

# Council



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19 February 2019

A meeting of the **North Norfolk District Council** will be held in the **Council Chamber** at the Council Offices, Holt Road, Cromer on **Wednesday 27<sup>th</sup> February 2019 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  
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## A G E N D A

### 1. PRAYER

Led by Reverend Robin Stapleford, Upper Wensum Benefice.

### 2. CHAIRMAN'S COMMUNICATIONS

To receive the Chairman's communications, if any.

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

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

### 4. APOLOGIES FOR ABSENCE

To receive apologies for absence, if any.

### 5. MINUTES

(page 10)

To confirm the minutes of the meeting of the Council held on 19<sup>th</sup> December 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) Planning, Planning Policy & Housing – Cllr K Ward (page 21)
- 2) Coast and Health and Wellbeing – Cllr A Fitch-Tillett (page 27)
- 3) Economic Development & Tourism – Cllr N Dixon (page 30)
- 4) Corporate Services – Cllr S Bütikofer (page 34)
- 5) Property, Environmental Services – Cllr N Lloyd (page 39)
- 6) Finance and Assets – Cllr E Seward (page 41)

### 9. RECOMMENDATIONS FROM CABINET 04 FEBRUARY 2019

#### a) Agenda item 10: Treasury Management Strategy Statement 2019/2020

(page 43)

#### Recommendation to Council:

To RESOLVE that The Treasury Management Strategy Statement is approved.

## **RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 13 FEBRUARY 2019**

The Overview & Scrutiny Committee supported the recommendations.

- b) Agenda item 11: Capital Strategy 2019/20** (page 56)

### **Recommendation to Council**

That the Capital Strategy and Prudential Indicators for 2019-20 are approved.

## **RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 13 FEBRUARY 2019**

The Overview & Scrutiny Committee supported the recommendations.

- c) Agenda Item 12: Investment Strategy 2019/20** (page 66)

To approve the Investment Strategy 2019/20

## **RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 13 FEBRUARY 2019**

The Overview & Scrutiny Committee supported the recommendations.

- d) Agenda Item 13: Rate Relief Policy** (page 73)

That the Council that the Rate Relief Policy is revised as indicated in Appendix A and C to the report.

## **10. FURTHER RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE**

There were no further recommendations to Council from the Overview & Scrutiny Committee.

## **11. RECOMMENDATIONS FROM CONSTITUTION WORKING PARTY – 14 JANUARY 2019** (draft minutes – p.104)

### **a) Agenda item 5 : Review of Planning Protocol and Site Visits Protocol**

#### **RESOLVED to recommend to Council:**

- i. To include the code of practice for site visits in the Constitution
- ii. To issue a guidance leaflet on site visits
- iii. To provide training to members on site visits

### **b) Agenda item 6: Member Questions**

To remove the requirement for questions to be submitted in writing in advance of the meeting.

## **12. REVIEW OF POLLING DISTRICT AND PLACES 2018 – ADOPTION OF FINAL RECOMMENDATIONS** (page 109) (Appendix A – p.111)

Summary: Section 17 of The Electoral Registration & Administration Act 2013 requires local authorities to undertake periodic reviews of polling districts and polling places in their areas

every five years. The next compulsory review needs to be undertaken in the 16-month period from 1<sup>st</sup> October 2018 – ie by end of January 2020.

Following the Local Government Boundary Commission for England undertaking a review of electoral arrangements in the District in 2017, the District Council has undertaken a review of polling districts and places to reflect the new ward areas and consulted on its draft proposals. This report now seeks approval of the proposed Polling Districts and Places (including polling stations) to be used for all elections in the District from April 2019.

**Conclusions:** The District Council has undertaken a review of Polling Districts and Places as required by legislation and Full Council is now asked to adopt the proposals as detailed in the report.

**Recommendations:** **Full Council is asked to adopt the list of Polling Districts and Places as detailed in the attached schedule, as required by Section 17 of The Electoral Registration & Administration Act 2013.**

Cabinet Member(s) Cllr S Bütikofer  
Ward Member(s) All  
Contact Officer Steve Blatch  
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*The Overview & Scrutiny Committee supported the recommendation at their meeting on 16<sup>th</sup> January 2019.*

**13. PROPOSED AMENDMENTS TO LOCAL PAY SCALES** (page 115)  
(Appendix 1 – p.120) (Appendix 2 – p.122 )

**Summary:** This report outlines proposed changes to the Council's pay scales as a result of amendments to the national pay spine under the 2018-2020 NJC Pay Agreement.

**Options considered:** This report does not include multiple options for consideration. This proposal is the result of collaborative working between UNISON, Payroll and HR. Whilst assimilation to the new national pay spine could be achieved in numerous ways, the proposal put forward is considered to be fair, equitable and financially viable. The proposal was shared with UNISON at a regional and national level and approved on both counts, following which unanimous approval was given at a local ballot.

**Conclusions:** The report concludes that the proposals put forward should be accepted and implemented from 1 April 2019.

**Recommendations:** **That Council approves the changes to the local pay scales, effective from 1 April 2019.**

**Reasons for Recommendations:** To comply with the terms of the 2018-20 NJC pay agreement and ensure that the Council's pay scales are fair, equitable and financially viable.

Cabinet Member(s) Cllr S Bütikofer  
Ward Member(s) All  
Contact Officer Sally Morgan  
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**14. PAY POLICY STATEMENT 2019/20** (page123)  
(Statement – p.126 ) (Travel Policy – p.133)

Summary: Section 38 of the Localism Act 2011 (“the Act”) requires the Council to produce an annual pay policy statement (“the statement”) for the start of each financial year. The attached statement is drawn up in compliance with the Act to cover the period 2019/20. It is a legal requirement that Full Council formally signs off this statement and the responsibility cannot be devolved to any other person or committee.

Options considered: There are no options to consider as part of this paper.

Conclusions: The attached statement sets out current remuneration arrangements for officers.

Recommendations: **To adopt the attached Pay Policy Statement and to publish the statement for 2019/20 on the Council’s website.**

Reasons for Recommendations: To comply with the requirements of the Localism Act.

Cabinet Member(s) Cllr S Bütikofer  
Ward Member(s) All  
Contact Officer Sally Morgan  
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**15. CROMER TENNIS HUB** (page 138)

Summary: This report seeks to update members on progress towards the development of the Community Sports Hub and related community facilities. Specifically, the report focuses on the remaining capital funding requirements for the project and concludes that that these can be provided with minimal impact on revenue funding, with a recommendation that Council approves the budget as explained in the report.

Options considered: The only options open to members are to fully, partly or not fund the project.

Conclusions: As a result of the LTA decision to withdraw capital funding and an increase in capital budget in some areas, the initial project has an additional revenue impact of c£41,000 per annum.

This has been shown to be offset by:

- cutting back on some construction items, none of which will have a fundamental negative effect on

the project;

- examining the accurate costs of the satellite tennis sites thus enabling a reduction in the budget to that which was originally thought to be needed;
- a much improved revenue position through the new operating model agreed by all stakeholders, which will remove the need for the Council's grant funding of the CLTSA.

Clearly, the overall position of the project has changed significantly as a result of the withdrawal of the LTA funding. It would, therefore, be sensible to review the overall business case at this time to ensure that the project still represents good value for money for the Council and is capable of still meeting the original objectives.

- Recommendations:**
- 1. That the business case for the Community Sports hub is reviewed to ensure it still represents value for money and is capable of still meeting the original objectives.**
  - 2. That Full Council approves additional capital budget of £672,000 required for the completion of the Community Sports Hub project**
  - 3. That if recommendation above is approved, authority to spend is then delegated to the Leader of the Council, Portfolio Member for Leisure and the s151 Officer, subject to a satisfactory review of the business case outlined in recommendation 1 above**
  - 4. That if recommendations 2 and 3 proceed, the s151 Officer is given delegated authority to arrange the additional financing requirements outlined above by the most cost effective means**

Reasons for Recommendations: To provide the necessary funding to complete the project.

Cabinet Member(s) Cllr H Cox  
Ward Member(s) Cromer, Wells, Fakenham and North Walsham, but available to all members of the public  
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**16. BUDGET AND COUNCIL TAX 2019/20** (page 145)  
(Appendix A – p.167) (Appendix B – p.168) (Appendix C – p.172 )

Summary: This report presents for approval the budget for 2019/20 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2019/20. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.

Options considered: It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for

approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 4 February 2019.

**Conclusions:** It is the opinion of the Council's Chief Financial Officer that the budget for 2019/20 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.

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

- 1) The 2019/20 revenue budget as outlined at Appendix A within this report;
- 2) The surplus of £224,253 be transferred to the General Fund Reserve to be allocated as follows;
  - (i) £33,000 to be allocated to the Community Transport Fund;
  - (ii) £130,000 to be allocated to a New Business Development Fund including the creation of a new full time post to support small business start-ups and related initiatives (including allocation of £20,000 to a new local industries hub at Alderman Peel High School, Wells);
  - (iii) £30,000 to fund the opening of all public conveniences throughout the year (excluding the facility located at Mundesley Promenade);
  - (iv) £20,000 to be allocated to support Norfolk Constabulary's Operation Moonshot for automatic number plate recognition cameras to protect our communities from criminal activity;
  - (v) £4,000 grant funding to Cromer Museum provided matched funding is forthcoming from Cromer Town Council to increase opening hours.

- 3) The balance of the surplus, along with any monies not drawn down, will remain within the General Fund reserve; That £58,000 is allocated from the Communities reserve to extend the Sports Development team for a further year until the end of March 2020;
- 4) £100,000 be allocated as match funding to support the bid by Norfolk County Council to the LEP for a new roundabout for Sheringham at the junction of Holway Road and the A148, from the capital receipts reserve/Asset Management reserve;
- 5) To transfer £1,000,000 from the Property Investment Fund reserve, £500,000 from the Communities reserve and £500,000 from the Benefits reserve to establish a property investment company for the purpose of helping to address local housing need and to create a property portfolio to provide a revenue stream for the Council to help address the financial deficit in future years
- 6) The statement of and movement on the reserves as detailed at Appendix C within this report;
- 7) The updated Capital Programme and financing for 2018/19 to 2021/22 (as detailed at Appendix F within the 2019/20 Budget Report - February 2019 Cabinet Agenda);

- 8) The new capital bids (as detailed at section 8 within the 2019/20 Budget Report - February 2019 Cabinet Agenda);
- 9) That Members note the current financial projections for the period 2020/21 to 2022/23;
- 10) The Policy Framework for the Earmarked Reserves and the Optimum Level of the General Reserve 2019/20 to 2022/23 (Appendix B within this report);
- 11) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2019/20;
- 12) The demand on the Collection Fund for 2019/20 is as follows:
  - a. £6,240,604 for District purposes
  - b. £2,390,634 for Parish/Town Precepts;
 This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property.

Reasons for Recommendations: To approve the 2019/20 budget for revenue and capital and to make the statutory calculations in respect of the 2019/20 Council Tax.

Cabinet Member(s) Cllr E Seward  
 Ward Member(s) All  
 Contact Officer Duncan Ellis  
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#### 17. QUESTIONS RECEIVED FROM MEMBERS

None received

#### 18. OPPOSITION BUSINESS

None received

#### 19. NOTICE(S) OF MOTION

None received

#### 20. 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.”

#### 21. PRIVATE BUSINESS

##### **Circulation:**

All Members of the Council.

Members of the Management Team and other appropriate Officers.

Press and Public



# COUNCIL

Minutes of a meeting of North Norfolk District Council held on 19 December 2018 at the Council Offices, Holt Road, Cromer at 6.00 pm.

## Members Present:

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

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

**Press:** Present

## 83. PRAYERS

The Chairman invited Cllr Barbara McGoun, Lay Reader, to lead prayers

## 84. CHAIRMAN'S COMMUNICATIONS

The Chairman began by referring to the recent Big Society Awards which had been a huge success. He thanked councillors and officers who had presented awards to the winners. He then spoke about the EDP Stars of Norfolk & Waveney Awards which had been very successful yet again and a pleasure to attend.

The Chairman said that he had been delighted to be involved in the Council's Staff Achievement Awards and congratulated Di Barron on being awarded Employee of the Year.

He then spoke about two events that he had recently attended – one hosted by the Mayor of King's Lynn at the Town Hall and the other a carol service in Gresham's School Chapel to raise funds for EACH, the Chairman's nominated charity for the year.

## 85. TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS

Cllr N Lloyd declared an interest in Agenda item 10(d) – as a Governor at North Walsham High School

Cllr J Oliver declared an interest in Agenda item 10(d) – involved in mentoring programme at North Walsham High School

**86. APOLOGIES FOR ABSENCE**

Cllrs M Millership, L Walker and V Uprichard.

**87. MINUTES**

The minutes of the meeting held on 21<sup>st</sup> November July2018 were approved as a correct record and signed by the Chairman subject to the following amendments:

Minute 65(b): Cllr Northam was a member of the *cast* not the audience

Minute 71(6): 'references to a low return on the investment were misleading as it was a *minimum* of 2.02%'

**88. ITEMS OF URGENT BUSINESS**

None

**89. PUBLIC QUESTIONS OR STATEMENTS**

None

**90. APPOINTMENTS**

a) Chairman of Overview & Scrutiny Committee

It was proposed by Cllr N Smith, seconded by Cllr J Punched and

**RESOLVED**

That Cllr S Hester be appointed as Chairman of Overview & Scrutiny Committee

b) Vice-Chairman of Overview & Scrutiny Committee

It was proposed by Cllr J Oliver, seconded by Cllr S Hester and

**RESOLVED**

That Cllr N Pearce be appointed as Vice-Chairman of Overview & Scrutiny Committee

The Monitoring Officer confirmed that as a member of the Administration, Cllr Pearce could be appointed as vice-chairman of the committee.

c) Chairman of Development Committee

It was proposed by Cllr V FitzPatrick and seconded by Cllr M Prior to nominate Cllr A Green as Chairman of Development Committee. Cllr Green refused to accept the nomination and it was proposed by Cllr P W Moore, seconded by Cllr S Penfold and

**RESOLVED**

That Cllr P Grove-Jones be appointed as Chairman of Development Committee

d) Vice-Chairman of Governance, Risk & Audit Committee

It was proposed by Cllr N Dixon, seconded by Cllr S Arnold and

## **RESOLVED**

That Cllr M Knowles be appointed as Vice-Chairman of Governance, Risk & Audit Committee

## **91. PORTFOLIO UPDATES**

The Chairman invited each Portfolio Holder to introduce their reports:

1. Cllr K Ward, Portfolio Holder for Planning, Planning Policy and Housing began by saying that the first section on page 24 should refer to Cley and not Salthouse. She said that she wanted to formally thank Nicola Turner, the Housing Strategy & Community Manager for her work at the Council and wished her all the best in her new role at Great Yarmouth Borough Council. She also wished Gary Linder and Gillian Lipinski all the best on their forthcoming retirements.
  - a) Cllr J Oliver asked for details on the three enforcement actions at Melton Constable Hall and the buildings affected, the value it constituted and the intention of the Council to step in if required. Cllr Ward replied that the Council had just received notification that the owner's appeals against the enforcement notices had been dismissed. Council representatives would be meeting with the owner soon to discuss this and therefore she could not provide further details at this stage. A written response would be sent out to Members as soon as possible.
  - b) Cllr S Arnold referred to the Performance tables for June 2018 and asked for more information on the use of extension of time agreements. Cllr Ward replied that several requests had been received from developers for extensions of time and these were not currently reflected within the performance report. This was being looked into alongside how extensions of time were being used. She reassured members that performance remained above the national average.
  - c) Cllr T FitzPatrick requested details of the urgent works survey for Melton Constable Hall, the value of the urgent works and how the expenditure of the Council would be secured. Cllr Ward replied that this information was not in the public domain and that a written response would be provided. In response to a further question from Cllr FitzPatrick about concerns relating to entering into open-ended negotiations, Cllr Ward reassured him that there was no intention to do that.
  - d) Cllr V FitzPatrick asked for information on when the Council would be producing its Homelessness Strategy and when Members would be consulted on this. Cllr Ward replied that there was a meeting scheduled for the next day and then it would go forward to the Planning Policy & Built Heritage Working Party for consultation.
  - e) Cllr M Prior referred to page 22 and the section on major housing developments, in particular the scheme for Gladman Developments in Holt. She asked for evidence of local opposition and details of any meetings that had taken place regarding this scheme. Cllr Ward confirmed that a written response would be provided.
2. Cllr A Fitch-Tillett, Portfolio Holder for Coast and Health & Wellbeing, said that the highlight of her report was the acceptance of two joint papers with the Environment Agency to the Institute of Civil Engineering Coastal Management Conference 2019, focussing on Bacton to Walcott sandscaping and coastal adaptation. She went onto say that there was ongoing maintenance work in a number of locations across the District's coastal frontage. Regarding the health and wellbeing portfolio, Cllr Fitch-Tillett said that Disabled Facilities Grant applications were being processed, with 85 approved by the end of November 2018.

- a) Cllr J Oliver asked for further detail on the urgent consultation regarding the proposals for Camber sands. Cllr Fitch-Tillett replied that this was being correlated by the LGA and NNDC was contributing to the consultation. It was confirmed that details of the legal response were publicly available.
- 3. Cllr N Dixon, Portfolio Holder for Economic Development confirmed that the independent review of the business case for Egmore had now been commissioned and the report was expected in late January.
  - a) Cllr R Price referred to the Deep History Coast project and asked whether any contact had been made with Vattenfall. Cllr Dixon confirmed that a written response would be provided.
  - b) Cllr J Lee referred to the decision to appoint the BE Group to undertake the review of the business case for Egmore. He asked for information on the cost and whether the landowners and prospective tenant were prepared to wait for the outcome. Cllr Dixon confirmed that a written response would be provided.

The Chairman reminded Members that they could only speak once. Cllr Lee sought clarification regarding when Members should ask questions. The Monitoring Officer outlined the relevant standing order, advising that each member could ask one question with one supplementary question. In total there was 30 minutes allocated for members' questions. Cllr T FitzPatrick asked the Chairman to suspend standing orders to allow the debate to continue. The request was refused. The Monitoring Officer advised that if there was sufficient time at the end of the portfolio holder updates, then Members could come back with further questions.

- 4. The Leader, Cllr S Bütikofer, said that she had nothing further to add to her written report.
- 5. Cllr H Cox, Portfolio Holder for Leisure, Culture and Licensing said that the Council's sports and leisure facilities had had a very successful month, with only one facility out of six not hitting the target. The results of bathing water quality for 2017 had been received, meaning that Blue Flag applications would be submitted by the end of January. She went on to say that four Christmas trails were planned over two days in December. Booking for these had been very successful. Regarding the licensing portfolio, Cllr Cox confirmed that letters regarding fees had been issued and that the new Assure licensing software was working well.
  - a) Cllr J English asked for further details on the Halloween trails. Cllr Cox replied that they had taken place at Holt Country Park.
  - b) Cllr A Claussen-Reynolds queried why the online booking system for the Christmas trails had closed early. Cllr Cox replied that it was due to the trails being fully booked.
- 6. Cllr E Seward, Portfolio Holder for Finance, informed Members that the provisional Local Government Settlement had been published. There was some positive news for the Council, particularly regarding the Rural Support Grant.
  - a) Cllr D Baker said that there were several positives from the provisional Local Government Settlement, including £0.5m income from the localisation of business rates, £150k from the New Homes Bonus and £90k from the Rural Services Grant. He asked Cllr Seward whether he agreed that there needed to be a cautious approach moving forward as there was a big funding gap looming. Cllr Seward agreed, saying that certainty regarding funding levels would help with planning.
- 7. Cllr N Lloyd, Portfolio Holder for Environment and Property, said that he had nothing to add to his written report.

The Chairman advised members that there was 5 minutes left for questions.

- i. Cllr J Lee said that he welcomed the figures for the Council's legal team, Eastlaw, the increase in website transactions and the reduction in sickness absence. He asked whether the Leader agreed that the Council's success was due to the Conservative administration and that it was only fair that the electorate should have a say on who ran

the Council. The Leader replied that the electorate would have that opportunity in May 2019 and that she had put a cross-party Cabinet in place to reflect the hung status of the Council.

- ii. Cllr T FitzPatrick asked Cllr N Lloyd about weekly food collections. If Councils were required to implement this service, as indicated by the Government, was he confident that it could be delivered given the current financial position of the Council's waste contractor, Kier? Cllr Lloyd replied that this had only been announced this week. He welcomed the proposals but it was only a strategy at the moment and subject to consultation so he felt it was too early to comment.
- iii. Cllr J Oliver referred to the latest Procurement Policy Notes (PPN) and asked the Leader whether the Council would be reflecting the approach suggested regarding payments for major contracts? The Leader replied that a written answer would be provided.
- iv. Cllr A Claussen-Reynolds referred to the question she had raised at Cabinet and asked Cllr Lloyd whether the Corporate Risk Register had been amended following the recent announcement regarding Kier's financial position. The Corporate Director (NB) replied that it was in the process of being amended and it would be done by 29<sup>th</sup> January.

Cllr Seward said that he wished to add some comments. Regarding the cost of collecting food waste, he said he agreed that the Council should collect it but there were concerns around the cost of doing so. The proposals to remove charging for garden waste bins would also have a significant impact. Consequently, the Council would press the Government hard for recycling credits or income.

## **92. RECOMMENDATIONS FROM CABINET 03 DECEMBER 2018**

The Chairman suggested that items a, b, c and d were taken en bloc.

It was proposed by Cllr E Seward, seconded by Cllr S Bütikofer and

### **RESOLVED**

#### **a) Fees and Charges 2019/2020**

1. The fees and charges from 1 April 2019 as included in Appendix A.
2. That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of Service, to agree those fees and charges not included within Appendix A as required as outlined within the report

#### **b) Half Yearly Treasury Update**

That the Treasury Management Half Yearly Report 2018/19 is approved.

#### **c) Determination of Council Tax Discounts 2019/20**

Recommendation 1

- (a) The discounts for the year 2019/20 and beyond are set at the levels indicated in the table at paragraph 2.1.
- (b) The premium for long term empty properties (those that have been empty for a consecutive period longer than 24 months) is set at 100% of the Council Tax charge for that dwelling.
- (c) To award a local discount of 100% for eligible cases of care leavers under section 13A of the Local Government Finance Act 1992 (as amended) as set out in paragraph 2.2.

Recommendation 2

- (a) those dwellings that are specifically identified under regulation 6 of the Council Tax (Prescribed Classes of Dwellings)(England) Regulations 2003 will retain the 50% discount and
- (c) those dwellings described or geographically defined at Appendix A which in the reasonable opinion of the Head of Finance and Asset Management are judged not to be structurally capable of occupation all year round and were built before the restrictions of seasonal usage were introduced by the Town and Country Planning Act 1947, will be entitled to a 35% discount.

**d) North Walsham Artificial Grass Pitch**

- 1) Approves a capital budget of £860,000 for this project, with the NNDC contribution of £374,000 to be funded by borrowing.
- 2) Provides delegation for the s151 Officer to be able to amend financing sources for this budget so long as these remain within the budget framework approved above.
- 3) Give authority for the inclusion of any ongoing revenue costs to be built in to the budget.
- 4) Provides delegated authority to the Joint Head of Paid Service (NB) to appoint the FA and its appointed consortium to provide the professional services required to design, and oversee the project on the Council's behalf.
- 5) Provides delegated authority to the Joint Head of Paid Service (NB) to appoint any other professional consultants as required to form the project team with officers and other stakeholders.
- 6) Provides delegated authority to the Joint Head of Paid Service (NB) to agree any lease or other property related arrangements (including the Dual Use agreement) to enable the scheme to progress.
- 7) Subject to the necessary business plan, funding package and approvals being forthcoming, delegates to the Joint Head of Paid Service (NB), and s151 Officer, approval of the construction contract from within the FA Framework.
- 8) Waives financial standing orders for the appointment of the FA in 4) and 7) above, on the basis that the FA have the necessary expertise and existing framework contracts, the use of which are a condition of their grant funding.

**e) Leisure Management Contract**

It was proposed by Cllr J Rest, seconded by Cllr S Hester and

**RESOLVED**

To fund the up front, capital investment costs of £1.013m for the initial fit out of the new Sheringham Leisure Centre, as described in the confidential appendix.

**93. RECOMMENDATIONS FROM OVERVIEW & SCRUTINY COMMITTEE 12 DECEMBER 2018**

There were no recommendations to Council from the Overview & Scrutiny Committee.

**94. BACTON AND WALCOTT SANDSCAPING SCHEME – AWARD OF CONSTRUCTION CONTRACT AND INTERREG FUNDING**

Cllr A Fitch-Tillett introduced this item. She began by saying that it was almost 5 years ago to the day that the devastating storm surge hit the North Norfolk coast, with Walcott in particular being hit very hard. She explained that the Council was leading the sandscaping scheme in collaboration with the Bacton Gas Terminal operators to protect nationally important infrastructure and to benefit local communities. The project was a national first and was of great interest to others. She concluded by saying that the marine license had just been issued by the Marine Management Organisation (MMO)

The Chairman invited Members to speak:

- a) Cllr B Smith said that he had been involved in the project since the outset. Similar schemes had been very effective in the Netherlands and it was important that a defence system was put in place.
- b) Cllr H Cox congratulated the team who had worked on the project. There had been very good interaction with the public and affected parishes.
- c) Cllr D Smith asked if a decision had been taken regarding the size of the sand grains. It was confirmed that computer modelling had dictated a medium texture for the sand.
- d) Cllr J Punchard said that as a retained firefighter he had often had to deal with the impact of flooding and he was pleased to see it being tackled.
- e) Cllr J Lee referred to recommendation 4 and the 'EU 2 Seas INTERREG project'. He said that he was now reassured by the reference to EU funding.

It was proposed by Cllr A Fitch-Tillett, seconded by Cllr N Lloyd and

**RESOLVED to**

1. Award the Sandscaping Main Works Contract to Bidder D as per the Confidential Exempt Appendix; details to be finalised by officers after the necessary standstill period, all necessary clauses are fulfilled in the Sandscaping Development Agreement and consent conditions are deemed deliverable.
2. To delegate to Corporate Director and Head of Paid Service (SB) the ability to vary the contract to allow scope (therefore value) for changes such as sediment volumes.
3. To delegate to Corporate Director and Head of Paid Service (SB) the appointment of the Sandscaping Professional Services Contract with Portfolio Holder approval and subsequent notification to members.
4. That the Council agrees to become a partner in the EU 2 Seas INTERREG project with the Council's £500,000 contribution to the Sandscaping Scheme utilised as match funding.

**95. PROGRAMME OF MEETINGS 2019/20**

It was proposed by Cllr S Bütikofer, seconded by Cllr J Rest and

**RESOLVED to**

Adopt the programme of meetings for 2019/20

**96. QUESTIONS RECEIVED FROM MEMBERS**

None

**97. OPPOSITION BUSINESS**

The Chairman invited Cllr S Arnold to introduce this item. She began by saying that homelessness was a very serious issue, particularly with winter approaching. She then outlined the recommendations as per the agenda.

Cllr J Oliver said that she fully endorsed Cllr Arnold's comments. It was two years since 'Our community, our covenant' was published which was intended to give local communities the tools to deliver the Armed Forces Covenant. She said that it was time to put a member 'Armed Forces Champion' in place as well as an officer nominated to be the main point of contact and

proposed this as an amendment to the motion. Cllr V FitzPatrick seconded the proposal. On being put to the vote it was supported.

1. Cllr V Gay said that she was not opposed to any of the recommendations being put forward, however, she wanted to point out that the US charity was called 'Homeless not Hopeless' rather than 'Homeless not Helpless'. She added that there were also models closer to home such as St Martins in Norwich.
2. Cllr M Prior said that 'Walking with the Wounded' based locally in Stody, should also be considered.
3. Cllr K Ward, Portfolio Holder for Housing, said that the Council was given duties under the Homeless Reduction Act 2017. There were currently six homeless people in the District. However, there was a duty to ensure all those at risk were also protected and there were currently 56 in this category in private accommodation. Twenty individuals came under the relief duty category ('sofa surfing') although it was acknowledged that this was probably under estimated. In total, 33 cases were in 'triage' with 9 households in temporary accommodation. She went on to say that there were 121 active cases, none of which had links to the armed forces. In conclusion, Cllr Ward said that the Severe Weather Emergency Protocol (SWEP) had been enacted the previous weekend due to the cold weather and it was likely that it would have to be used again during the coming weekend.
4. Cllr R Shepherd said that he had dealt with constituents who were ex-service personnel in the past and it would help if they were given the opportunity to be on the Council's temporary jobs register. It was also vital that the Council delivered on the Armed Forces Covenant.
5. Cllr A Claussen-Reynolds made reference to Notting Hill Genesis which had accommodation locally in Cromer, focussing on young people. She said that this were a lot of young people who needed housing support and this should not be ignored.
6. Cllr H Cox said that she was fully supportive of the proposals as Chairman of the Royal British Legion Cromer branch. She said that they worked closely with Genesis staff, as well as the Methodist church and the food bank.
7. Cllr T FitzPatrick said that he supported the motion. There was more than the average number of ex-service men and women in North Norfolk and without adequate support many tended to drift towards towns and cities. He said that he wished to propose that Cllr S Arnold should be the Armed Forces member champion.
8. Cllr S Hester commented that he was sad to think of six people being homeless in the District and he asked if there was more that could be done. Cllr Ward replied that of those six, five were choosing to sleep rough. The Housing team interacted with them regularly. One individual had presented to the team today and would be sleeping indoors tonight.
9. Cllr D Young queried who had been appointed as the Armed Forces contact under the previous administration. Cllr T FitzPatrick replied that it fell to the Leader to be the signatory to the covenant.
10. The Leader, Cllr S Bütikofer, thanked Cllr Arnold for bringing the motion forward. She said that it was important to support the armed forces.
11. Cllr R Reynolds thanked officers for their hard work and support.

Cllr S Arnold thanked Cllr FitzPatrick for nominating her as the Member Champion but said she had no experience of the services and felt that it should be someone else. It was agreed that Cllr R Shepherd should be appointed as the Armed Forces Member Champion.

It was proposed by Cllr S Arnold, seconded by Cllr J Oliver and

**RESOLVED**



(1) NNDC officers be congratulated on the work they do in preventing homelessness and helping people find a new home through 'Your Choice Your Home' or other alternatives, or through the Housing Assistance Referral Portal. **Officers also implement the duty to refer under the Homelessness Reduction Act 2017.**

(2) NNDC consider drawing from the lessons and experience of the US charity '**Homeless not Hopeless**' programme, which helps arrange for homeless people to have the occupational and life skills that will lead to independent living.

(3) Appointing an Armed Forces Member Champion

For North Norfolk, this means:

1. further helping and signposting the homeless to get advice to address any addiction issues.
2. helping those who are capable to find employment or volunteer their time, including, where appropriate, being invited to join the NNDC Temporary Register and/or Apprenticeship schemes; and inviting potential employers to join a new scheme to notify suitable job vacancies to NNDC.
3. if ex-forces personnel, ensuring they can contact appropriate charities such as 'The **Bridge** for Heroes' in **King's Lynn**, for further support, as well as the national charities such as SSAFA, Help for Heroes and the Royal British Legion, all of whom have expert knowledge.

## 98. NOTICE OF MOTION

The following Notice of Motion had been proposed by Cllr A Claussen-Reynolds:

*"It is recommended that following the very successful first Community Fridge, similar fridges be placed in all town across the district (Holt, Sheringham, Cromer, Wells-next-the-Sea, Stalham and North Walsham) and any large parishes (such as Briston and Mundesley) that believe that they could sustain one.*

*This proposal is to be implemented as soon as is practically possible."*

*The environment is something the Conservative Group cares deeply about, and they were responsible for introducing The Community Fridge project.*

*Now Community Fridges are all over Norfolk but in North Norfolk there is only one!*

*The Community Fridge is a lifeline to many, and at the same time allowing good food to be redistributed and not add to the massive food waste mountain.*

*The average cost of disposing of 1 tonne of waste is at least £160 (data 2017).*

*A fridge costs approximately £800 and once it has diverted 5 tonne it will have paid for itself. Most food is diverted from retailer sources rather than from householders, but the fridge serves more than one purpose by highlighting food waste, supporting a strong sense of community spirit and less wastage. More Community Fridges will encourage food distribution and an even deeper community spirit.*

*The cost to the Council at approximately £800 for each fridge.*

The motion was seconded by Cllr J English, who said she would be pleased to see a community fridge in Briston.

The Chairman invited the Portfolio Holder for Environment, Cllr N Lloyd to respond. Cllr Lloyd said that it was fully recognised the Fakenham Community Fridge had been hugely successful in terms of the amount of food that had been redistributed. It had been, by some considerable

way, the most successful of the Community Fridges provided by the Norfolk Waste Partnership bid for funding to the Sainsbury's 'Waste Less Save More' campaign.

However, not all Community Fridges had been so successful and some had seen limited take up. One fridge had seen just 49kg of food donated and redistributed. He said that he could therefore not support the motion for the following reasons:

It was essential that any fridge was sustainable and provided in a locality where certain key success factors could be met.

These factors included:

- Suitable host organisation to run and manage the fridge
- Locations and venue which are sufficiently accessible, open for appropriate time and have sufficient space
- Donating food businesses to ensure that a regular flow of food is received for redistribution/collection
- Supporting activities are undertaken to raise awareness both of the fridge and wider food waste reduction principles

If not all of these factors were met, then it was likely that a Community Fridge may be of limited success. He therefore proposed the following amendment:

'It is recommended that following the first very successful Community Fridge, that work to identify suitable host organisations, venues and donating businesses, should be undertaken in all towns across the district (Holt, Sheringham, Cromer, Wells next the Sea, Stalham and North Walsham) and any large parishes (such as Briston and Mundesley).

Where Community Fridges appear viable, that officers bring back a business case for consideration including a range of suitable interventions to support the uptake of the fridge and wider waste reduction messages.

This proposal is to be implemented as soon as is practically possible"

Cllr E Seward seconded the amendment.

The Chairman invited Members to speak:

1. Cllr J Lee expressed his disappointment at the amendment. He said that it was clear that support would be needed before fridges were purchased.
2. Cllr T FitzPatrick said that he was disappointed to see a reference to a political view in the written version of the amendment.
3. Cllr V FitzPatrick agreed, saying that he was also disappointed to politics coming into play. He felt that the reference to a business case was unnecessary, people's hunger was more important.
4. Cllr J Oliver commented that the amendment was not necessary. She said that it would be better to just get on with the project as proposed.
5. The Leader, Cllr S Bütikofer, made reference to the community fridge in Fakenham which had been in place for quite a while. She queried why the previous administration had waited until now to push for more fridges. Cllr Claussen-Reynolds replied that the intention had always been to see community fridges installed across the District. She said that it was up to all members to put the project in place.
6. Cllr D Young asked how the community fridge scheme worked and whether it was a referral system or open to anyone. Cllr J Rest explained that anyone could access them. The aim was to recycle food as quickly as possible.

Having been proposed and seconded, the amendment was put to the vote and carried by 21 votes to 17.

The substantive motion, having been proposed and seconded, was then put to the vote and it was **RESOLVED** by 24 votes to 9, with 6 abstentions that:

It is recommended that following the first very successful Community Fridge, that work to identify suitable host organisations, venues and donating businesses, should be undertaken in all towns across the district (Holt, Sheringham, Cromer, Wells next the Sea, Stalham and North Walsham) and any large parishes (such as Briston and Mundesley).

Where Community Fridges appear viable, that officers bring back a business case for consideration including a range of suitable interventions to support the uptake of the fridge and wider waste reduction messages.

This proposal is to be implemented as soon as is practically possible

**99. EXCLUSION OF PRESS AND PUBLIC**

None

**100. PRIVATE BUSINESS**

None

The meeting concluded at 7.47 pm

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Chairman

## **CABINET MEMBERS REPORT TO COUNCIL**

**27 February 2019**

### **COUNCILLOR K WARD - CABINET MEMBER FOR PLANNING & PLANNING POLICY**

For the period December 2018 to February 2019

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

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

I am pleased to report that recent performance trends for the teams remain significantly above the Government targets for major and non-major applications. Our latest figures for speed of decision stand as majors at 92.7% (falling by 2.6%). National indicators require that major development application decision should exceed 60% of total major application decisions within the statue time limit or otherwise agreed. For non- major applications 96.0% (falling by 0.66%). I consider the small reduction in performance has arisen due to, retirements, illness and the Christmas /New Year Break. I am content that the small reduction in performance should be readily recouped as we move towards our final quarter of the year.

The quality of decision making is also a key performance criterion, nationally this is monitored on the basis of the percentage of planning appeals which are successfully defended by the Council over a two year rolling period. Currently the Council's qualitative decision making remains excellent.

On major applications I am pleased to report that no appeals have been approved in the two year monitoring period, and for non-major developments, the figure stands at 0.7% with 15 appeals overturning the refusal of the Council during that two-year period. This record of defence is exemplary, and far exceeds the government guidance for no more that 10% of appeals to be approved in the qualifying period.

We continue to monitor the officers requests for extension of time agreements (agreement for officers have a greater time period to make decisions on planning applications). I have reviewed the rolling performance tables on this matter (September 2018). Those tables can be viewed via this link:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/741832/Table\\_P132.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/741832/Table_P132.xlsx)

Reporting for Quarter 3 shows that the Council had made 1,254 decisions in the qualifying period. Of those decisions 24.56% were granted permission under extension of time agreements. I am content that the use of such agreements is being managed fairly with our customers, and that the use of agreements at a little over one fifth of all decision is appropriate in the national context.

I remain concerned that 22 decisions (0.175% of all decisions) were made after the agreed extension period. Although this is small percentile figure we still have 22 customers whose agreement has been broken. I will raise the matter directly in my

next Portfolio Holder meeting with officers. I shall remain vigilant on this aspect and will require that when agreements are made that our customers are then have that expectation met.

### **Recruitment**

There have been two retirements in the Development Management team since a last reported to you, Gary Linder and Gillian Lipinski left the team after long service. Both were wished a long and happy retirement by members and officers at their presentations.

Natalie Levett (Senior Planning Officer Development Management) & John Dougan (Senior Planning Officer Major Developments) have re-joined the teams on phased returns after operation and illness. Our officers will be appropriately managed through their return to work and are welcomed back by their colleagues.

In January Nick Westlake joined the major development's team as interim support to the Major Development team. Nick provides support whilst we strive to recruit a permanent staff member to the vacant Senior Officer post in this team.

During December & January a recruitment process has been running to fill the two vacant posts. I regret to report that no suitable candidate was found to shortlist for the vacant Major Developments role. At the time of compiling this report the vacant post in development management is running through the latter stages of interview and recruitment. I am unable to confirm appointment to this post currently.

I am briefed that Head of Planning and Service Managers will be working with the HR business partners to review and revise our recruitment process. It remains disappointing that vacancies have been long held in this service area. I share the Senior Officer's view that we need review and react to better recruit in this competitive sector.

### **Development Management**

The Development Manager Sarah Ashurst and the Inquiry team are pursuing the compliance process following the successful public inquiry enforcement appeal in at Beeches Farm, Tunstead. This is a Multi-Agency Approach engaging internally and externally with other service areas.

### **Major Developments**

The demands of supporting Three National Infrastructure off shore wind energy projects has remained. Geoff Lyon and Counsel (Estelle Dehon) have been engaged in the hearing process for these schemes.

Work continues on the major housing development proposals for Roughton / Cromer, and also for Beresford Close, Holt.

A series of development team workshops are in place to progress the Trinity College application for circa 950 dwellings at Fakenahm. A number of technical issues remain to be resolved, officer, applicants, NCC and Environment Agency are engaged in those workshops which will resolve these issues. Officers have agreed an extension of time period for the determination of this application which runs until the end of July.

### **Building Control**

Building Regulations, building control and the construction industry have been front page news since the horrific fire at Grenfell Tower on the 14th June 2017.

The Grenfell Tower represents the greatest loss of life in a residential fire in a century. The outcome of which has seen the most far reaching review of the Building Regulations and the industry in a long time. In the immediate aftermath of the fire the Government commissioned an independent review of the Building Regulations, led by Dame Judith Hackitt. This review led to an interim report in December 2017, followed by a final report in May 2018. The report concluded that the system was not fit for purpose, leaving room for those that wish to take short-cuts to do so, and set out 53 recommendations to establish a new regulatory framework and achieve a culture change to create and maintain safe buildings.

On the 20th December 2018 the Government issued its response to the Hackitt report, detailing the areas to address and confirmed its agreement of the report along with details of the actions taken so far and proposed future actions.

The report did not focus solely on Building Control and Regulation, but on the whole industry approach from clients, designers, contractors, building maintenance and tenants.

The government agrees that it should not be possible for duty holders to choose their own regulator. There should be a single streamlined regulatory route for the provision of building control through Local Authorities as part of a new regulatory structure.

The Government will create a stronger regulatory framework drawing on the expertise of the HSE, Fire and Rescue Authorities and Local Authority Building Control. The option of a Joint Competent Authority (JCA) will be investigated.

Stronger enforcement tools should be implemented to look to replicate and align with the approach in the Health and Safety at Work Act, including powers to issue a stop notice, require changes, increase time limits, cost recovery etc. A consultation will be carried out in early 2019.

Local Authority Building Control (LABC) have implemented an ISO approved performance standards Quality Management System. NNDC have signed up to the standards and are amongst the second phase of the country wide roll out. Work has commenced on assessing the current practices against the procedures and process maps covering the functions of building control. Procedures are being assessed and any changes will be built into the new IDOX operating system. The procedures will be subject to internal and external audit on a rolling basis. Some processes undertaken by NNDC Building Control have been highlighted as best practice and will be added to the performance standards in due course

Defined Competencies – LABC have developed a set of defined competencies and qualifications which can be assessed against a competency matrix. The ability to clearly demonstrate the competency of individual building control team members is vital to the QMS. LABC departments will have a duty to ensure it has the right level of team members and fill any skill gaps. The organisational structure should fit with the level and scope of work undertaken. Training needs to be logged and assessed against service needs. NNDC is ready to assess the surveyors against the matrix and identify and gaps in skillset.

Future recruitment and resilience will need to be considered to ensure NNDC remain able to provide the necessary levels of skill, experience and resource over the coming years. Job descriptions may need to be amended to reflect identified

levels of competency and qualification

### **Local Plan Review**

Work is progressing well; a busy series of Working Party meetings took place throughout January. It has been agreed that the Local Plan Consultation will commence on 7<sup>th</sup> May . An engagement strategy was agreed at the working party meeting on 11 February. An explanatory letter giving details of how our communities can engage in this process will be issued alongside the Council Tax Mail out for 2019 /20. Officers are in the process of making arrangements for launch events, social media rollout, posters for local parish notice boards, news releases (via Communications team and for bespoke advertising) and a programme of public meetings. Officers and the Working Party members continue to work on the draft plan and will meet once more on 18 March before the consultation process begins.

The Corpusty and Saxthorpe Neighbourhood Plan was published in its referendum form on 29 January. Polling cards are to be issued shortly, with the referendum scheduled to be held on 7 March.

### **Conservation, Design & Landscape**

The district wide Design Guide was considered as a constituent element to the draft local plan at the Working Party meeting of 11 February. Working Party were pleased with the content, detail and format of the document. It was agreed that a consultation may then run parallel to the draft local plan consultation for six weeks from 29 March. The document can be viewed at:

<https://designguide.north-norfolk.gov.uk/>

Excellence in design has been a core value at NNDC since our first Design Guide in 1974, we will now be supporting that pursuit of excellence with this comprehensive and outstanding Design Guide.

### **Enforcement**

Arcady, Cley : Officers of the enforcement panel have met, a decision has been reached which confirms that the building does not follow the approved plans, that the building as built is unacceptable, and the contravener will be called to a meeting with officers on 21 February. Officers will ensure that ward members, Portfolio Holder, Local Parish Councils, and complainants are updated once this meeting has been held.

Melton Hall – Officers met with the owner and his advisers at a site inspection with Heritage England on 17 February. Compliance with the three outstanding enforcement notices was discussed, along with details required under the urgent works survey to the Hall. Further updates will follow regarding the outcomes from that meeting and action to follow.

### **Software Introduction**

The implementation of the new Uniform Software system for Planning and Building Control has been reassessed and will no longer meet the proposed target for April 2019. Concerns regarding resourcing for software migration conflicting with other year end NNDC projects, completion of essential project work and support of the software provider have required a reassessment. Officers have escalated the matter of service provision with the software provider and will now receive an additional training session and enhanced support for technical queries. A new project plan is being prepared which will give a final date, officers met with the software provider on 15 February and are working towards a “Go Live” date in late summer / early Autumn.

Our teams continue to develop business continuity provision to ensure any disruption through the “Go Live” period will be minimised for our customers.

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

Development Committee - 28 February 2019 & 28 March 2019.

Corpusty and Saxthorpe Neighbourhood Plan Referendum - 7 March.

Planning Policy & Built Heritage Working Party - 18 March.

Draft Local Plan consultation - 29 March 2019.

North Norfolk Design Guide consultation – 29 March 2019.

## **3 Meetings attended**

Planning Policy & Built Heritage Working Party – 10 December; 17 & 31 January; .

Development Committee – 4, 17 & 31 January.



## **CABINET MEMBERS REPORT TO COUNCIL**

**27 February 2019**

### **COUNCILLOR K WARD - CABINET MEMBER FOR HOUSING**

For the period December 2018 to February 2019

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

By the end of January, 97 affordable homes had been completed and it is expected that by the end of March 2019, 134 affordable homes will have been completed or acquired across the district (this is a slight reduction from earlier forecasts as completion of some homes has slipped into 2019/20) .

The Community Housing Fund team are continuing to engage with communities where at least 10% of homes are second and holiday homes. The Trimmingham steering group is beginning the process of becoming a formally constituted organisation and four other parishes are actively pursuing community led housing ideas. The Council has agreed that, in future, groups will be able to apply for grant funding (rather than loans as was previously the case) to cover the costs of establishing a new community-led housing organisation. A number of other parishes are exploring affordable housing schemes which may not be community-led but will ensure strong local community involvement. The team are also working with existing community-led housing organisations and anticipate providing grant to help purchase a further four properties before April.

The second phase of new homes on the Exception Housing Scheme at Trunch will be completed in February. Trunch is one of the five sites in the partnership arrangement with Broadland Housing Group, enabled by a NNDC loan. New homes at Great Ryburgh have already been handed over, the first homes at Binham are due to complete in February and then those at Erpingham will be built in 2019, and finally those in Edgefield will be completed in 2020. In total these five schemes will deliver 61 new affordable homes for local people

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

## **CABINET MEMBERS REPORT TO COUNCIL**

**27 February 2019**

**COUNCILLOR ANGIE FITCH TILLET CABINET MEMBER FOR  
COASTAL, HEALTH AND WELLBEING**

For the period December 2018 to February 2019

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

The Health and Wellbeing Service has received 132 referrals (4 June to 31<sup>st</sup> January) with 35 referrals being received in the current reporting period. The Living Well (Social Prescribing) Officers have received has received 284 referrals (4 June to 31st January) with 76 referrals being received in the current reporting period.

The services are supporting vulnerable residents of all ages to improve their holistic physical, mental, social and financial health and wellbeing and to reduce non-medically related attendance at GP surgeries.

As at the end of January 2019 the team had completed 106 Disabled Facilities Grants with a spend of £787,559.46 and approved 98 grants with a value of £876,787.00 against a budget of £1,106,387.

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

Representatives from Norfolk & Suffolk Foundation Trust and North Norfolk CCG are due to attend Overview & Scrutiny in April to provide an update on mental health services and the new Mental Health Strategy.

## **CABINET MEMBERS REPORT TO COUNCIL**

**27 February 2019**

### **COUNCILLOR A FITCH-TILLET - CABINET MEMBER FOR COAST**

For the period December 2018 to February 2019

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

- Recruitment of Head of Coastal Partnership East is progressing, interviews in early March.
- Mundesley outline Business Case Technical approval received from the Environment Agency
- Sandscaping technical and financial approvals received from the EA.
- Sandscaping main Works contract appointed
- Sandscaping Professional Service contract near appointment.
- Unfortunately the INTERREG bid for the Sandscaping scheme was unsuccessful, awaiting feedback.
- Happisburgh rock realignment underway.
- East Runton ramp improvement works started.
- Assistance provided to re-profile the upper beach at Cromer to enable safe launching of vessels - thanks received from North Norfolk Fisherman's Society
- Involvement in discussions with Environment Agency, Sea Palling fisherman and independent lifeboat regarding beach access.
- NNDC, through Coastal Partnership East continues to work with coastal communities along the Norfolk and Suffolk coast including Hemsby/Winterton.

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

- Ongoing maintenance across frontage
- Recruitment of Adaptation Officer and Technical Administrative Support Officer
- Development of Business Case for further Walcott flood alleviation and investigation into additional flood alleviation drains
- Bird mitigation for Sandscaping scheme to be installed
- Environmental screening for the Mundesley Coastal Management Scheme

#### **3 Meetings attended**

- Local Government Association - Coastal Special Interest Group - Cllr. A Fitch-Tillett
- Coastal Partnership East Board – Cllr. A Fitch-Tillett
- Broads Internal Drainage Board - Cllr. A Fitch-Tillett
- Easter Regional Flood and Coast Committee – Coastal Manager
- East Anglian Coastal Group - Coastal Manager
- Anglian Coastal Monitoring Group - Coastal Manager/Coastal Engineering Manager
- Meeting with Environment Agency and Fishing Fraternity and Sea Palling – Coastal Manager/Senior Coastal Engineer
- Meeting with North Norfolk Fisherman's Society regarding Sandscaping.
- Mundesley Parish Council - Coastal Manager
- Site Meeting with Weybourne Parish Councillors Coastal Manager/Senior Coastal Engineer
- Various site meetings at Happisburgh – CPE Team

## CABINET MEMBERS REPORT TO COUNCIL

27 February 2019

### **COUNCILLOR NIGEL DIXON - CABINET MEMBER FOR ECONOMIC DEVELOPMENT**

For the period December 2018 to February 2019

#### **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. Financial year to date, the team has engaged **275** business via business events and has had 'meaningful' engagement with a further **213** 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.

##### **Tourism**

The Council has sponsored Visit North Norfolk's (VNN) latest marketing campaign, 'North Norfolk, Naturally'. The campaign has received over half a million film views since it launched in June. The first year of the campaign ends in April and the second year begins in May. VNN is now about to film six new thirty second videos over the coming months. The six new films are themed:

##### **Family First in North Norfolk** - promotion date May and June 2019

Promoting north Norfolk as a family holiday destination ahead of the last-minute booking period.

##### **Sea for Adventure** - promotion date July and August 2019.

A day enjoying the coast and beaches - above and below sea level. Highlighting experiences.

##### **Feed the Soul** - promotion date September and October 2019

Activities that are good for the soul. Walking, cycling, food.

##### **Wild About North Norfolk** - promotion date November and December 2019

Winter wildlife & nature.

**Passing the Time in North Norfolk** - promotion date January and February 2020

History & heritage, arts & culture

**Beautiful North Norfolk** - promotion date March and April 2020

Aerial shots of the coast & countryside - from coast to countryside to towns & villages

### **Deep History Coast**

We have established the new brand, which will appear in all aspects of the project and will be shared with all of our local 'ambassadors'. The most significant milestone will be the launch of the Deep History Coast App and the Discovery Trail in time for the summer season.

The Deep History Coast will begin to be marketed by a campaign developed and delivered in partnership with Visit North Norfolk. Commencing this spring, this will include innovative local and national publicity, a social media campaign, the development of a new website and the creation of two inspiring experiential films to appeal to all audiences – illustrating all that the Deep History Coast has in store and enticing visitors to come and explore. These promotional films will serve to whet the appetites of those who are new to the area ('try before they buy') and provide an additional attraction for those who already know and love what the area has to offer. Crucially it will aim to increase the benefits of visitors to the area and encourage them to visit throughout the year.

Each discovery point will not only include the oak 'monolith' information panels but also planting and seating. Every effort is being made to ensure each discovery point sits comfortably in the landscape with an emphasis on coastal plants and natural materials. Individually they will represent a different part of the story, relevant to its locality. We are now in the final phases of the landscape designs, after which the detailed plans along with the panel content will be shared with local parish and town councils.

On 6 March NNDC will be hosting a Deep History Coast open event at Trimingham Village Hall. Interested people will be able to drop in to view plans of the discovery trail, see the emerging information panels and the landscape designs for the various discovery points (see **Forthcoming Activities**)

## **Refurbishing the North Norfolk Information Centre**

We are pleased to announce that our grant application to the Rural Development Programme for England (RDPE) was successful, for the refurbishment and repurposing of the North Norfolk Information Centre in Cromer to include a Deep History Coast discovery centre. It is anticipated this refurbishment will take place in the early autumn 2019 and will be the 'gateway' to the Deep History Coast for visitors and a central point of information for local communities and interested businesses.

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

### **Deep History Coast - Business Ambassadors Event**

**6 March 12 noon or 5pm**  
**Trimingham Village Hall**

The free event aims to give local businesses an insight into the emerging Deep History Coast initiative, being developed by North Norfolk District Council, along with its partners.

The exhibition/open day includes two (2 hour) sessions, aimed specifically at local businesses. The whistle stop seminar will include:

- A reminder of what the Deep History Coast is and why it is so special,
- An update on the various initiatives including the 36km Discovery Trail and gateway building,
- An exhibition showing the landscape designs and Discovery Trail content.
- Demonstrations of the forthcoming interactive App by JAM Creative Studios (including a demo to take away with you),
- Expert advice on capitalising on this project from Branding and Marketing specialists Whistlejacket,
- An update on our marketing proposals for the promotion of this initiative.

Each attendee will receive a Deep History Coast Business Pack and the opportunity, if desired, to become a recognised Deep History Coast Business Ambassador.

### **To Book (by 1 March)**

Call 01263 516256 or 01263 516009  
email [deephistorycoast@north-norfolk.gov.uk](mailto:deephistorycoast@north-norfolk.gov.uk)

## **Apprenticeship Information Event**

**12 March 2019, 4-6pm**

**North Norfolk District Council Headquarters, Holt Road**

This is a free event aimed at all organisations, large or small, whether they already employ apprentices or are interested in doing so. All the major training providers will be attending and businesses will have the opportunity to ask questions about:

- funding;
- recruitment;
- transferring the levy;
- off the job training;
- assessments.

There will be networking time to discuss any specific needs with local training providers, apprenticeship training agencies and organisations such as the Apprenticeships Norfolk Network.

### **To Book**

Call 01263 516331 or email [economicgrowth@north-norfolk.gov.uk](mailto:economicgrowth@north-norfolk.gov.uk)

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## **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.

The next event is on **19 March** (9:30am-11:30am) at The Feathers Hotel, 6 Market Place, Holt NR25 6BW. Details can be found at: [www.genix.org.uk](http://www.genix.org.uk) or call **0800 096 3013**.

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## **Marketing Conference**

**Google & Smartphone Video**

**3 April 9.30-12.30pm**

**Pensthorpe Nature Park, Fakenham NR21 0LN**

Delivered by Genix (supported by NNDC) this event you will help businesses get to grips with the world's most popular search engine, Google. We will also show you how to create your own digital marketing content with your phone or tablet.

### **To Book**

Visit [www.genix.org.uk](http://www.genix.org.uk) or call **0800 096 3013**.



## **CABINET MEMBERS REPORT TO COUNCIL**

**27 February 2019**

### **COUNCILLOR S BUTIKOFER - CABINET MEMBER FOR CORPORATE SERVICES (COMMUNICATIONS)**

For the period December 2018 to February 2019

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

##### **North Norfolk Business Awards #nnba19**

The second annual North Norfolk Business Awards will be held on February 21<sup>st</sup>, which at the time of writing is yet to happen. By the time Full Council sits on February 27<sup>th</sup>, nine businesses will have received winning trophies and 16 will have received runners-up certificates at the event, held at Gresham's School. This year's event has successfully built on year one, with increased engagement both across the number of entries from businesses and significantly improved interest across our social media platforms. The awards are a result of close cross-service working, involving the communications, economic growth and PA teams.

##### **Project Support**

Sandscaping: The signing of the construction contract for Sandscaping will be hosted at North Norfolk District Council's headquarters on February 19<sup>th</sup>, which is also yet to happen at the time of writing.

Representatives from the contractor, funding partners, Bacton Terminal operators, those we have been collaborating with on the scheme, construction supervisors, local members, Leader and Portfolio holder were invited to the signing, from where photographs and media information were due to be submitted both internally and externally. It is expected the terminal will gain a 1:10,000 level of protection for 15 to 20 years as a result of this UK-first scheme.

Leisure projects: With the appointment of the new leisure contractor from April 1<sup>st</sup> 2019 comes an opportunity to rebrand our six leisure sites and clearly demonstrate North Norfolk District Council's ownership and care of those sites. The communications team has begun to work closely with PR and communications professionals from the new contractor to ensure a best fit and best value solution for North Norfolk District Council. The communications team also continues to promote the Sheringham leisure project, from the overarching rebuild and replacement of the facility to the associated detail of the project, such as the ongoing build of the new skatepark to the need for messaging around changes to car parking on and near the site during construction.

##### **Deep History Coast**

The communications team continues to support this exciting project by promoting key dates and activities, such as a Deep History Coast open event on **Wednesday 6 March** at Trimmingham Village Hall. Visitors will be able to see plans of the discovery

trail, the emerging information panels and the landscape designs for the various discovery points.

### **Mammoth Marathon**

The desire to see the first full on-road marathon in Norfolk for several decades in Norfolk has seen a project group identifying routes, dates, times, pricing and a range of other detail to allow this exciting idea to come to fruition. Communications will provide a service to the project in order to ensure timely and accurate information and registration opportunities are offered to potential participants well in advance of the race date in order to allow for sufficient time for event planning and runner training. The project is being run by the economic growth and sports teams, with external consultation and advice from a road running club.

### **Corporate Identity and Branding**

On January 16<sup>th</sup>, the Communications and PR Managers provided a written and verbal update to the Overview and Scrutiny Committee to inform and update the Committee on the branding project and its impact on the professionalism and consistency of materials produced across the Council.

### **Antiques Roadshow**

Following a visit of the BBC Antiques Roadshow film crew to Cromer and Cromer Pier in May 2018, the first of two episodes of the Sunday evening show aired on February 3<sup>rd</sup>, attracting further positive coverage of the district. It is expected that a second Cromer episode will be broadcast in the next few weeks as Series 41 of the show progresses.

### **PR and marketing**

In addition to aforementioned media information, a diverse range of news releases and digital media content was issued in the last two months. This ranged from art gallery promotion, Neighbourhood Plan referendum, Sheringham railway station investment, SCRAP campaign, One Public Estate, fly-tipping court cases, apprenticeship workshop and the contribution of North Norfolk District Council staff to charity via dress down days. The team also produced the last 'in-house' dual use sports centre activity brochure before the new leisure contract comes into place on April 1<sup>st</sup>.

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

### **Elections**

The communications team sits on the Election Project Team and is assisting the team in communicating a range of events and information in advance of May 2<sup>nd</sup>, including the March 7<sup>th</sup> agents and candidates briefing and the March 4<sup>th</sup> briefing for Town and Parish Clerks and Chairs. This year's election is notable for the switch from 34 wards to 32 wards; and from 48 members to 40 members. The communications team will ensure this message is delivered effectively to the electorate.

### **Brexit**

The communications team is contributing to a county-wide communications group for Brexit to ensure that when any messaging is received from central government, all public service bodies in Norfolk are communicating consistently.

## **CABINET MEMBERS REPORT TO COUNCIL**

**27 February 2019**

### **COUNCILLOR S BUTIKOFER - CABINET MEMBER FOR CORPORATE SERVICES (LEGAL AND DEMOCRATIC SERVICES)**

For the period December 2018 to February 2019

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

##### **Legal Services**

Eastlaw has provided legal advice and support in relation to the Hornsea 3 and Norfolk Vanguard off-shore wind turbine projects. The application to the Court of Appeal in relation to the Bodham and Selbrigg wind turbines is awaited. Health and safety prosecutions are continuing in relation to incidents at Trimmingham and North Walsham .

Advice is being provided in relation to funding arrangements for Splash Leisure.

##### **Democratic Services**

Work is continuing on introducing Modern Gov (software system for managing meetings) in time for May 2019 and the team is working hard at preparing agendas and minutes using the new system.

The team has been supporting an increased number of meetings over recent weeks – either additional meetings for existing committees or new Overview & Scrutiny Task and Finish groups.

The second round of applications for the Market Towns Initiative has now closed. Once again there has been a substantial amount of interest from the three towns with funding still available (Fakenham, Holt and Stalham). The Panel will meet soon to assess the applications and make recommendations regarding the funding.

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

Member Induction – this is a large project for the Democratic Services Team and work is well underway in preparing the programme of training and events. Member Development Group is meeting more frequently to support this work and to ensure that the needs of members are reflected in the induction programme.

## **CABINET MEMBERS REPORT TO COUNCIL**

**27 February 2019**

### **COUNCILLOR S BUTIKOFER – CORPORATE SERVICES (HR)**

For the period December 2018 to February 2019

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

The IIP assessment was carried out in November last year and focuses on the organisation in terms of our Officers, rather than our elected Members. The report has now been received and the Council has been awarded Silver accreditation. Whilst we have previously been assessed at the Gold level, the standard has since changed and is more challenging for organisations. Our Assessor has been very clear that this result should not therefore be seen as a backwards step for the organisation. The report was overwhelmingly positive and we can all be proud of the Silver accreditation.

There is an 'amnesty' period of 12 months where we can continue to use our existing Gold accreditation. At the end of that period we have the option to request a smaller assessment on our development areas. No decision on this has been firmly made yet, but Management Team are keen to focus on how we can use the contents of the report to inform our future development plans. The report has been shared with Management Team and will be published on the intranet shortly.

Latest gender pay gap figures are required to be published by 30 March 2019 and are based on a snap shot date of 31 March 2018. The raw data shows an improved position for our gender pay gap. Work is now being undertaken to produce a report to explain the data, as well as an action plan to further improve our position. Once complete, this will be published on the Council's website.

Whilst the HR service is not subject to a wholesale BPR review, a number of our processes are being reviewed and improved, which often involves an element of digital transformation. An online application form is currently being tested, the content and functionality of the jobs pages on our website are being reviewed and work has started to revise our appraisal process, taking into account feedback from the staff focus group, managers and the IIP report.

One of our HRBPs is also currently supporting the TUPE process for colleagues at our dual use sports centres, as a result of the new leisure contract.

<b>2      Forthcoming Activities and Developments.</b>
The contract with our current recruitment partner is due to end on 28 February. Following a collaborative procurement exercise with the other Norfolk Local authorities, the 'Norfolk Recruitment Partnership' has awarded the contract to TMP Worldwide. We are currently working with TMP to ensure a smooth transition and positive start to our partnership with them.
<b>3      Meetings attended</b>
JSCC - December 2018

## PORTFOLIO REPORT TO COUNCIL

27 February 2019

### **COUNCILLOR NIGEL LLOYD - CABINET MEMBER FOR PROPERTY**

For the period December 2018 to February 2019.

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

**Egmere** – The BE Group have now completed their work on the external review of the Egmere investment decision. All Members were invited to a meeting to discuss the findings of the report following Cabinet on 4 February. Following this further meetings have also been held with various stakeholders. Discussions are ongoing and will help inform the most appropriate course of action.

**Cromer pier** – initial works to the pier substructure have commenced and are a pre-cursor to the works to the theatre roof which are scheduled for the spring before the next shows start. There have been some delays to the roofing works due to adverse weather conditions recently.

**Public convenience improvements** – designs works have now been completed and are now due to be discussed with various town and parish councils and local Members. Work programmes will also be developed over the coming months to help implement this programme of significant improvements. These facilities are expected in tourist areas and it is essential that the Council is able to maintain them to a high standard to meet the expectations of both residents and visitors alike. The procurement for these works is due to be advertised imminently.

**Cromer office roof works** – the works to the glulam beams and roof glazing at the main administrative office in Cromer has now commenced. The works are due to run from December with the programme scheduled for approximately 60 weeks and works are progressing well. The installation of the PV panels on the south facing elevation of the roof is also progressing as planned with an expected completion and sign off date for the end of March.

**New capital bids** – there are a number of property related capital bids which are included as part of the 2019/20 budget report which can be found elsewhere on the agenda.

**Wetherspoon** – a press release was issued by the Council in relation to the proposed Wetherspoon acquisition of the New Road site in North Walsham, a copy of which can be accessed [here](#).

**The One Public Estate (OPE)** Programme is a national programme operated through the Cabinet Office, MCHLG and the LGA which seeks to promote innovation and improvements in local public service delivery through making best use of land and property assets and joint / shared working arrangements in the delivery of frontline public services. The Council has recently been awarded funding to progress two feasibility reports, the first is a £50,000 allocation to examine the potential for a shared public services hub in Stalham and the second is a £50,000 allocation to look at a similar hub proposal in North Walsham.

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

**Asset condition surveys** – tenders for this work have now been returned and assessed and a preferred supplier (Norfolk Property Services) selected for phase 1 of the rolling programme. Options are currently being considered in respect of the remaining phases of the works. Phase 1 will focus on public conveniences, chalets and the structures which sit on the pier deck (as opposed to the substructure which has recently been surveyed).

**Public convenience opening hours** – Cabinet approved the winter opening for the facilities at West Runton and Cart Gap for this coming winter and a further report has now been considered by Overview and Scrutiny (O&S) in relation to the opening hours for the remainder of the portfolio. At that meeting a recommendation was also made to include the facilities at Paul Lane in Overstrand as part of the trail for this winter and this has also now been actioned.

There is a recommendation contained elsewhere on the Full Council agenda to extend the opening hours at the remaining facilities.

## **3 Meetings attended (as part of Portfolio responsibilities)**

Nothing further to report.

## CABINET MEMBERS REPORT TO COUNCIL

27 February 2019

### **COUNCILLOR ERIC SEWARD - CABINET MEMBER FOR FINANCE, REVENUES & BENEFITS**

For the period December 2018 to February 2019

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

**Final Local Government Finance Settlement** – The Final Settlement was presented to Parliament as a written statement on 29<sup>th</sup> January followed by a later debate. The funding allocations from the provisional settlement were confirmed. Despite repeated calls from Councils to increase the referendum limits on Council Tax to allow sustainable funding of services, no additional tax raising powers were granted. The impact of the settlement has been built in to the budget papers presented this evening.

**Localisation of Business Rates** – A further consultation on the design of the new system of business rates retention (to take effect from April 2020) was released alongside the provisional settlement in December. Officers have drafted a response to the consultation and circulated to Group Leaders for comment before the consultation deadline on 21<sup>st</sup> February. Significant developments since the last consultation include the decision not to centralise appeals (which means Local Government retain a significant amount of the risk in the system), and for the initial baseline reset to be a full one rather than a partial one. This last point represents a significant risk for the Council, as it would radically redistribute growth from business rates away from the Council into poorer performing areas. Officers will continue to lobby the Government to instead proceed with a partial or phased reset to allow the effects of this to be mitigated in a more sustainable manner.

**Fair Funding Review** – Progress has been made on the Fair Funding Review, and a second consultation on relative needs and resources was released alongside the provisional settlement. Coast Protection is proposed to now be included with its own formula, which is good news for the Council and is a result of extensive lobbying by officers. One current focus is on the discussion around the inclusion of car parking income in the resources adjustment, which would negatively impact the Council. Officers will continue to feed back to Government on the basis that it's inclusion is contrary to the aims of removing the link between local policy decisions and central funding. The overall quantum of funding remains a concern, it will be important to maintain pressure on MHCLG and the Treasury to make sure that overall, the Local Government sector is properly resourced. An update will be



provided to Members when the results of the consultation are published.

**February Reports** – a number of reports are being considered in February as follows:

- Budget and Council Tax setting – to set the Council's budget for 2019/20 and the Council's share of Council Tax for the year.
- Treasury Management Strategy – sets the strategy for the management of the Council's cash balances.
- Capital Strategy – a report which outlines the sustainability of the Council's capital programme and asset investment plans. This report also contains the debt management and MRP statement.
- Investment Strategy – a new annual item which outlines the risks of the Council's investment types and how these are mitigated, as well as the proportionality of the investments.

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

**Final Accounts** - the processes for the 2018/19 final accounts closedown have begun. The Council is in a strong position following the successful achievement of the early close down last year which was two months earlier than previous years. There is no further reduction in these timescales for the 2018/19 closedown.

Officers are working to assess the impact of several new accounting standards, and a report will be made to the Governance, Risk and Audit Committee at their March meeting.

## **3 Meetings attended**

Nothing further to report.

**North Norfolk District Council Treasury Management Strategy Statement 2019/20**

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

Cabinet Member(s) Cllr E Seward	Ward(s) affected: All
Contact Officer, telephone number and email: Lucy Hume, 01263 516246	

**Introduction**

Treasury management is the management of the Authority’s cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and or invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority’s prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority’s legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

## **External Context**

**Economic background:** The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.

UK Consumer Price Inflation (CPI) for October was up 2.4% year/year, slightly below the consensus forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for October 2018 showed the unemployment rate edged up slightly to 4.1% while the employment rate of 75.7% was the joint highest on record.

Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since. However, the Bank expects that should the economy continue to evolve in line with its November forecast, further increases in Bank Rate will be required to return inflation to the 2% target. The Monetary Policy Committee continues to reiterate that any further increases will be at a gradual pace and limited in extent.

**Credit outlook:** The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ringfencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ringfenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ringfenced banks generally being better rated than their non-ringfenced counterparts.

The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.

European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

**Interest rate forecast:** Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low

interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.

The UK economic environment remains relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging outlook as it exits the European Union and Eurozone growth softens. While assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity. As such, the risks to the interest rate forecast are considered firmly to the downside.

### **Local Context**

On 31<sup>st</sup> December 2018, the Authority held no borrowing and £41.0m of investments. This is set out in further detail at **Appendix A**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

**Table 1: Balance sheet summary and forecast**

	<b>31.3.18 Actual £m</b>	<b>31.3.19 Estimate £m</b>	<b>31.3.20 Forecast £m</b>	<b>31.3.21 Forecast £m</b>	<b>31.3.22 Forecast £m</b>
General Fund CFR	3.743	3.474	3.205	7.269	6.856
Less: Other debt liabilities *	-0.355				
<b>Loans CFR</b>	<b>3.388</b>	<b>3.474</b>	<b>3.205</b>	<b>7.269</b>	<b>6.856</b>
Less: External borrowing **	0.000	0.000	0.000	-4.190	-4.046
<b>Internal borrowing</b>	<b>3.388</b>	<b>3.474</b>	<b>3.205</b>	<b>3.079</b>	<b>2.810</b>
Less: Usable reserves	-32.059	-26.648	-24.476	-22.654	-22.536
Less: Working capital	-7.158	-7.158	-7.158	-7.158	-7.158
<b>Investments</b>	<b>35.829</b>	<b>30.332</b>	<b>28.429</b>	<b>26.732</b>	<b>26.883</b>

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

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

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The Authority is currently debt free, although capital expenditure plans do currently imply a need to borrow over the forecast period. Investments are forecast to fall as capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2019/20.

## **Borrowing Strategy**

The Authority currently holds no of loans, in line with the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority does not expect to need to borrow in 2019/20. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £23.4 million.

**Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

**Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to borrow short-term loans instead.

The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow further short-term loans to cover cash flow shortages.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Norfolk Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative

- sale and leaseback

The Authority has previously raised long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

**Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

**Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises.

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Investment Strategy**

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £36.750 and £51.035 million, and similar levels are expected to be maintained in the forthcoming year.

**Objectives:** The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Negative interest rates:** If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2019/20. This is especially the case for the estimated £2m that is available for

longer-term investment. A dwindling proportion of the Authority’s surplus cash remains invested in short-term unsecured bank deposits, and money market funds. This diversification will represent a continuation of the current strategy.

**Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority’s “business model” for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£2m 5 years	£4m 20 years	£4m 50 years	£2m 20 years	£2m 20 years
AA+	£2m 5 years	£4m 10 years	£4m 25 years	£2m 10 years	£2m 10 years
AA	£2m 4 years	£4m 5 years	£4m 15 years	£2m 5 years	£2m 10 years
AA-	£2m 3 years	£4m 4 years	£4m 10 years	£2m 4 years	£2m 10 years
A+	£2m 2 years	£4m 3 years	£4m 5 years	£2m 3 years	£2m 5 years
A	£2m 13 months	£4m 2 years	£4m 5 years	£2m 2 years	£2m 5 years
A-	£2m 6 months	£4m 13 months	£4m 5 years	£2m 13 months	£2m 5 years
None	£1m 6 months	n/a	£3m 25 years	£500,000 5 years	£3m 5 years
<b>Pooled funds and real estate investment trusts</b>		£10m per fund or trust			

This table must be read in conjunction with the notes below

**Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central and Local Government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment as part of a diversified pool in order to spread the risk widely.

**Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Pooled funds:** Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As



with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

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

**Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

**Investment limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £16 million on 31<sup>st</sup> March 2019. In order that only an acceptable level of reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Central and Local Government) will be £6 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Investment limits

	<b>Cash limit</b>
Any single organisation, except the UK Central and Local Government	£6m each
UK Central and Local Government	unlimited
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker’s nominee account	£10m per broker
Foreign countries	£6m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£5m in total
Money market funds	£16m in total
Real estate investment trusts	£10m in total

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

**Treasury Management Indicators**

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

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

<b>Credit risk indicator</b>	<b>Target</b>
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Portfolio average credit score	6.0
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**Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£3m

**Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£600,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£600,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

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

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

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

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

Price risk indicator	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£42m	£42m	£42m

## **Related Matters**

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

**Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

**Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

**Financial Implications**

The budget for investment income in 2019/20 is £1.344 million, based on an average investment portfolio of £38.4 million at an interest rate of 3.5%. The budget for debt interest paid in 2019/20 is £0.010 million, based on an average debt portfolio of £0.895 million at an average interest rate of 1.125%. This is to cover short term borrowing for cash flow purposes only. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

**Other Options Considered**

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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

## Appendix A – Existing Investment Portfolio Position

	<b>Amount £m</b>	<b>Average Interest Rate %</b>
<b>Managed in-house</b>		
Short-term Investments		
- Term Deposits (other Local Authorities)	5.000	0.59
Long-term Investments		
- Covered Bonds with Banks & Building Societies	2.250	1.04
<b>Managed externally</b>		
- Money Market Funds	1.765	0.59
- Pooled Funds	32.000	3.11
<b>Total Investments</b>	<b>41.015</b>	<b>1.69</b>

The position shown as per the budget report for Interest returns differs from this figures, as that also includes the loan to Broadland Housing Association. With this loan included, the rate rises to 2.36%.

## Capital Strategy 2019-20

Summary:	This report sets out the Council's Capital Strategy for the year 2019-20. It sets out the Council's approach to the deployment of capital resources in meeting the Council's overall aims and objectives while providing the strategic framework for the effective management and monitoring of the capital programme.
Options Considered:	This report must be prepared to ensure the Council complies with the CIPFA Treasury Management and Prudential Codes.
Conclusions:	The Council is required to approve a Capital Strategy to demonstrate compliance with the Codes and establishes the strategic framework for the management of the capital programme.
Recommendations:	That Cabinet recommends to Full Council that;  The Capital Strategy and Prudential Indicators for 2019-20 are approved.
Reasons for Recommendation:	Approval by Council demonstrates compliance with the Codes and provides a framework within which to consider capital investment decisions.

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

### 1 Introduction

- 1.1 The CIPFA *Prudential Code for Capital Finance in Local Authorities 2017* and *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes 2017 Edition* require Local Authorities to publish a Capital Strategy each year. Under the provisions of the Local Government Act 2003, Local Authorities are required to operate within the guidance of the

Prudential Code (the Code) with regard to capital investment decisions.

- 1.2 This Capital Strategy sets out the Council's approach and process to the deployment of capital resources in meeting the Council's overall aims and objectives. It also provides a strategic framework for the effective management and monitoring of the capital programme, within which the Council will work in formulating the strategies for individual services. It is a primary document for all capital decision making, together with the Corporate Plan and other strategies.

## **2 Capital Expenditure**

- 2.1 The Corporate Plan sets out what the Council intends to do between 2015 and 2019. It focuses on five priorities which will influence how we move forward:

- Jobs and the local Economy - a district with a thriving economy offering better jobs and prospects for local people
- Housing and Infrastructure - to address housing and infrastructure for local people whilst meeting the market demand for housing
- Coast and Countryside - a district where the beautiful natural environment is managed and protected for future generations
- Health and Well-Being - a district with vibrant communities and where healthy lifestyles are accessible to all
- Delivering Service Excellence - to make the Council more efficient so that we can both deliver our priorities and offer value for money for local taxpayers

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

- 2.2 All capital projects are considered and prioritised as part of the Council's overall budget process, with affordability in relation to the Medium Term Financial Strategy (MTFS) being a key issue. The revenue implications and funding of any approved bids are included within the Council's revenue budget forecasts to identify the resultant effects on future Council Tax levels.
- 2.3 The business case and options appraisal methodology is applied to all significant projects (those with a capital cost of over £50,000). The options appraisal should be undertaken by the relevant manager (project leader) initially.
- 2.4 The business case considers the full options appraisal as evidence to support the recommended option as required. The options analysis will cover elements such as risk, sensitivity and cost benefit analysis and will seek to identify the option that delivers maximum benefit at the lowest or most appropriate cost.



- 2.5 Projects that generate future income streams for the Council, for example industrial estates and other Asset Commercialisation projects are also viewed positively within the evaluation process. The Asset Management Plan framework helps to identify these assets in order to ensure the revenue implications are again fully accounted for in the decision-making process for the disposal of assets.
- 2.6 The Current approved Capital Programme (as at December 2018) can be found as part of the Council's draft Budget papers (Appendix E).

### **3 Medium and Long Term Funding Strategy**

- 3.1 There are a number of sources of funding available to the Council for capital schemes (capital grants/contributions, capital receipts, borrowing etc). Revenue funding is also available via a Revenue Contribution to Capital Outlay (RCCO), however it should be noted that the scope for using revenue resources for capital purposes is limited.
- 3.2 Funding from capital receipts is forecast for the next three years to ensure a level of internal resources is maintained and can support future projects. It should however be noted that these are only forecasts at the present time and anticipated balances at the end of the period are based on the current approved capital budget.
- 3.3 The current Capital Programme is funded from grants and contributions, capital receipts from the disposal of assets and from the Council's own reserves, internal and external borrowing. Whilst capital funding is available to invest in new assets or in improving existing assets, the impact on the revenue account due to the loss of investment income is always a key consideration.
- 3.4 The Council has access to short or long term borrowing if required to finance capital expenditure. Although business cases for new capital projects are modelled on the assumption that borrowing will be required (to reflect a 'worst case scenario' in terms of cost), the decision to borrow externally is ultimately a treasury one, and is made closer to the time when expenditure is actually incurred, taking into account available cash balances, the opportunity cost of investments, and the exposure to interest rate and credit risks.
- 3.5 Currently, the Council is expecting to borrow in future years to part fund the re-provision of Splash Leisure and Fitness Centre in Sheringham. It is anticipated that there will be external borrowing for this project in the region of £5m, with £1.3m forecasted to be required in 2019/20 and £3.7m required in 2020/21. A smaller sum of borrowing has been assumed to part fund the construction of an artificial grass pitch in North Walsham, at a sum of £374,000.
- 3.6 It is a requirement of the new CIPFA code that the Council consider alternative means of financing if required. The Council is aware of the opportunities that may be realisable through a Private Finance Initiative (PFI). The Procurement

Strategy includes guidance on appraising Private Public Partnerships in the context of service delivery, and emphasises that obtaining ‘value for money’ means choosing the optimum combination of whole life costs and benefits to meet the customer’s requirements. This is not necessarily the lowest initial price option and requires an assessment of the ongoing revenue/resource implications as well as initial capital investment.

- 3.7 The Council recognises the importance of attracting ‘new money’ into the district and wherever possible supports match funding requests. When identifying and planning new schemes, the Council will try to maximise all external sources of finance without reducing the effectiveness of the scheme.

#### **4 Asset Management and Commercial Activities**

- 4.1 The Council has a diverse range of land and property held to meet its Corporate Objectives and values as outlined in the Council’s Corporate Plan. Land and property assets can play a key role in reducing Council budget deficits and generating both capital and revenue income. The Council can use its assets more effectively to meet tough financial targets both through reducing costs and generating income.
- 4.2 In the main the Council will adopt a “buy and hold” strategy for property investments. This is where the Council purchases an asset and lets it to generate revenue income, whilst retaining it for the long term. A long term investment is considered to be of 10 years and over. Whilst it cannot be guaranteed, in the long term a good overall rate of return is anticipated allowing for a cyclical property market.
- 4.3 In terms of development opportunities, the Council may seek to “buy and hold” assets for the medium term where it sees a strategic advantage of doing so, for example land assembly for town center regeneration or acquiring land to develop in a phased approach to minimise risk of oversupply and for cash flow purposes.
- 4.4 The Council may also seek to “buy and sell on” an asset in the short to medium term of between 1 – 5 years. For example, where there is opportunity to secure good terms or a low price enabling a surplus to be made from a sale or redevelopment.
- 4.5 Further information can be found in the Council’s Land and Property Acquisition Policy.
- 4.6 The Council seeks to achieve a spread of risk across a greater number of assets and by acquiring properties across the range of commercial property types, including: retail, leisure/tourism, office and industrial assets.
- 4.7 The Council has a small portfolio of commercial assets to rent within the district. These are identified within the Asset Management Plan as being held by the

Council primarily for the purpose of generating income to support the Councils, revenue and capital budgets. Whilst generating income, returns and financial independence to support the delivery of services, there are a number of benefits to the Council, the community, tourist and business sector from the Council commercial portfolio including promoting strategic regeneration, increasing business rate and council tax income and supporting tourism.

- 4.8 Where assets are identified as being surplus to requirements and not achieving required financial or service delivery performance targets, they can be considered for disposal to provide useable capital receipts, which can then be redirected to achieve the Council's objectives. Further information can be found in the Council's Disposal Policy.
- 4.9 The Council's Property Services Team has historically managed the Council property portfolio with support of the Finance team, Eastlaw and Economic Development. Different types of commercial property require different levels of resource to manage effectively. Business Centers with easy in and out terms, tend to be more management intensive due to the relatively high turnover of tenants, in comparison to the longer leases of industrial units, where typically tenants have responsibility for full maintenance/repairs and insuring.

4.10 Asset management undertaken includes:

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

An increase to the portfolio will require additional resource to manage effectively which could be achieved by additional staff for internal management or appointing experienced commercial agents for external management. At the current time, it is considered unlikely that the Council would invest outside of the District or County; however, if this decision is taken in the future the it may be necessary to consider additional resources within the team to effectively manage this. In the coming months, the Council will be undertaking surveys across its asset portfolio in order to identify areas for investment in terms of repairs and ongoing maintenance. This will inform future year's Revenue budgets and ensure the ongoing viability of the asset portfolio.

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

## **5 Debt Management and MRP Statement**

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

## **5 Prudential Indicators**

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

### *5.2 Authorised Limit for External Debt*

The Council has an integrated Treasury Management Strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial

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

	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>
Authorised limit for borrowing	23.400	23.400	23.400	23.400
Authorised limit for other long-term liabilities	0.000	0.000	0.000	0.000
<b>Authorised limit for external debt</b>	23.400	23.400	23.400	23.400

### 5.3 *Operational Boundary for External Debt*

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

	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>
Operational boundary for borrowing	15.030	15.030	15.030	15.030
Operational boundary for other long-term liabilities	0.000	0.000	0.000	0.000
<b>Operational boundary for external debt</b>	15.030	15.030	15.030	15.030

#### 5.4 Capital Expenditure

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

	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>
<b>Estimated Capital Expenditure</b>	10.668	21.914	6.835	1.055

#### 5.5 Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. The Council is required to make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years as shown in the table below. The total CFR indicated in the table relates in part to vehicles and equipment used on the Council's refuse and car park management contracts. These are recognized under IFRS accounting regulations which require equipment on an embedded finance lease to be recognized on the balance sheet. The CFR takes into consideration the Cabinet decision to provide loan advances to Registered Providers under the Local Investment Strategy. Although initially this will increase the CFR, the capital receipts generated by the annual repayments on the loans will be applied to reduce the CFR across subsequent years. This is a key indicator for prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>
CFR	3.474	3.205	7.269	6.856
Less: Other Debt Liabilities	0.000	0.000	0.000	0.000
<b>Estimated Capital Financing Requirement</b>	3.474	3.205	7.269	6.856

#### 5.6 Proportion of Financing Costs to Net Revenue Stream

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

	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>
Financing cost (net)	(1.131)	(1.331)	(1.271)	(1.242)
Net Revenue Stream	14.460	14.480	14.265	14.164
<b>Ratio</b>	-7.82%	-9.19%	-8.91%	-8.77%

## **6 Links to other Strategies and Plans**

- 6.1 The Council has fully integrated its Capital Strategy as part of its strategic financial planning process and this policy influences both the production of the MTFs and the capital and revenue budget planning process. The Strategy is also linked to the other main asset related policies, namely the Asset Management Plan, the Land and Property Acquisition Policy, the Commercial Property Strategy, the Land and Property Disposals Policy.
- 6.2 The Treasury Management Strategy details the Council's treasury management arrangements to manage the Council's cash flow, including the anticipated use of reserves, so as to maximise income from investments and minimise interest payments on borrowing, whilst minimising the risk to the Council's assets. This strategy can influence the potential receipts available for funding capital and will also directly inform any borrowing decisions for capital purposes.
- 6.3 The Procurement Strategy seeks to ensure that Value for Money is achieved in all of the Council's procurement decision-making activities and systems. The guidance should be applied by all Officers in conjunction with the requirements incorporated within the Council's Contract Standing Orders and Financial Regulations and has great relevance to preparing capital bids.
- 6.4 The Capital Strategy is also aligned with the Risk Management Strategy, and managers are required to consider risk when completing the standard business case pro-forma.

**7 Financial Implications and Risks** - The financial implications and risks of any capital investment will be included as part of the budget process and business case preparation in relation to individual schemes and proposals coming forward.

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

- 9 Equality and Diversity** - None as a direct consequence of this report.
- 10 Section 17 Crime and Disorder considerations** - None as a direct consequence of this report.



## **North Norfolk District Council Investment Strategy 2019/20**

### **Introduction**

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

### **Treasury Management Investments**

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £30.8m and £41.2m during the 2019/20 financial year.

**Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

**Further details:** Full details of the Authority's policies and its plan for 2019/20 for treasury management investments are covered in a separate document, the treasury management strategy.

### **Service Investments: Loans**

**Contribution:** The Council may lend money to its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth. The Council is currently lending to Broadland Housing Association at a commercial rate of interest to support the provision of affordable housing within North Norfolk. The income forms part of the Council's interest budget for the year and supports the delivery of Council services. In the 2016/17 financial year, the Council received a grant from Central Government to support community housing. It is the intention that part of this fund will form a loans fund to allow community initiative around housing to be supported and the income to be recycled. The rates of interest are likely to be below

commercial rates and so represent soft loans. To date, no loans of this nature have been made from the fund.

**Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

*Table 1: Loans for service purposes in £ millions*

Category of borrower	31.3.2018 actual (£m)			2019/20
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Housing associations	3.365	0.006	3.359	£10m
<b>TOTAL</b>	<b>3.365</b>	<b>0.006</b>	<b>3.359</b>	<b>£10m</b>

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

**Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by using advisors and quality financial press to assesses the market that the investment will be competing in, the nature and level of competition, along with expectations on how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements. The quality of advice is moderated by frequently subjecting the contracts to tender. Risk assessments include reference to credit ratings, but are not the sole indicator of risk used. Credit ratings are actively monitored by advisors and changes are relayed to the Authority using an alert system. Other information, such as credit default swaps, are used to assess risk.

### **Service Investments: Shares**

**Contribution:** The Council may invest in the shares of its suppliers, and local businesses to support local public services and stimulate local economic growth. At the present time, the Council does not hold these type of investments.

**Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

*Table 2: Shares held for service purposes in £ millions*

Category of company	31.3.2018 actual			2019/20
	Amounts invested	Gains or losses	Value in accounts	Approved Limit

Subsidiaries	Nil	Nil	Nil	£5m
Suppliers	Nil	Nil	Nil	£5m
Local businesses	Nil	Nil	Nil	£5m
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>£15m</b>

**Risk assessment:** The approach is very similar to that of the service loans, the Authority assesses the risk of loss before entering into and whilst holding shares by using advisors and quality financial press to assesses the market that the investment will be competing in, the nature and level of competition, along with expectations on how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements. The quality of advice is moderated by frequently subjecting the contracts to tender. Risk assessments include reference to credit ratings, but are not the sole indicator of risk used. Credit ratings are actively monitored by advisors and changes are relayed to the Authority using an alert system. Other information, such as credit default swaps, are used to assess risk.

**Liquidity:** The Council actively monitors the availability of cash, using established cash flow procedures to inform decisions around the maximum that may be committed over any given time horizon.

**Non-specified Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

### **Commercial Investments: Property**

**Contribution:** The Council invests directly in local commercial property with the intention of making a profit that will be spent on local public services. The Council currently holds two main investment properties. The depot building at Grove Lane, which is rented out to a private sector developer and Fair Meadow House, a property used for short term holiday let accommodation. Fair Meadow House provides rental income for the Council, but also supports the tourist offer within North Norfolk.

*Table 3: Property held for investment purposes in £ millions*

Property	Actual	31.3.2018 actual		31.3.2019 expected	
	Purchase cost	Gains or (losses)	Value in accounts (£)	Gains or (losses)	Value in accounts (£)
Grove Lane Depot	-	-	325,000	-	325,000
Fair Meadow House	582,207	(32,207)	550,000	-	550,000
<b>TOTAL</b>	<b>582,207</b>	<b>(32,307)</b>	<b>875,000</b>	<b>-</b>	<b>875,000</b>

**Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2018/19 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

**Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding property investments by using advisors and quality financial/property press to assesses the market that the investment will be competing in, the nature and level of competition, along with expectations on how the market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements. We have qualified staff that will consider the local market and also have a number of external advisors and agents who we seek advice from where appropriate. This also extends to national advice although the Council's current strategy is to invest within the local area. Risk assessments include reference to credit ratings, but are not the sole indicator of risk used. Credit ratings are actively monitored by advisors and changes are relayed to the Authority using an alert system.

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority maintains a balanced portfolio of investments, with short term investments allowing for faster liquidation should it be required.

### **Loan Commitments and Financial Guarantees**

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.

The Authority has not currently contractually committed to make any loans or guaranteed any loans and has no current plans to do this.

### **Proportionality**

The Authority plans to become dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net profit, the Authority will in the short term use available reserve balances to meet the shortfall, while a full review of service provision is undertaken.

Table 4: Proportionality of Investments

	2018/19 Forecast	2019/20 Budget	2020/21 Budget	2021/22 Budget
Gross service expenditure	61.813	62.052	59.132	59.330
Investment income	1.131	1.331	1.271	1.242
Proportion	1.83%	2.14%	2.15%	2.09%

### **Borrowing in Advance of Need**

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority has chosen to follow this guidance.

### **Capacity, Skills and Culture**

**Elected members and statutory officers:** Members and Statutory officers attend regular training on Treasury Investment principles and have access to informed officers who are required to keep up with CPD requirements by their professional bodies. The individual business cases allow Members to assess individual assessments in the context of the strategic objectives and risk profile of the local authority; and enable them to understand how these decisions have changed the overall risk exposure of the local authority.

**Commercial deals:** The Council's Asset Management Plan is closely linked to the Corporate Plan and the Capital Strategy which contains the Prudential Indicators. We have qualified staff and support from external advisors to support with property transactions and negotiations. The Estates team are aware of the various strategy documents and the requirements contained therein, this also covers the prudential framework and the regulatory regime in which the Council operates and is supplemented by external training and Continuing Professional Development where appropriate.

**Corporate governance:** Budgets for investment purchases are agreed by Full Council in line with corporate objectives. A £2m property investment fund was agreed in February 2018, after being subject to scrutiny by Members. Business Cases will either come forward to Cabinet (if not time sensitive) or an Asset Management Working Party, which is a cross-party subsection of the Overview and Scrutiny Committee. Treasury Investments are subject to governance checks through the agreement of the Treasury Strategy for the year, as well as half-yearly updates.

### **Investment Indicators**

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

**Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend

but have yet to be drawn down and guarantees the Authority has issued over third party loans.

*Table 5: Total investment exposure in £millions*

<b>Total investment exposure</b>	<b>31.03.2018 Actual (£m)</b>	<b>31.03.2019 Forecast (£m)</b>	<b>31.03.2020 Forecast (£m)</b>
Treasury management investments	40.768	45.381	38.400
Service investments: Loans	3.365	3.096	2.827
Commercial investments: Property	0.875	0.875	0.875
<b>TOTAL INVESTMENTS</b>	<b>45.008</b>	<b>49.352</b>	<b>42.102</b>
Commitments to lend	0.00	0.00	0.00
Guarantees issued on loans	0.00	0.00	0.00
<b>TOTAL EXPOSURE</b>	<b>45.008</b>	<b>49.352</b>	<b>42.102</b>

**How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

*Table 6: Investments funded by borrowing in £millions*

<b>Investments funded by borrowing</b>	<b>31.03.2018 Actual</b>	<b>31.03.2019 Forecast</b>	<b>31.03.2020 Forecast</b>
Treasury management investments	Nil	Nil	Nil
Service investments: Loans	Nil	Nil	Nil
Commercial investments: Property	Nil	Nil	Nil
<b>TOTAL FUNDED BY BORROWING</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

*Table 7: Investment rate of return (net of all costs)*

<b>Investments net rate of return</b>	<b>2017/18 Actual</b>	<b>2018/19 Forecast</b>	<b>2019/20 Forecast</b>
Treasury management investments	2.29%	2.51%	3.35%
Service investments: Loans	3.8%	3.8%	3.8%

Commercial investments: Property	N/A	-1.79%	6.2%
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*Table 8: Other investment indicators*

<b>Indicator</b>	<b>2017/18 Actual</b>	<b>2018/19 Forecast</b>	<b>2019/20 Forecast</b>
Debt to net service expenditure ratio	Nil	Nil	Nil
Net Commercial income to net service expenditure ratio	Nil	Nil	0.28%

## **Rate Relief Policy**

### **Summary:**

1. In the Budget on 29 October 2018 the Chancellor announced the Government would award a one third Retail Discount for retail property with a rateable value below £51,000 for two years 2019/20 and 2020/21.
2. The 2018 Autumn Statement confirmed the Government would extend the business rates local newspaper discount for another year until 31<sup>st</sup> March 2020. The scheme will be available to local newspapers that occupy office space. Under the scheme, eligible local newspaper businesses will continue to receive up to a £1,500 discount on their bill for the 2019/20 financial year.
3. In the Budget on 8 March 2017 the Chancellor announced the Government would make available a discretionary fund of £905,000 to North Norfolk DC over four years from 2017/2018 to support those businesses facing the steepest increases in their business rates bills as a result of the 2017 revaluation. The Local Discretionary Revaluation Banded Relief Scheme fund for 2019/20 is £105,000 and will be allocated by band as in previous years as agreed by the Norfolk working party.
4. In the Budget on 8 March 2017 the Chancellor announced the Government would also make available a Supporting Small Business Relief for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the revaluation and as a consequence lost Small Business Rates Relief or Rural Rate Relief. This relief to be awarded will limit any increase in the rates to £600 per year for 5 years and 2019/20 is the third year of this relief.
5. The 2016 Autumn Statement confirmed the doubling of rural rate relief available to eligible businesses from 50% to 100%. The Government subsequently set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the Government expects local authorities to continue to use their discretionary relief powers to grant 100% rural rate relief to eligible ratepayers, as they have done so for 2017/18 and 2018/19.

The Government expects local authorities to use their discretionary relief powers to grant these reliefs. All of the above will be compensated in full for our loss of rates



income as a result of these changes. This compensation will be paid by section 31 grant and calculated on the basis of the returns that councils make under the rates retention scheme.

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

Conclusions: The policy has been updated to reflect the extended schemes announced and includes guidelines as to how the schemes are to be implemented and the financial implications on the authority.

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

Reasons for Recommendations: The new policy effective from April 2019 will enable the Retail Discount, the scheme for local newspaper discount, the local revaluation relief scheme, Supporting Small Business Relief and the Rural Rate Relief to be awarded discretionary reliefs in 2019-20 onwards.

**LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW**

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

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Cabinet Member(s) All	Ward(s) affected All
Contact Officer, telephone number and email: Sean Knight. <a href="mailto:Sean.Knight@north-norfolk.gov.uk">Sean.Knight@north-norfolk.gov.uk</a> 01263 516347	

**1. Introduction**

1.1 National Non Domestic Rates (NNDR) are paid by those occupying non domestic property and collected by the local authorities. Under the business rate retention scheme introduced from April 2013, 50% of the business rates paid is kept locally, 40% by North Norfolk District Council (NNDC) and 10% Norfolk County Council and the balance is paid back to government, an element of which is then paid back to local authorities through the Formula Grant System. As part is retained by local authorities they are incentivised to increase their NNDR yield as they now benefit directly from it.

1.2 There are currently a number of different reductions available to businesses. Empty properties – Business rates will not be payable in the first three months that a property is empty (six months for certain industrial properties). After this

period empty rate is payable at the full charge. There are a number of exemptions such as listed buildings and land used as storage.

- 1.3 Small business rate relief (SBRR) – the relief supports small businesses who generally occupy only one property. SBRR was available at 100% for eligible properties up to £6,000 rateable value (RV), and was tapered for properties with a RV up to £12,000. The 100% relief was extended until 31 March 2017 and if a ratepayer receiving small business rate relief took on an additional property they continued to receive their existing relief for 12 months (previously if they had taken on a second property they would have been disqualified from the relief).
- 1.4 At Budget 2016, the Government confirmed that the doubling of the SBRR from 50% to 100% would be made permanent from 1 April 2017.
- 1.5 The relief has been increased from 2017/18 to 100% for eligible properties up to £12,000 rateable value (RV), and is tapered for properties with a RV up to £15,000 and if a ratepayer receiving SBRR takes on an additional property or properties within the threshold RV they will continue to receive their existing relief for 12 months.
- 1.6 Charity and discretionary reliefs –Charities are entitled to an 80% reduction in their bills. The Council has discretion to grant reliefs in other circumstances and the report covers these areas of discretion.

## 2. Discretionary Rate Relief

- 2.1 Under Section 47 of the Local Government Finance Act 1988 billing authorities have discretion to grant relief to certain ratepayers (certain types of charitable and non –profit organisations) from all or part of their non-domestic rates payable. The Localism Act 2011 amended section 47 of the Local Government Finance Act 1988 to enable local authorities to grant relief in a wider range of circumstances.
- 2.2 The cost of granting discretionary relief varies according to the circumstances. Full details of the circumstances are in the policy and guidelines within Appendix A.
- 2.3

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

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

## 3. New Schemes

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

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

#### **4. Conclusion**

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

#### **5. Implications and Risks**

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

#### **6. Financial Implications and Risks**

6.1 The new schemes are fully funded by central government.

6.2 The other discretionary and mandatory relief schemes are funded as indicated in paragraph 2.2 through the business rate retention scheme.

#### **7. Sustainability**

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

#### **8. Equality and Diversity**

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

#### **9. Section 17 Crime and Disorder considerations**

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

## Appendix A

### Discretionary Rate Relief Policy

#### 1 Introduction

If an organisation occupies a property on which it pays National Non Domestic Rates (NNDR) it may be eligible for up to 100% Discretionary Rate Relief if it is operated within some or all of the following guidelines appropriate to the particular organisation.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will be judged on its merits taking into account the contribution which each organisation/business makes to the Districts amenities and its residents lifestyles and wellbeing.

#### 2 Eligibility Criteria

<b>Eligibility Criteria for Rate Relief</b>	<b>Rate Relief</b>	<b>Amount of Relief</b>
Property wholly or mainly used for charitable purposes which is occupied by a registered charity, charity shop or registered Community Amateur Sports Club (CASC)	Mandatory (Charity)	80%
	Discretionary	20% (maximum)
Property, all or part of which is occupied for the purposes of a non-profit making:  a) Institution or other organisation whose main objects are philanthropic or religious or concerned with social welfare, science, literature or the fine arts.  b) Club ,society or other organisation and is used for the purposes of recreation	Discretionary	100%(maximum)
Property is a qualifying: Food Shop General Store Post Office Sole Public House Sole Petrol Filling Station	Mandatory (Rural Rate Relief)	50%
	Discretionary (Rural Rate Relief)	50%(maximum)

### **3 Scope**

The policy will be adhered to by all staff and members involved with consideration of Discretionary Rate Relief applications.

### **4 Applications**

Applications must be supported by the organisations constitution, main purposes and objectives e.g. written constitution, memorandum of association, membership rules etc.

A full set of audited accounts for the latest financial year at the application date.

Details of how organisations/ businesses meet the criteria within the guidelines.

Applications from excepted businesses/organisations can not be considered. These are properties which are occupied by a billing or precepting authority e.g. District Council. County Council.

### **5 Factors to be taken into account**

North Norfolk District Council is keen to ensure that any relief awarded is justified and directed to those organisations making a valuable contribution to the well-being of local residents. The following factors will therefore be considered:

- a. The organisation should provide facilities that indirectly relieve the authority of the need to do so, or enhance or supplement those that it does provide
- b. The organisation should provide training or education for its members, with schemes for particular groups to develop skills
- c. It should have facilities provided by self-help or grant aid. Use of self-help and / or grant aid is an indicator that the club is more deserving of relief
- d. The organisation should be able to demonstrate a major local contribution.
- e. The organisation should have a clear policies on equal opportunity, freedom of access and membership.
- f. It should be clear as to which members of the community benefit from the work of the organisation.
- g. Membership should be open to all sections of the community and the majority of members should be NNDC residents.

h. If there is a licensed bar as part of the premises, this must not be the principle activity undertaken and should be a minor function in relation to the services provided by the organisation.

i. The organisation must be properly run and be able to produce a copy of their constitution and fully audited accounts.

j. Those organisations applying for relief, whose work involves young children, young people or vulnerable adults must be able to demonstrate that appropriate checks have been carried out on staff and volunteers, and that sound child protection policies are in place.

k. The organisation must not have any unauthorised indebtedness to NNDC.

**Rates are due and payable until a claim for discretionary rate relief is agreed.**

### **6 Period of Relief**

Relief will be granted for one year at a time.

The granting of relief will be reviewed annually and those in receipt of relief will be asked to supply or confirm relevant information for the purposes of the review.

### **7 Approval**

Initial recommendations are to be made by the Revenues Manager with final approval from the Section 151 Officer and the Cabinet Portfolio holder.

Authorities must determine applications within six months after the end of the financial year for which the application for relief is made. Determinations after this time are invalid.

### **8 No Right of Appeal**

Once the application has been processed, the ratepayer will be notified in writing of the decision. As this is a discretionary power there is no formal right appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

### **9 Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

### **10 Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

## **11 Costs to the Council**

The Local Government Finance Act 2012 introduced the Business Rate Retention Scheme in England from 1 April 2013. The Business Rate Retention Scheme currently provides for 50% of rate revenue to be retained by local authorities (40% NNDC and 10% NCC) and 50% by central government. As a result of this most discretionary reliefs are paid for by the local authority and central government, in these proportions.

### **Enterprise Zone Discount**

The District Council, alongside other Local Authorities, was invited by the Anglia Local Enterprise Partnership (LEP) in 2015 to submit applications for sites within the District area to be included in a New Anglia 'Space to Innovate' multi-site Enterprise Zone programme.

Two Sites have been agreed within North Norfolk District Council commencing 1 April 2016. Egmere Business Zone and Scottow Enterprise Park are geographically defined areas, hosted by Local Enterprise Partnerships in which commercial and industrial businesses can receive incentives.

If you're starting up or relocating to an enterprise zone you could qualify for business rates relief.

This relief is applied if the hereditament is within the Enterprise Zone.

Up to 100% business rate discount can be awarded worth up to £55,000 a year over 5 years period.

### **Eligibility criteria**

The discount is for businesses occupied within the Enterprise Zone defined area from 1 April 2016.

### **Amount of Relief**

The Enterprise Discount is awarded at 100% of the rates liability subject to state aid de minimis rules. The limit is 200,000 euros over 3 years which is approx. £55k per year (£165k in total) this is on a rolling basis so first three years 1, 2 & 3 and then year 2, 3 & 4 must not exceed this limit.

### **Time Limited Relief – Rural Rate Relief**

In the Autumn 2016 Budget Statement, the chancellor announced the doubling of rural rate relief from 50% to 100% with effect from 1 April 2017.

## **Rate relief for businesses in rural areas**

Rural Rate Relief of 50% is currently awarded as mandatory relief under legislation.

Certain types of properties in a rural settlement (see Appendix D) with a population below 3,000 may be entitled to this relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property has to be occupied. An eligible ratepayer is entitled to relief at 50% of the full charge whilst the local authority also has discretion to give further relief on the remaining bill.

Currently NNDC can award up to 50% discretionary top up relief.

The 2016 Autumn Statement confirmed the doubling of rural rate relief from 50% to 100% from 1st April 2017. The Government set out their intention to amend the relevant primary legislation to require local authorities to grant 100% mandatory rural rate relief. Local authorities were expected to use their discretionary rate relief powers to grant 100% rural rate relief to eligible ratepayers from 1st April 2017. Following the decision not to reintroduce the Local Government Finance Bill, for 2018/19 the Government announced it expects local authorities to continue to use their powers to grant 100% rural rate relief to eligible ratepayers, as they have done so for 2017/18 and 2018/19. The 50% top up discretionary rate relief will be fully funded by government through a Section 31 Grant.

## **Time Limited - Relief for Local Newspapers**

In the March 2016 Budget Statement, the government announced a new scheme of discretionary rate reliefs to assist and encourage the development and occupation of business premises.

### **Relief for Local Newspapers**

This relief is government funded to local authorities so that they can provide a rates discount for office space occupied by local newspapers worth up to £1,500 a year.

This was originally for 2 years only from 1st April 2017 however the Government extended this in the 2018 Autumn Budget to include 2019/20.

This is up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits. The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.



## **Eligibility criteria**

The relief will provide £1,500 relief for office space occupied by local newspapers up to a maximum of one discount per local newspaper title and per hereditament.

## **Local Newspapers**

The relief is to be specifically for local newspapers and by that we mean what would be considered to be a “traditional local newspaper.” The relief will not be available to magazines.

## **Office Space**

The hereditament must be occupied by a local newspaper and wholly or mainly used as office premises for journalists and reporters.

## **Amount of Relief**

The amount of relief is limited to a maximum of one discount per newspaper title (e.g. per newspaper name) and per hereditament.

The case for a business rates relief for local newspapers, can be obtained at [www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers](http://www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers)

## **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council’s decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

## **8 Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

## **9 Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

## **10 Costs to the Council**

The above reliefs are government funded.

## **2017 Schemes**

At the Budget on 8 March 2017 the Chancellor announced the Government would make available the following business rate reliefs at the Spring Budget 2017.

- **Supporting Small Businesses Relief**
- **Local Discretionary Relief Scheme**

### **The Supporting Small Businesses Relief**

This relief is government funded to local authorities so that they can provide relief for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the 2017 NDR revaluation and as a consequence lost Small Business Rates Relief or Rural Rate Relief. This relief will limit any increase to £600 per year for the next 5 years subject to state aid rules.

The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

#### **Eligibility criteria**

This relief will limit any increase to £600 per year for the next 5 years subject to state aid rules from 1 April 2017.

#### **Amount of Relief**

The amount of relief will limit these rate increases to £600 per year, so there will be a maximum of £3,000 rates to pay in total over the next 5 years.

#### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

#### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

#### **Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

#### **Costs to the Council**

The above relief is government funded.

## **The Local Discretionary Revaluation Relief**

This relief is based on a local NDR Scheme which has been government funded to local authorities so that they can provide relief for businesses that had an increase from 1 April 2017 caused by the 2017 NDR revaluation and as a consequence per year for the next 5 years subject to state aid rules.

The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

### **Eligibility criteria**

This relief will be based on a banded system awarding businesses that have seen an annual increase in their rates from 1 April 2017 by more than £250. This scheme has been worked out to maximise the number of businesses receiving relief in North Norfolk based on the government's funding. This funding will be phased out over the next 4 years. The amount of award will be based on the amount of the increase in rates per year for the next 4 years subject to state aid rules from 1 April 2017.

### **Amount of Relief**

Government will fully fund the cost of the relief providing it is below the amount allocated for each year. We have been awarded the following amounts for our Local Discretionary Relief scheme:

<b>Year</b>	<b>£</b>
1 - 2017/2018	£527,000
2 - 2018/2019	£256,000
3 - 2019/2020	£105,000
4 - 2020/2021	£15,000
<b>Total</b>	<b>£903,000</b>

The following Year 1 Scheme for 2017/18:

<b>Increase From:</b>	<b>Increase To:</b>	<b>Amount of Relief</b>	<b>Number of Ratepayers</b>	<b>Cost</b>
£250	£499	£125	232	£29,000
£500	£999	£250	90	£22,500
£1,000	£1,999	£500	189	£94,500
£2,000	£2,999	£1,000	60	£60,000
£3,000	£3,999	£1,500	40	£60,000
£4,000	£4,999	£2,000	20	£40,000
£5,000	£5,999	£2,500	10	£25,000
£6,000	£6,999	£3,000	5	£15,000
£7,000	No Max	£3,500	50	£175,000
<b>Total</b>			<b>696</b>	<b>£521,000</b>

The Government made it clear that they will not carry over any unused funding to the following year. NNDC reviewed this scheme to award all the remaining funds approx. £70,000 to 43 businesses who had the biggest increase in rates in 2017/18 and will not receive any funding in 2018/19.

At the end of the 2017/18 financial year, we were able to increase the relief in the last band from £3,500 to £5,200 to award the remaining relief funded by Government under delegated authority.

The following Year 2 Scheme for 2018/19:

<b>Increase From:</b>	<b>Increase To:</b>	<b>Amount of Relief</b>	<b>Number of Ratepayers</b>	<b>Cost</b>
£250	£499	£125	166	£20,750.00
£500	£999	£250	147	£36,750.00
£1,000	£1,999	£500	153	£76,365.07
£2,000	£2,999	£1,000	43	£43,000.00
£3,000	£3,999	£1,000	26	£26,000.00
£4,000	£4,999	£1,000	21	£21,000.00
£5,000	£5,999	£1,000	8	£8,000.00
£6,000	£6,999	£1,000	5	£5,000.00
£7,000	No Max	£0	42	£0.00
<b>Total</b>			<b>611</b>	<b>£236,195.21</b>

As in the previous year, the Government will not carry over any unused funding to the following year. This scheme has been reviewed and there is approx. £56k funds (as at 31 December 2018) remaining that can be awarded in 2018/19.

At the end of the 2018/19 financial year, we will look to increase the relief in the some bands to award the remaining relief funded by Government under delegated authority.

### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

### **Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

### **Costs to the Council**

The above relief is government funded.

### **New Retail Relief**

This relief was announced in the budget on 29 October 2018 and is a two year government funded relief to local authorities. The relief provided will be for one third of the bill after all other reliefs. It will be awarded to occupied retail properties with a RV below £51,000 in 2019/20 subject to state aid rules.

The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

### **Eligibility criteria**

The relief will be awarded to retail properties that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments with a RV below £51,000 subject to state aid rules. This will be for a two years only 2019/20 and 2020/21.

See Appendix E for a breakdown of the types of property that will be awarded this relief and those that are not classed as retail.

The relief will be applied on a day to day basis and a new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

### **Amount of Relief**

There is no maximum relief awarded however it will be one third of the rates bill after all other reliefs.

### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

### **Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

### **Costs to the Council**

The above relief is government funded.

### **Discretionary Rate Relief - Guidelines**

There are two ways in which Discretionary rate relief is granted

- a) To 'top-up' mandatory relief already awarded
- b) To award up to 100% based on various criteria

**Mandatory Relief is** granted where:-

- the ratepayer of a property is a charity or the trustees of a charity and
- the property is wholly/mainly used for charitable purposes (including charity shops, where the goods sold are mainly donated and the proceeds are used for the purposes of the charity)
- the ratepayer of a property is registered with Her Majesty's Revenues and Customs (HMRC) as a Community Amateur Sports Club (CASC)

or

in the case of Mandatory Rural Rate Relief, the property is a qualifying:-

- food shop
- general store
- post office
- public house
- petrol filling station

Registration under the Charities Act 1993 as amended is conclusive evidence of charitable status. Bodies which, under the 1993 Act, are exempted from registration or are exempt charities are also eligible for mandatory relief. Providing the above criteria are met 80% mandatory relief will be granted.

### **Discretionary Rate Relief**

When deciding whether to award discretionary rate relief consideration should be given to the interests of the taxpayers of North Norfolk District Council. The factors outlined in the policy should be taken into account when considering any application for relief.

The guidelines for determining relief are not intended to be a rigid set of rules; neither are all the guidelines applicable to every organisation. Each case will

be judged on its merits taking into account the contribution which each organisation/business makes to the Districts amenities and its residents lifestyles and wellbeing.

### **Discretionary Rate Relief Criteria ‘Top –Up’**

The Council has the discretion to award up to a further 20% additional rate relief to reduce the liability still further and the policies detailed below are to be followed when dealing with an application.

Up to 20% Discretionary Rate Relief may be given.

### **Charity Shops**

Mandatory relief will be granted where the ratepayer for a property is

- a charity or the trustees of a charity and
- donated goods relate to more than 50% of total sales and
- the proceeds of goods (after any deductions for expenses) are applied for the purpose of the charity

Providing the above criteria are met 80% mandatory relief will be granted.

Up to 20% Discretionary Rate Relief may be given in exceptional circumstances. Generally relief will be limited to the 80% mandatory entitlement.

1	Meets local needs in the district and benefits local people	<ul style="list-style-type: none"> <li>• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief</li> <li>• if the premises are used for a local organisation the extent to which the District and its residents benefit from the organisation will be taken into account.</li> </ul>
2	As a guide does not have more than 12 months spending available as “free reserves” (not legally restricted)	<ul style="list-style-type: none"> <li>• unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community</li> </ul>

### **Non-Profit Organisations, Clubs and Societies**

The Council has the discretion to award up to 100% Discretionary Rate Relief to organisations whose main objects are charitable or philanthropic, or

concerned with education, social welfare, science, literature or fine arts or recreation. The determination of charitable status largely relies on case law which has established 4 main divisions of charity:-

- relief of poverty
- advancement of religion
- advancement of education and
- other trusts beneficial to the community and not falling under the other headings.

### Criteria

Discretionary relief can only be awarded if the organisation is not excepted (a billing authority or precepting authority) and:-

1	The main objects of the organisation are concerned with	<ul style="list-style-type: none"> <li>• relief of poverty</li> <li>• advancement of religion</li> <li>• advancement of education</li> <li>• social welfare</li> <li>• science</li> <li>• literature</li> <li>• fine arts or</li> <li>• recreation or</li> <li>• in other ways are beneficial to the community</li> </ul>
2	Meets local needs in the district and benefits local people	<ul style="list-style-type: none"> <li>• if the premises are used for the purposes of a national organisation or a semi-national (or county-wide) organisation the Council will not normally grant any discretionary relief</li> <li>• if the premises are used for a local organisation the extent to which the District and its residents benefit from the organisation will be taken into account.</li> </ul>
3	Provides a valuable service to the community	<ul style="list-style-type: none"> <li>• which is complimentary to those services provided by or supported by the Council or</li> <li>• which relieves the need for the Council to provide such services</li> </ul>
4	Is open to all sections of the community	<ul style="list-style-type: none"> <li>• or access is restricted by providing a service for a specific sector of the</li> </ul>



		community for justifiable reasons such as addressing inequality
6	Is non-profit making	<ul style="list-style-type: none"> <li>• as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community</li> </ul>

## **Sports Clubs**

There are additional considerations in the case of sports clubs.

If a club effectively discriminates by only accepting members who have already reached a certain standard, rather than seeking to promote the attainment of excellence by enhancing access and the development of sporting aptitude, then it does not have an open membership policy. So, a club selecting members on the basis of existing attainment would not come within the requirements.

Although clubs should be open to all without discrimination, single sex clubs may be permitted where such restrictions are not discriminatory in intent but a genuine result of physical restraints (such as changing room facilities) or the requirements of the sport

## **(2) Organisations with Licensed Bar Facilities**

### **Sports Clubs/Other Organisations**

Any Discretionary Rate Relief award will be aimed at the sporting activity of the club.

- If the bar income aids the overall operation and development of the organisation this would be allowable as long as the sporting activity remains the overall objective of the organisation. This will be particularly relevant where the organisation is the only such one in the Parish.

## **(3) Membership and Entry Fees**

If the organisation requires a membership or entry fee the Council will give regard as to whether:-

- The subscription or fees are set at a high level which excludes the general community
- Fee reductions are offered for certain groups such as under 18s or over 60s

- Membership is encouraged from particular groups such as young people, older age groups, persons with disabilities or ethnic minorities
- Facilities are available to people other than members, e.g. schools, public sessions

Where the Council gives relief practice has been to award up to 80% to Clubs and organisations and up to 50% where organisations operate bar facilities.

### **Community Amateur Sports Clubs (CASC)**

If a sport's club is registered with HM Revenues and Customs (HMRC) as a CASC it will be entitled to 80% mandatory relief. The club may also be awarded 20% discretionary rate relief.

Normally sports clubs that can register with HM Revenues & Customs as a CASC and have not done so will not be awarded discretionary rate relief.

Details can be found on the HMRC website [www.hmrc.gov.uk/casc/index.htm](http://www.hmrc.gov.uk/casc/index.htm)

### **Discretionary Rural Rate Relief**

Rural Rate Relief applies to certain properties which are situated in a rural settlement (see Appendix D). A rural settlement is one which appears to have a population of not more than 3,000 on the 31<sup>st</sup> December preceding the financial year in question, which is wholly or partly within a designated area. The Rural Settlement list is published each year. If a business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given. See Appendix A for details of mandatory relief –rural rate relief.

### **Sole - General Store/Post Office/Food Shops with a Rateable Value of £8,500 or less.**

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

Criteria

- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

### **Sole - Public Houses/ Petrol Filling Stations Rateable Value of £12,500 or less**

If the above business meets the criteria for mandatory relief (50%) under the Rural Rate Relief legislation then an application for discretionary rate relief can be considered.

Up to 50% Discretionary Rate Relief may be given.

Criteria

- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

### **Any Other Business within a Rural Settlement**

Up to 100% Discretionary Rural Rate Relief may be given.

Criteria

- Rateable Value above £8,500 and less than £14,000
- as a guide, no more than 12 months expenditure in unrestricted reserves unless a Business Plan exists detailing how these reserves are to be used to the benefit of the local community
- The business must be considered to be of benefit to the local community in accordance with the criteria in the policy.

**Revised January 2019**

## **APPENDIX B**

### **Local Discretionary Revaluation Relief scheme rules**

Must be the ratepayer on 31 March 2017 and 1 April 2017

Must have had an increase in the rates bill due to the 2017 Revaluation, either directly (RV increase) or indirectly (loss of a relief)

The relief applies to occupied properties

Increase is measured on the net rates payable after all other reliefs have been deducted, including transitional, mandatory and discretionary reliefs

The award for Year 1 will only be for the period 1 April 2017 to 31 March 2018, however:

- The award will be apportioned on a daily basis if the ratepayer vacates the property
- The award will be recalculated if the net rates payable, and therefore the amount of the increase, changes (either up or down)
- The award will reflect any changes backdated to 1 April 2017, but not any taking effect on or after 2 April 2017
- Any overpaid relief will be repayable and will be recovered through the rates bill

Awards of relief for a future year will only apply for that year and will be subject to the same rules as above.

The award is subject to State Aid rules and ratepayers are responsible for checking they do not breach these rules if they are awarded relief:

- If a ratepayer qualifies for the relief, and it appears to the Billing Authority that State Aid rules will not be breached, the relief will be awarded without the need for an application form. However the ratepayer is required to verify their position regarding State Aid.
- If a ratepayer qualifies for the relief, but the Billing Authority is unclear whether State Aid rules will be breached, the ratepayer is required to complete an application form.

The relief will not apply to Excepted Hereditaments – these are those where a precepting authority is the ratepayer. These include accounts for the North Norfolk District Council, Norfolk County Council and Norfolk Police Authority.

Applications for relief will be valid for the four years of the scheme (subject to the above rules).

## **Appendix C**

At the Budget on 8 March 2017 the Chancellor announced the Government would make available the following business rate reliefs at the Spring Budget 2017.

- **Supporting Small Businesses Relief**
- **Local Discretionary Relief Scheme**

### **The Supporting Small Businesses Relief**

This relief is government funded to local authorities so that they can provide relief for businesses that had a Rateable Value (RV) increase from 1 April 2017 caused by the 2017 NDR revaluation and as a consequence lost Small Business Rates Relief or Rural Rate Relief. This relief will limit any increase to £600 per year for the next 5 years subject to state aid rules.

The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

#### **Eligibility criteria**

This relief will limit any increase to £600 per year for the next 5 years subject to state aid rules from 1 April 2017.

#### **Amount of Relief**

The amount of relief will limit these rate increases to £600 per year, so there will be a maximum of £3,000 rates to pay in total over the next 5 years.

#### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

#### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

#### **Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

#### **Costs to the Council**

The above relief is government funded.

### **The Local Discretionary Revaluation Relief**

This relief is based on a local NDR Scheme which has been government funded to local authorities so that they can provide relief for businesses that had an increase from 1 April 2017 caused by the 2017 NDR revaluation and as a consequence per year for the next 5 years subject to state aid rules.

The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

#### **Eligibility criteria**

This relief will be based on a banded system awarding businesses that have seen an annual increase in their rates from 1 April 2017 by more than £250. This scheme has been worked out to maximise the number of businesses in North Norfolk based on the government's funding. This funding will be phased out over the next 4 years. The amount of award will be based on the amount of the increase in rates per year for the next 4 years subject to state aid rules from 1 April 2017.

#### **Amount of Relief**

Government will fully fund the cost of the relief providing it is below the amount allocated for each year. We have been awarded the following amounts for our Local Discretionary Relief scheme:

<b>Year</b>	<b>£</b>
1 - 2017/2018	£527,000
2 - 2018/2019	£256,000
3 - 2019/2020	£105,000
4 - 2020/2021	£15,000
<b>Total</b>	<b>£903,000</b>

The following Year 1 Scheme for 2017/18:

<b>Increase From:</b>	<b>Increase To:</b>	<b>Amount of Relief</b>	<b>Number of Ratepayers</b>	<b>Cost</b>
£250	£499	£125	232	£29,000
£500	£999	£250	90	£22,500
£1,000	£1,999	£500	189	£94,500
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£6,000	£6,999	£3,000	5	£15,000
£7,000	No Max	£3,500	50	£175,000
<b>Total</b>			<b>696</b>	<b>£521,000</b>

The Government made it clear that they will not carry over any unused funding to the following year. NNDC reviewed this scheme to award all the remaining funds approx. £70,000 to 43 businesses who had the biggest increase in rates in 2017/18 and will not receive any funding in 2018/19.

At the end of the 2017/18 financial year, we were able to increase the relief in the last band from £3,500 to £5,200 to award the remaining relief funded by Government under delegated authority.

The following Year 2 Scheme for 2018/19:

<b>Increase From:</b>	<b>Increase To:</b>	<b>Amount of Relief</b>	<b>Number of Ratepayers</b>	<b>Cost</b>
£250	£499	£125	166	£20,750.00
£500	£999	£250	147	£36,750.00
£1,000	£1,999	£500	153	£76,365.07
£2,000	£2,999	£1,000	43	£43,000.00
£3,000	£3,999	£1,000	26	£26,000.00
£4,000	£4,999	£1,000	21	£21,000.00
£5,000	£5,999	£1,000	8	£8,000.00
£6,000	£6,999	£1,000	5	£5,000.00
£7,000	No Max	£0	42	£0.00
<b>Total</b>			<b>611</b>	<b>£236,195.21</b>

As in the previous year, the Government will not carry over any unused funding to the following year. This scheme has been reviewed and there is approx. £56k funds (as at 31 December 2018) remaining that can be awarded in 2018/19.

At the end of the 2018/19 financial year, we will look to increase the relief in the some bands to award the remaining relief funded by Government under delegated authority.

### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.

### **Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

### **Costs to the Council**

The above relief is government funded.

### **New 2019/20 Retail Relief**

This relief was announced in the budget on 29 October 2018 and is a two year government funded relief to local authorities. The relief provided will be for one third of the bill after all other reliefs. It will be awarded to occupied retail properties with a RV below £51,000 in 2019/20 subject to state aid rules.

The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief are set out below.

### **Eligibility criteria**

The relief will be awarded to retail properties that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments with a RV below £51,000 subject to state aid rules. This will be for a two years only 2019/20 and 2020/21.

See Appendix E for a breakdown of the types of property that will be awarded this relief and those that are not classed as retail.

The relief will be applied on a day to day basis and a new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

### **Amount of Relief**

There is no maximum relief awarded however it will be one third of the rates bill after all other reliefs.

### **No Right of Appeal**

As this is a discretionary power there is no formal right of appeal process against the Council's decision. However, we will reconsider the decision in the light of any additional points made.

If the application is successful and the organisation is awarded discretionary rate relief it will be applied to the account and an amended bill will be sent.

### **Notification of Change of Circumstances**

Rate payers are required to notify any change of circumstances which may have an impact on the award of discretionary rate relief.



### **Withdrawal of relief**

Should an applicant in receipt of discretionary rate relief be found to be guilty of unlawful activities for whatever reason, entitlement will be forfeited from the date of conviction.

### **Costs to the Council**

The above relief is government funded.

## Appendix D

# Settlement List for Rural Rate Reliefs

### Parishes and Non-Civil Parished Areas: North Norfolk

Alby with Thwaite  
Aldborough and Thurgarton  
Antingham  
Ashmanhaugh  
Aylmerton  
Baconsthorpe  
Bacton  
Barsham  
Barton Turf  
Beeston Regis  
Binham  
Blakeney  
Bodham  
Briningham  
Brinton  
Briston

Brumstead  
Catfield  
Cley Next The Sea  
Colby  
Corpusty and Saxthorpe  
Dilham  
Dunton

East Beckham  
East Ruston  
Edgefield  
Erpingham  
Felbrigg  
Felmingham  
Field Dalling  
Fulmodeston  
Gimingham  
Great Snoring  
Gresham  
Gunthorpe  
Hanworth  
Happisburgh

Helhoughton  
Hempstead  
Hempton  
Hickling  
High Kelling  
Hindolveston  
Hindringham  
Holkham  
Honing  
Horning

Horse  
Horsey  
Hoveton  
Ingham

Ingworth  
Itteringham  
Kelling  
Kettlestone  
Knapton  
Langham  
Lessingham  
Letheringsett with Glandford  
Little Barningham  
Little Snoring  
Ludham  
Matlask  
Melton Constable

Morston  
Mundesley  
Neatishead  
Northrepps  
Overstrand  
Paston  
Plumstead  
Potter Heigham  
Pudding Norton  
Raynham  
Roughton  
Runton  
Ryburgh  
Salthouse  
Scottow  
Sculthorpe  
Sea Palling

Sidestrand  
Skeyton  
Sloley  
Smallburgh  
Southrepps  
Stibbard  
Stiffkey  
Stody  
Suffield  
Sustead  
Sutton  
Swafield  
Swanton Abbott  
Swanton Novers  
Tattersett  
Thornage  
Thorpe Market

Thurning  
Thursford  
Trimingham  
Trunch  
Tunstead  
Upper Sheringham  
Walcott  
Walsingham  
Warham  
Wells-next-the-Sea  
West Beckham

Westwick  
Weybourne  
Wickmere  
Wighton  
Witton  
Wiveton  
Wood Norton  
Worstead

## **Appendix E**

This document provides a breakdown of the types of property that may be awarded this relief:

### **Which properties will benefit from relief?**

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

We consider shops, restaurants, cafes and drinking establishments to mean:

#### **i. Hereditaments that are being used for the sale of goods to visiting members of the public:**

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

#### **ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

#### **iii. Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:**

- Restaurants
- Takeaways
- Sandwich shops

- Coffee shops
- Pubs
- Bars

To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for North Norfolk District Council (NNDC) as to the types of uses that would be considered for this purpose to be retail. NNDC will determine for itself whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

The list below sets out the types of uses that the Government does not consider to be retail use for the purpose of this relief. Again, it is for NNDC to determine for itself whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under this scheme.

**i. Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

**ii. Hereditaments that are not reasonably accessible to visiting members of the public**

Generally speaking, the government also does not consider other assembly or leisure uses beyond those listed above to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described at paragraph (iii) above. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount. Where there is doubt, NNDC will exercise its discretion with reference to the above and knowledge of their local tax base.

# CONSTITUTION WORKING PARTY

**Minutes of a meeting of the Constitution Working Party held on 14 January 2019 in Meeting Room 3, Council Offices, Holt Road, Cromer at 2.30pm.**

**Working Party:** Mrs H Cox, Ms V Gay (Chairman), Mrs A Moore

**Members in Attendance:** Ms K Ward, Mrs P Grove-Jones

**Officers in Attendance:** The Head of Legal & Democratic Services, the Democratic Services Manager, the Democratic Services & Governance Officer, the Head of Planning and the Development Manager

## 1 TO RECEIVE APOLOGIES FOR ABSENCE

Cllr A Fitch-Tillett

## 2 MINUTES

The Minutes of the meeting held on 13 November 2018 were approved as a correct record, and signed by the Chairman

## 3 ITEMS OF URGENT BUSINESS

None

## 4 DECLARATIONS OF INTEREST

None

## 5 REVIEW OF PLANNING PROTOCOL & SITE VISITS PROTOCOL

The Chairman introduced this item. She explained that the site visit protocol had come to the Working Party previously following concerns over conduct at site meetings. The Working Party had been asked to review the protocol and had made some suggested changes to the wording. The recommendations had gone to the previous Head of Planning and the Portfolio Holder for their input and had not progressed any further. The Chairman said that to ensure that there was full engagement with the process this time, Members and officers involved with Development Committee had been invited to attend the Working Group meeting so they could have input. She thanked them for attending.

The Head of Legal and Democratic Services said that the previous review had led to an impasse as there had not been a desire to implement change and it couldn't be imposed. The Development Manager had recently raised further concerns about site visits with some suggestions as to how they could be better managed and it seemed a good time to review both protocols again.

Cllr P Grove-Jones, Chairman of Development Committee, said that she had recently chaired her first site visit and a planning officer had started the meeting before she arrived. She said that she felt they should wait until the Chairman arrived on site before starting. She added that there was often pressure from the public to allow

them to speak at site visits and the Chairman needed to be firm about managing this. The Development Manager asked whether the situation was better when she was in attendance. She said that she would remind officers that the site visits should be led by Members.

The Chairman said that both planning protocols should be included in the Constitution as they were not easy to locate.

The Head of Legal & Democratic Services referred to section 8 of the Code of Good Practice for Planning and the Code of Practice for Site Visits (Appendix 3) and pointed out that at present any member could request a site visit. The Chairman replied that this should be clarified to indicate whether it should be a committee member. The Development Manager added that there was delegation in the constitution for the Chairman of Development Committee and the Head of Planning to agree site visits without the committee's consent. The Head of Legal & Democratic Services suggested that additional wording could be inserted along the lines of 'requesting members are expected to attend the site visit'.

The Chairman sought clarification regarding members seeking the advice of The Head of Legal & Democratic Services if they did not attend a site visit. The Head of Legal & Democratic Services explained that this was because all members were expected to have the same information before reaching a decision otherwise they could be voting unlawfully.

Cllr P Grove-Jones was concerned that members who lived a considerable distance from a site could be deterred from attending if the weather was poor or if a bus was not provided. This could potentially mean that several of them could not vote at the Development Committee meeting. The Head of Legal & Democratic Services agreed and said that it should be the exception rather than the rule. The Democratic Services Manager added that it cost a considerable amount to provide a minibus for site visits and sometimes only a few members used it.

The Head of Legal and Democratic Services said that members should look at the planning reasons for site visits as they were sometimes used to defer a decision. Cllr P Grove-Jones said that site visits could help members to see additional points which might not be clear in photographs. She said that in future she would ask members to justify the reasons for a site visit. The Head of Legal & Democratic Services agreed, saying that there should be material considerations for a site visit and the requesting member must attend.

The Chairman asked the Head of Legal & Democratic Services to strengthen the language used in s8.1 of the Code of Good Practice for Planning. She pointed out that there were also some grammatical errors and issues with the bullet points that also needed to be addressed.

The Head of Planning said that it would be helpful if members could identify any additional information that could help avoid site visits. He said that in Cornwall they used drones to take footage of sites. Cllr P Grove-Jones said that this was a good idea as some site visits could take all day. Cllr A Moore commented that some of the photos shown to members were taken by the applicant or an objector. The Head of Planning replied that they were always taken by officers now and if not it would be made clear to members.

Cllr K Ward (Portfolio Holder for Planning) said that it was helpful when existing plans were displayed side by side with proposed plans. The split screen was useful. The



Development Manager replied that a lot of work had been undertaken to make things clearer but there was still more to do. The Chairman said that the reports going to Development Committee were now much better structured.

Cllr K Ward said that she was concerned that site visits were becoming habitual and anything to reduce the number of them would be helpful. The Development Manager added that usually only 6 or 7 members attended them rather than the whole committee.

The Chairman asked the Working Party to review the Code of Practice for Site Visits and consider whether any amendments should be made. The Head of Legal and Democratic Services said that representatives from town and parish councils and objectors often used site visits to make representations. This was unfair on the applicant. Either everyone should have an opportunity to speak or no one should speak. She said that members could just use the visit to look at the site with no input or comments from anyone else attending. Mrs P Grove-Jones agreed, saying that it would need to be explained at the start of the site visit that there would be no input and that members of the public, applicants and parish councillors have their right to speak at the committee meeting in which the decision is to be made and should attend the committee meeting if they wished to speak.

The Head of Legal and Democratic Services said that there had been previous discussions about handing out a leaflet to people attending a site visit outlining the protocol and explaining that members were there to see the site and gather factual information only. The Head of Planning agreed, saying that when members were not in the Council Chamber then any debate was closed. Site visits were purely about factual information. The Head of Legal and Democratic Services added that the leaflet could also state that people should not approach or speak to members during a site visit.

The Development Manager said that it was really important that members stayed together during site visits. She referred to one visit where there had been a seven minute gap between groups of members reaching a certain point on the site. Cllr H Cox said that a leaflet together with a strong chairman should help. Members should be urged to pay attention and stay together at all times. The Head of Legal and Democratic Services suggested that there could be a ten minute session before a Development Committee meeting to brief members on site visits and how they should run. Cllr P Grove-Jones added that members could also be reminded of key points just prior to disembarking the bus at a site visit.

The Head of Planning said that the guidance leaflet should also be published on the Council's website.

The Chairman asked members to review the Code of Good Practice for Planning. She referred to section 7 'Lobbying by Development Committee members' and said that the last paragraph referring to political group meetings implied that it was the whole group. The term 'pre-meeting' would be more suitable. Cllr Grove-Jones said that sometimes members were lobbied by officers. The Head of Legal and Democratic Services said that it might be helpful if she attended the next planning team meeting to remind officers of the Code of Good practice for planning and the site visits protocol.

The Head of Planning said that the agenda item for declarations of interest could also include declarations of lobbying.

Cllr A Moore commented that the bullet points in section 8 should be reviewed. The Development Manager replied that they could be incorporated into one section and the reference to ‘hearing local views expressed through town and parish council representatives’ could be removed. She then sought clarification on whose responsibility it was to report the outcome of the site visit back to the committee (section 8).

**RESOLVED to recommend to Council:**

- i. To include the code of practice for site visits in the Constitution
- ii. To issue a guidance leaflet on site visits
- iii. To provide training to members on site visits

**6 MEMBER QUESTIONS**

The Head of Legal and Democratic Services introduced this item. She explained that at the last meeting of Cabinet, several members had raised questions that were not related to items on the agenda. Meetings of Council were different as there was an opportunity to ask open questions of the Portfolio Holders. She said that it was important that questions asked at Cabinet did not detract from the business on the agenda. At present the Constitution required that all questions were submitted in writing in advance of the meeting, however, this had not been enforced at Cabinet. The Democratic Services Manager added that some councils required questions to Portfolio Holders to be put in writing and these were published as part of the agenda.

The Head of Legal and Democratic Services said that she could draft something that would clarify the ‘spirit’ of the Constitution and that would not stifle members’ ability to ask questions as they arose. She suggested that Part 2, section 12.3 of the Constitution which required questions to be submitted in writing, could be removed. It was agreed that this would open up the process rather than impose restrictions which some members currently found frustrating. The Chairman added that it should be remembered that members could contact officers or portfolio holders at any time if they had a question.

**RESOLVED to recommend to Council**

To remove the requirement for questions to be submitted in writing

**7 MEMBER / OFFICER PROTOCOL**

The Chairman explained that this item was referred to the Working Party by Council following a Motion on 26<sup>th</sup> September 2018. She said that members were concerned that the Member / Officer Protocol had not been applied properly in the past. The Head of Legal and Democratic Services said that when the Council had gone into ‘no overall control’ there had been a shift in culture, with more engagement between officers and members. It was important that this continued to develop and she suggested that managers were reminded to keep members informed at all times. There would also be a session on casework as part of the induction programme for new members. This could be run for both members and officers – with the officer session focussing on the importance of engagement with members and the sharing of key information.

**RESOLVED to recommend to Member Development Group and Cabinet**

That budgetary provision is made to train officers on local member engagement and interpretation of the Member / Officer Protocol.

The meeting closed at 4.35pm

\_\_\_\_\_ Chairman

**North Norfolk District Council - Review of Polling District and Places 2018 – Adoption of Final Recommendations**

**Summary:** Section 17 of The Electoral Registration & Administration Act 2013 requires local authorities to undertake periodic reviews of polling districts and polling places in their areas every five years. The next compulsory review needs to be undertaken in the 16-month period from 1<sup>st</sup> October 2018 – ie by end of January 2020.

Following the Local Government Boundary Commission for England undertaking a review of electoral arrangements in the District in 2017, the District Council has undertaken a review of polling districts and places to reflect the new ward areas and consulted on its draft proposals. This report now seeks approval of the proposed Polling Districts and Places (including polling stations) to be used for all elections in the District from April 2019.

**Conclusions:** The District Council has undertaken a review of Polling Districts and Places as required by legislation and Full Council is now asked to adopt the proposals as detailed in the report.

**Recommendations:** Full Council is asked to adopt the list of Polling Districts and Places as detailed in the attached schedule, as required by Section 17 of The Electoral Registration & Administration Act 2013.

1. Section 17 of The Electoral Registration & Administration Act 2013 requires local authorities to undertake periodic reviews of polling districts and polling places in their areas every five years. The next compulsory review needs to be undertaken in the 16-month period from 1<sup>st</sup> October 2018 – ie by end of January 2020.

2. Taken with the electoral review of North Norfolk District Council, it has been considered appropriate for the District Council to undertake a review of polling districts and places early in the period specified in legislation so that new arrangements can be put in place for the local government elections (ie to the District Council and Town and Parish Council) in May 2019.
3. The Council's Elections Team prepared a report of the review and schedule of proposals which was approved as the basis for consultation by Cabinet at its meeting of 29<sup>th</sup> October 2018. The proposals were then the subject of formal consultation in the period November and December 2018.
4. Subsequently, the consultation responses have been considered by the meeting of the Overview and Scrutiny Committee at its meeting of the 16<sup>th</sup> January 2019, when the Committee resolved the following:-  
  
"To recommend to Full Council that the proposed changes to the polling stations at Matlaske and West and East Beckham are carried out in line with the report, and that the polling places at Ludham and Wells-next-the-Sea remain the same as a result of the objections received".
5. Full Council is therefore asked to endorse the Schedule of Polling Districts and Places as attached to this report – to be effective for all elections from 1<sup>st</sup> April 2019.

NORTH NORFOLK DISTRICT COUNCIL - POLLING DISTRICT AND POLLING PLACES REVIEW 2018						
New Polling District Code	Current Polling District Code	New Electoral Ward	Polling District	Polling Place	Current Polling Station	Formal Proposals recommended for adoption by Full Council - 27th February 2019 - to be effective from 1st April 2019
BA1	KG1	Bacton	Parish of Bacton	As polling district	Bacton-on-Sea Village Hall, Coast Road, Bacton	No change
BA2	MF1	Bacton	Parish of Paston	As polling district	Bacton-on-Sea Village Hall, Coast Road, Bacton	No change
BA3	LG4	Bacton	Parish of Walcott	As polling district	Walcott Village Hall, Coast Road, Walcott	No change
BA4	NP4	Bacton	Parish of Witton with Ridlington	As polling district	Witton & Ridlington Village Hall, Stonebridge Road, Witton	No change
BE1	KM1	Beeston Regis and The Runtons	Parish of Beeston Regis	As polling district	West Runton Scout HQ, Cromer Road, Beeston Regis	No change
BE2	MJ1	Beeston Regis and The Runtons	East Runton ward of the Parish of Runton	As polling district	East Runton Village Hall, Lower Common, East Runton	No change
BE3	MK4	Beeston Regis and The Runtons	West Runton ward of the Parish of Runton	As polling district	West Runton Church Hall, Station Road, West Runton	No change
BR1	UG1	Briston	Parish of Briston	As polling district	The Copeman Centre, Hall Street, Briston	No change
CO1	UD1	Coastal	Parish of Blakeney	As polling district	Blakeney Village Hall, Langham Road, Blakeney	No change
CO2	KS4	Coastal	Parish of Cley-next-the-Sea	As polling district	Cley Village Hall, The Fairstead, Cley next the Sea	No change
CO3	LU1	Coastal	Parish of Kelling	As polling district	The Barn, Beck House, The Street, Kelling	No change
CO4	UX1	Coastal	Parish of Morston	As polling district	Morston Village Hall, Quay Lane, The Street, Morston	No change
CO5	MM4	Coastal	Parish of Salthouse	As polling district	British Columbia Hall, Cross Street, Salthouse	No change
CO6	UC1	Coastal	Parish of Stiffkey	As polling district	Stiffkey Village Hall, Church Street, Stiffkey	No change
CO7	VM4	Coastal	Parish of Wiveton	As polling district	Wiveton Parish Room, The Street, Wiveton	No change
CO8	NM1	Coastal	Parish of Weybourne	As polling district	Weybourne Village Hall, Beach Lane, Weybourne	No change
CT1	KV1	Cromer Town	Part of Cromer Town ward of Parish of Cromer	As polling district	Cromer Community Centre, Garden Street, Cromer	No change
CT2	KV2	Cromer Town	Part of Cromer Town ward of Parish of Cromer	As polling district	Bullen Joinery Office, Central Road, Cromer	<b>Cromer Methodist Church, West Street, Cromer</b> as the polling place / station for the Cromer Town CT2 Polling District
CT3	Majority of area KW2	Cromer Town	Part of Cromer Town ward of Parish of Cromer	As polling district	Merchants Place, Church Street, Cromer (for areas off Roughton Road / Norwich Road)	No change New ward boundary with the Norwich Road and Roughton Road areas currently in the Suffield Park ward becoming part of the "new" enlarged Cromer Town ward - new polling district reference CT3. No change in polling station for majority of voters.
ER1	KA4	Erpingham	Parish of Alby with Thwaite	As polling district	Aldborough Community Centre, The Green, Aldborough	No change
ER2	KB4	Erpingham	Parish of Aldborough	As polling district	Aldborough Community Centre, The Green, Aldborough	No change
ER3	KT4	Erpingham	Parish of Colby	As polling district	Banningham & Colby Jubilee Hall, Colby Road, Banningham	No change
ER4	KZ4	Erpingham	Parish of Erpingham	As polling district	Erpingham with Calthorpe Village Hall, The Street, Erpingham	No change
ER5	LE4	Erpingham	Parish of Hanworth	As polling district	Hanworth Village Hall, The Common, Hanworth	No change
ER6	LS4	Erpingham	Parish of Ingworth	As polling district	Ingworth Reading Room, The Street, Ingworth	No change
ER7	LT4	Erpingham	Parish of Itteringham	As polling district	Bure Valley Community Centre, The Street, Itteringham	No change
ER8	NB4	Erpingham	Parish of Sustead	As polling district	Sustead Village Hall, Aylmerton Road, Sustead	No change
ER9	NN4	Erpingham	Parish of Wickmere	As polling district	Wickmere Village Hall, Regent Street, Wickmere	No change
GR1	KE4	Gresham	Parish of Aylmerton	As polling district	Aylmerton Village Hall, Church Road, Aylmerton	No change
GR2	KF4	Gresham	Parish of Baconsthorpe	As polling district	Baconsthorpe Village Hall, School Lane, Baconsthorpe	No change
GR3	KN1	Gresham	Parish of Bodham	As polling district	Bodham Village Hall, The Street, Bodham	No change
GR4	KL4	Gresham	Parish of East Beckham	As polling district	The Wheatsheaf Public House, Church Road, West Beckham	<b>Bodham Village Hall, The Street, Bodham</b> to be the polling station for the East Beckham Polling District (GR4).
GR5	LD1	Gresham	Parish of Gresham	As polling district	Gresham Village Hall, Cromer Road, Gresham	No change
GR6	LH4	Gresham	Parish of Hempstead	As polling district	Hempstead Village Hall, The Street, Hempstead	No change
GR7	KH4	Gresham	Parish of Little Barningham	As polling district	Lt Barningham Village Hall, The Street, Little Barningham	No change
GR8	LZ4	Gresham	Parish of Matlaske	As polling district	The Stables Room, Barningham Hall, Matlaske	<b>Little Barningham Village Hall, The Street, Little Barningham</b> to be the polling station for the Matlaske Polling District (GR8).
GR9	KH5	Gresham	Parish of Plumstead	As polling district	Baconsthorpe Village Hall, School Lane, Baconsthorpe	No change
GR10	KL5	Gresham	Parish of West Beckham	As polling district	The Wheatsheaf Public House, Church Road, West Beckham	<b>Bodham Village Hall, The Street, Bodham</b> to be the polling station for the West Beckham Polling District (GR10).
HA1	ML5	Happisburgh	Parish of Brumstead	As polling district	East Ruston Village Hall, School Road, East Ruston	No change
HA2	ML4	Happisburgh	Parish of East Ruston	As polling district	East Ruston Village Hall, School Road, East Ruston	No change
HA3	LF1	Happisburgh	Parish of Happisburgh	As polling district	Wenn Evans Centre, Blacksmiths Lane, Happisburgh	No change

NORTH NORFOLK DISTRICT COUNCIL - POLLING DISTRICT AND POLLING PLACES REVIEW 2018						
New Polling District Code	Current Polling District Code	New Electoral Ward	Polling District	Polling Place	Current Polling Station	Formal Proposals recommended for adoption by Full Council - 27th February 2019 - to be effective from 1st April 2019
HA4	LL4	Happisburgh	Parish of Honing	As polling district	Honing & Crostwight Village Hall, The Street, Honing	No change
HA5	LR4	Happisburgh	Parish of Ingham	As polling district	Ingham Village Hall, Mill Road, Ingham	No change
HA6	LW4	Happisburgh	Parish of Lessingham	As polling district	Lessingham Village Hall, School Road, Lessingham	No change
HI1	LJ1	Hickling	Parish of Hickling	As polling district	Hickling Barn, Tate Loke, Hickling	No change
HI2	LN4	Hickling	Parish of Horsey	As polling district	School Room, Horsey Methodist Church, All Saints Lane, Horsey	No change
HI3	MG1	Hickling	Parish of Potter Heigham	As polling district	Potter Heigham Village Hall, School Road, Potter Heigham	No change
HI4	MP4	Hickling	Parish of Sea Palling with Waxham	As polling district	Sea Palling and Waxham Village Hall, Waxham Road, Sea Palling	No change
H01	LK1	Holt	Parish of Holt	As polling district	Station 1, Holt Community Centre, Kerridge Way, Holt Station 2, Holt Community Centre, Kerridge Way, Holt	No change
H02	KP1	Holt	Parish of High Kelling	As polling district	High Kelling Village Hall, Avenue Road, High Kelling	No change
H03	LX4	Holt	Parish of Letheringsett and Glandford	As polling district	Letheringsett Village Hall, Holt Road, Letheringsett	No change
HT1	KD4	Hoveton and Tunstead	Parish of Ashmanhaugh	As polling district	The Preston Room, Neatishead Road, Ashmanhaugh	No change
HT2	KJ1	Hoveton and Tunstead	Parish of Barton Turf	As polling district	St Michael and All Angels Church, Church Road, Barton Turf	No change
HT3	KX4	Hoveton and Tunstead	Parish of Dilham	As polling district	Dilham Village Hall, The Street, Dilham	No change
HT4	LQ1	Hoveton and Tunstead	Parish of Hoveton	As polling district	Hoveton Village Hall, Stalham Road, Hoveton	No change
HT5	KK4	Hoveton and Tunstead	Parish of Neatishead	As polling district	The New Victory Hall, The Street, Neatishead	No change
HT6	MW4	Hoveton and Tunstead	Parish of Sloley	As polling district	Sloley Methodist Chapel, Frankfort, Sloley	No change
HT7	MX4	Hoveton and Tunstead	Parish of Smallburgh	As polling district	Smallburgh Village Hall, Yarmouth Road, Smallburgh	No change
HT8	NK1	Hoveton and Tunstead	Parish of Tunstead	As polling district	Tunstead Primary School, Market Street, Tunstead	No change
LN1	Formerly part of UJ1 and a small part of UJ2	Lancaster North	North Parish ward in the Parish of Fakenham	As polling district	Fakenham Rugby Club, Seppings Road, Fakenham	No change of polling station location, but move to single station due to reduced number of voters in the Lancaster North ward area based on revised ward boundary
LS1	Formerly UJ2 and part of UJ1	Lancaster South	South Parish ward in the Parish of Fakenham	As polling district	Station 1, Fakenham Community Centre, Oak Street, Fakenham Station 2, Fakenham Community Centre, Oak Street, Fakenham	No change of polling station location, but change of polling station venue for some voters due to revised ward boundary for the Lancaster South ward
MU1	MA1	Mundesley	Parish of Mundesley	As polling district	Church Rooms, 19 Cromer Road, Mundesley, NR11 8BE	<b>Coronation Hall, 26 Cromer Road, Mundesley</b> as the polling place / station for the Mundesley MA1 Polling District and due to growing electorate in Mundesley and number of voters registered to vote in person exceeding 1750 voters propose operating two polling stations to serve the Mundesley polling district moving forward – both at the Coronation Hall, Cromer Road, Mundesley.
NWE1	Formerly part of MC1 and MC2	North Walsham East	East Parish ward in the Parish of North Walsham	As polling district	Station 1, North Walsham Community Centre, New Road, North Walsham Station 2, North Walsham Community Centre, New Road, North Walsham	No change of polling station location, but change of polling station venue for some voters due to revised ward boundaries for the North Walsham East ward
NWX1	Parts of MC1 and MC2	North Walsham Market Cross	North Walsham Town Centre East parish ward in the Parish of North Walsham	As polling district	Station 1 Church Hall At Sacred Heart RC Church, Kings Arms Street, North Walsham	No change of polling station location, but change of polling station venue for some voters due to the formation of the new North Walsham Market Cross ward
NWX2	Majority of MD2	North Walsham Market Cross	North Walsham Town Centre West parish ward in the Parish of North Walsham	As polling district	Station 2 Church Hall At Sacred Heart RC Church, Kings Arms Street, North Walsham	No change of polling station location, but change of polling station venue for some voters due to the formation of the new North Walsham Market Cross ward
NWW1	Formerly MD1	North Walsham West	North Walsham West parish ward in the Parish of North Walsham	As polling district	Millfield School, Recreation Road, North Walsham	<b>Victory Pool and Fitness Centre, Station Road, North Walsham</b> as the polling place / station for the North Walsham West (NWW1) Polling District.
NWW2	Formerly part of MC2	North Walsham West	North Walsham North parish ward in the Parish of North Walsham	As polling district	St Johns Ambulance Hall, Providence Place, North Walsham	No change of polling station venue to serve the new North Walsham North parish ward area – ie the area of Mundesley Road, Lynfield estate area which moves from the (current) North Walsham North District ward to the extended boundary of the North Walsham West ward.
PO1	MB1	Poppyland	Parish of Northrepps	As polling district	Northrepps Village Hall, School Lane, Northrepps	No change
PO2	ME1	Poppyland	Parish of Overstrand	As polling district	The Parish Hall, The Londs, High Street, Overstrand	No change
PO3	MU4	Poppyland	Parish of Sidestrand	As polling district	Sidestrand Reading Room, Cromer Road, Sidestrand	No change

NORTH NORFOLK DISTRICT COUNCIL - POLLING DISTRICT AND POLLING PLACES REVIEW 2018						
New Polling District Code	Current Polling District Code	New Electoral Ward	Polling District	Polling Place	Current Polling Station	Formal Proposals recommended for adoption by Full Council - 27th February 2019 - to be effective from 1st April 2019
PO4	NH1	Poppyland	Parish of Trimmingham	As polling district	Pilgrim Shelter, Loop Road, Trimmingham, NR11 8EQ	Trimingham Village Hall, Cromer Road, Trimmingham, NR11 8HY as the polling place / station for the Trimmingham Polling District (PO4)
PR1	UM4	Priory	Part of the Parish of Gunthorpe (north of the A148 road)	As polling district	Bale Village Hall, Sharrington Road, Bale	No change
PR2	UB4	Priory	Parish of Binham	As polling district	Binham Memorial Hall, Westgate, Warham Road, Binham	No change
PR3	UK1	Priory	Parish of Field Dalling &	As polling district	Field Dalling & Saxlingham Village Hall, 84 Holt Road, Field Dalling	No change
PR4	UN4	Priory	Part of the Parish of Gunthorpe (south of the A148 road)	As polling district	Gunthorpe Village Institute, Swanton Road, Gunthorpe	No change
PR5	US1	Priory	Parish of Hindringham	As polling district	Hindringham Village Hall, The Street, Hindringham	No change
PR6	UV1	Priory	Parish of Langham	As polling district	Langham Parish Room, Binham Road, Langham	No change
PR7	VG4	Priory	Parish of Thursford	As polling district	Thursford Methodist Chapel, Clarks Lane, Thursford	No change
PR8	VJ1	Priory	Parish of Warham	As polling district	Warham Reading Room, The Street, Warham	No change
PR9	VL1	Priory	Parish of Wighton	As polling district	Wighton Village Recreation Hut, Buddells Lane, Wighton	No change
RO1	LA4	Roughton	Parish of Felbrigg	As polling district	Felbrigg Village Hall, The Green, Felbrigg	No change
RO2	LC4	Roughton	Parish of Gimingham	As polling district	Gimingham Village Hall, Church Street, Gimingham	No change
RO3	MH4	Roughton	Parish of Roughton	As polling district	Roughton Village Hall, Felbrigg Road, Roughton	No change
RO4	MY1	Roughton	Parish of Southrepps	As polling district	Southrepps Village Hall, Chapel Street, Southrepps	No change
RO5	NG4	Roughton	Parish of Thorpe Market	As polling district	Thorpe Market Village Hall, Cromer Road, Thorpe Market	No change
SN1	Formerly the majority of MR1	Sheringham North	North Parish ward in the Parish of Sheringham	As polling district	St Josephs Parish Hall, Cromer Road, Sheringham, NR26 8RT	St Andrews Methodist Church Hall, Cromer Road, Sheringham, NR26 8SA as the polling place / station for the Sheringham North SN1 Polling District. Move to single station due to reduced number of voters in the Sheringham North ward area based on revised ward boundary.
SS1	Formerly majority of MS1 and part of MR1	Sheringham South	South Parish ward in the Parish of Sheringham	As polling district	Station 1, Sheringham Community Centre, Holway Road, Sheringham Station 2, Sheringham Community Centre, Holway Road, Sheringham	No change of polling station location, but change of polling station venue for some voters due to revised ward boundary for the Sheringham South ward
SS2	MT4	Sheringham South	Parish of Upper Sheringham	As polling district	Upper Sheringham Village Hall, Church Close, Upper Sheringham	No change
STB1	LM1	St Benet	Parish of Horning	As polling district	Horning Village Hall, Mill Hill, Horning	No change
STB2	LY1	St Benet	Parish of Ludham	As polling district	Ludham Methodist Church Hall, Catfield Road, Ludham	No change
STA1	KR1	Stalham	Parish of Catfield	As polling district	Catfield Village Hall, The Street, Catfield	No change
STA2	KQ1	Stalham	Parish of Stalham	As polling district	Stalham Town Hall, High Street, Stalham	No change to polling station location - but due to growing electorate in Stalham and number of voters registered to vote in person exceeding 1750 voters propose operating two polling stations to serve the Stalham polling district moving forward - both at Stalham Town Hall.
STA3	NC1	Stalham	Parish of Sutton	As polling district	Sutton Village Hall, New Road, Sutton	No change
ST1	UL1	Stibbard	Parish of Fulmodeston	As polling district	Old School Hall, Barney Road, Fulmodeston	No change
ST2	UY1	Stibbard	Great parish ward of Parish of Ryburgh	As polling district	Great Ryburgh Memorial Hall, 32 Fakenham Road, Great Ryburgh	No change
ST3	UR1	Stibbard	Parish of Hindolveston	As polling district	Hindolveston Village Hall, The Street, Hindolveston	No change
ST4	UU1	Stibbard	Parish of Kettlestone	As polling district	Kettlestone Village Hall, The Street, Kettlestone	No change
ST5	UY2	Stibbard	Little parish ward of Parish of Ryburgh	As polling district	Great Ryburgh Memorial Hall, 32 Fakenham Road, Great Ryburgh	No change
ST6	VD4	Stibbard	Parish of Stibbard	As polling district	Stibbard Village Hall, Guist Road, Stibbard	No change
ST7	VE4	Stibbard	Parish of Swanton Novers	As polling district	Swanton Novers Village Hall, St Giles Road, Swanton Novers	No change
ST8	UR2	Stibbard	Parish of Thurning	As polling district	Hindolveston Village Hall, The Street, Hindolveston	No change
ST9	VN4	Stibbard	Parish of Wood Norton	As polling district	Wood Norton Village Hall, Stibbard Road, Wood Norton	No change
STO1	UE4	Stody	Parish of Briningham	As polling district	Briningham Village Hall, Dereham Road, Briningham	No change
STO2	UF4	Stody	Parish of Brinton	As polling district	Sharrington Village Hall, The Street, Sharrington	No change
STO3	KU4	Stody	Parish of Corpusty and Saxthorpe	As polling district	Corpusty and Saxthorpe Village Hall, Heydon Road, Corpusty	No change
STO4	KY4	Stody	Parish of Edgefield	As polling district	Edgefield Village Hall, The Green, Edgefield	No change
STO5	UW1	Stody	Parish of Melton Constable	As polling district	Melton Constable Country Club, Briston Road, Melton Constable	No change
STO6	MZ4	Stody	Parish of Stody	As polling district	Hunworth & Stody Village Room, King Street, Hunworth	No change
STO7	NF4	Stody	Parish of Thornage	As polling district	The Vestry, All Saints Church, The Street, Thornage	No change



NORTH NORFOLK DISTRICT COUNCIL - POLLING DISTRICT AND POLLING PLACES REVIEW 2018						
New Polling District Code	Current Polling District Code	New Electoral Ward	Polling District	Polling Place	Current Polling Station	Formal Proposals recommended for adoption by Full Council - 27th February 2019 - to be effective from 1st April 2019
SP1	Formerly KW1 and parts of KW2	Suffield Park	Suffield Park parish ward in the Parish of Cromer	As polling district	St Martin`s Hall, Mill Road, Cromer	No change of polling station location, but some change of polling venue for some electors due to revised ward boundary
RA1	UH4	The Raynhams	Parish of Dunton	As polling district	Hempton Memorial Hall, The Green, Hempton	No change
RA2	UP4	The Raynhams	Parish of Helhoughton	As polling district	Helhoughton Village Hall, The Street, Helhoughton	No change
RA3	UQ1	The Raynhams	Parish of Hempton	As polling district	Hempton Memorial Hall, The Green, Hempton	No change
RA4	UQ2	The Raynhams	Parish of Pudding Norton	As polling district	Hempton Memorial Hall, The Green, Hempton	No change
RA5	UZ1	The Raynhams	Parish of Raynham	As polling district	West Raynham Village Hall, The Street, West Raynham	No change
RA6	VF1	The Raynhams	Parish of Tattersett	As polling district	Green Park Rural Centre, Chapel Road, Wicken Green	No change
TR1	KC4	Trunch	Parish of Antingham	As polling district	Antingham Village Hall, Antingham	No change
TR2	LB1	Trunch	Parish of Felmingham	As polling district	Felmingham Village Hall, Aylsham Road, Felmingham	No change
TR3	LV4	Trunch	Parish of Knapton	As polling district	Knapton Village Hall, Church Close, Knapton	No change
TR4	NA4	Trunch	Parish of Suffield	As polling district	Suffield Village Hall, Rectory Road, Suffield	No change
TR5	ND4	Trunch	Parish of Swafield	As polling district	Swafield Village Hall, The Street, Swafield	No change
TR6	NJ1	Trunch	Parish of Trunch	As polling district	Trunch Village Hall, Knapton Road, Trunch	No change
WA1	UA4	Walsingham	Parish of Barsham	As polling district	Barsham & Houghton Village Hall, Lime Kiln Lane, East Barsham	No change
WA2	VB1	Walsingham	Parish of Great Snoring	As polling district	Great Snoring Social Club, Walsingham Road, Great Snoring	No change
WA3	VH2	Walsingham	Parish of Great Walsingham	As polling district	Walsingham Village Hall, Wells Road, Walsingham	No change
WA4	VC4	Walsingham	Parish of Little Snoring	As polling district	Little Snoring Community Room, Stevens Road, Little Snoring	No change
WA5	VH1	Walsingham	Parish of Little Walsingham	As polling district	Walsingham Village Hall, Wells Road, Walsingham	No change
WA6	VA1	Walsingham	Parish of Sculthorpe	As polling district	Sculthorpe Village Hall, Moor Lane, Sculthorpe	No change
WH1	UT4	Wells with Holkham	Parish of Holkham	As polling district	The Victoria Residents Lounge, Park Road, Holkham	No change
WH2	VK1	Wells with Holkham	Parish of Wells-next-the-Sea	As polling district	Wells Methodist Church, Theatre Road, Wells	No change
WO1	MN1	Worstead	Parish of Scottow	As polling district	Battle of Britain Memorial Hall, Lamas Road, Badersfield, Scottow	No change
WO2	MV4	Worstead	Parish of Skeyton	As polling district	Skeyton Village Hall, Felmingham Road, Skeyton	No change
WO3	NE4	Worstead	Parish of Swanton Abbott	As polling district	Swanton Abbott Village Hall, The Street, Swanton Abbott	No change
WO4	NL4	Worstead	Parish of Westwick	As polling district	Swanton Abbott Village Hall, The Street, Swanton Abbott	No change
WO5	NQ4	Worstead	Parish of Worstead	As polling district	Queen Elizabeth Hall, Ruin Road, Worstead, North Walsham	No change

**Proposed amendments to local pay scales effective from 1 April 2019**

- Summary: This report outlines proposed changes to the Council’s pay scales as a result of amendments to the national pay spine under the 2018-2020 NJC Pay Agreement.
- Options considered: This report does not include multiple options for consideration. This proposal is the result of collaborative working between UNISON, Payroll and HR. Whilst assimilation to the new national pay spine could be achieved in numerous ways, the proposal put forward is considered to be fair, equitable and financially viable. The proposal was shared with UNISON at a regional and national level and approved on both counts, following which unanimous approval was given at a local ballot.
- Conclusions: The report concludes that the proposals put forward should be accepted and implemented from 1 April 2019.
- Recommendations: **That Full Council approve the changes to the local pay scales, effective from 1 April 2019.**
- Reasons for Recommendations: To comply with the terms of the 2018-20 NJC pay agreement and ensure that the Council’s pay scales are fair, equitable and financially viable.

Cabinet Member(s) Cllr Sarah Bütikofer	Ward(s) affected
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**1. Introduction**

The most recent NJC pay agreement covered the period 2018-2020. The agreement included two pay increases, the first of which was effective from April 2018 and the second from April 2019. Additionally, the agreement covered a change to the national pay spine in order to increase pay levels and standardise progression for those at the lower end of the scale.

The pay increases for April 2018 were introduced as planned and the Council is now preparing to implement the next increase and assimilate to the new pay spine, effective from 1 April 2019.

Because the changes to the pay spine are significant at the lower end of the scale, this does mean that the Council needs to make according adjustments to local pay scales.

This report explains the process which has been undertaken to date, an outline of the proposal and what it means for officers of the Council.

## **2. Changes to the national pay spine**

2.1 According to the NJC, the key changes are:

- The lowest SCP on the spine is equivalent to £9.00 per hour, in line with the National living wage (currently £7.83 p/h but expected to increase to £9 p/h by 2020)
- SCPs from the old spine have been 'paired off' to reduce old SCP 6-17 down to new SCPs 1-6
- Equal steps of 2.0% between each new SCPs 1 to 22 incl. (equivalent to old SCPs 6-28 incl.)
- By creating equal steps between these pay points, new SCPs 10, 13, 16, 18 and 21 are generated to which no old SCPs will assimilate. This means that in some organisations the current number of pay points in a grade might change
- On new SCPs 23 and above (equivalent to old SCPs 29 and above), 2.0% increase on 2018 rate

2.2 A comparison between the new and old NJC pay spines is shown in Appendix 1 (labelled 'Annex A')<sup>1</sup>

2.3 It should be noted that the Council has already made a commitment to pay the 'Real Living Wage', which is currently £9.00 per hour and is a higher rate than the National Living Wage (NLW). At present, this is achieved via a supplement applied to employees on SCPs 9-12.

## **3. Process undertaken to assimilate the national changes at a local level**

3.1 A collaborative piece of work was undertaken by UNISON representatives, the Payroll Officer and HR Manager to reach a suitable proposal for assimilation. This took place over a number of months, but a viable proposal was reached in good time and was credited as a good example of collaborative working by both regional UNISON and EELGA.

3.2 The aim of the exercise was to translate the new NJC pay spine into our own grading structure in a way that is fair and equitable for our employees but also does not create an unnecessary administrative or financial burden for the Council.

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<sup>1</sup> Source: <http://www.gmb.org.uk/2.%20NJC%20Employer%20Offer.pdf>

- 3.3 The resulting proposal amends the three lowest grades of the organisation (grades 12, 11 & 10), but does not impact any of the higher grades. However, all employees will receive a 2% increase to their SCP in accordance with the 2018-20 NJC agreement.
- 3.4 Following local agreement, the proposals were approved at a regional and national level of UNISON before a local ballot was undertaken. The result was a unanimous acceptance of the proposal by local UNISON members.
- 3.5 Internally, the proposals have also been to the local UNISON meeting on 7 September 2018, where they were signed off by Steve Blatch, Corporate Director and Head of Paid service. The proposals also went to the JSCC meeting in December 2018.
- 3.6 The proposed changes would take effect from 1 April 2019 and are shown in Appendix 2.

#### **4. Impact of the proposals in practice**

##### **4.1. Grade 12**

This grade will now have only 4 spinal column points (SCPs) compared to the 5 current SCPs. This will however, be equivalent to the range of 6 current SCPs and therefore the result is a higher earnings potential and quicker progression to the top of the grade.

##### **4.2. Grade 11**

This grade will also have 4 SCPs compared to 5 SCPs at present. However, again the earnings potential of the grade has been increased with the inclusion of current SCP 19 (which at the moment is the bottom of grade 10). As with grade 12, the new range is the equivalent of 6 current SCPs but with quicker progression through that range, due to fewer SCPs. All employees in this grade will have access to an SCP increase in April 2019.

##### **4.3. Grade 10**

This grade will have 5 SCPs. Whilst the grade previously only covered 4 SCPs, this was over a range of 5 national SCPs (1 of which was not utilised locally) and had a lower starting point. The change therefore means that the overall range of the grade does not change, but earning potential has increased. This change also means that those who are currently at the bottom of the grade will be at the lowest SCP of the new grade. However, they will have received an incremental pay rise. As with grade 11, all employees in this grade will have access to an SCP increase in April 2019.

A manual intervention will be required in the first year of implementation for this grade. This is because a national SCP which we previously did not utilise locally now forms part of the SCP range of the grade. This only affects a small group of employees who are on current SCP 20 (SCP 9 on the new model). In order to make sure that they are not worse off than they would have been

on the old pay scales, this group will 'skip' SCP 10 on the new model and progress to SCP 11.

#### 4.4. Grades 9 – 5

Grade 9 through to Grade 5 will remain the same in terms of scope, each with 5 SCP increments and some of the new SCPs being unused. The numerical label given to the SCPs contained in these grades will be the only change made. We will assimilate SCPs 50 and 51 across to new SCPs 44 and 45.

### **5. Implementation of the proposals**

- 5.1. Because in April 2019 there will be two changes to introduce i.e. the annual increment process (including the 2% pay increase on all SCPs) and the assimilated pay scales, it is necessary to consider the order in which they will be implemented.
- 5.2. The Council will apply the annual increment process first, before assimilating employees to the new SCPs. This appears to be the most logical and fair way to proceed. If the changes were applied in the opposite order there would be some disproportionate pay increases and cases where some employees could move from the bottom of the grade to the top within a 2 year period.
- 5.3. There will also be a requirement for a minor manual intervention in the increment process for one year only, again to avoid any inequity. Specifically, this is only going to affect 10 new starters at the bottom of grade 10, who will need to receive an increment slightly early in order to stay within the SCP range for grade 10, as the starting SCP is shifting up one place.

### **6. Conclusion**

The Council is bound to implement the 2018-20 NJC agreement as part of our national terms and conditions. This report sets out a proposal for doing so which is considered to be fair, appropriate and financially viable for the Council.

The proposal has been reached following collaborative work with UNISON and consideration of the Equality Impact Assessment (EqIA) of the proposal. The proposal has also been factored into setting the budget for the next financial year.

It is therefore recommended that Full Council approve the changes to the local pay scales as proposed, effective from 1 April 2019.

### **7. Implications and Risks**

Should this proposal not be approved there is an employee relations risk of not implementing the NJC pay agreement in an appropriate manner and on time.

### **8. Financial Implications and Risks**

The financial impact of the proposed changes are accounted for within the 2019/20 base budget, the report for which can be found elsewhere on the agenda.

As only minor adjustments to our grade bands are required, the impact of these changes has been accommodated within the 2019/20 budget which is now balanced.

The proposed changes will also mean that our minimum rate of pay is equal to the National Living Wage (NLW) and is above the current Real Living Wage (RLW).

## **9. Sustainability**

There are no environmental sustainability implications arising from the report.

## **10. Equality and Diversity**

8.1 A full Equality Impact Assessment (EqIA) has been undertaken, this has been reviewed and signed off locally and by national UNISON.

8.2. The EqIA is attached (Appendix 3), but a summary of the EqIA is as follows: -

- Either through the changes to pay spine, incremental progression and/or the agreed pay award, **all** employees will benefit from an increase to their pay in April 2019.
- The proposed changes to NNDC pay scales impact only Grades 12-10. Proportionately, there are more women than men in these grades, but the impact is positive. This means that more females than males will benefit, but this is based on the grade of the role as determined by job evaluation, rather than by gender. The proposal is expected to have a small but positive impact on the Gender Pay Gap at NNDC.
- In terms of age, higher proportions of our youngest employees are in the impacted group; but interestingly 62% of **both** the impacted and non-impacted groups are aged 49 and under. There is an element of progression through time served which will impact on the make-up of the non-impacted group (i.e. the higher grades of the organisation).
- Otherwise, no noteworthy trends were identified.

## **11. Section 17 Crime and Disorder considerations**

There are no Section 17 implications arising from the report.

## ANNEX A

1 April 2018			1 April 2019			
SCP	£ per annum	£ per hour*	New SCP	£ per annum	£ per hour*	Old SCP[s]
6	£16,394	£8.50	1	£17,364	£9.00	6/7
7	£16,495	£8.55				
8	£16,626	£8.62	2	£17,711	£9.18	8/9
9	£16,755	£8.68				
10	£16,863	£8.74	3	£18,065	£9.36	10/11
11	£17,007	£8.82				
12	£17,173	£8.90	4	£18,426	£9.55	12/13
13	£17,391	£9.01				
14	£17,681	£9.16	5	£18,795	£9.74	14/15
15	£17,972	£9.32				
16	£18,319	£9.50	6	£19,171	£9.94	16/17
17	£18,672	£9.68				
18	£18,870	£9.78	7	£19,554	£10.14	18
19	£19,446	£10.08	8	£19,945	£10.34	19
20	£19,819	£10.27	9	£20,344	£10.54	20
			10	£20,751	£10.76	
21	£20,541	£10.65	11	£21,166	£10.97	21
22	£21,074	£10.92	12	£21,589	£11.19	22
			13	£22,021	£11.41	
23	£21,693	£11.24	14	£22,462	£11.64	23
24	£22,401	£11.61	15	£22,911	£11.88	24
			16	£23,369	£12.11	
25	£23,111	£11.98	17	£23,836	£12.35	25
			18	£24,313	£12.60	
26	£23,866	£12.37	19	£24,799	£12.85	26
27	£24,657	£12.78	20	£25,295	£13.11	27
			21	£25,801	£13.37	
28	£25,463	£13.20	22	£26,317	£13.64	28
29	£26,470	£13.72	23	£26,999	£13.99	29
30	£27,358	£14.18	24	£27,905	£14.46	30
31	£28,221	£14.63	25	£28,785	£14.92	31
32	£29,055	£15.06	26	£29,636	£15.36	32
33	£29,909	£15.50	27	£30,507	£15.81	33
34	£30,756	£15.94	28	£31,371	£16.26	34
35	£31,401	£16.28	29	£32,029	£16.60	35

<b>36</b>	£32,233	£16.71	<b>30</b>	£32,878	£17.04	36
<b>37</b>	£33,136	£17.18	<b>31</b>	£33,799	£17.52	37
<b>38</b>	£34,106	£17.68	<b>32</b>	£34,788	£18.03	38
<b>39</b>	£35,229	£18.26	<b>33</b>	£35,934	£18.63	39
<b>40</b>	£36,153	£18.74	<b>34</b>	£36,876	£19.11	40
<b>41</b>	£37,107	£19.23	<b>35</b>	£37,849	£19.62	41
<b>42</b>	£38,052	£19.72	<b>36</b>	£38,813	£20.12	42
<b>43</b>	£39,002	£20.22	<b>37</b>	£39,782	£20.62	43
<b>44</b>	£39,961	£20.71	<b>38</b>	£40,760	£21.13	44
<b>45</b>	£40,858	£21.18	<b>39</b>	£41,675	£21.60	45
<b>46</b>	£41,846	£21.69	<b>40</b>	£42,683	£22.12	46
<b>47</b>	£42,806	£22.19	<b>41</b>	£43,662	£22.63	47
<b>48</b>	£43,757	£22.68	<b>42</b>	£44,632	£23.13	48
<b>49</b>	£44,697	£23.17	<b>43</b>	£45,591	£23.63	49

\*hourly rate calculated by dividing annual salary by 52.143 weeks (which is 365 days divided by 7) and then divided by 37 hours (the standard working week in the National Agreement 'Green Book')



**Appendix 2: Proposed Pay Scales**

APRIL 2018	CURRENT		PAY AWARD (Agreed)	APRIL 2019	PROPOSED	
Grade	SCP	Salary	Current + 2%		SCP	Salary
Grade 12	9	16,755	17,090	GRADE 12	1	17,364
	10	16,863	17,200		2	17,711
	11	17,007	17,347		3	18,065
	12	17,173	17,516		4	18,426
	13	17,391	17,739			
Grade 11	14	17,681	18,035	GRADE 11	5	18,795
	15	17,972	18,331		6	19,171
	16	18,319	18,685		7	19,554
	17	18,672	19,045		8	19,945
Grade 10	18	18,870	19,247	GRADE 10	9	20,344
	19	19,446	19,835		10	20,751
	20	19,819	20,215		11	21,166
	21	20,541	20,952		12	21,589
Grade 9	22	21,074	21,495	GRADE 09	13	22,021
	23	21,693	22,127		14	22,462
	24	22,401	22,849		15	22,911
	25	23,111	23,573		16	Not used
	26	23,866	24,343		17	23,836
	27	24,657	25,150		18	Not used
	28				19	24,799
Grade 8	29	26,470	26,999	GRADE 08	20	25,295
	30	27,358	27,905		21	Not used
	31	28,221	28,785		22	Not used
	32	29,055	29,636		23	26,999
	33	29,909	30,507		24	27,905
	34				25	28,785
Grade 7	35	31,401	32,029	GRADE 07	26	29,636
	36	32,233	32,878		27	30,507
	37	33,136	33,799		28	Not used
	38	34,106	34,788		29	32,029
	39	35,229	35,934		30	32,878
Grade 6	40	36,153	36,876	GRADE 06	31	33,799
	41	37,107	37,849		32	34,788
	42	38,052	38,813		33	35,934
	43	39,002	39,782		34	36,876
Grade 5	44	39,961	40,760	GRADE 05	35	37,849
	45				36	38,813
	46	41,846	42,683		37	39,782
	47	42,806	43,662		38	40,760
	48	43,757	44,632		39	Not used
	49				40	42,683
	50	45,640	46,553	41	43,662	
	51	46,662	47,595	42	44,632	
				43	Not used	
				44	46,553	
				45	47,596	

**PAY POLICY STATEMENT 2019/20**

- Summary: Section 38 of the Localism Act 2011 (“the Act”) requires the Council to produce an annual pay policy statement (“the statement”) for the start of each financial year. The attached statement is drawn up in compliance with the Act to cover the period 2019/20. It is a legal requirement that Full Council formally signs off this statement and the responsibility cannot be devolved to any other person or committee.
- Options considered: There are no options to consider as part of this paper.
- Conclusions: The attached statement sets out current remuneration arrangements for officers.
- Recommendations: **To adopt the attached Pay Policy Statement and to publish the statement for 2019/20 on the Council’s website.**
- Reasons for Recommendations: To comply with the requirements of the Localism Act.

Cabinet Member(s) Cllr Sarah Bütikofer	Ward(s) affected
Contact Officer, telephone number and email: Sally Morgan, HR Manager <a href="mailto:sally.morgan@north-norfolk.gov.uk">sally.morgan@north-norfolk.gov.uk</a> (01263) 516352	

**1. Introduction**

1.1 Section 38 (1) of the Localism Act 2011 (“the Act”) requires English and Welsh local authorities to produce a pay policy statement (“the statement”) for each financial year. The first statement went to Full Council on 22 February 2012 to cover the period 2012/13.

**2. The Statement**

2.1 The statement must set out:

- A local authority’s policy on the level and elements of remuneration for each Chief Officer

- A local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition)
- A local authority's policy on the relationship between the remuneration of its chief officers and other officers
- A local authority's policy on other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance related pay and bonuses, termination payments, and transparency.

2.2 With regard to the process for approving the statement, it must:

- Be approved formally by Full Council and cannot be delegated to any sub-committee. This includes any amendments in each financial year
- Be approved by the end of March each year
- Be published on the authority's website and in any other manner that the Council thinks appropriate as soon as it is reasonably practicable after it is approved or amended
- Be complied with when the authority sets the terms and conditions for a Chief Officer.

2.3 For the purpose of the statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989 as:

- The Head of Paid Service
- The Monitoring Officer
- A statutory Chief Officer and non-statutory Chief Officer (section 2 of that Act)
- A deputy Chief Officer (section 2 of that Act)

2.4 This definition of Chief Officer is wider than that contained within the Constitution where the term 'chief officer' indicates the senior posts which sit on Corporate Leadership Team i.e. the Chief Executive and Directors.

### **3. Living Wage Supplement**

3.1 The Council has paid a Living Wage as a supplement to affected posts since 1st January 2015 and the Joint Staff Consultative Committee recommended reviewing this payment on an annual basis. The supplement currently paid reflects the latest published rate for the 'real' living wage.

### **4. Travel Policy**

4.1. The Travel Policy is attached at Appendix D. No changes have been made since the last update, which was effective from 1 April 2017.

### **5. Conclusion**

The statement meets the statutory requirements of the Localism Act and it is therefore recommended that the statement be approved.

### **6. Financial Implications and Risks**

6.1. There are no increased risks as a result of setting and publishing the Pay Policy Statement. The report and the statement outline arrangements for 2019/20 on the basis of the proposed assimilation to the new national spinal column points, covered in a separate agenda item.

**7. Sustainability**

There are no environmental sustainability implications arising from the report.

**8. Equality and Diversity**

The Equality act 2010 places requirements upon all public sector bodies to ensure that its policies and procedures promote equality, this document supports that requirement.

**9. Section 17 Crime and Disorder considerations**

There are no Section 17 implications arising from the report.

## Pay Policy Statement 2019/20

### 1. Context

1.1 This policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 ("the Act"), which, from 2012 onwards, requires all local authorities to publish an annual statement of their policy for the relevant financial year in relation to:

- The remuneration of their most senior employees, which the Act defines as:
  - The Head of Paid Service (Chief Executive),
  - The Monitoring Officer,
  - The Chief Officers (or Directors), and
  - The Deputy Chief Officers (i.e. managers who report directly to a Chief Officer);
- The remuneration of their lowest-paid employees; and
- The relationship between the remuneration of their most senior employees and that of other employees.

1.2 The Secretary of State has produced guidance on the provisions in the Act relating to transparency and accountability in local pay, which local authorities must have regard to in preparing and approving their annual pay policy statements. This Pay Policy Statement takes full account of this guidance as well as the provisions of the Act.

1.3 The policy statement also refers to information which the Council already publishes under other legislation:

- Information on the level of remuneration paid to senior managers, as required by the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817).
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government Pension Scheme, as required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008
- Policy on the exercise of its discretions over payments upon termination of employment under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as required by Regulation 7 of those regulations.

1.4 This Pay Policy Statement must be reviewed on an annual basis and a new version of the policy will be submitted to Full Council for approval by 31 March immediately preceding the financial year to which it relates.

1.5 The Pay Policy statement can also be amended during the course of the financial year, but only by a resolution of the Full Council. If it is amended during the year to which it relates, the revised version of the statement must be published as soon as possible after the amendment is approved by Full Council.

1.6 This policy statement was considered by Full Council on 27 February 2019. It is available on the Council's website. The Council's website also includes separately published data on salary information relating to Senior Officers and this can be viewed on our website.

1.7 For the purpose of the pay policy statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989:

- a) The Head of Paid Service (i.e. the Chief Executive) as designated under section 4 of that Act;
- b) The Monitoring Officer designated under section 5(1) of that Act;
- c) A statutory Chief Officer and non-statutory Chief Officer under section 2 of that Act;
- d) A deputy Chief Officer mentioned in section 2 of that Act.

## **2. Remunerating Chief Officers/Deputy Chief Officers**

2.1 The remuneration for Chief Officers/Deputy Chief Officers within the Council can be found at Appendices A and B.

## **3. Remunerating the Lowest Paid in the Workforce**

3.1 The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of Council decisions, these are then incorporated into contracts of employment. The lowest pay point in use by the Council for employees on the council's pay scale is spinal column point (SCP) 1. This relates to an annual salary of £17,364 (full time equivalent (FTE) and can be expressed as an hourly rate of pay of £9.00 as at 1 April 2019. Employees on this pay point are defined as our lowest paid employees. This pay point and salary has been determined by the National Joint Council (NJC). Full Council agreed to pay a Living Wage supplement where rates of pay were below the 'real living wage'. As our lowest rate currently stands at £9.00 per hour, no grades are subject to the supplement, at present. See Appendix C for pay scales for staff on grades 5-12. Continuation of the Living Wage supplement will be reviewed and determined annually.

3.2 The Council employs a number of apprentices and the salary for these staff complies with the National Minimum Wage.

## **4. The Relationship between Chief Officer Remuneration and that of other employees**

4.1 The highest paid salary point in the Council is that of the two Corporate Directors and Head of Paid Service at £102,605 as at 1 April 2019 (inclusive of the Head of Paid Service supplement). The median for Chief Officers is £58,515 and for non-Chief Officers is £27,905. This gives a ratio of 1:2.10. The Council does not have a policy on maintaining, reaching or applying a specific pay multiple. However the Council is conscious that remuneration at all levels needs to be adequate to secure and retain high quality employees but not be seen as excessive.

## **5. Other Aspects of Chief Officer Remuneration**

5.1 Other aspects of Chief Officer remuneration are appropriate to be covered by this policy statement. These other aspects are defined as remuneration on recruitment, pay increases, additions to pay, performance related pay, earn back, enhancements of pension entitlements and termination payments. These elements are shown in Appendix A.

## **6. Pay Awards**

- 6.1 Pay awards are determined nationally in accordance with the Joint Negotiating Committee (JNC) for Chief Executives, the Joint Negotiating Committee (JNC) for Chief/Deputy Chief Officers and the National Joint Committee (NJC) for staff paid under the national spinal column points covered by internal grades 5-12.

## **7. Tax Avoidance**

- 7.1 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council will utilise the procurement policy and the Employment Status for Tax guidelines to ensure that the correct employment status is identified before being engaged. When a need arises for an 'interim' appointment, the Council may consider the use of an agency.

## **8. Re-engagement of ex North Norfolk District Council staff within the scope of this policy**

- 8.1 All permanent / fixed term posts are advertised in accordance with the council's recruitment practices and procedures and appointment is made on merit. Interim management appointments are made in accordance with the council's procurement policy.

## **9. Review**

- 9.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. The next statement will be submitted to Full Council for approval by 31 March 2020.
- 9.2 As necessary, the Council may by resolution amend the pay policy statement at times other than that of the prescribed annual statement.

**Appendix A – Other aspects of Chief Officer Remuneration as at 1 April 2019**

<b>Post</b>	<b>Salary grade</b>	<b>Expenses / car allowances</b>	<b>Bonuses / PRP / Earn Back</b>	<b>Honoraria / Acting Up</b>	<b>Market/Salary Supplements</b>	<b>Election Fees</b>	<b>Severance Arrangements</b>
Corporate Directors x 2 Head of Paid Service (jointly held)	2	Travel and other expenses are reimbursed through normal Council procedures. Car allowances are paid in accordance with the rates set out in Council's Travel Policy (see Appendix D)	The current terms and conditions of employment does not provide for any of the above elements	Honoraria and acting up payments do not apply	Joint Head of Paid Service supplement of £16,540 per annum, pro rata	Returning Officer fees for national elections are set by Central Government. Local election fees are paid in accordance with a scale of fees which is based on national election rates and agreed locally. Election fees are paid separately.	The Council's normal policies regarding redundancy and early/flexible retirement apply to the postholder
Head of Finance/s151 Officer	3	As above	As above	Could be applied where appropriate on authorisation of Corporate Leadership Team	£4,832 per annum, pro rata (s151 responsibilities)	As above (where applicable)	As above
Monitoring Officer	3	As above	As above	As above	£4,832 per annum, pro rata	As above (where applicable)	As above
Head of Planning	4	As above	As above	As above	£4,832 per annum, pro rata (specialist delegated responsibilities)	As above (where applicable)	As above



<b>Aspect of Chief Officer Remuneration</b>	<b>Council Policy</b>
Recruitment and Retention	<p>All posts in the Council are evaluated using the Council's job evaluation scheme. Each grade comprises a range of pay points (spinal column points). Employees will receive an annual increment (and in some cases, 6 months after starting work with the Council), subject to the top of their grade not being exceeded.</p> <p>The post will be advertised and appointed to at the appropriate approved salary for the post in question and individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to.</p> <p>The rules regarding appointment to a Chief Officer role are set out in the Constitution.</p> <p>Where the Council is unable to recruit to a post at its designated grade, it will consider the use of temporary market supplements or 'Golden Hello's'. Golden Hello's are re-payable in whole or in part in certain circumstances should the officer leave before an agreed period has been served.</p> <p>In areas of skills shortages (locally or nationally) the Council will consider the use of retention payments. Access to appropriate elements of the Council's relocation scheme may also be granted in line with the policy when new starters move to the area.</p> <p>All staff are covered by the Council's appraisal scheme.</p> <p>The above applies to all employees.</p>
Pay Increases	<p>The Council will apply any pay increases that are agreed by the relevant national negotiating bodies. The Council will also apply any pay increases that are as a result of Council decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.</p> <p>This applies to all employees.</p>
Additions to Pay	<p>The Council would not make additional payments beyond those specified in the terms and conditions of employment and this policy statement.</p> <p>This applies to all employees.</p>
Professional Subscriptions	<p>These are payable where they are required for the post and should be limited to one subscription per Officer.</p> <p>This applies to all employees.</p>
Employee Assistance Programme (EAP)	<p>Access to the EAP scheme is available to all employees and elected Members.</p>
Contract for Services	<p>Where the Council remains unable to appoint Chief Officers on recruitment, or there is a need to provide interim support to cover for a vacant substantive Chief Officer post, the Council may, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate value for money from competition in securing the relevant service.</p>
Redundancy and payments on termination	<p>The Council has a single policy which applies to all employees.</p> <p>Where termination of employment is subject to a settlement agreement that agreement may include a negotiated payment in exchange for which the employee undertakes not to pursue claims against the Council. This is always subject to the completion of a business case and appropriate authorisation as laid out in the above policy.</p>
Pension contribution rates	<p>Staff who opt to join the Local Government Pension Scheme (LGPS) pay current contribution rates between 5.5% to 12.5%. The employer contribution rate is currently 14.5% and this is the same rate for all staff.</p>

**Appendix B**

**Salary grades for Chief Officers and Deputy Chief Officers (1 April 2019)**

<b>Grade</b>	<b>SCP</b>	<b>Annual Salary</b>	<b>Monthly Amount</b>	<b>Hrly Rate</b>	<b>Wkly Rate</b>
<b>4</b>	331	£50,234.00	£4,186.17	£26.0376	£963.39
	332	£51,544.00	£4,295.33	£26.7166	£988.51
	333	£52,862.00	£4,405.17	£27.3998	£1,013.79
	334	£57,165.00	£4,763.75	£29.6301	£1,096.31
	335	£58,515.00	£4,876.25	£30.3299	£1,122.21
<b>3</b>	321	£60,318.00	£5,026.50	£31.2644	£1,156.78
	322	£61,997.00	£5,166.42	£32.1347	£1,188.98
	323	£68,056.00	£5,671.33	£35.2752	£1,305.18
	324	£69,591.00	£5,799.25	£36.0709	£1,334.62
	325	£72,005.00	£6,000.42	£37.3221	£1,380.92
<b>2</b>	311	£73,819.00	£6,151.58	£38.2623	£1,415.71
	312	£79,362.00	£6,613.50	£41.1354	£1,522.01
	313	£81,399.00	£6,783.25	£42.1913	£1,561.08
	314	£83,688.00	£6,974.00	£43.3777	£1,604.97
	315	£86,065.00	£7,172.08	£44.6098	£1,650.56
<b>1</b>	300	£105,742.00	£8,811.83	£54.8089	£2,027.93
	301	£108,006.00	£9,000.50	£55.9824	£2,071.35

Appendix C  
Salary grades 5-12 (1 April 2019)

Grade	SCP	Salary	Hrly Rate	Wkly Rate
Grade 12	1	17,364	9.0002	333.01
	2	17,711	9.1801	339.66
	3	18,065	9.3636	346.45
	4	18,426	9.5507	353.38
Grade 11	5	18,795	9.7419	360.45
	6	19,171	9.9368	367.66
	7	19,554	10.1354	375.01
	8	19,945	10.3380	382.51
Grade 10	9	20,344	10.5448	390.16
	10	20,751	10.7558	397.96
	11	21,166	10.9709	405.92
	12	21,589	11.1902	414.04
	13	22,021	11.4141	422.32
Grade 9	14	22,462	11.6427	430.78
	15	22,911	11.8754	439.39
	16	Not used		
	17	23,836		
	18	Not used		
	19	24,799	12.8540	475.60
	20	25,295	13.1111	485.11
Grade 8	21	Not used		
	22	Not used		
	23	26,999	13.9943	517.79
	24	27,905	14.4639	535.16
	25	28,785	14.9200	552.04
	26	29,636	15.3611	568.36
	27	30,507	15.8126	585.07
Grade 7	28	Not used		
	29	32,029		
	30	32,878	17.0415	630.54
	31	33,799	17.5189	648.20
	32	34,788	18.0315	667.17
	33	35,934	18.6255	689.14
Grade 6	34	36,876	19.1138	707.21
	35	37,849	19.6181	725.87
	36	38,813	20.1178	744.36
	37	39,782	20.6201	762.94
	38	40,760	21.1270	781.70
Grade 5	39	Not used		
	40	42,683	22.1237	818.58
	41	43,662	22.6312	837.35
	42	44,632	23.1340	855.96
	43	Not used		
	44	46,553	24.1297	892.8
	45	47,596	24.6703	912.8

REAL LIVING WAGE
<b>£9.00 per hour</b>
No SCP's currently below this rate

APPRENTICE RATES	
Under 18's	£8,393.00
18 - 20	£11,866.00
21 - 24	£14,856.00
25 +	£15,840.00

## TRAVEL POLICY

### INTRODUCTION

The purpose of this policy is to set out North Norfolk District Council's (NNDC) policy on travel arrangements that employees are eligible to claim in reimbursement for journeys made in carrying out their duties.

### GENERAL TRAVEL PRINCIPLES

Employees will be required to ensure that:

- the choice of travel mode should always be the most cost effective to the Authority, taking into account both claim costs and staff time
- they ensure that journeys are planned to do the least number of miles possible, through good route planning and car sharing
- a full record of their journey is kept including the reason for travelling and the names of official passengers carried
- they do not use their own vehicle on journeys where there is room in the car of another officer making the same journey on the same business. In this situation, an essential car user should drive in preference to a casual user, if possible
- they have included and maintain in their policy of insurance a clause indemnifying the Authority against all third party claims (including those concerning passengers) arising out of the use of the vehicle on official business
- all claims must be submitted electronically through MyView within 3 months of the journey
- VAT receipts should be obtained and scanned to file for the line manager to review
- they are familiar with and comply with the Driver Policy and Handbook

Mobile workers can claim from their first and last visits in both mileage and time. In addition if their first/last journey exceeds normal home to work mileage, the excess mileage can be claimed.

Examples:

- Sandy lives in North Walsham and is based at Cromer which is 10 miles from her home, she is asked to visit a site in Hickling on her way to work. North Walsham to Hickling is 14 miles and Hickling to Cromer 22 miles total journey 36 miles. Her claim will be from her first visit in Hickling to Cromer – 22 miles - plus 4 excess miles – total 26 miles.
- Ken lives in Roughton which is 4 miles from his base at Cromer. He has to travel to a meeting in Cambridge. The total return journey from his home to Cambridge is 175 miles. His claim will be for 167 miles (Total miles 175 less normal commuting 8).
- Jim lives in Norwich and is based in Cromer and normally has a journey of 25 miles to work. He is required to visit Fakenham area office for a meeting on his way into work before continuing his journey to Cromer later in the day. His total journey is 47 miles. His claim will be for 22 miles (first visit in Fakenham to Cromer).
- Jane lives in Gresham and is based in Cromer, which is 5 miles from her home. She has to visit a site in Felbrigg one morning and travels direct from home to Felbrigg 3 miles away before continuing to the Cromer Office a journey of 2 miles. Her claim will be from her first visit in Felbrigg to Cromer, 2 miles.

### CAR ALLOWANCES

NNDC recognises that employees will be required to use their own motor vehicle for the efficient performance of their duties and that it is appropriate to reimburse for additional authorised expenditure. All employees are designated as casual users unless their post attracts an essential car user allowance.

## **ESSENTIAL USER ALLOWANCES**

Essential users are those whose duties are of such a nature that it is essential for them to have a motor car at their disposal whenever required. If the employee uses a private car in carrying out those official duties then they shall be entitled to receive the lump sum allowance and mileage rates set out in this policy.

- Heads of Service may, in consultation with HR, offer post holders (upon appointment to role) an essential car user allowance dependent on the following criteria:
  - Where the role is customer facing and demands the use of a vehicle and demands regular, short notice, reactive response to deliver to customers the standard of service expected; or
  - Where inadequate or no public transport is available and the employee frequently and regularly has no option but to use their car and it is not reasonably practicable to use a pool or hire car/van; or
  - Where there is a demonstrable and serious risk to personal safety if the employee's car is not available as part of their normal duties; or
  - A vehicle will need to be always available; or
  - The employee is required to carry heavy equipment on a frequent and regular basis and it is not reasonably practicable to cycle, use public transport or a pool car.
- Essential car user eligibility will be reviewed annually by HR in liaison with Heads of Service. UNISON will be consulted if it is proposed that an essential car user allowance is withdrawn.
- Employees not fitting the criteria in that period will be issued with one calendar month's notice of the allowance ceasing.
- If an employee wishes to appeal against the decision to withdraw their allowance they must do so in writing to the Corporate Directors/Head of Paid Service within 10 days of their notice being issued. The eligibility will be reviewed and the decision will be confirmed by the Director in consultation with HR and UNISON. The Director's decision will be final.
- The Essential Car User Allowance is set at £963 per annum. This will be paid monthly and is subject to tax and national insurance deductions.
- Staff on maternity leave will continue to receive the essential car user allowance.
- For staff on long term sickness absence, the essential car user lump sum payments will be paid at 100% for the remainder of the month in which the absence commenced, and for a further 3 months thereafter. For the following three months, payment will be reduced to 50%. The payments will cease after the 3 months at 50%. This is in line with the Green Book provisions. The payments will be reinstated upon the return to work.
- Where a role has changed and no longer requires an essential user allowance, one calendar month's notice will be given to the post-holder, at which point the allowance will cease.

- In cases of secondment, any essential car user allowance will cease where the new role does not qualify for the allowance. The allowance will normally be re-instated once the employee returns to their substantive role.
- In cases of extended absence such as career breaks or sabbaticals, the essential car user allowance will cease for the period of absence.
- Drivers are able to claim for additional business passengers at the rate detailed in the Travel Policy.
- Staff who are not designated as essential users will automatically be considered as casual users.

### **CASUAL USER ALLOWANCES**

Casual users are those for whom it is desirable that a car should be made available when required and as such are eligible to receive the appropriate mileage rate set out in this policy.

### **ALLOWANCES AND MILEAGE RATES (Essential and Casual User)**

#### **Casual User Rate**

Mileage:-  
Per mile first 10,000 52.2p  
Per mile after 10,000 25p

#### **Essential User**

Lump sum £963 per annum (paid pro-rata on a monthly basis)

Mileage:-  
Per mile first 10,000 45p  
Per mile after 10,000 25p

#### **Other rates (per mile)**

Motorcycle	24p
Cycle	20p
Car sharing	5p (per mile not per passenger)

### **CAR LOAN SCHEME**

Employees may apply to the Authority for a loan to purchase a vehicle. Details of the scheme can be obtained from the Payroll Officer.

### **MILEAGE CLAIMS**

All claims must be submitted via My View within 3 months of undertaking the journey/expenditure. All claims are to be authorised by the appropriate authorised line manager. VAT receipts should be obtained and scanned to file for the line manager to review.

**Failure to submit a claim within 3 months of undertaking the journey would mean that, except under exceptional circumstances, the claim would not be met.**

## **OTHER ALLOWANCES**

### **SUBSISTENCE**

Subsistence will be paid to employees who necessarily incur additional expense in the course of their work. Reimbursement will be on the actual cost incurred up to the maximum amount shown below. This is subject to producing a receipt which shows the actual cost of the meal. Maximums are:-

Breakfast	-	£6.88 (Where work/travel commences before 7.30 am)
Lunch	-	£9.50 (When away for entire lunch period 12.00 - 14.00)
Tea	-	£3.76
Evening meal	-	£11.77 (When work/absence extends beyond 7.30 pm)

### **OVERNIGHT ALLOWANCES**

Overnight	-	£3.63
Max per week	-	£14.55

Any exceptions to the above (subsistence and overnight allowances) would need to be agreed in advance with the HR Manager.

### **RELEVANT POLICIES**

**Driver Policy and Handbook** - employees are required to comply with the requirements of this policy.

### **MONITORING**

This policy, allowances and rates will be reviewed, updated if appropriate and published on an annual basis by the HR Manager in line with the national agreement or as required by the Authority.

**Last reviewed: 13 February 2019 (no amendments)**





## COMMUNITY SPORTS HUB FUNDING

**Summary:** This report seeks to update members on progress towards the development of the Community Sports Hub and related community facilities. Specifically, the report focuses on the remaining capital funding requirements for the project and concludes that that these can be provided with minimal impact on revenue funding, with a recommendation that Council approves the budget as explained in the report.

**Options considered:** The only options open to members are to fully, partly or not fund the project.

**Conclusions:** As a result of the LTA decision to withdraw capital funding and an increase in capital budget in some areas, the initial project has an additional revenue impact of c£41,000 per annum.

This has been shown to be offset by:

- cutting back on some construction items, none of which will have a fundamental negative effect on the project;
- examining the accurate costs of the satellite tennis sites thus enabling a reduction in the budget to that which was originally thought to be needed;
- a much improved revenue position through the new operating model agreed by all stakeholders, which will remove the need for the Council's grant funding of the CLTSA.

Clearly, the overall position of the project has changed significantly as a result of the withdrawal of the LTA funding. It would, therefore, be sensible to review the overall business case at this time to ensure that the project still represents good value for money for the Council and is capable of still meeting the original objectives.

**Recommendations:**

- 1. That the business case for the Community Sports hub is reviewed to ensure it still represents value for money and is capable of still meeting the original objectives.**

- 2. That Full Council approves additional capital**

**budget of £672,000 required for the completion of the Community Sports Hub project**

- 3. That if recommendation above is approved, authority to spend is then delegated to the Leader of the Council, Portfolio Member for Leisure and the s151 Officer, subject to a satisfactory review of the business case outlined in recommendation 1 above**
- 4. That if recommendations 2 and 3 proceed, the s151 Officer is given delegated authority to arrange the additional financing requirements outlined above by the most cost effective means**

Reasons for Recommendations: To provide the necessary funding to complete the project.

#### **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)	Ward(s) affected Facilities in, Cromer, Wells, Fakenham and North Walsham, but available to all members of the public.
Contact Officer, telephone number and email: Nick Baker, Joint Head of Paid Service <a href="mailto:Nick.baker@north-norfolk.gov.uk">Nick.baker@north-norfolk.gov.uk</a> 01263 516221	

#### **1. Introduction**

- 1.1 Members will be aware that the Community Sports Hub project seeks to bring together the dual use sports facilities leased by the Council at Cromer Academy, along with the Council's outdoor tennis facilities leased to Cromer Tennis Association (CLTSA), by building a new, Council-owned and run, three court indoor tennis centre, gym and dance studio. This would be managed by the Council's Leisure Management contractor.
- 1.2 The original vision for this project was contained in the Council's Indoor Sports Facility Strategy, which was published in 2015. Since then, much work has been done to establish an operating model between the partners, including the Council's new Leisure Management contractor, recently announced as Everybody Active.
- 1.3 Full Council approved the c£3m project in December 2017, after a feasibility study and business case was presented to members. The construction cost

rose slightly during the last year due to adverse ground conditions which could not have been predicted in advance. The project envisaged an application being made to the Lawn Tennis Association (LTA) for capital funding from their Transforming British Tennis Together programme, which was launched in October 2017, to support the project to the sum of ultimately £505,000.

- 1.4 Within the project, four satellite, community tennis facilities, in Wells, Fakenham and North Walsham, would also receive funding for smaller local facilities. To support the capital project a tennis network has now been built up, encompassing all local tennis clubs and other facilities in the district, along with all of its schools. A new operating model was developed in autumn 2018 between the main partners, to ensure the most cost effective facility, which would maximise health and wellbeing benefits
- 1.5 The project would support community level health and wellbeing by both improving facilities for tennis and the provision of a public gym in Cromer; and by encouraging community activity engagement, via partnerships with schools and academies, local sports clubs and doctors' surgeries.  
The wider offer of sports and activities in such facilities are known to drive cross participation in the different sports available through the hub, thereby making the clubs involved more sustainable and increasing activity and participation more generally.
- 1.6 The overall projected user participation numbers of both the new facility and associated sites are not disputed, with our external consultants FMG, the LTA and our both of the two final bidders for our Leisure Management Contract all agreeing their significance and outcome benefits.
- 1.7 However, in December 2018, the LTA indicated that it may not now be able to fund its capital grant. In early February, the LTA confirmed that, although the project was sound in terms of player numbers and health and wellbeing outcomes, because the LTA had changed its investment policy to focus on other areas and the grant would not be forthcoming.
- 1.8 Since the LTA's announcement, Officers have worked with our leisure and construction consultants, and other partners, to reduce the overall impact of the loss of funding and the results of this work are shown below.

## **2.0 Finance Implications**

- 2.1 The Council has approved, on the basis of the LTA's early support for the project and that the project met all of the LTA's requirements, a budget to cover the vast majority of the funding for this project already. Of this, it has spent c£259k to date on architecture, construction, planning, legal and leisure consultancy; along with enabling works, including demolition of unused buildings at the Academy essentially in the summer holiday window, and the technical design of the frame fabric building.

## **2.2 Revenue position**

- 2.2.1 If the Council approved the additional capital budget now requested, and funded this through a PWLB loan, the total revenue cost of the borrowing would be just under £41k pa based on an equal instalments of principle (EIP) loan over 20 years. This is based on principal repayments of £33.6k and

**average interest repayments** over the 20 years of £7.2k (the interest charge actually reduces year on year over the life of the loan).

It should be noted however, this method of funding capital budgets of this magnitude is for illustrative purposes and discretion around the exact funding methodology is sought elsewhere in the report for the s151 Officer.

- 2.2.2 However, there are two potential significant savings which must be considered as part of this funding decision.

Our leisure consultants, FMG, have further reviewed the financial position of the CLTSA in the light of the recently agreed operating model, which would see the leisure operator collecting all fees due to the CLTSA, both for memberships and for court user fees. Based on current membership and court usage and a prudent assumption on future membership growth and participation, FMG have forecast that, with the new leisure operator collecting this income on behalf the club, fees should increase by approximately £40k per annum for the club. This would mean that the club would no longer require the current annual grant the Council provides, of **c£25k**.

- 2.2.3 In addition to this, the newly appointed Leisure Management Contractor's accepted bid shows that there is an assumed minimum positive contribution from the Community Sports Hub of at least £36k which, if the project did not go ahead, would represent an increase of the same amount in the contract cost.

This figure may well rise, depending on the elements of staff sharing across the contract, etc. which would still need to be worked through with the contractor.

- 2.2.4 Therefore, the anticipated worst case saving to the Council if it went ahead with the project, without any of the LTA funding, would actually be **£20k** (£41k revenue borrowing cost less the £25k saving on the current club grant less the increase in the leisure contract price of £36k).

## 2.3 Capital position

- 2.3.1 A number of options have been considered by officers to help reduce the capital requirement for the overall project (including both the Community Sports Hub and the Satellite facilities) which have a beneficial impact on the revenue position outlined above, as follows:

- Remove the proposed tarmacking of the Cabbell Park car park (leave as gravel) except for Disabled Parking spaces, plus some other minor construction items, giving a saving of **£100k**.

Note: this is a prudent saving and our Quantity Surveyor (QS) advises this should be £110k.

- Revise budget on Community satellite facilities.  
Originally we asked our surveyor to look at worst financial case; ie a full LTA competition level specification for everything, and the budget was put together on that basis. However, now that we have a clear view over what is actually needed, this budget has been revised to essential items only and again, our QS has agreed these costs are achievable.

- Alderman Peel High School - lights only - £15k
- Wells Town Tennis Club - lights only - £15k
- Fakenham re-line only - £5k
- North Walsham High School
  - Floodlights - £45k
  - Resurface of 3no. courts - £75k
  - Note: QS says this could be as low as £60k
  - Fencing - £15k
  - Total - £135k
- Grand total £170k – reducing the satellite facility capital budget by **£80k**.

2.3.2 The current approved capital budget is £3.181m of which £2.448m was to be financed from NNDC resources (capital receipts/reserves). As Members will be aware, the balance of this funding was previously assumed to be in the form of an LTA grant which we are advised will not now be forthcoming.

2.3.3 There have been some small cost increases forecast as the project has progressed and, taking account of the changes outlined above, the latest projected cost is £3.120m. Based on the current internal financing level of £2.448m there is therefore an additional capital requirement of **£672k**.

However, as already detailed above, the revenue cost of this is c£41k which would be more than offset by the effect of the reduced build costs, grant saving to the CLTSA and the leisure contract savings.

## 2.4 Overall Financial Position

2.4.1 The following table summarises the updated capital and revenue positions taking account of all of the changes listed above;

<b>Capital position</b>	£
Current project cost estimate at November 2017	3,300,000
<i>Potential savings;</i>	
Adjustment to car park specification	(100,000)
Adjustment to satellite site specification	(80,000)
Updated project cost estimate	3,120,000
NNDC resources already allocated	(2,448,000)
<b>Extra funding now required</b>	<b>672,000</b>
<hr/> <hr/>	
<b>Revenue position</b>	
Average cost of £672k EIP loan over 20 years	40,800

Contribution from new leisure contract	(36,000)
CLTSA grant saving	(25,000)

<b>Updated revenue position</b>	<b>(20,200)</b>
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2.4.2 There are further issues to consider as follows if the project does not proceed;

- Potential additional profits, which would be otherwise be shared with the Council (there is a profit share clause built in to the new leisure contract) arising from the facility being within the leisure contract, would be lost.
- The inability then to address any of the c£25,000 annual grant, currently paid to the Cromer Tennis Association.
- The loss of the improvements to the community facilities at Fakenham, North Walsham and Wells.

2.4.3 It should be noted that, even though the revenue position more than covers the capital budget required, the capital budget is outside the currently approved budget framework and therefore requires Full Council approval.

2.3.4 Officers have been asked whether the facility could be made smaller, and whilst it obviously could, its sustainability from user fees would simply not be as good and the economies of scale would not for instance, see a cost saving directly proportionate to the size of a smaller building.

### 3. Conclusions

3.1 As a result of the LTA decision to withdraw capital funding, along with an increase in capital costs in some areas, the initial project has an additional revenue impact of c£41,000 per annum.

3.2 This has been shown to be entirely offset by:

- cutting back on some construction items, none of which will have a fundamentally negative effect on the project;
- examining the accurate costs of the satellite tennis sites and reducing the budget to that which is needed, rather than what was assumed a year ago;
- a much improved revenue position through the new operating model agreed by all stakeholders, which will remove the need for the Council's grant funding of the CLTSA.

3.3 Clearly, the overall position of the project has changed significantly as a result of the withdrawal of the LTA funding. It would, therefore, be sensible to review the overall business case at this time to ensure that the project still represents good value for money for the Council and is capable of still meeting the original objectives.

### 4. Risk Management Implications

4.1 Financial Risk: revenue predictions do not meet those anticipated.

Mitigation: accepted top level leisure consultants advising on user numbers and income, backed up by both leisure contract bidders

4.2 Financial Risk: capital cost overruns

Mitigation: experienced QS and architect and facilities advice from leisure consultants. So far, capital costs have seen a rise of around 3% due to unforeseen ground conditions

4.3 Financial Risk: project delay. There are two financial implications to any further delay in the project:

The first relates to a potential increase in the project built costs. At the time of writing this report, discussions are ongoing with the approved contractor as to a possible extension, as tender prices are only guaranteed for three months, to the end of February. It may be possible to hold the price for a further month but it is likely that thereafter, a full procurement would result with an unknown risk arising in terms of price. This position may have changed by the Full Council meeting, which will be communicated to members.

The second element is the delay to opening the new centre and the resulting impact this will have on the leisure contract management fee. We know that the annual saving through the contract is c£36k so a six month delay will have an £18k impact.

4.4 Reputational Risk: Council seen as supporting 'elitist' sport

Mitigation: all external advice points to this project actually breaking down such barriers to participation by ensuring genuine public access to high quality facilities

4.5 Participation Risk: not delivering health and wellbeing benefits

Mitigation: partnering both academy, schools and GP surgery will help ensure project benefits both sport and wider activity in all socio-economic groups. Tennis is known to be a sport which can be played into older age which is of particular benefit given the district's demographic.

**5. Sustainability**

The project has few direct sustainability benefits other than providing good local sports and active leisure provision sustained primarily by local residents.

**6. Equality and Diversity**

The project will enable participation in sport and active leisure for all.

**7. Section 17 Crime and Disorder consideration**

The project provides and supports further alternative activities, which are known to help maintain low levels of anti-social behaviour.

## **BUDGET AND COUNCIL TAX 2019/20**

**Summary:** This report presents for approval the budget for 2019/20 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2019/20. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.

**Options considered:** It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 4 February 2019.

**Conclusions:** It is the opinion of the Council's Chief Financial Officer that the budget for 2019/20 has been set within a robust framework and the impact of this resolution will maintain an adequate level of financial reserves held by the Council.

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

- 1) The 2019/20 revenue budget as outlined at Appendix A within this report;
- 2) The surplus of £224,253 be transferred to the General Fund Reserve to be allocated as follows;
  - (i) £33,000 to be allocated to the Community Transport Fund;
  - (ii) £130,000 to be allocated to a New Business Development Fund including the creation of a new full time post to support small business start-ups and related initiatives (including allocation of £20,000 to a new local industries hub at Alderman Peel High School, Wells);
  - (iii) £30,000 to fund the opening of all public conveniences throughout the year (excluding the facility located at Mundesley Promenade);
  - (iv) £20,000 to be allocated to support Norfolk Constabulary's Operation Moonshot for automatic number plate recognition cameras to protect our communities from criminal activity;
  - (v) £4,000 grant funding to Cromer Museum



provided matched funding is forthcoming from Cromer Town Council to increase opening hours.

The balance of the surplus, along with any monies not drawn down, will remain within the General Fund reserve;

- 3) That £58,000 is allocated from the Communities reserve to extend the Sports Development team for a further year until the end of March 2020;
- 4) £100,000 be allocated as match funding to support the bid by Norfolk County Council to the LEP for a new roundabout for Sheringham at the junction of Holway Road and the A148, from the capital receipts reserve/Asset Management reserve;
- 5) To transfer £1,000,000 from the Property Investment Fund reserve, £500,000 from the Communities reserve and £500,000 from the Benefits reserve to establish a property investment company for the purpose of helping to address local housing need and to create a property portfolio to provide a revenue stream for the Council to help address the financial deficit in future years
- 6) The statement of and movement on the reserves as detailed at Appendix C within this report;
- 7) The updated Capital Programme and financing for 2018/19 to 2021/22 (as detailed at Appendix F within the 2019/20 Budget Report - February 2019 Cabinet Agenda);
- 8) The new capital bids (as detailed at section 8 within the 2019/20 Budget Report - February 2019 Cabinet Agenda);
- 9) That Members note the current financial projections for the period 2020/21 to 2022/23;
- 10) The Policy Framework for the Earmarked Reserves and the Optimum Level of the General Reserve 2019/20 to 2022/23 (Appendix B within this report);
- 11) That Members undertake the Council Tax and statutory calculations set out at section 4, and set the Council Tax for 2019/20;
- 12) The demand on the Collection Fund for 2019/20 is as follows:
  - a. £6,240,604 for District purposes
  - b. £2,390,634 for Parish/Town Precepts;This reflects the recommended Council Tax increase of £4.95 for the District element for an average Band D property.

Reasons for  
Recommendations:

To approve the 2019/20 budget for revenue and capital and to make the statutory calculations in respect of the 2019/20 Council Tax.

## LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

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

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

Cabinet Member(s) All	Ward(s) affected: All
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### 1. Introduction

- 1.1 This report presents for approval the General Fund revenue and capital budgets along with the Council Tax for 2019/20. It also presents for information only the current budget projections for the following three years 2020/21 to 2022/23.
- 1.2 A draft 2019/20 budget review report was provided to the Overview and Scrutiny Committee for pre-scrutiny at their meeting of 16 January. Following this the budget for 2019/20, along with detailed projections for the following three financial years, were recommended by Cabinet on 4 February 2019. For clarification, the recommendations within this report make reference to those included with the Cabinet agenda and amended as applicable.
- 1.3 This report includes the updated position for the 2019/20 budget and future projections.

### 2. 2019/20 Budget

- 2.1 The provisional local government finance settlement was announced on 13 December 2018. The final settlement announcement made on 29 January 2019 and confirmed the details contained within the provisional settlement as included within the Cabinet report.
- 2.2 The budget has been updated to reflect the final parish precepts received. The amount of all precepts has now been confirmed.
- 2.3 It should be noted that as the billing authority, the setting of the parish precepts will have an impact on the total billed amount although not on the element which represents the District Council. This means the total District amount billed for an average Band D for 2019/20 will be £207.62 (see para 4.6), comprising District element £148.77 and parish element of £58.85.
- 2.4 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the following matters:
  - the robustness of the estimates made for the purpose of the budget calculations and
  - the adequacy of the proposed financial reserves.
- 2.5 This is provided in section 3 of the report.

### **3. Chief Financial Officer's Report**

#### **The Robustness of the Estimates**

- 3.1 This section of the report provides a commentary on the robustness of the estimates now presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2019/20.
- 3.2 The framework within which the budget for 2019/20 has been constructed is similar to that of previous years and takes into account the following:
- a) Previous financial year out-turn position (2017/18) (3.3)
  - b) Financial Strategy 2019/20 to 2022/23 (3.4)
  - c) In-year budget monitoring and associated reports (3.10)
  - d) Cash flow monitoring (3.13)
- 3.3 The outturn position for 2017/18 was reported to Members in June 2018, this position was confirmed following the external audit review and reported to Members in July 2018. The outturn position is used to update the financial planning process and establishes the baseline for the current estimates by reflecting significant movements against the current position and those which will have an on-going impact on the future financial position of the Council.
- 3.4 The financial planning process is well established and starts each year with the production of the updated Financial Strategy, which includes high level financial projections for the medium term. The Financial Strategy was presented to and recommended by Members in October 2018.
- 3.5 This planning process includes the critical examination and challenge of the expenditure and income on existing services and seeks to identify changed priorities in service delivery and planned future developments, in line with the Corporate Plan and in response to both local and national pressures. It also identifies changes to spending plans and income projections as a result of local and national factors for example legislative changes, local economic factors and changes in demand. These are also informed by the previous year's outturn position and the current year's budget monitoring projections.
- 3.6 As the devolution deal was rejected locally no further work is ongoing in respect of this and no changes have been factored into the budget or future year projections as a result. The Unitary issue will undoubtedly be discussed further again in the future now that devolution is no longer on the agenda and officers will keep a watching brief in respect of this but at present no budgetary impact is being assumed.
- 3.7 It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves should any issues arise. On 28 January the Ministry of Housing, Communities and Local Government (MHCLG) announced national funding of £56.5m to support councils with their preparations for Brexit. For district councils this equates to a payment of £35k across two years which will provide a small amount of additional funding to support with any issues which might arise.

- 3.8 The financial forecast highlights the more significant budget movements in preparation for producing the full detailed budget for the forthcoming year. At the same time the anticipated level of future external Government funding is reviewed along with the latest forecast of Council Tax income and New Homes Bonus funding based on current tax base and planning data.
- 3.9 By consolidating the financial forecasts, the Financial Strategy seeks to identify future estimated budget requirements and funding shortfalls at an early stage of the annual budget process to enable preparation and planning beyond the short term. It also highlights workstreams that will commence prior to the start of the following financial year that will support delivery of a sustainable budget for the Council in the medium term.
- 3.10 In Year Budget Monitoring – The budget monitoring process is carried out throughout the year with all expenditure and income being monitored on a monthly basis. Not only does this provide an essential tool for ensuring that the current year’s budget is achievable, but it is also fundamental in ensuring that the most up to date information is incorporated into the future budget and projections taking into account where budget pressures and additional income/ savings are highlighted during the year.
- 3.11 The regular budget monitoring is used to inform the annual financial planning and budget process of changes that will have an on-going financial impact in future years, as opposed to having only a one-off implication in the current financial year.
- 3.12 As part of the budget monitoring process, monthly variance reports are provided to budget managers and regular reports presented to Cabinet and Overview and Scrutiny Committee detailing the latest projected outturn position for the current year. Regular reviews of expenditure and commitments to date, along with income streams, are carried out to ensure that overspends or shortfalls in income are identified at the earliest opportunity and reported to Management Team (MT) and Members along with recommended action plans to ensure that the Council’s overall budget can be met.
- 3.13 Cash Flow Monitoring –here have been no cashflow issues although borrowing requirements will need to be reviewed and assessed as the new Splash leisure pool provision comes forward in Sheringham. Sufficient liquidity is generally maintained to cover day to day cash requirements. The cash flow position of the Council is monitored on a daily basis and managed within the Treasury Management Strategy which is approved alongside the budget each year. Monitoring of the treasury position is included within the in-year budget monitoring reports in addition to the half-yearly Treasury Management report.
- 3.14 Budgets are prepared using the best information that is available to the Council from its own sources ie budget holders and service managers and from external advisors for example the Council’s treasury advisors, Arlingclose. However, many budgets are related to factors that fall outside the control of the Council, for example pay awards, demand led income levels, inflation and interest rates, and all can have a significant impact on the Council’s overall budget and financial position both in the current and future years. Forecasting for these areas requires an examination of recent trends as well as assimilating future projections from known factors.
- 3.15 There are a number of financial risks facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, a number of key

areas within the budget need to be closely monitored in the coming financial year, these include:

- a) **Car park income** – This area generates income for the Council which in turn supports the delivery of other services across the Council. With being a demand led service which is influenced by external factors this service is regularly monitored. The 2019/20 budget assumes gross income of just over £2.6million from all car parking related fees and charges.
- b) **Planning and building control fees** – The 2019/20 base budget includes income totalling approximately £1.2million from planning and building control fees, this too is subject to external demands and is monitored regularly to highlight any significant fluctuations against the budget.
- c) **Waste and recycling credits** – This is a significant source of income to the Council and reflects the activity across the District in recycling domestic refuse. A total of £1.1million is included in the 2019/20 base budget.
- d) **Planned Savings and Additional Income** – The Council is continuing to deliver against a number of workstreams that are continuing to deliver service improvements and cashable savings over the short to medium term. Achievement of the savings are monitored during the year as part of the budget monitoring process. Savings and additional income of £728k have been included in the budget for 2019/20 increasing to £744k for 2020/21 onwards.
- e) **Council Tax Support** – The Local Council Tax Support Scheme (LCTSS) was implemented from April 2013; whilst there have been no changes to the Council's scheme for 2019/20, there still remains a risk of increases in the number of those eligible for Council Tax Support and the ability to collect Council Tax.
- f) **Future Funding** – There is a continued shift from central government support from Revenue Support Grant to local funding from retained business rate (Baseline Funding), and Council Tax. Revenue Support Grant will be completely removed from 2020/21. The outcome of the Fair Funding Review and Localisation of Business Rates are as yet still unknown and will undoubtedly have a significant impact on future funding, the full extent of which is not clear at the present time. Further consultation documents relating to both of these topics were issued alongside the Provisional Settlement on 13 December and officers will be preparing responses for the deadline on Thursday 21 February.
- g) **Spending Review (SR)** - The Spending Review is undertaken by HM Treasury to set Government department expenditure limits. Spending reviews ensure that departmental plans fit within the total spending limits that Government can afford while also setting out the vision for the country and the policies which will support it. The review represents the choices available between the different priorities and helps to allocate resources in the most appropriate way. The review covering the 2020/21 financial year will be undertaken between July and October 2019. This process will impact on the amount of funding available to the local government sector and it turn to the Council.
- h) **Business Rates Retention** – The implications of this system of funding is that the income from the Council's share of the business rates will fluctuate in-year

and between years. The budget has been informed by the shares of the income as specified in the National Non Domestic Rate 1 (NNDR) return submitted for 2019/20. The actuals for 2019/20 will not be confirmed until the annual NNDR3 return is completed by the end of April 2019. The extension and increase of the small business rate relief continues to be funded by a section 31 grant for the amount of income foregone by providing the reliefs; the actual income will fluctuate in the year as changes in eligibility change. In terms of appeals against the previous 2010 list and also the new 2017 list, the Valuation Office Agency (VOA) have undertaken a revaluation exercise to review the previous 2010 ratings list. The new rateable values were introduced from April 2017 but unfortunately there are still outstanding appeals against the 2010 list and there will now be a new set of appeals against the new 2017 list. The VOA have introduced a new appeals system from 2017 and due to this and a back log of work the Council still has very little information about the level of appeals against the new list which represents a significant financial risk to the Council.

- i) **New Homes Bonus (NHB)** – The settlement confirmed the allocation of the 2019/20 New Homes Bonus grant and reflects the continuation announced last year in relation to the 0.4% national baseline. There is significant uncertainty around the future of the NBB payments although some of this risk is mitigated by the earmarked reserve which can be used to smooth the impact of movements in funding from the level assumed.
- j) **Investment Returns** – In recent years investment income has been significantly reduced as a consequence of the prolonged period of low interest rates which look likely to continue well into 2019 and beyond. The Treasury Management Strategy for 2019/20, as reported to Cabinet in February 2019, anticipates a return of 3.5% will be achieved in 2019/20. The investment income budget includes interest on loans made to housing associations, investments in various pooled funds (including the Local Authorities Mutual Investment Trust (LAMIT) pooled property fund), covered bonds and term deposits.
- k) **Waste contract** – The waste contract is due for renewal at the end of March 2019 and officers have completed negotiating a 1 year contract extension with Kier to enable a joint procurement to be undertaken with Breckland District Council and Kings Lynn and West Norfolk Borough Council. The additional costs for this have now been included within the base budget for future years. The final cost of any new contract will not ultimately be known however until the completion of the procurement exercise.
- l) **Employee budgets** – The results of the National Joint Council (NJC) pay spine review have now been completed and again the impact of this has been built in to the future year budget projections. These changes will mean that our minimum rate of pay is equal to the National Living Wage (NLW) and is above the Real Living Wage (RLW).
- m) **Brexit/world politics** – It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves.

3.16 Looking beyond 2019/20, the financial projections included in the budget report indicate that further savings will have to be made; this is based on the assumptions

about the future level of funding as included in the finance settlement. The financial projections show a budget deficit of around £2m in future years.

- 3.17 The capital programme continues to be funded from a number of external and internal resources, for example, capital receipts from the sale of assets, preserved right to buy receipts, the VAT shelter arrangements and where applicable future capital schemes from internal borrowing. In both cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme.
- 3.18 Budget monitoring throughout the financial year is critical to the robustness of the estimates and maintaining a sound financial position. It is through the ability to manage and control the spending within the approved budgets and, where appropriate, identify and recommend appropriate actions, which serves to mitigate the Council's level of financial risk.
- 3.19 Throughout the process of preparing the Council's budget there is involvement of the Elected Members through Officer/Member meetings and reports to Cabinet and Overview and Scrutiny Committee. This includes both budget monitoring reports during the year and the Financial Strategy Report.
- 3.20 The Council also takes advice from third party organisations concerning a number of more technical factors that impact on the budget process, for example external advice in relation to treasury management, VAT and Insurance. By doing so the Council is able to monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

### **Adequacy of the Reserves**

- 3.21 An assessment of the adequacy of the reserves, estimated to be available to the Council throughout 2019/20 is based on the possible commitments falling to be discharged against the following categories of reserves:
  - General Reserve
  - Earmarked Reserves.
- 3.22 Where there is budgeted expenditure to be funded from a reserve (earmarked or general) these will be allowed for within the reserves statement.
- 3.23 There are three main reasons for holding reserves:
  - a) as a contingency to cushion the impact of unexpected events or emergencies;
  - b) to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
  - c) as a means of building up funds to meet known or predicted liabilities (earmarked reserves).
- 3.24 Reviewing the reserves is well established within the financial planning and budget setting process and is informed by the framework as set out in Appendix B to this report. An updated reserve statement is included at Appendix C to this report.
- 3.25 When assessing the level of reserves the Council should take account of strategic, operational and financial risks facing them.
- 3.26 In particular, the risks associated with the Local Government funding mechanisms, for example the Fair Funding Review and the retention of business rates, continue to be a risk for Local Authorities. The system now means there will be fluctuations of

income in year and between years, an element of this risk is mitigated by the earmarked reserve which was established for this purpose. It is also anticipated that there will be a number of appeals against the new rating list introduced from April 2017 following the national revaluation process as outlined above. Consultation in relation to how the new revised scheme will operate is ongoing..

- 3.27 Other income streams from demand led services remain vulnerable both from economic factors and seasonal factors including weather that can influence for example car parking income. Steps have been taken to set prudent estimates of income from these services as appropriate but the activity that drives the income remains very difficult to predict.
- 3.28 The programme of savings identified as part of previous years financial planning and budget processes are set to continue throughout 2019/20 along with a number of new savings.
- 3.29 The revised assessment of the General Reserve for 2019/20 and forward years, is only marginally different from the current minimum balance so the recommendation is to increase the provision slightly to £1.9million (£1.85million 2018/19) for 2019/20. This represents 10.3% of the net budgeted operating expenditure (excluding parish precepts). The actual level of the General Reserve at the end of the 2019/20 financial year is estimated to be over £1.906million.
- 3.30 Earmarked reserves are estimated to total around £13million by the end of the 2019/20 financial year. The main components of this total are the Capital Projects reserve, Benefits reserve, Broadband reserve, Business Rates reserve, Communities reserve, Housing reserve, Property Investment Fund reserve and the Restructuring/Invest to Save reserve. These reserves, along with all the other earmarked reserves have been reviewed against the framework in Appendix B, as decisions are made on the utilisation of these reserve, the overall reserves position and projections will be updated accordingly.
- 3.31 The Capital Projects reserve provides the funds for major asset purchases or other capital developments. It is supported by the VAT shelter receipts following the Large Scale Voluntary Transfer (LSVT) of the councils housing stock in 2006. This reserve could provide an element of funding for the new Splash leisure pool and will be considered at the time of the project build.
- 3.32 The Council holds an Earmarked reserve for Benefits. The council has budgeted to spend just over £23m on housing benefits in 2019/20, although one hundred percent of this is budgeted to be recovered through subsidy claims to the Department for Works and Pensions (DWP). These claims are subject to external audit, as a result of which adjustments may be required. Due to the significant value of the claims as little as a 2% adjustment would require a claw back of £460k. Any adjustments would be mitigated by a transfer from this reserve.
- 3.33 The Restructuring/Invest to Save reserve is held to provide one-off funding for projects and schemes that will deliver longer-term savings and efficiencies to the Council, for example the Business Transformation projects.
- 3.34 All of the earmarked reserves follow the protocol at paragraph 2.2 of the Policy Framework at Appendix B to this report.

## **Summary**



- 3.35 In the opinion of the Chief Financial Officer the overall budgeted level of both the General Reserve and the Earmarked Reserves shown in Appendix C are considered adequate in the short term. The General Reserve balance (£1.906million) is forecast to be just over that of the recommended balance (£1.9million), all reserves will be subject to further annual review in 2019/20.
- 3.36 When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and also the identified risks in relation to the revenue and capital budgets presented for approval.

#### **4. COUNCIL TAX SETTING FOR 2019/20**

- 4.1 The following pages represent the information required for Members to set the Council Tax for the year commencing 1 April 2019.
- 4.2 Norfolk County Council met on the 11<sup>th</sup> February 2019 and agreed to increase the Council Tax by 2.99%. The Norfolk Police and Crime Panel met on the 5<sup>th</sup> February 2019 and agreed the Norfolk Police and Crime Commissioner's proposals for a 10.45% increase in Council Tax. The figures used in this report are based on the assumption that there will be a £4.95 increase for North Norfolk District Council (excluding town and parish council precepts), £39.51 for Norfolk County Council, and a £23.94 increase for the Norfolk Police & Crime Commissioner.
- 4.3 The Localism Act 2011 makes provision for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State. These excessiveness principles are set each year and the Secretary of State has decided that for 2019/20 an increase above the amount for 2018/19 will be excessive, and a referendum must be held, in the following circumstances; for Norfolk County Council if the increase is 3% or more (the expenditure on adult social care must not exceed 6% in total over 2017/18, 2018/19 and 2019/20, and Norfolk County Council reached this limit in 2018/19); for the Norfolk Police and Crime Commissioner if the increase is more than £24; and for North Norfolk District Council if the increase is both 3% or more, and more than £5.
- 4.4 The excessiveness principles apply in 2019/20 to billing authorities and major precepting authorities, but not to local precepting authorities (town and parish councils).
- 4.5 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 contain rules for the calculation of the Council Tax Base, which is an amount required by the Local Government Finance Act 1992 to be used in the calculation of the tax by the Council as the billing authority, and Norfolk County Council and the Norfolk Police and Crime Commissioner as major precepting authorities, and in the calculation of the precept payable by the Council to the County Council and Norfolk Police and Crime Commissioner. The Council Tax Base was calculated as follows for the year 2019/2020.

The number of dwellings in each Council Tax band taking into account the multipliers, discounts, exemptions, rate of collection and Council Tax Support:-

- a) for the whole Council area as 40,621 (Item T in the formula in Section 31B of the Local Government Finance Act 1992) being calculated by the Council, in accordance with Regulation 3 of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax base for the year;

b)

<b>PART OF THE COUNCIL'S AREA</b>	<b>COUNCIL TAX BASE</b>	<b>PART OF THE COUNCIL'S AREA</b>	<b>COUNCIL TAX BASE</b>
Alby With Thwaite	98.21	Little Barningham	48.71
Aldborough and Thurgarton	230.56	Little Snoring	228.90
Antingham	118.62	Ludham	506.96
Ashmanhaugh	65.60	Matlaske	64.82
Aylmerton	206.32	Melton Constable	201.07
Baconsthorpe	85.64	Morston	56.53
Bacton	544.42	Mundesley	1,188.42
Barsham	100.19	Neatishead	238.10
Barton Turf	240.74	North Walsham	4,031.22
Beckham East/West	113.75	Northrepps	390.17
Beeston Regis	397.49	Overstrand	456.59
Binham	181.28	Paston	92.37
Blakeney	554.21	Plumstead	50.46
Bodham	175.54	Potter Heigham	424.15
Briningham	64.94	Pudding Norton	74.77
Brinton	122.94	Raynham	156.59
Briston	863.53	Roughton	343.89
Brumstead	23.66	Runton (East & West)	721.69
Catfield	322.25	Ryburgh	234.11
Cley	329.14	Salthouse	111.67
Colby	191.33	Scottow	292.64
Corpusty and Saxthorpe	285.97	Sculthorpe	280.76
Cromer	3,025.32	Sea Palling	216.80
Dilham	143.35	Sheringham	3,173.76
Dunton	54.25	Sidestrand	44.25
East Ruston	192.51	Skeyton	91.08
Edgefield	185.33	Sloley	93.56
Erpingham	239.27	Smallburgh	192.89
Fakenham	2,560.22	Southrepps	333.43
Felbrigg	66.73	Stalham	1,170.76
Felmingham	191.17	Stibbard	139.27
Field Dalling	145.04	Stiffkey	140.03
Fulmodeston	181.37	Stody	94.74
Gimingham	153.45	Suffield	59.99
Great Snoring	84.35	Sustead	90.78
Gresham	171.48	Sutton	388.14
Gunthorpe	146.42	Swafield	109.00
Hanworth	98.70	Swanton Abbott	144.64
Happisburgh	315.61	Swanton Novers	83.75
Helhoughton	144.54	Tattersett	282.55
Hempstead	76.43	Thornage	93.26
Hempton	184.93	Thorpe Market	114.81
Hickling	414.32	Thurning	31.98
High Kelling	283.76	Thursford	109.10
Hindolveston	211.27	Trimingham	135.55
Hindringham	239.45	Trunch	364.93
Holkham	84.35	Tunstead	254.83

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Holt	1,669.54	Upper Sheringham	105.24
Honing	120.80	Walcott	221.60
Horning	613.19	Walsingham	350.53
Horsey	30.69	Warham	90.14
Hoveton	817.73	Wells-Next-The-Sea	1,162.06
Ingham	152.72	Westwick	30.89
Ingworth	40.10	Weybourne	347.28
Itteringham	58.61	Wickmere	60.19
Kelling	98.79	Wighton	117.70
Kettlestone	96.92	Witton	129.69
Knapton	147.65	Wiveton	83.83
Langham	220.99	Wood Norton	105.49
Lessingham	238.78	Worstead	321.54
Letheringsett With Glandford	129.89		

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

4.6 That the following amounts be now **CALCULATED** by the Council for the year 2019/20 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 and the relevant regulations and directions as follows:-

- a) £58,612,519 being the aggregate of the amounts which the Council estimates for the expenditure items set out in Section 31A(2) of the Act.
- b) £50,178,699 being the aggregate of the amounts which the Council estimates for the income items set out in Section 31A(3) of the Act.
- c) £8,433,820 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.
- d) £207.62 being the amount at (c) above divided by the amount at 4.5(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £2,390,634 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- f) £148.77 being the amount at (d) above less the result given by dividing the amount at (e) above by the amount at 4.5 (a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.

g)

PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE	PART OF THE COUNCIL'S AREA	COUNCIL TAX BASE
Alby with Thwaite	179.31	Little Barningham	167.16

<b>PART OF THE COUNCIL'S AREA</b>	<b>COUNCIL TAX BASE</b>	<b>PART OF THE COUNCIL'S AREA</b>	<b>COUNCIL TAX BASE</b>
Aldborough and Thurgarton	186.50	Little Snoring	188.52
Antingham	173.16	Ludham	167.35
Ashmanhaugh	205.17	Matlaske	154.94
Aylmerton	183.18	Melton Constable	213.44
Baconsthorpe	209.99	Mundesley	193.36
Bacton	176.92	Neatishead	182.18
Barsham	167.73	North Walsham	244.30
Barton Turf	175.20	Northrepps	187.40
Beckham East/West	178.22	Overstrand	212.28
Beeston Regis	176.74	Paston	215.35
Binham	173.59	Plumstead	203.26
Blakeney	219.14	Potter Heigham	177.99
Bodham	194.34	Pudding Norton	215.64
Brinton	173.17	Raynham	184.63
Briston	202.33	Roughton	173.48
Catfield	183.52	Runton (East & West)	169.55
Cley	182.19	Ryburgh	187.21
Colby	231.34	Salthouse	194.44
Corpusty and Saxthorpe	209.68	Scottow	196.61
Cromer	242.50	Sculthorpe	177.56
Dilham	182.67	Sea Palling	215.79
East Ruston	179.93	Sheringham	256.70
Edgefield	180.13	Sidestrand	182.66
Erpingham	186.38	Skeyton	160.47
Fakenham	219.65	Sloley	181.07
Felbrigg	196.72	Smallburgh	178.42
Felmingham	156.61	Southrepps	190.39
Field Dalling	173.86	Stalham	225.64
Fulmodeston	187.08	Stibbard	188.73
Gimingham	193.62	Stiffkey	182.54
Great Snoring	196.48	Stody	193.54
Gresham	190.75	Suffield	172.45
Gunthorpe	162.42	Sustead	178.84
Hanworth	171.42	Sutton	188.79
Happisburgh	162.74	Swafield	197.62
Helhoughton	184.74	Swanton Abbott	199.58
Hempstead	177.55	Swanton Novers	246.20
Hempton	256.91	Tattersett	160.07
Hickling	170.07	Thornage	166.00
High Kelling	169.91	Thorpe Market	197.90
Hindolveston	198.46	Thursford	180.85
Hindringham	180.50	Trimingham	219.04

<b>PART OF THE COUNCIL'S AREA</b>	<b>COUNCIL TAX BASE</b>	<b>PART OF THE COUNCIL'S AREA</b>	<b>COUNCIL TAX BASE</b>
Holkham	184.33	Trunch	198.90
Holt	218.98	Tunstead	169.17
Honing	166.98	Upper Sheringham	199.74
Horning	179.67	Walcott	184.72
Horsey	182.33	Walsingham	211.53
Hoveton	211.83	Warham	204.23
Ingham	157.28	Wells-next-the-Sea	212.51
Ingworth	216.05	Weybourne	200.60
Itteringham	191.42	Wickmere	206.91
Kelling	184.72	Wighton	182.75
Kettlestone	186.94	Witton	175.39
Knapton	176.08	Wiveton	196.48
Langham	185.65	Wood Norton	177.54
Lessingham	162.44	Worstead	174.36
Letheringsett with Glandford	164.16		

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

h)

<b>PART OF THE COUNCIL'S AREA</b>	<b>VALUATION BANDS</b>							
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Alby with Thwaite	119.54	139.46	159.39	179.31	219.16	259.01	298.86	358.63
Aldborough and Thurgarton	124.33	145.05	165.78	186.50	227.94	269.39	310.84	373.00
Antingham	115.44	134.68	153.92	173.16	211.64	250.13	288.61	346.33
Ashmanhaugh	136.78	159.57	182.37	205.17	250.76	296.36	341.95	410.34
Aylmerton	122.12	142.47	162.82	183.18	223.88	264.59	305.30	366.36
Baconsthorpe	139.99	163.32	186.65	209.99	256.65	303.32	349.98	419.98
Bacton	117.94	137.60	157.26	176.92	216.23	255.55	294.86	353.84
Barsham	111.82	130.45	149.09	167.73	205.00	242.28	279.55	335.46
Barton Turf	116.80	136.27	155.74	175.20	214.14	253.08	292.01	350.41
Beckham East/West	118.81	138.61	158.41	178.22	217.82	257.42	297.03	356.44
Beeston Regis	117.83	137.47	157.10	176.74	216.02	255.30	294.58	353.49
Binham	115.72	135.01	154.30	173.59	212.16	250.74	289.32	347.18
Blakeney	146.09	170.44	194.79	219.14	267.83	316.53	365.23	438.28
Bodham	129.56	151.15	172.74	194.34	237.53	280.71	323.90	388.68
Brinton	115.44	134.68	153.93	173.17	211.65	250.13	288.62	346.34
Briston	134.88	157.36	179.85	202.33	247.29	292.25	337.22	404.66
Catfield	122.34	142.73	163.13	183.52	224.30	265.08	305.87	367.04

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Cley	121.46	141.70	161.94	182.19	222.67	263.16	303.65	364.38
Colby	154.23	179.93	205.64	231.34	282.76	334.17	385.58	462.69
Corpusty and Saxthorpe	139.79	163.08	186.38	209.68	256.28	302.87	349.47	419.37
Cromer	161.66	188.61	215.55	242.50	296.39	350.28	404.17	485.00
Dilham	121.78	142.07	162.37	182.67	223.26	263.86	304.45	365.34
East Ruston	119.95	139.95	159.94	179.93	219.92	259.90	299.89	359.87
Edgefield	120.08	140.10	160.11	180.13	220.15	260.18	300.21	360.26
Erpingham	124.25	144.96	165.67	186.38	227.80	269.22	310.64	372.76
Fakenham	146.43	170.84	195.24	219.65	268.46	317.27	366.09	439.30
Felbrigg	131.14	153.00	174.86	196.72	240.44	284.15	327.87	393.44
Felmingham	104.41	121.81	139.21	156.61	191.42	226.22	261.02	313.23
Field Dalling	115.91	135.22	154.54	173.86	212.50	251.14	289.77	347.73
Fulmodeston	124.72	145.51	166.30	187.08	228.66	270.24	311.81	374.17
Gimingham	129.08	150.59	172.11	193.62	236.65	279.68	322.70	387.25
Great Snoring	130.99	152.82	174.65	196.48	240.15	283.81	327.47	392.97
Gresham	127.17	148.36	169.56	190.75	233.14	275.53	317.92	381.51
Gunthorpe	108.28	126.33	144.38	162.42	198.52	234.62	270.71	324.85
Hanworth	114.28	133.33	152.37	171.42	209.51	247.61	285.70	342.84
Happisburgh	108.49	126.58	144.66	162.74	198.91	235.08	271.24	325.49
Helhoughton	123.16	143.69	164.21	184.74	225.80	266.85	307.91	369.49
Hempstead	118.36	138.09	157.82	177.55	217.01	256.46	295.92	355.10
Hempton	171.27	199.82	228.37	256.91	314.01	371.10	428.19	513.83
Hickling	113.38	132.28	151.17	170.07	207.87	245.66	283.46	340.15
High Kelling	113.27	132.15	151.03	169.91	207.67	245.43	283.19	339.82
Hindolveston	132.31	154.36	176.41	198.46	242.57	286.67	330.78	396.93
Hindringham	120.33	140.39	160.45	180.50	220.62	260.73	300.84	361.01
Holkham	122.89	143.37	163.85	184.33	225.29	266.26	307.22	368.67
Holt	145.98	170.32	194.65	218.98	267.64	316.30	364.97	437.96
Honing	111.32	129.87	148.42	166.98	204.08	241.19	278.30	333.96
Horning	119.78	139.74	159.70	179.67	219.59	259.52	299.45	359.34
Horse	121.55	141.81	162.07	182.33	222.84	263.36	303.88	364.66
Hoveton	141.22	164.76	188.29	211.83	258.90	305.98	353.05	423.66
Ingham	104.85	122.33	139.80	157.28	192.23	227.18	262.13	314.56
Ingworth	144.03	168.04	192.04	216.05	264.06	312.07	360.08	432.10
Itteringham	127.61	148.88	170.15	191.42	233.96	276.50	319.04	382.84
Kelling	123.15	143.67	164.20	184.72	225.77	266.82	307.87	369.45
Kettlestone	124.63	145.40	166.17	186.94	228.48	270.03	311.57	373.89
Knapton	117.38	136.95	156.51	176.08	215.21	254.34	293.47	352.16
Langham	123.76	144.39	165.02	185.65	226.91	268.16	309.42	371.30
Lessingham	108.29	126.34	144.39	162.44	198.54	234.64	270.73	324.88
Letheringsett with Glandford	109.44	127.68	145.92	164.16	200.64	237.13	273.61	328.33
Little Barningham	111.44	130.01	148.59	167.16	204.31	241.45	278.60	334.32
Little Snoring	125.68	146.63	167.57	188.52	230.41	272.31	314.20	377.05
Ludham	111.56	130.16	148.75	167.35	204.54	241.72	278.91	334.70

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Matlaske	103.29	120.50	137.72	154.94	189.37	223.80	258.23	309.88
Melton Constable	142.29	166.01	189.73	213.44	260.88	308.31	355.74	426.89
Mundesley	128.91	150.39	171.88	193.36	236.33	279.30	322.27	386.73
Neatishead	121.45	141.69	161.94	182.18	222.66	263.15	303.64	364.36
North Walsham	162.86	190.01	217.15	244.30	298.59	352.88	407.17	488.60
Northrepps	124.93	145.76	166.58	187.40	229.05	270.70	312.34	374.81
Overstrand	141.52	165.11	188.69	212.28	259.45	306.63	353.80	424.56
Paston	143.56	167.49	191.42	215.35	263.20	311.06	358.91	430.70
Plumstead	135.51	158.09	180.68	203.26	248.43	293.61	338.78	406.53
Potter Heigham	118.66	138.43	158.21	177.99	217.54	257.09	296.65	355.98
Pudding Norton	143.76	167.72	191.68	215.64	263.56	311.48	359.40	431.28
Raynham	123.08	143.60	164.11	184.63	225.66	266.69	307.72	369.26
Roughton	115.65	134.93	154.20	173.48	212.03	250.58	289.14	346.96
Runton	113.03	131.87	150.71	169.55	207.23	244.91	282.59	339.10
Ryburgh	124.80	145.61	166.41	187.21	228.81	270.41	312.02	374.42
Salthouse	129.62	151.23	172.83	194.44	237.64	280.85	324.06	388.88
Scottow	131.07	152.91	174.76	196.61	240.30	283.99	327.68	393.22
Sculthorpe	118.37	138.10	157.83	177.56	217.02	256.48	295.94	355.13
Sea Palling	143.86	167.83	191.81	215.79	263.74	311.69	359.65	431.58
Sheringham	171.13	199.66	228.18	256.70	313.75	370.79	427.84	513.41
Sidestrand	121.77	142.07	162.37	182.66	223.26	263.85	304.44	365.33
Skeyton	106.98	124.81	142.64	160.47	196.13	231.79	267.45	320.94
Sloley	120.71	140.83	160.95	181.07	221.30	261.54	301.78	362.14
Smallburgh	118.94	138.77	158.59	178.42	218.07	257.72	297.37	356.84
Southrepps	126.92	148.08	169.23	190.39	232.70	275.01	317.31	380.78
Stalham	150.42	175.50	200.57	225.64	275.78	325.92	376.07	451.28
Stibbard	125.82	146.79	167.76	188.73	230.67	272.61	314.55	377.47
Stiffkey	121.69	141.98	162.26	182.54	223.11	263.68	304.24	365.09
Stody	129.03	150.53	172.04	193.54	236.55	279.56	322.57	387.09
Suffield	114.97	134.13	153.29	172.45	210.78	249.10	287.42	344.91
Sustead	119.22	139.09	158.97	178.84	218.58	258.32	298.07	357.68
Sutton	125.86	146.84	167.81	188.79	230.75	272.70	314.66	377.59
Swafield	131.74	153.70	175.66	197.62	241.53	285.45	329.37	395.24
Swanton Abbott	133.05	155.23	177.40	199.58	243.93	288.29	332.64	399.17
Swanton Novers	164.13	191.49	218.84	246.20	300.91	355.62	410.33	492.40
Tattersett	106.71	124.50	142.28	160.07	195.64	231.21	266.79	320.14
Thornage	110.66	129.11	147.55	166.00	202.89	239.77	276.66	332.00
Thorpe Market	131.93	153.92	175.91	197.90	241.88	285.86	329.83	395.80
Thursford	120.56	140.66	160.75	180.85	221.03	261.22	301.41	361.70
Trimingham	146.03	170.36	194.70	219.04	267.72	316.40	365.07	438.09
Trunch	132.60	154.70	176.80	198.90	243.11	287.31	331.51	397.81
Tunstead	112.78	131.58	150.37	169.17	206.77	244.36	281.95	338.35
Upper Sheringham	133.16	155.36	177.55	199.74	244.13	288.52	332.91	399.49
Walcott	123.14	143.67	164.19	184.72	225.77	266.82	307.87	369.44
Walsingham	141.02	164.52	188.02	211.53	258.53	305.54	352.55	423.06

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Warham	136.15	158.85	181.54	204.23	249.62	295.01	340.39	408.47
Wells-next-the-Sea	141.67	165.28	188.90	212.51	259.73	306.96	354.18	425.02
Weybourne	133.73	156.02	178.31	200.60	245.17	289.75	334.33	401.20
Wickmere	137.94	160.93	183.92	206.91	252.90	298.88	344.86	413.83
Wighton	121.83	142.14	162.44	182.75	223.36	263.97	304.59	365.50
Witton	116.93	136.41	155.90	175.39	214.37	253.34	292.32	350.79
Wiveton	130.99	152.82	174.65	196.48	240.14	283.81	327.47	392.97
Wood Norton	118.36	138.08	157.81	177.54	216.99	256.44	295.90	355.08
Worstead	116.24	135.61	154.98	174.36	213.10	251.85	290.60	348.72
All Other Parts of the Council's Area	99.18	115.71	132.24	148.77	181.83	214.89	247.95	297.54

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

- 4.7 That it be **NOTED** that for the year 2019/20 the Norfolk County Council and the Office of the Police & Crime Commissioner for Norfolk have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Norfolk County Council	908.16	1,059.52	1,210.88	1,362.24	1,664.96	1,967.68	2,270.40	2,724.48
Norfolk Police and Crime Commissioner	168.72	196.84	224.96	253.08	309.32	365.56	421.80	506.16

- 4.8 That, having calculated the aggregate in each case of the amounts at 4.6(h) and 4.7 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, **HEREBY SETS** the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwellings shown below:-

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Alby with Thwaite	1,196.42	1,395.82	1,595.23	1,794.63	2,193.44	2,592.25	2,991.06	3,589.27
Aldborough and	1,201.21	1,401.41	1,601.62	1,801.82	2,202.22	2,602.63	3,003.04	3,603.64



PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Thurgarton								
Antingham	1,192.32	1,391.04	1,589.76	1,788.48	2,185.92	2,583.37	2,980.81	3,576.97
Ashmanhaugh	1,213.66	1,415.93	1,618.21	1,820.49	2,225.04	2,629.60	3,034.15	3,640.98
Aylmerton	1,199.00	1,398.83	1,598.66	1,798.50	2,198.16	2,597.83	2,997.50	3,597.00
Baconsthorpe	1,216.87	1,419.68	1,622.49	1,825.31	2,230.93	2,636.56	3,042.18	3,650.62
Bacton	1,194.82	1,393.96	1,593.10	1,792.24	2,190.51	2,588.79	2,987.06	3,584.48
Barsham	1,188.70	1,386.81	1,584.93	1,783.05	2,179.28	2,575.52	2,971.75	3,566.10
Barton Turf	1,193.68	1,392.63	1,591.58	1,790.52	2,188.42	2,586.32	2,984.21	3,581.05
Beckham East/West	1,195.69	1,394.97	1,594.25	1,793.54	2,192.10	2,590.66	2,989.23	3,587.08
Beeston Regis	1,194.71	1,393.83	1,592.94	1,792.06	2,190.30	2,588.54	2,986.78	3,584.13
Binham	1,192.60	1,391.37	1,590.14	1,788.91	2,186.44	2,583.98	2,981.52	3,577.82
Blakeney	1,222.97	1,426.80	1,630.63	1,834.46	2,242.11	2,649.77	3,057.43	3,668.92
Bodham	1,206.44	1,407.51	1,608.58	1,809.66	2,211.81	2,613.95	3,016.10	3,619.32
Brinton	1,192.32	1,391.04	1,589.77	1,788.49	2,185.93	2,583.37	2,980.82	3,576.98
Briston	1,211.76	1,413.72	1,615.69	1,817.65	2,221.57	2,625.49	3,029.42	3,635.30
Catfield	1,199.22	1,399.09	1,598.97	1,798.84	2,198.58	2,598.32	2,998.07	3,597.68
Cley	1,198.34	1,398.06	1,597.78	1,797.51	2,196.95	2,596.40	2,995.85	3,595.02
Colby	1,231.11	1,436.29	1,641.48	1,846.66	2,257.04	2,667.41	3,077.78	3,693.33
Corpusty and Saxthorpe	1,216.67	1,419.44	1,622.22	1,825.00	2,230.56	2,636.11	3,041.67	3,650.01
Cromer	1,238.54	1,444.97	1,651.39	1,857.82	2,270.67	2,683.52	3,096.37	3,715.64
Dilham	1,198.66	1,398.43	1,598.21	1,797.99	2,197.54	2,597.10	2,996.65	3,595.98
East Ruston	1,196.83	1,396.31	1,595.78	1,795.25	2,194.20	2,593.14	2,992.09	3,590.51
Edgefield	1,196.96	1,396.46	1,595.95	1,795.45	2,194.43	2,593.42	2,992.41	3,590.90
Erpingham	1,201.13	1,401.32	1,601.51	1,801.70	2,202.08	2,602.46	3,002.84	3,603.40
Fakenham	1,223.31	1,427.20	1,631.08	1,834.97	2,242.74	2,650.51	3,058.29	3,669.94
Felbrigg	1,208.02	1,409.36	1,610.70	1,812.04	2,214.72	2,617.39	3,020.07	3,624.08
Felmingham	1,181.29	1,378.17	1,575.05	1,771.93	2,165.70	2,559.46	2,953.22	3,543.87
Field Dalling	1,192.79	1,391.58	1,590.38	1,789.18	2,186.78	2,584.38	2,981.97	3,578.37
Fulmodeston	1,201.60	1,401.87	1,602.14	1,802.40	2,202.94	2,603.48	3,004.01	3,604.81
Gimingham	1,205.96	1,406.95	1,607.95	1,808.94	2,210.93	2,612.92	3,014.90	3,617.89
Great Snoring	1,207.87	1,409.18	1,610.49	1,811.80	2,214.43	2,617.05	3,019.67	3,623.61
Gresham	1,204.05	1,404.72	1,605.40	1,806.07	2,207.42	2,608.77	3,010.12	3,612.15
Gunthorpe	1,185.16	1,382.69	1,580.22	1,777.74	2,172.80	2,567.86	2,962.91	3,555.49
Hanworth	1,191.16	1,389.69	1,588.21	1,786.74	2,183.79	2,580.85	2,977.90	3,573.48
Happisburgh	1,185.37	1,382.94	1,580.50	1,778.06	2,173.19	2,568.32	2,963.44	3,556.13
Helhoughton	1,200.04	1,400.05	1,600.05	1,800.06	2,200.08	2,600.09	3,000.11	3,600.13
Hempstead	1,195.24	1,394.45	1,593.66	1,792.87	2,191.29	2,589.70	2,988.12	3,585.74
Hempton	1,248.15	1,456.18	1,664.21	1,872.23	2,288.29	2,704.34	3,120.39	3,744.47
Hickling	1,190.26	1,388.64	1,587.01	1,785.39	2,182.15	2,578.90	2,975.66	3,570.79
High Kelling	1,190.15	1,388.51	1,586.87	1,785.23	2,181.95	2,578.67	2,975.39	3,570.46
Hindolveston	1,209.19	1,410.72	1,612.25	1,813.78	2,216.85	2,619.91	3,022.98	3,627.57
Hindringham	1,197.21	1,396.75	1,596.29	1,795.82	2,194.90	2,593.97	2,993.04	3,591.65

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Holkham	1,199.77	1,399.73	1,599.69	1,799.65	2,199.57	2,599.50	2,999.42	3,599.31
Holt	1,222.86	1,426.68	1,630.49	1,834.30	2,241.92	2,649.54	3,057.17	3,668.60
Honing	1,188.20	1,386.23	1,584.26	1,782.30	2,178.36	2,574.43	2,970.50	3,564.60
Horning	1,196.66	1,396.10	1,595.54	1,794.99	2,193.87	2,592.76	2,991.65	3,589.98
Horsey	1,198.43	1,398.17	1,597.91	1,797.65	2,197.12	2,596.60	2,996.08	3,595.30
Hoveton	1,218.10	1,421.12	1,624.13	1,827.15	2,233.18	2,639.22	3,045.25	3,654.30
Ingham	1,181.73	1,378.69	1,575.64	1,772.60	2,166.51	2,560.42	2,954.33	3,545.20
Ingworth	1,220.91	1,424.40	1,627.88	1,831.37	2,238.34	2,645.31	3,052.28	3,662.74
Itteringham	1,204.49	1,405.24	1,605.99	1,806.74	2,208.24	2,609.74	3,011.24	3,613.48
Kelling	1,200.03	1,400.03	1,600.04	1,800.04	2,200.05	2,600.06	3,000.07	3,600.09
Kettlestone	1,201.51	1,401.76	1,602.01	1,802.26	2,202.76	2,603.27	3,003.77	3,604.53
Knapton	1,194.26	1,393.31	1,592.35	1,791.40	2,189.49	2,587.58	2,985.67	3,582.80
Langham	1,200.64	1,400.75	1,600.86	1,800.97	2,201.19	2,601.40	3,001.62	3,601.94
Lessingham	1,185.17	1,382.70	1,580.23	1,777.76	2,172.82	2,567.88	2,962.93	3,555.52
Letheringsett with Glandford	1,186.32	1,384.04	1,581.76	1,779.48	2,174.92	2,570.37	2,965.81	3,558.97
Little Barningham	1,188.32	1,386.37	1,584.43	1,782.48	2,178.59	2,574.69	2,970.80	3,564.96
Little Snoring	1,202.56	1,402.99	1,603.41	1,803.84	2,204.69	2,605.55	3,006.40	3,607.69
Ludham	1,188.44	1,386.52	1,584.59	1,782.67	2,178.82	2,574.96	2,971.11	3,565.34
Matlaske	1,180.17	1,376.86	1,573.56	1,770.26	2,163.65	2,557.04	2,950.43	3,540.52
Melton Constable	1,219.17	1,422.37	1,625.57	1,828.76	2,235.16	2,641.55	3,047.94	3,657.53
Mundesley	1,205.79	1,406.75	1,607.72	1,808.68	2,210.61	2,612.54	3,014.47	3,617.37
Neatishead	1,198.33	1,398.05	1,597.78	1,797.50	2,196.94	2,596.39	2,995.84	3,595.00
North Walsham	1,239.74	1,446.37	1,652.99	1,859.62	2,272.87	2,686.12	3,099.37	3,719.24
Northrepps	1,201.81	1,402.12	1,602.42	1,802.72	2,203.33	2,603.94	3,004.54	3,605.45
Overstrand	1,218.40	1,421.47	1,624.53	1,827.60	2,233.73	2,639.87	3,046.00	3,655.20
Paston	1,220.44	1,423.85	1,627.26	1,830.67	2,237.48	2,644.30	3,051.11	3,661.34
Plumstead	1,212.39	1,414.45	1,616.52	1,818.58	2,222.71	2,626.85	3,030.98	3,637.17
Potter Heigham	1,195.54	1,394.79	1,594.05	1,793.31	2,191.82	2,590.33	2,988.85	3,586.62
Pudding Norton	1,220.64	1,424.08	1,627.52	1,830.96	2,237.84	2,644.72	3,051.60	3,661.92
Raynham	1,199.96	1,399.96	1,599.95	1,799.95	2,199.94	2,599.93	2,999.92	3,599.90
Roughton	1,192.53	1,391.29	1,590.04	1,788.80	2,186.31	2,583.82	2,981.34	3,577.60
Runton	1,189.91	1,388.23	1,586.55	1,784.87	2,181.51	2,578.15	2,974.79	3,569.74
Ryburgh	1,201.68	1,401.97	1,602.25	1,802.53	2,203.09	2,603.65	3,004.22	3,605.06
Salthouse	1,206.50	1,407.59	1,608.67	1,809.76	2,211.92	2,614.09	3,016.26	3,619.52
Scottow	1,207.95	1,409.27	1,610.60	1,811.93	2,214.58	2,617.23	3,019.88	3,623.86
Sculthorpe	1,195.25	1,394.46	1,593.67	1,792.88	2,191.30	2,589.72	2,988.14	3,585.77
Sea Palling	1,220.74	1,424.19	1,627.65	1,831.11	2,238.02	2,644.93	3,051.85	3,662.22
Sheringham	1,248.01	1,456.02	1,664.02	1,872.02	2,288.03	2,704.03	3,120.04	3,744.05
Sidestrand	1,198.65	1,398.43	1,598.21	1,797.98	2,197.54	2,597.09	2,996.64	3,595.97

PART OF THE COUNCIL'S AREA	VALUATION BANDS							
	A	B	C	D	E	F	G	H
Skeyton	1,183.86	1,381.17	1,578.48	1,775.79	2,170.41	2,565.03	2,959.65	3,551.58
Sloley	1,197.59	1,397.19	1,596.79	1,796.39	2,195.58	2,594.78	2,993.98	3,592.78
Smallburgh	1,195.82	1,395.13	1,594.43	1,793.74	2,192.35	2,590.96	2,989.57	3,587.48
Southrepps	1,203.80	1,404.44	1,605.07	1,805.71	2,206.98	2,608.25	3,009.51	3,611.42
Stalham	1,227.30	1,431.86	1,636.41	1,840.96	2,250.06	2,659.16	3,068.27	3,681.92
Stibbard	1,202.70	1,403.15	1,603.60	1,804.05	2,204.95	2,605.85	3,006.75	3,608.11
Stiffkey	1,198.57	1,398.34	1,598.10	1,797.86	2,197.39	2,596.92	2,996.44	3,595.73
Stody	1,205.91	1,406.89	1,607.88	1,808.86	2,210.83	2,612.80	3,014.77	3,617.73
Suffield	1,191.85	1,390.49	1,589.13	1,787.77	2,185.06	2,582.34	2,979.62	3,575.55
Sustead	1,196.10	1,395.45	1,594.81	1,794.16	2,192.86	2,591.56	2,990.27	3,588.32
Sutton	1,202.74	1,403.20	1,603.65	1,804.11	2,205.03	2,605.94	3,006.86	3,608.23
Swafield	1,208.62	1,410.06	1,611.50	1,812.94	2,215.81	2,618.69	3,021.57	3,625.88
Swanton Abbott	1,209.93	1,411.59	1,613.24	1,814.90	2,218.21	2,621.53	3,024.84	3,629.81
Swanton Novers	1,241.01	1,447.85	1,654.68	1,861.52	2,275.19	2,688.86	3,102.53	3,723.04
Tattersett	1,183.59	1,380.86	1,578.12	1,775.39	2,169.92	2,564.45	2,958.99	3,550.78
Thornage	1,187.54	1,385.47	1,583.39	1,781.32	2,177.17	2,573.01	2,968.86	3,562.64
Thorpe Market	1,208.81	1,410.28	1,611.75	1,813.22	2,216.16	2,619.10	3,022.03	3,626.44
Thursford	1,197.44	1,397.02	1,596.59	1,796.17	2,195.31	2,594.46	2,993.61	3,592.34
Trimingham	1,222.91	1,426.72	1,630.54	1,834.36	2,242.00	2,649.64	3,057.27	3,668.73
Trunch	1,209.48	1,411.06	1,612.64	1,814.22	2,217.39	2,620.55	3,023.71	3,628.45
Tunstead	1,189.66	1,387.94	1,586.21	1,784.49	2,181.05	2,577.60	2,974.15	3,568.99
Upper Sheringham	1,210.04	1,411.72	1,613.39	1,815.06	2,218.41	2,621.76	3,025.11	3,630.13
Walcott	1,200.02	1,400.03	1,600.03	1,800.04	2,200.05	2,600.06	3,000.07	3,600.08
Walsingham	1,217.90	1,420.88	1,623.86	1,826.85	2,232.81	2,638.78	3,044.75	3,653.70
Warham	1,213.03	1,415.21	1,617.38	1,819.55	2,223.90	2,628.25	3,032.59	3,639.11
Wells-next-the-Sea	1,218.55	1,421.64	1,624.74	1,827.83	2,234.01	2,640.20	3,046.38	3,655.66
Weybourne	1,210.61	1,412.38	1,614.15	1,815.92	2,219.45	2,622.99	3,026.53	3,631.84
Wickmere	1,214.82	1,417.29	1,619.76	1,822.23	2,227.18	2,632.12	3,037.06	3,644.47
Wighton	1,198.71	1,398.50	1,598.28	1,798.07	2,197.64	2,597.21	2,996.79	3,596.14
Witton	1,193.81	1,392.77	1,591.74	1,790.71	2,188.65	2,586.58	2,984.52	3,581.43
Wiveton	1,207.87	1,409.18	1,610.49	1,811.80	2,214.42	2,617.05	3,019.67	3,623.61
Wood Norton	1,195.24	1,394.44	1,593.65	1,792.86	2,191.27	2,589.68	2,988.10	3,585.72
Worstead	1,193.12	1,391.97	1,590.82	1,789.68	2,187.38	2,585.09	2,982.80	3,579.36
All Other Parts of the Council's Area	1,176.06	1,372.07	1,568.08	1,764.09	2,156.11	2,548.13	2,940.15	3,528.18

#### 4.9 Excessiveness Determination

- 4.9.1 The Council's basic amount of council tax as calculated in paragraph 4.6 (f) above is 3.4% above the relevant basic amount of council tax for 2018/19, which equates to £4.95 and less than the £5.00 increase which would require a referendum to be held.
- 4.9.2 The Council has determined that its relevant basic amount of Council Tax for 2019/20 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2019/20 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

## **5 Financial Implications and Risks**

- 5.1 The Council is required to set the Council Tax each year in accordance with the legislation set out above in this report. If this is not done, there is a risk that the council will be unable to bill in a timely manner with a consequential loss of revenue, and this may prevent the prudent management of the Council's financial affairs. The Council will be required to hold a referendum if it decides to increase its council tax by more than 3.0% or more than £5.00 (for lower quartile Band D authorities) above the 2018/19 amount.
- 5.2 The overall budget for 2019/20 is balanced and delivers a surplus which has been transferred to the Invest to Save. Section 3 of the report presents the Chief Financial Officers statement on the robustness of the estimates and the adequacy of reserves. This statement is informed by a number of risks that are facing the authority, in particular those detailed at 3.15. It is recommended that the level of the General Reserve increases to £1.9 million.
- 5.3 The Head of Finance and Assets is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure. In addition, duties under section 25 of the Local Government Act 2003 establish a requirement to report on the robustness of the estimates made for the purposes of agreeing the Council's budget.
- 5.4 These duties therefore require a professional judgement to be made by the Head of Finance and Assets as the officer ultimately responsible for the authority's finances. As a result, the officer takes a view of the robustness of the Council's budget across the whole period covered by the Medium Term Financial Strategy and this is reported to Members as part of the budget setting process. In view of this duty, and the considerable uncertainty about funding levels after the end of the current settlement, the Council will need to make plans for substantial, sustainable savings in 2020/21 in order to establish a solid platform for the development of a robust budget in future years.

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

## **7 Equality and Diversity**

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

- Advance equality of opportunity between different groups; and
- Foster good relations between different groups by tackling prejudice and promoting understanding.

7.2 Following the savings exercise undertaken as part of the 2016/17 budget process there have been no further submissions for 2019/20 and therefore no equality issues potentially affecting the proposals.

**8 Section 17 Crime and Disorder considerations** – None as a direct consequence of the report.

## General Fund Summary 2019/20 Base Budget

2017/18 Actuals	Service Area	2018/19 Base Budget	2018/19 Updated Base Budget	2019/20 Base Budget	2020/21 Projection	2021/22 Projection	2022/23 Projection
£		£	£	£	£	£	£
360,658	Corporate Leadership Team/Corporate	316,213	325,223	440,608	276,168	280,134	284,146
2,986,912	Community & Economic Development	2,648,580	2,926,015	3,811,316	3,060,562	2,970,329	2,950,944
1,429,514	Customer Services & ICT	1,549,267	2,288,762	1,721,564	1,796,113	1,851,677	1,914,157
3,659,448	Environmental Health	3,761,582	3,756,682	4,536,023	4,567,606	4,661,500	4,744,821
3,677,960	Finance and Assets	3,023,686	2,600,669	4,305,907	3,087,636	3,104,689	3,152,209
672,638	Legal and Democratic Services	591,003	625,531	561,997	559,983	569,490	579,363
1,935,759	Planning	2,061,807	2,157,613	2,234,605	2,130,689	2,182,671	2,239,015
0	Service Savings to be Identified (DT)	0	0	(83,750)	(167,500)	(335,000)	(335,000)
<b>14,722,889</b>	<b>Net Cost of Services</b>	<b>13,952,138</b>	<b>14,680,495</b>	<b>17,528,270</b>	<b>15,311,257</b>	<b>15,285,490</b>	<b>15,529,655</b>
2,079,492	Parish Precepts (Estimate from 2020/21 onwards)	2,210,812	2,210,812	2,390,634	2,420,382	2,523,481	2,630,456
(2,438,206)	Capital Charges	(1,344,248)	(1,344,248)	(1,308,233)	(1,125,477)	(1,049,430)	(1,049,430)
(270,890)	Refcus	0	0	(1,425,000)	0	0	0
(931,664)	Interest Receivable	(1,147,384)	(1,147,384)	(1,330,685)	(1,271,437)	(1,242,159)	(1,262,811)
0	External Interest Paid	3,500	3,500	10,000	131,327	127,283	123,237
1,339,404	Revenue Financing for Capital:	1,491,407	1,812,568	4,643,249	1,698,000	240,000	0
0	Minimum Revenue Provision	0	0	0	0	144,000	144,000
(852,553)	IAS 19 Pension Adjustment	251,249	251,249	252,210	257,254	262,399	267,647
<b>13,648,472</b>	<b>Net Operating Expenditure</b>	<b>15,417,474</b>	<b>16,466,992</b>	<b>20,760,445</b>	<b>17,421,306</b>	<b>16,291,064</b>	<b>16,382,754</b>
	<b>Contributions to/(from) Earmarked Reserves:</b>						
1,135,804	Capital Projects Reserve	(747,964)	(1,231,031)	(1,426,249)	(373,000)	0	0
357,548	Asset Management	(3,443)	(208,150)	(92,000)	0	0	0
(134,267)	Benefits	(12,838)	(31,588)	(12,838)	(12,838)	(12,838)	(12,838)
0	Broadband	0	0	(1,000,000)	0	0	0
(11,997)	Building Control	0	0	0	0	0	0
(20,376)	Business Rates Reserve	(18,000)	(61,843)	(38,241)	(24,747)	(18,000)	(18,000)
0	Coast Protection	(20,000)	(20,000)	(42,302)	0	0	0
(48,450)	Common Training	0	0	0	0	0	0
396,956	Communities	168,234	90,533	(242,000)	(242,000)	(242,000)	(242,000)
(12,837)	Economic Development & Tourism	(10,000)	(20,000)	(10,000)	(10,000)	0	0
40,000	Elections	40,000	40,000	(120,000)	40,000	40,000	40,000
93,439	Enforcement Board	0	(23,492)	0	0	0	0
15,000	Environmental Health	0	(40,000)	(40,000)	0	0	0
95,436	Grants	(8,792)	(120,805)	(44,416)	(14,655)	(14,655)	(14,655)
21,029	Grassed Area Deposits						
(20,141)	Housing	(14,247)	(243,417)	(97,999)	(111,073)	(21,126)	0
40,781	Land Charges	0	0	0	0	0	0
(15,785)	Legal	0	(933)	0	0	0	0
171,977	New Homes Bonus Reserve	(1,680,944)	(1,299,319)	(596,558)	0	0	0
(4,281)	Organisational Development	(4,649)	(4,649)	(78,246)	(11,078)	0	0
(63,210)	Pathfinder	0	0	(40,076)	0	0	0
(112,310)	Planning Revenue	18,330	18,330	0	50,000	50,000	50,000
0	Property Investment Fund	2,000,000	2,000,000	(1,000,000)	(1,000,000)	0	0
(143,565)	Restructuring/Invest to save	(582,939)	(566,182)	(849,072)	(325,000)	(240,000)	0
(456)	Sports Facilities	0	0	0	0	0	0
(66,068)	Treasury (Property) Reserve	0	0	0	0	0	0
(135,287)	Contribution to/(from) the General Reserve	(60,000)	(264,224)	(26,690)	0	0	0
<b>15,227,412</b>	<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>14,480,222</b>	<b>14,480,222</b>	<b>15,003,758</b>	<b>15,386,915</b>	<b>15,832,445</b>	<b>16,185,261</b>
(2,079,492)	Collection Fund – Parishes	(2,210,812)	(2,210,812)	(2,390,634)	(2,420,382)	(2,523,481)	(2,630,456)
(5,543,247)	Collection Fund – District	(5,909,655)	(5,909,655)	(6,240,604)	(6,321,120)	(6,604,004)	(6,891,838)
(4,585,583)	Retained Business Rates	(4,190,773)	(4,190,773)	(5,385,617)	(4,567,000)	(4,644,000)	(4,718,000)
(936,035)	Revenue Support Grant	(535,619)	(535,619)	0	0	0	0
(1,694,843)	New Homes bonus	(1,149,592)	(1,149,592)	(1,211,156)	0	0	0
(388,212)	Rural Services Delivery Grant	(483,771)	(483,771)	0	0	0	0
<b>(15,227,412)</b>	<b>Income from Government Grant and Taxpayers</b>	<b>(14,480,222)</b>	<b>(14,480,222)</b>	<b>(15,228,011)</b>	<b>(13,308,502)</b>	<b>(13,771,485)</b>	<b>(14,240,294)</b>
<b>(0)</b>	<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>(224,253)</b>	<b>2,078,413</b>	<b>2,060,960</b>	<b>1,944,967</b>

### Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2019/20 to 2022/23

#### **1 Background**

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

#### **2 Earmarked Reserves**

##### **2.1 Purpose**

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

##### **2.2 Earmarked Reserves Protocol**

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

##### **2.3 Review of Earmarked Reserves**

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

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

- 2.3.2 It is considered that sufficient provision for the Council's capital programme (as recommended) has been included in the capital estimates and capital reserves, and that nothing further is required at the current time.
- 2.3.3 Where in-year expenditure is being funded by earmarked reserves, the relevant transfers from the reserves have been allowed for within the reserves statements at Appendix C.

### **3 The General Reserve**

#### **3.1 Purpose**

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

#### **3.2 The Optimum Level of the General Reserve**

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

#### **3.3 Assessment Framework**

- 3.3.1 The issues to be considered include the following:
- The Council continues to operate on an ongoing basis;
  - The robustness of the budget process including recognition of the linkages with the corporate plan, the strategic risk register and the financial plan update;
  - The adequacy of the earmarked reserves and the movements on the general reserves both in the past and planned;
  - The extent to which savings and planned service reductions are required and can be relied upon to support corporate plan targets;
  - The risk of major litigation and legal claims, both currently and in the future;
  - The impact of future Government funding reductions (Fair Funding Review, Spending Assessment etc);
  - Implications of changes to Local Council Tax Support Schemes and increase in the demand for support;
  - Fluctuations in retained business rate income and funding from the government for the extensions to reliefs for example retail relief and small business rates along with the impact of appeals;



## Appendix B

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

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

### 3.4 The Assessment of the General Fund Reserve

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

3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2019/20:

Item	2019/20	2020/21	2021/22	2022/23
<b>1 Pay and Price Inflation</b> (0.5% above budget assumption)	88,000	90,000	92,000	94,000
<b>2 Interest Rates</b> (0.25% below budget prediction on non-fixed investments)	89,000	85,000	86,000	88,000
<b>3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (based on 15% of current targets)</b> (to ensure core services are maintained)	109,000	112,000	112,000	112,000
<b>4 Major Litigation and Legal Claims</b> (to provide additional comfort above earmarked reserves)	100,000	100,000	100,000	100,000
<b>5 Emergencies and Other Unknowns</b> (to recognise the risks associated with unpredictable events)	600,000	600,000	600,000	600,000

## Appendix B

Item	2019/20	2020/21	2021/22	2022/23
<b>6 Treatment of Demand Led Pressures</b> (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	238,000	244,000	250,000	256,000
<b>7 Cash Flow</b> (to mitigate the impact of timing of cash flow including the profiling of expenditure)	16,000	16,000	16,000	16,000
<b>8 Future Funding Fluctuations</b> (an allowance to reflect the increased risk around local funding, i.e. business rates and new homes bonus to mitigate the impact within and between financial years)	660,000	457,000	442,000	380,000
<b>Total Indicated General Fund Reserve Recommended</b>	<b>1,900,000</b>	<b>1,704,000</b>	<b>1,698,000</b>	<b>1,646,000</b>
<b>% of Net Budgeted Operating Expenditure (excluding parish precepts)</b>	<b>10.3%</b>	<b>11.4%</b>	<b>12.3%</b>	<b>12.0%</b>
<b>Budgeted General Fund Reserve (at year-end, after taking account of planned use)</b>	<b>1,905,574</b>	<b>1,905,574</b>	<b>1,905,574</b>	<b>1,905,574</b>
<b>% of Net Budgeted Operating Expenditure (excluding parish precepts)</b>	<b>10.4%</b>	<b>12.7%</b>	<b>13.8%</b>	<b>13.9%</b>

#### **4 Chief Financial Officer's Opinion**

- 4.1 The Earmarked Reserves detailed in Appendix C are proper and appropriate with regard to purpose, level and proposed use.
- 4.2 Based on the assessment detailed above the recommended level of the general reserve for 2019/20 should be increased to maintained at the present level of £1.9million for 2019/20. The budgeted General Fund Reserve shown in Appendix C is considered adequate for the period 2019/20 to 2022/23; however the level of the General Reserve should be reviewed during the year as part of the financial planning process taking into account where applicable items identified within the assessment framework at 3.3.

## Reserves Statement 2019/20 Onwards

Reserve	Purpose and Use of Reserve	Balance 01/04/18	Current Updated Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Transfers in 2019/20	Budgeted Transfers (out) 2019/20	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Balance 01/04/22	Budgeted Movement 2022/23	Balance 01/04/23
		£	£	£	£	£	£	£	£	£	£	£	£	£
<b>General Fund - General Reserve</b>	A working balance and contingency, current recommended balance is £1.85 million.	<b>2,196,488</b>	(264,224)	<b>1,932,264</b>	0	(26,690)	<b>(26,690)</b>	1,905,574	0	1,905,574	0	1,905,574	0	1,905,574
<b>Earmarked Reserves:</b>														
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	<b>3,449,782</b>	(1,231,031)	<b>2,218,751</b>	0	(1,426,249)	<b>(1,426,249)</b>	792,502	(373,000)	419,502	0	419,502	0	419,502
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	<b>858,440</b>	(208,150)	<b>650,290</b>	0	(92,000)	<b>(92,000)</b>	558,290	0	558,290	0	558,290	0	558,290
Benefits	To be used to mitigate any claw back by the Department of Works and Pensions following final subsidy determination. Timing of the use will depend on audited subsidy claims.	<b>1,295,357</b>	(31,588)	<b>1,263,769</b>	0	(12,838)	<b>(12,838)</b>	1,250,931	(12,838)	1,238,093	(12,838)	1,225,255	(12,838)	1,212,417
Broadband	Earmarks £1million for superfast broad band in North Norfolk. (600k was transferred from the BSF reserve and £400k from NHB reserve)	<b>1,000,000</b>	0	<b>1,000,000</b>	0	(1,000,000)	<b>(1,000,000)</b>	0	0	0	0	0	0	0
Building Control	Building Control surplus ring-fenced to cover any future deficits in the service.	<b>159,783</b>	0	<b>159,783</b>	0	0	<b>0</b>	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 the business rates retention scheme.	<b>2,506,669</b>	(61,843)	<b>2,444,826</b>	0	(38,241)	<b>(38,241)</b>	2,406,585	(24,747)	2,381,838	(18,000)	2,363,838	(18,000)	2,345,838
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	<b>202,516</b>	(20,000)	<b>182,516</b>	0	(42,302)	<b>(42,302)</b>	140,214	0	140,214	0	140,214	0	140,214
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. Funded by a proportion of NCC element of second homes council tax.	<b>1,594,135</b>	90,533	<b>1,684,668</b>	0	(242,000)	<b>(242,000)</b>	1,442,668	(242,000)	1,200,668	(242,000)	958,668	(242,000)	716,668
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	<b>120,621</b>	(20,000)	<b>100,621</b>	0	(10,000)	<b>(10,000)</b>	90,621	(10,000)	80,621	0	80,621	0	80,621
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	<b>83,000</b>	40,000	<b>123,000</b>	40,000	(160,000)	<b>(120,000)</b>	3,000	40,000	43,000	40,000	83,000	40,000	123,000
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	<b>197,113</b>	(23,492)	<b>173,621</b>	0	0	<b>0</b>	173,621	0	173,621	0	173,621	0	173,621
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	<b>294,389</b>	(40,000)	<b>254,389</b>	0	(40,000)	<b>(40,000)</b>	214,389	0	214,389	0	214,389	0	214,389
Grants	Revenue Grants received and due to timing issues not used in the year.	<b>534,788</b>	(120,805)	<b>413,983</b>	0	(44,416)	<b>(44,416)</b>	369,567	(14,655)	354,912	(14,655)	340,257	(14,655)	325,602

## Reserves Statement 2019/20 Onwards

Reserve	Purpose and Use of Reserve	Balance	Current	Balance	Budgeted	Budgeted	Budgeted	Balance	Budgeted	Balance	Budgeted	Balance	Budgeted	Balance
		01/04/18	Updated Budgeted Movement 2018/19	01/04/19	Transfers in 2019/20	Transfers (out) 2019/20	Movement 2019/20	01/04/20	Movement 2020/21	01/04/21	Movement 2021/22	01/04/22	Movement 2022/23	01/04/23
		£	£	£	£	£	£	£	£	£	£	£	£	£
Housing	This reserve represents the balance of funding received in respect of Housing and Homeless Prevention initiatives. This includes the Community Housing Fund grant received in 2016/17 and other Homelessness Prevention grants.	2,500,602	(243,417)	2,257,185	52,783	(150,782)	(97,999)	2,159,186	(111,073)	2,048,113	(21,126)	2,026,987	0	2,026,987
Land Charges	To mitigate the impact of potential income reductions.	273,950	0	273,950	0	0	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.	128,389	(933)	127,456	0	0	0	127,456	0	127,456	0	127,456	0	127,456
LSVT Reserve	To meet the cost of successful warranty claims not covered by bonds and insurance following the housing stock transfer.	435,000	0	435,000	0	0	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 Local Plan review*	2,006,417	(1,299,319)	707,098	0	(596,558)	(596,558)	110,540	0	110,540	0	110,540	0	110,540
Organisational Development	To provide funding for organisation development to create capacity within the organisation, including the provision and support for apprenticeships and internships.	340,847	(4,649)	336,198	0	(78,246)	(78,246)	257,952	(11,078)	246,874	0	246,874	0	246,874
Pathfinder	To help Coastal Communities adapt to coastal changes.	143,168	0	143,168	0	(40,076)	(40,076)	103,092	0	103,092	0	103,092	0	103,092
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	56,354	18,330	74,684	50,000	(50,000)	0	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	2,000,000	2,000,000	0	(1,000,000)	(1,000,000)	1,000,000	(1,000,000)	0	0	0	0	0
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.	2,290,514	(566,182)	1,724,332	0	(849,072)	(849,072)	875,260	(325,000)	550,260	(240,000)	310,260	0	310,260
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.	12,193	0	12,193	0	0	0	12,193	0	12,193	0	12,193	0	12,193
<b>Total Reserves</b>		<b>22,680,514</b>	<b>(1,986,770)</b>	<b>20,693,744</b>	<b>142,783</b>	<b>(5,899,470)</b>	<b>(5,756,687)</b>	<b>14,937,057</b>	<b>(2,034,391)</b>	<b>12,902,666</b>	<b>(458,619)</b>	<b>12,444,047</b>	<b>(197,493)</b>	<b>12,246,554</b>