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

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

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

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

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

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



Councillor Karen Ward

1. What is Scrutiny?

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

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

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

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

2. Who gets involved in Scrutiny?

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

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

3. Overview and Scrutiny Training

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

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

4. Overview and Scrutiny Activities

Scrutiny activities include:

- a) Scrutiny of Decisions made by Cabinet – Call-ins. The Overview and Scrutiny Committee can “call in” a decision which has been made by the Cabinet but not yet implemented. This enables the Committee to consider if the decision is appropriate and it may recommend that the Cabinet reconsiders the decision.
- b) Commenting on Budget Proposals – Budget Monitoring and Draft Budget reports are cyclical items on the Overview and Scrutiny Committee Work Programme.
- c) Pre - Scrutiny:
 - Commenting on and making input into Corporate Priorities.
 - Contributing to the Development of Draft Policies.
 - Looking at key agenda items before they go to Cabinet.

Pre – Scrutiny enables greater co-ordination between the Cabinet and Scrutiny work programmes, ensuring Overview and Scrutiny Committee input into key agenda items, thus reducing the likelihood of Call–ins.
- d) Performance Monitoring – this is a regular cyclical item on the work programme. Performance Monitoring reports are a useful tool in highlighting areas which may require further investigation. They are equally important for showing areas of the Council’s work which are going particularly well!

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

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

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

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

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

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

a) Review work

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

b) Pre-scrutiny

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

c) Budget Monitoring

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

d) Call-in

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

e) Petitions

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

f) Matters raised by members

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

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

5. Successes and challenges

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

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

Challenges for 2018/19 include:

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

6. Members of the Committee 2017 – 2018

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

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

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

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

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

Request form to raise an item for Scrutiny Review

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

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

Name:

Address:

Daytime Tel No

Email:

Signature

Date

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

COUNCIL TAX SUPPORT WORKING PARTY

Minutes of a meeting of the Council Tax Support Working Party held on 01 June 2018 in meeting room 3, Council Offices, Holt Road, Cromer at 10.00am

Working Party: Mr W Northam, Mrs A Fitch-Tillett, Mr M Knowles and Mr D Young.

Officers in Attendance: The Head of Finance & Assets, the Benefits Manager, the Democratic Services Manager, and the Democratic Services Officer

Substitutes: Mrs A Moore for Mrs S Butikofer.

1 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies from Mrs S Bütikofer, Mrs A Moore was substituting.

2 DECLARATIONS OF INTEREST

None

3 MINUTES

The minutes of the meeting held on 08 May 2017 were agreed and signed by the Chairman.

4 COUNCIL TAX SUPPORT - REVIEW OF 2019/20 SCHEME

The Chairman began by asking whether any members in attendance had any comments regarding the review of the 2019/20 Council Tax Support scheme. In response, Cllr D Young noted that support continued to be provided to those in need, and that their outgoings had risen in line with non-claimants, whilst the introduction of Universal Credit had caused considerable angst. He also noted that any reduction in the discount would fall disproportionately and hit the poorest hardest. He went onto say that lowering the maximum awarded amount of CTS from 91.5% to 85% would result in an increase in payments for 76.4% of claimants. In summary Cllr D Young said that he believed that there would be no great financial benefit for the Council if the CTS discount rate were to be lowered, and hence any change would not be worthwhile pursuing.

Cllr A Moore agreed with Cllr Young's comments and said that any money saved by lowering the CTS discount would be negligible in relation to the predicted budget deficits expected in the coming years. She also added that if discounts were lowered it would likely result in lower collection rates and there would be substantial costs related in relation to IT and other support systems if a banding system was introduced. As a result she said that she felt that it would not be necessary to consider any changes to CTS until the existing IT contracts were due for renewal.

Cllr A Fitch-Tillett noted that concerns regarding the introduction of Universal Credit were justified on the basis that it had caused problems for Gt. Yarmouth Borough Council. The Benefits Manager responded by saying that she had recently attended

a Universal Credit meeting in Basildon along with other local authorities currently in the process of introducing Universal Credit, The introduction of Universal Credit to NNDC in October was still expected to cause problems. 'Managed migration' would start in 2019 but the DWP were still unsure at this point how the transfer to Universal Credit would take place, though they had made some improvements to the service. It was also noted that due to their earlier introduction of Universal Credit, Gt. Yarmouth Borough Council would and has been be a valuable source of support for NNDC. It was also noted that more CTS changes of circumstances could be expected. Cllr A Fitch-Tillett responded by noting that she saw Universal Credit as a huge risk that would cause more work for all involved. Moving forward, housing benefit claims would go down for working age claimants but pensioners Housing Benefit claims and council tax support would continue. She added that universal credit payments could change on a monthly basis and this could result in council tax support having to be reassessed monthly.

Cllr A Moore questioned whether the assessment period for this monthly variation would be four or five weeks, to which the Benefits manager answered that it would be twenty-eight days with a reassessment at the end of each period.

Cllr M Knowles expressed his thanks to Cllr D Young for his comments, noting that he agreed and that any changes to the existing CTS would be irrelevant as far as income for the Council was concerned as very little would be gained.

The Chairman thanked everyone for their input and said that as council tax had only recently been increased he felt that there was very limited scope for changes to be made to council tax support and asked if all were in favour of recommending no changes to the scheme for 2019/20 to Full Council.. The Head of Finance and Assets, said that in his role as Section 151 Officer he should advise Members that the projected savings for Option 1 were £18K, which was minimal in respect to a predicted £2M deficit, especially when taking into consideration that any changes would cause large scale collection issues and increased staffing requirements. He added that in respect to the roll-out of Universal Credit across the district there was a reserve of £1-2M but it would not be replenished.

The Chairman then noted that with no objections all were agreed and that the CTS Working Party would recommend the continuation of the current scheme to Full Council.

Cllr D Young questioned why council tax banding was so extreme. The Benefits Manager answered that not setting bands correctly had caused large problems elsewhere and that new software would be required to monitor and/or alter bands correctly. She also noted that experience with Universal Credit would be needed to measure the impact of this on CTS and collection. The banding scheme and other options, could be reconsidered .in the future

The Chairman thanked all in attendance.

RESOLVED

To recommend to Council that the Council Tax Support Scheme for North Norfolk remains unchanged for 2019/20.

The Meeting closed at 10.18 am

_____Chairman

CONSTITUTION WORKING PARTY

Minutes of a meeting of the Constitution Working Party held on 01 May 2018 in Meeting Room 7, Council Offices, Holt Road, Cromer at 2.00 pm.

Working Party: Mrs H Cox, Ms V Gay, Mrs A Moore and Mrs J Oliver.

Officers in Attendance: The Monitoring Officer, the Democratic Services Manager and the Democratic Services Officer

1 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Mrs A Fitch-Tillett.

2 MINUTES

The Minutes of the meeting held on 11 October 2017 were approved as a correct record, and signed by the Chairman.

The Minutes recorded that there had been detailed discussion of the Rules of Debate and the Protocol on Member/Officer Relations and Public Speaking at Committee Meetings. Chairmanship training had been discussed and this would be helpful when moving forward into the next term of the Council. Chairing the Council in particular was a specific role. Some Members declined training because they'd been in a chairing role for a while but it would be useful for Members who were both new to the role and those who were not experienced. All Members would be encouraged to take up training.

This topic should be discussed further at the next meeting of the Constitution Working Party to identify whether there were any changes needed to the Constitution.

The Chairman thanked the outgoing Chairman, Mrs H Cox, for her good and fair chairmanship. Mrs A Moore seconded this.

3 ITEMS OF URGENT BUSINESS

None

4 DECLARATIONS OF INTEREST

None

5 PROPOSED CHANGES MADE AS A RESULT OF THE APPROVAL OF THE ASSET MANAGEMENT PLAN

The Asset Management Plan had been approved by Full Council on 28 March 2018 after in-depth work by Cabinet and the Overview and Scrutiny Committee. The decision had included amendments to the Constitution, to be discussed by the

Constitution Working Party. Members were asked if there were any issues they wished to address before the amendments were drafted.

Discussion:

- a) Mrs H Cox said that she approved the wording of the document.
- b) The Monitoring Officer advised that the values for acquisition of land or property needed to be determined. Originally (a), approval by the Asset Strategy Manager and the Head of Finance and Asset Management, had been £50,000 per asset. The Chairman informed the Working Party that the Overview and Scrutiny Committee had thought that more check and balance should be introduced in these figures. The Monitoring Officer advised that £50,000 was the limit that Officers already had in terms of delegation.
- c) The Monitoring Officer advised that any figure exceeding £100,000 would be subject to scrutiny. This was the Key Decision limit and would trigger the call-in procedure. The issue was that some of the properties under consideration would be sold at auction and quick action would be required. A balance had to be achieved between quick action, subject to due diligence, and the ability to have a decision scrutinised. Members of the Working Party recommended that values of between £50,000 and £100,000 should continue to be determined by the Head of Paid Service, but in consultation with the Leader and the Chair of Overview and Scrutiny.
- d) The Chairman expressed concern about the high value that had to be reached before a decision needed to be determined by Cabinet. She was reminded that expenditure of such values was a key decision and subject to the relevant processes unless urgency provisions needed to be applied. Key decisions would be on the Cabinet Work Programme. The Chair of Overview and Scrutiny would be consulted if, for any reason, such a decision wasn't on the Work Programme.
- e) Clause (d), exceptional circumstances: Members recommended that the process should include consultation with the Chair of Overview and Scrutiny.
- f) In response to a question from Mrs A Moore, the Monitoring Officer explained that the following sentence "Acquisition and disposal of any land or property shall be supported by a financial appraisal providing the budgetary implications and for acquisitions having examined the VAT implications around the option to tax" referred to the work that would be done by the Finance Team.

The Monitoring Officer would check the legality of the recommendations and report back to the next meeting. She advised that some clauses would have to remain for statutory reasons.

6 PORTFOLIO HOLDER REPORTS TO COUNCIL

The system was first trialled in 2017 and had been in place for a year. It gave Members the opportunity to ask Portfolio Holders questions about their portfolios. The intention was to help all Members feel more engaged and to enable them to find out what was happening. The Constitution Working Party was asked to review the system.

Discussion:

- a) Mrs H Cox supported the idea of Portfolio Holder reports. She saw them as an ideal opportunity for the Portfolio Holder to inform all Members, especially those who had less time to engage, about their work and achievements. Ms V Gay agreed with this.
- b) Mrs A Moore advised that it was more effective if reports were written in advance. It saved time and allowed for more penetrating questions.

- c) Mrs J Oliver expressed concern that Portfolio Holder reports caused more work for officers. She believed that many Members weren't interested and that this was reflected in the lack of questions being triggered.
- d) The Monitoring Officer explained that Portfolio Holder reports were actually beneficial to officers as they served to brief the Portfolio Holder. Full Council was one of the few forums where "back bench" Members had a voice. The Democratic Services Manager suggested moving the Portfolio Holder Reports item further up the agenda, so that Members felt more inclined to ask questions. The Chairman supported this. It was suggested that the reports should go on the Agenda immediately after Public Questions. Mrs J Oliver said that questions would be more likely to arise if Portfolio Holders wrote their own reports and they weren't taken en bloc. Reports could also be used as a means of making updates, especially when things had happened quite recently. The Chairman said that the reports were valuable because they showed what the Portfolio Holders and officers were doing, but that they could be made more valuable if there was involvement from all Members.
- e) It was acknowledged that the Working Party had no jurisdiction over how the Portfolio Holders presented their reports but, ideally, each report should focus on the work of the relevant service.
- f) Concern was expressed that sometimes questions were asked as political strategy and, on occasion, they were posed as statements.
- g) The Monitoring Officer asked the Working Party to consider how questions should be asked, e.g. one per Member plus a supplementary question if necessary. The Working Party considered that things should be left as they were at present. A key point was that the Chairman included as many Members as possible in asking questions. The Democratic Services Manager reminded the Committee that, for meetings of Cabinet, there was a 30 minute limit for Members' questions – to be extended at the Chairman's discretion. The Monitoring Officer suggested that an hour limit should be set for Portfolio Holder Reports. Mrs J Oliver suggested that reports should not be read out in full, but that significant areas should be highlighted.
- h) Reports should be renamed "Portfolio reports".

RESOLVED

- 1. To retain Portfolio Holder Reports but to rename them "Portfolio Reports".**
- 2. To take the reports after the Public Questions item on the Full Council agenda.**
- 3. To set a time limit of one hour for reports and questions.**

7 WORKING ARRANGEMENTS PROTOCOL

The Protocol reflected the collaborative approach that Members were seeking to introduce. Progress included:

- a) Group Leaders would be jointly briefed by the Heads of Paid Service on a monthly basis. This would ensure that everyone got the same message at the same time but didn't prevent individual Members from receiving officer briefings.
- b) Peer support offered by the LGA for Members and officers.
- c) Information sharing: everything that went to Cabinet was now shared with the Shadow Cabinet and Group Leaders. Comments from the Opposition would be reflected back to Cabinet.

- d) To redefine the relationship between Cabinet and Overview and Scrutiny, all Members had received training and support. The Chair of Overview and Scrutiny had incorporated this into the working style of the Committee. A Scrutiny Officer had been appointed and was due to take up post soon.
- e) Engagement of Members from different groups was encouraged, e.g. briefings from Shadow Portfolio Holders. Officers were also being encouraged to talk to Members.
- f) The Media Protocol had been discussed by the Group Leaders and the Communications and PR Managers.
- g) Project Boards: the Leader had suggested that they were politically balanced, although this was not a requirement.
- h) Portfolio Holder Council briefings on areas of interest to Members.

Discussion

- a) Mrs H Cox said that the work which had been done was beneficial to the whole Council. There had been no major changes, but an improvement in what we already had.
- b) The Protocol had been signed by the Group Leaders.
- c) The Chairman asked if records of the Project Boards were available for Members. The Democratic Services Manager would check this but saw no reason why minutes could not be made available in the Members' Area.
- d) The Monitoring Officer asked how information should be communicated to Members. The Chairman suggested more briefings to inform Members on subjects of interest.

8 DEVELOPMENT COMMITTEE – SCHEME OF DELEGATION

On 16 March 2017, the Development Committee had considered a number of changes to the Constitution and Scheme of Delegation. These changes were agreed, subject to being reviewed after 12 months. The Development Committee recommended to the Constitution Working Party and Full Council that the changes be agreed as permanent changes to the Constitution.

Discussion

- a) Mrs A Moore asked that 4 (d) should include that planning applications made or submitted on behalf of Members went to Full Council.
- b) Mrs Moore expressed concern about the conclusion of Section 106 agreements within 3 months of Committee resolution. The Monitoring Officer explained that this gave the developer a focus to get it agreed by the deadline and that it worked very well at other councils.
- c) To a further question from Mrs Moore, the Democratic Services Manager replied that registering for public speaking at Development Committee meetings was published on the front of agendas, on the website and the Members' Information Bulletin. The Monitoring Officer asked Members to consider if the rules regarding public questions at Development Committee meetings should be in the Constitution.
- d) The Democratic Services Manager said there was a need to review where the protocols were placed in the Constitution. At present they were difficult to find. The Monitoring Officer said it would be useful to reference the Constitution and the Site Visit Protocol from the Planning Portal on the website. At present the latter sat under NNDC Protocols.
- e) The Monitoring Officer said that planning officers had raised issues with her about the site visits protocol and whether this could be looked at again. She

suggested that the next meeting of the Constitution Working Party should be devoted to Planning and that work should be done in collaboration with the Development Committee. The Chairman said that it would be timely as a new Head of Planning would soon be appointed. July was suggested as a good time for the next meeting. The Democratic Services Manager would look at some suitable dates.

RESOLVED

To amend the Constitution and to invite the Portfolio Holder for Planning and Planning Policy, the Chair of the Development Committee and the Development Manager to the next meeting of the Constitution Working Party.

9 UPDATES TO THE CONSTITUTION

- a) There had been no recent updates to the Constitution apart from small cosmetic changes.
- b) There was nothing in the Constitution about how the Chairmanship of the Council was decided. This was an area of work to be done. Possible work was also needed on Outside Bodies, although a lot of them related to the powers of the Executive. The time to make any changes would be before the elections in May 2019. The conventions would be there for the new Council moving forward.
- c) It would be good to group things together and not have them in so many different places. This would make the Constitution, which was based on a unitary model, clearer and easier to understand.
- d) The rules of debate should be reviewed to make them less confusing for new Members. If a majority of Members understood the rules and were comfortable with them, they would be easier to invoke when necessary. It would also ensure that correct procedures were followed, e.g. submitting a motion within the deadline. The rules needed to be clearer and expressed in plain English. Officers could look at some good examples.

The meeting closed at 15.52 pm.

_____ Chairman

Governance, Risk and Audit Committee Annual Report

Summary:

This report arises from the CIPFA self-assessment of good practice undertaken in March 2017. CIPFA (The Chartered Institute of Public Finance and Accountancy) is the professional body for people in public finance. The report aims to give all Members a fuller understanding of the role of the Governance, Risk and Audit Committee, to inform Members of the Committee's work in the year 2017/18 and to highlight some of the key issues it has considered.

Conclusions:

The Committee has fulfilled its remit and had a very active year as demonstrated by the volume of work it has processed. There have been changes in membership but attendance has been good and consistent. 2018 brings the challenge of an earlier deadline for closure of the Final Accounts and the Committee has prepared for this by tabling an extra meeting and agreeing to changes in its Terms of Reference.

Recommendations:

It is recommended that Council notes the report and affirms the work of the Governance, Risk and Audit Committee.

Reasons for Recommendations

To inform Council of the work of the Governance, Risk and Audit Committee in 2017/18

Cabinet member(s):

All
Contact Officer,
telephone number, and
e-mail:

Ward(s) affected:

All
Mary Howard, Democratic Services Officer,
01263 516047, mary.howard@north-norfolk.gov.uk

1. Introduction

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.

In March 2017, Members of the Committee undertook a CIPFA self-assessment of good practice. CIPFA (The Chartered Institute of Public Finance and Accountancy) is the professional body for people in public finance. The self-assessment is a regular exercise against a checklist, to gain assurance that the Committee is performing effectively. The exercise highlighted the good performance of the Committee but also a concern that the role of the Governance, Risk and Audit Committee was only partly understood across the Council. This report has arisen from this observation and seeks to give all Members a fuller understanding of the Committee's work.

2. Background

The Committee was originally convened on 21 June 2006 as the Final Accounts Committee. It was established to allow a more robust Member scrutiny/discussion of the final accounts prior to their approval by Full Council. On 16 October 2006, the Committee met for the first time as the Audit Committee. Its remit was more far-reaching than accounts and included scrutiny of external and internal audit, risk management and internal control. On 6 September 2016 the Committee agreed to change its name to the Governance, Risk and Audit Committee to better reflect its function and the range of its oversight.

In 2017/2018 the Committee has met in June, September, December and March. In 2018/19 the number of meetings will increase from 4 to 5 per annum, to enable the Final Accounts to be signed off by the new deadline of 31 July.

3. Membership and Attendance of the Committee in 2017/18

The Committee is composed of 6 Members. There have been several changes in 2017/18. Committee Membership this year has comprised:

- Mr D Baker (since June 2017)
- Mr V FitzPatrick
- Ms V Gay
- Mr M Knowles
- Mr N Pearce (June and September 2017)
- Mr J Rest (since December 2017)
- Mr P Rice (June 2017)
- Mr D Young

Mr V FitzPatrick chaired the Committee up to and including the meeting in December 2017. In December 2017, Mr J Rest was appointed Chairman. The

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

Other Members in attendance have included Mrs S Bütikofer and Mrs A Fitch-Tillett. Attendance has been good throughout the year with the 6 nominated Members achieving a total of 19 attendances out of a possible 24.

4. Purpose of the 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.

The Terms of Reference (which have been updated to allow the Committee to sign off the Final Accounts) outline the purpose in more detail:

a) 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.

b) External Audit

- To consider annually the External Audit plan of work.
- To consider External Audit reports and letters.

c) 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.

d) Risk Management

- To review the strategic risks that the Council faces and ensure that these are being appropriately managed, monitored and mitigated.

e) 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.

5. Work of the Committee in 2017/18

a) Internal Audit

- Progress report on Internal Audit Activity (every meeting)
- Follow-up on Internal Audit Recommendations (June, December 2017)
- Annual report and opinion 2016/17 and review of the effectiveness of Internal Audit (June 2017)
- Feedback on CIPFA Self-Assessment (June 2017)
- Strategic and Annual Audit Plans (March 2018)

b) External Audit

- Annual Governance Report (ISA260) (September 2017)
- Letter of Representation (September 2017)
- Ernst and Young Annual Audit Letter (December 2017)
- Ernst and Young Audit Plan (with overview) (March 2018)
- Annual Grant Certification Report from Ernst Young (March 2018)

c) Accounts / Finance

- 2016/17 Statement of Accounts (September 2017)

d) Risk Management

- Civil Contingencies Update (June 2017)
- Corporate Risk Register (September 2017, March 2018)
- Risk Management Framework (March 2018)

e) Governance

- Local Code of Corporate Governance and Annual Governance Statement 2016/17 (June 2017)
- Monitoring Officer Annual Report 2016/2017 (June 2017)
- Counter-Fraud, Corruption and Bribery Strategy and Whistleblowing Policy. (September 2017)
- Audit Committee Terms of Reference (December 2017)
- CIPFA Self-Assessment (March 2018)
- Report on the work of the Governance, Risk and Audit Committee (March 2018)

6. Key Issues reviewed during the year

Feedback from Self-Assessment 2017

The Chartered Institute for Public Finance and Accountancy (CIPFA) document on "Audit committees - practical guidance for local authorities and police" set out the guidance on the function and operation of audit committees. It represented CIPFA's view of best practice which included the regular completion of a self-assessment against the checklist.

The assessment in March 2017 highlighted the good performance of the Committee. The only actions required were a review of the Whistleblowing Policy and Fraud Corruption Policy and a report for Full Council on the work of the Committee.

The Head of Internal Audit brought the Whistleblowing Policy to the September 2017 meeting.

Members undertook a further Self-Assessment on 27 March 2018

Members agreed that, despite changes in committee Membership, an effective Audit Committee had been selected and that the Chairman had the appropriate knowledge and skills. They also agreed that, now that the Committee was authorised to sign off the Final Accounts, it brought additional value to the organisation.

A question about helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks was given a higher score than the previous year's because reports on whistleblowing and fraud and corruption had come to the Committee in December and a money laundering report was an action for a future meeting.

Follow-up on Internal Audit Recommendations and Historical Recommendations

The Committee is pro-active in monitoring outstanding and historical recommendations. When appropriate, relevant managers are invited to the Committee to answer Members' questions. In this respect, the Committee has requested six-monthly updates from the Head of Service in relation to section 106 agreements to ensure that this is regularly monitored. Progress on implementation of recommendations is reviewed until the Committee is satisfied.

New deadline for Final Accounts

From 2018, because of changes in statutory regulations, the Final Accounts will need to be signed off before the September meeting. In the past the Statement of Accounts has gone to Full Council with a recommendation from the Governance, Risk and Audit Committee, but this would not meet the new deadline. NNDC has become in the minority of councils who approved the accounts at Full Council. It was suggested that the Governance, Risk and Audit Committee's Terms of Reference should be reviewed and amended so that the Committee could approve the accounts without reference to Full Council. This would enable the accounts to be signed off by the new deadline, 31 July 2018. To meet this new deadline, many councils were scheduling a dedicated meeting with only the accounts, the Audit Results report and the Letter of Representation on the agenda. Members agreed this in September and, in consequence, an additional meeting has been scheduled for 24 July 2018.

The Committee's Terms of Reference were reviewed by the Head of Internal Audit and approved at the December meeting. The amended Terms were approved by Full Council on 21 February 2018.

As well as the accounts needing to be closed earlier in 2018, the external audit will also undergo a change in staffing. The Finance Team will work closely with the Audit Manager and her team to ensure this makes no impact. The Committee is aware of these changes, and the potential risks. As far as the final accounts are concerned, NNDC is in a good position, having almost met the 2018 deadline in 2017.

7. Conclusion

The Committee has fulfilled its remit and had a very active year as demonstrated by the volume of work it has processed. There have been changes in membership but attendance has been good and consistent. The 2018 Self-Assessment demonstrated that the Committee has increased in effectiveness in the last year. 2018 brings the challenge of an earlier deadline for closure of the Final Accounts and the Committee has prepared for this by tabling an extra meeting and agreeing to changes in its Terms of Reference.