

# Council



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**Please Direct Dial on:** 01263 516010

13<sup>th</sup> November 2018

A meeting of the **North Norfolk District Council** will be held in the **Council Chamber** at the Council Offices, Holt Road, Cromer on **Wednesday 21<sup>st</sup> November 2018 at 6.00 p.m.**

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

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



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

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

## A G E N D A

### 1. PRAYER

Led by Reverend Stephen Graham, Assistant Curate, Holt 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 9)

To confirm the minutes of the meeting of the Council held on 26<sup>th</sup> September 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 S Arnold (page 17)
- 2) Environmental Services & Coast – Cllr H Cox (page 23)
- 3) Economic Development & Tourism – Cllr N Dixon (page 29)
- 4) Legal Services & Democratic Services, and IT – Cllr J Lee (page 32)
- 5) Customer Services, Health & Wellbeing, Leisure– Cllr B Palmer (page 33)
- 6) Finance, Revenue & Benefits – Cllr D Baker (page 36)
- 7) Asset Commercialisation – Cllr R Price (page 38)

### 9. RECOMMENDATIONS FROM LICENSING & APPEALS COMMITTEE (page 41)

Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018 – Changes to Licensing Arrangements for Animal Based Businesses

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

To agree the proposed fee structure in line with the Authority's fee setting structure.

**10. RECOMMENDATIONS FROM THE OVERVIEW & SCRUTINY COMMITTEE 14 NOVEMBER 2018**

To consider any recommendations from the Overview & Scrutiny Committee meeting held on 14<sup>th</sup> November 2018.

*Please note this meeting was held after the Council agenda was published. If there are any recommendations the Chairman will provide a verbal update.*

**11. RECOMMENDATIONS FROM CONSTITUTION WORKING PARTY – 13 NOVEMBER 2018**

To consider any recommendations from the Constitution Working Party meeting held on 13<sup>th</sup> November 2018.

*Please note this meeting was held after the Council agenda was published. Recommendations will be circulated to all Members before the Full Council meeting.*

**12. BUSINESS RATES PILOT 2019/20** (page 69)

Summary: Following on from previous years, Central Government has proposed operating business rates pilots again in 2019/20. Members will recall that we put in a countywide bid to take part in the 2018/19 business rates pilot at this last time last year which was unfortunately unsuccessful. The terms of this next round of pilots differ slightly in that they will test 75% retention rather than the current 100% pilots. Following discussions at the Norfolk Chief Executives Group and subsequently the Norfolk Leaders Group a countywide approach was again agreed based upon the model established last year and the pilot application was submitted on 25 September 2018. Due to the tight timescales for the submission it was not possible to bring a paper forward to committee before the deadline so the authority for the pilot was agreed under delegation. While the financial benefit would only be for a single year it could potentially result in around £0.5m in additional business rates income for the authority but a net increase to the residents of Norfolk of nearly 8m representing the additional 25% share of growth that would be retained locally and shared between the Districts and County Council.

Options considered: As the pilot application has already been submitted there are no options to consider as part of this report.

Conclusions: Central Government have confirmed business rates pilots for the 2019/20 financial year based on 75% retention. Pilots operated during previous years have seen significant financial benefits from these arrangements. Entering into a joint business rates pilot could see NNDC retain around £0.5m (based on current projections and assumptions) in extra business rates income for the 2019/20 financial year. It would also help support closer working and a more collaborative approach county wide and provide Central Government with valuable learning in respect of the potential future operation of the business rates system.

**Recommendations: To note the submission of the application for the Norfolk Business Rates Pilot scheme 2019/20.**

Cabinet Member(s) Cllr Duncan Baker  
Ward Member(s) All

Contact Officer Duncan Ellis  
telephone 01263 516330  
and e-mail: [duncan.ellis@north-norfolk.gov.uk](mailto:duncan.ellis@north-norfolk.gov.uk)

**13. MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO 2022/23** (page 76)  
(Strategy – p.79)

**Summary:** This report presents an updated Medium Term Financial Strategy (MTFS) for the period 2019/20 to 2022/23. The strategy has been updated to support the Corporate Plan for the period 2015 to 2019.

**Options considered:** The MTFS has been refreshed in the year and provides an updated financial projection in support of the 2019/20 budget process.

**Conclusions:** The financial position for 2019/20 is currently showing a deficit of c£319k with ongoing funding gaps year on year reaching c£2.1m in 2022/23. The MTFS identifies the key themes and priorities for the Council in seeking to reduce the forecast budget gap.

**Recommendations:** **It is recommended that:**  
**1) Members note:**  
**a) The current financial forecast for the period 2019/20 to 2022/23;**  
**b) The current capital funding forecasts;**

**Reasons for Recommendations:** To refresh the Medium Term Financial Strategy in line with the Corporate Plan and to inform the detailed budget work for 2019/20.

**Cabinet Member(s)** Cllr Duncan Baker  
**Ward Member(s)** All  
**Contact Officer** Duncan Ellis  
**telephone** 01263 516330  
**and e-mail:** [duncan.ellis@north-norfolk.gov.uk](mailto:duncan.ellis@north-norfolk.gov.uk)

**14. COUNCIL OFFICES CROMER - PV PANELS** (page 106)  
(Appendix – p.109)

**Summary:** This report identifies an opportunity for the provision of a PV Panel array on the roof of the council offices and the potential for a revenue saving.

The financial and operational issues involved with the scheme are covered, with a recommendation to move forward with the project in time to take full advantage of the Feed in Tariff scheme.

**Conclusions:** There appears to be a window of opportunity to invest in PV panels on the council office building, with an initial revenue saving/income giving a rate of return of 11% and a minimum of at least 8% over the life of the scheme.

**Recommendations:** **That Full Council approve;**

1. A capital budget for the scheme of £225,000 to be funded from capital receipts;
2. That, due to the tight timescales for installation and to maximise the potential income, Contract Standing Orders are waived to enable the procurement processes to be completed in time (either through direct award or framework contracts);

Reasons for Recommendations:

- 1 To provide adequate budget for the proposed project
- 2 To maximise the chances of taking the project forward whilst still maintaining a timeline that allows the Council to access Feed in Tariff payments.

Cabinet Member(s) Cllr John Lee  
 Ward Member(s) All  
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**15. COMMUNITY SPORTS HUB AND SATELLITE TENNIS FACILITIES** (page 112)  
 (Exempt Appendix – p.125)

**\*\* NOT FOR PUBLICATION – BY VIRTUE OF PARAGRAPH 3 OF PART 1 OF SCHEDULE 12A (AS AMENDED) OF THE LOCAL GOVERNMENT ACT 1972\*\***

Summary: This report updates the Council regarding the project to deliver the Community Sports Hub and associated Satellite Tennis Facilities.

Final costs are now available, with the tender evaluation having been completed.

Award of the main construction tender is requested, along with funding for improvements to community tennis facilities in North Walsham, Fakenham and Wells.

Options considered: None

Conclusions: The Community Sports Hub provides an opportunity for the Council to bring together three leisure assets in which it has a positive interest; the Cromer Tennis Club site with some of the best grass courts in the country, the Cromer Academy, where it uses school sports facilities through a dual use agreement; and the new 3 court indoor tennis centre, with gym and other facilities.

On the back of this project also sits the improvement of four community tennis facilities and a wider Tennis Development Network, jointly promoted and managed by the Council and the LTA. Together, these will greatly increase active leisure participation, as part of the Council's wider leisure offer.

Council approved the project last year and is now at the point where final costs are known. The construction costs for this £3.4m project have increased by £118k and external, LTA funding was reduced by £228k. Members are therefore requested to approve the additional project and award of the Contract, which will be conditional on the external funding coming forward.

- Recommendations:**
- 1. That Council provisionally awards the construction contract for the Community Sports Hub to Bidder X as per the attached confidential Tender Evaluation Report; with final award being subject to the LTA Grant Funding expected on December 6<sup>th</sup>.**
  - 2. That Council agrees to an additional capital budget of £118,000 to fund additional, unforeseen works as described in the report.**
  - 3. That, subject to the Community Sports Hub going ahead, delegation is given to the s151 officer to adjust the financing by £228,000 in respect of the funding for improving the satellite community tennis facilities at Fakenham, Wells and North Walsham as described in the report. These amendments to be funded from capital receipts.**
  - 4. That delegated authority is given to the Head of Finance and Assets to adjust the financing as outlined within the report if required to maximise the value for the tax payer.**

Reasons for Recommendations:

- 1) To provide a construction contract to build the new Community Sports Hub facility as previously approved by Full Council in December 2017. This will be dependent upon external funding being confirmed, so that the Council's position is protected.
- 2) To provide funding for the community sports hub in Cromer, as previously approved
- 3) To provide funding to improve satellite tennis facilities in North Walsham, Wells and Fakenham, as previously approved.
- 4) To enable the best mix of funding to be utilised within the budgetary framework for this project.

Cabinet Member(s)  
Ward Member(s)

Cllr Becky Palmer  
Cromer, North Walsham, Fakenham and Wells; although the sites proposed are in specific wards, the impact of the facilities would be across these towns and beyond

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**16. REVIEW OF POLITICAL BALANCE AND ALLOCATION OF SEATS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND PANELS**

(page 120)  
(Appendix A – p.124)

**Summary:** Following further changes to the membership of the political groups at North Norfolk District Council, the Council is required to review the allocation of seats on committees, sub committees and working parties to reflect the political balance of the Council, in accordance with Section 15 of the Local Government and Housing Act 1989 and regulations made thereunder.

**Conclusions:** Following a change in the political balance it is necessary to review the allocation of seats on committees, sub-committees, working parties and panels.

**Recommendations:**

- 1. That Council approves the revised political balance calculation as per section 2.4 of this report**
- 2. That Council approves the allocation of seats to political groups as shown at Appendix A**
- 3. That delegation is given to the Group Leaders to make any appointments to committees, sub-committees, working parties and panels (in line with the political balance).**

**17. QUESTIONS RECEIVED FROM MEMBERS**

None received

**18. OPPOSITION BUSINESS**

None received

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

The following Notice of Motion has been proposed by Cllr S Bütikofer and seconded by Cllr E Seward:

'This Council no longer has confidence in the Leader of the Council and this administration'.

**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



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**Recommendations: To note the submission of the application for the Norfolk Business Rates Pilot scheme 2019/20.**

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Ward Member(s) All

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**Recommendations: It is recommended that:**  
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Reasons for  
Recommendations:

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Cromer, North Walsham, Fakenham and Wells; although the sites proposed are in specific wards, the impact of the facilities would be across these towns and beyond

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**16. REVIEW OF POLITICAL BALANCE AND ALLOCATION OF SEATS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND PANELS**

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**Summary:** Following further changes to the membership of the political groups at North Norfolk District Council, the Council is required to review the allocation of seats on committees, sub committees and working parties to reflect the political balance of the Council, in accordance with Section 15 of the Local Government and Housing Act 1989 and regulations made thereunder.

**Conclusions:** Following a change in the political balance it is necessary to review the allocation of seats on committees, sub-committees, working parties and panels.

**Recommendations:**

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- 2. That Council approves the allocation of seats to political groups as shown at Appendix A**
- 3. That delegation is given to the Group Leaders to make any appointments to committees, sub-committees, working parties and panels (in line with the political balance).**

**17. QUESTIONS RECEIVED FROM MEMBERS**

None received

**18. OPPOSITION BUSINESS**

None received

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

The following Notice of Motion has been proposed by Cllr S Bütikofer and seconded by Cllr E Seward:

'This Council no longer has confidence in the Leader of the Council and this administration'.

**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 26 September 2018 at the Council Offices, Holt Road, Cromer at 6.00 pm.

## Members Present:

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

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

**Press:** Present

## 50. PRAYERS

The Chairman invited Reverend Brian Roberts, Chaplain, Greshams School, Holt, to lead prayers

## 51. CHAIRMAN'S COMMUNICATIONS

The Chairman began by saying that Norfolk Day had been a great success and was very well received across the County. He then spoke about Norjam, the international scout and guide jamboree which had taken place at the showground, Norwich. He had spent time with the youngsters there and had been impressed by their team work.

He had attended several other events since the last meeting of Council, including a tour of the RAF Radar Museum at Neatishead, Merchant Navy Day, and the Council's Greenbuild event which had been excellent. There had also been 3 events to celebrate the 100<sup>th</sup> anniversary of the Royal Air Force, the launch of the British Legion's Poppy appeal and he had had the pleasure of judging the best dressed stallholder at the recent 1940s weekend in Sheringham.

On 17<sup>th</sup> September the Chairman had attended the EACH open day which had been extremely moving. He had been proud to raise £500 for the charity at his civic reception held at Hoveton Hall and he thanked those Members who had joined him on what had been a very enjoyable evening.

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

None received

**53. APOLOGIES FOR ABSENCE**

Mrs H Cox, Mr D Baker, Mr W Northam, Mr P W Moore, Ms B Palmer, Mrs L Walker and Ms K Ward

**54. MINUTES**

The minutes of the meeting held on 25<sup>th</sup> July 2018 were approved as a correct record and signed by the Chairman subject to the following amendments:

- i. Cllr A Fitch-Tillett had been present
- ii. Cllr J Punchard had declared an interest re his employer, the Fire Service.

**55. ITEMS OF URGENT BUSINESS**

None

**56. PUBLIC QUESTIONS OR STATEMENTS**

The Chairman invited Mr D Russell to speak. Mr Russell asked the following question:

'When researching Full Council minutes I was concerned to learn that some 10 years ago Full Council minutes that contain items of social and public interest have been lost for ever.

Records from 1974-1987 were deposited with the NRO. My question is this. Do the Council intend to deposit all the outstanding Full Council minutes to date in their possession to the NRO backed up with electronic copies, and if so when?'

The Leader, Cllr J Lee, provided the following response:

'I can confirm that several years ago, during a full audit of our strong room, we became aware that one bound volume of council minutes was missing. Despite several attempts to locate this volume we have been unsuccessful. As I am sure all Members are aware, minutes are a record of the decisions made. Although, as Mr Russell, states in his question, they may contain items of social and public interest, that is not their purpose. In fact, during the time referred to by Mr Russell (1993 -1999) the Council's system of governance was a committee system and the decisions made by the committees during that time are held securely in our strong room and are available for inspection. So, I can confirm that we have an historic record of the decisions made during that period.

In response to the specific question raised by Mr Russell, I can confirm that all minutes from NNDC committee meetings are stored in our secure, fire-proof strong room, housed in the basement. We do not intend to deposit them with the Norfolk Records Office as we require ease of access for any research or Freedom of Information requests that we may receive. In fact, Mr Russell has requested to view such records on several occasions in recent weeks, spending considerable time viewing records from our archive with the assistance of our officers. I am sure that Mr Russell would agree that any local residents wishing to view historic records would prefer to come to the Council offices in Cromer rather than travel to Norwich to access this information.'

The Chairman invited Mr Russell to ask a further question if he wished. Mr Russell queried why the loss had only just come to light when it had happened approximately 10 years ago. He

was particularly concerned about the loss of anecdotal information such as the Chairman's report.

## **57. PORTFOLIO UPDATES**

The Chairman invited each Portfolio to introduce their reports:

1. Cllr S Arnold, Portfolio Holder for Planning and Planning Policy, said that the full report was before Members. She drew their attention to the excellent performance of the Major Applications and Development Management teams. She then referred to the ongoing planning inquiry in connection with Beeches Farm, Tunstall and praised the work of the planning officer working on the case. She concluded by outlining her portfolio report on housing. Cllr P Bütikofer referred to the Local Plan event and asked whether parish and town councils would be invited to attend. Cllr Arnold confirmed that they would – as would Members. Cllr A Fitch-Tillett said that she was disappointed to see some basic errors in the report and felt it could look better. Cllr D Young referred to the enforcement case at Cley. He asked for an update as he had not been able to clarify the situation. The Head of Paid Service (SB) replied that there had been an initial meeting with the developer and they had been asked to come back with supplementary information which they had not yet provided.
2. Cllr H Cox provided a video update to Members. She thanked the Environmental Health and Coastal teams for their continued hard work and praised all those who had been involved in Greenbuild. Cllr N Lloyd referred to the increased workload for the Public Protection team (page 15) and asked for further information. It was agreed that a written response would be provided. Cllr E Seward referred to the Walcott flood alleviation drains and said that he believed the County Council was due to start making the connections in mid-November.
3. Cllr N Dixon said that he had nothing further to add to his report.
4. Cllr J Lee updated Members on Cllr Northam. He said that he was recovering well and that Cllr Baker would be covering his portfolio in the meantime.
5. Cllr Baker referred to the localisation of business rates and said that a new application had been submitted for the 2019/20 pilot, following consultation with the Group leaders and portfolio holders. The outcome would be known by December. The Council was continuing to prepare for the implementation of full service universal credit and it was hoped that there would be a smooth transition. Cllr J Rest referred to the business rates pilot and said that he had been informed rather than consulted. Cllr S Bütikofer queried why Holt was not included in the list of towns involved in the rollout programme. It was agreed that a written response would be provided.
6. Cllr Palmer was not in attendance. Cllr V Gay asked about progress being made with the outreach element of the Sports Hub project. It was agreed that a written response would be provided.
7. Cllr R Price referred to the recent clear up of the Parklands caravan site in Pudding Norton and thanked officers for their hard work. In response to a question from Cllr J Rest as to whether the Council was intending to sell the site, he said that the Council could not licence its own site and that once a suitable plan was in place then they would proceed.

## **58. RECOMMENDATIONS FROM LICENSING & APPEALS COMMITTEE 16 JULY 2018**

The Chairman of the Licensing & Appeals Committee, Cllr S Hester introduced this item. He explained that the Council had a statutory duty to review and update the Gambling Licensing Policy (Statement of Principles)

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

## **RESOLVED**

That the proposed revisions to the Council's Statement of Principles under the Gambling Act 2005, be recommended to Council for approval and then published in accordance with legislative requirements

### **59. RECOMMENDATIONS FROM CABINET 03 SEPTEMBER 2018**

#### **a) FAKENHAM EXTRA CARE SCHEME – FUNDING REQUEST**

Cllr S Arnold, Portfolio Holder for Housing, introduced this item. She explained that Norfolk County Council had identified the need for more extra care scheme properties and that the Council had been asked to provide £425k to make it work. She asked that county councillors continued to put pressure on the County Council for their contribution to funding for the scheme.

Cllr S Bütikofer referred to the nomination rights for the scheme and asked whether North Norfolk residents would be specifically supported. Cllr Arnold replied that they would be for rented properties, other properties would be sold on the open market or via shared ownership.

Cllr A Claussen-Reynolds said that as the Local Member, together with Cllr R Reynolds, she was very supportive of the scheme.

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

## **RESOLVED**

To approve capital expenditure to provide financial support for the Fakenham Extra Care Scheme in the form of either a grant or interest free loan to Housing and Care 21 of up to a maximum of £425,000 to be funded from capital receipts. Approval of the final amount and type of funding to be provided to be delegated to the Head of Finance and Asset Management in conjunction with the Portfolio Holder for Housing, Planning and Planning Policy.

#### **b) PUBLIC CONVENIENCE STRATEGY**

Cllr R Price, Portfolio Holder for Assets, introduced this item. He explained that whilst public conveniences were not a statutory requirement of the Council, toilets were also a necessary provision and apologised that standards across the district were not always met. He added that moving forward the Council would look to improve its facilities for the blind and partially sighted, and provide better facilities for baby changing in male toilets. In summary, it was suggested that the proposal would bring NNDC's public toilets up to a modern standard.

Mrs P Grove-Jones said that she was very pleased to see the improvements to the strategy and it was particularly welcome in the market towns.

Mr D Young commented that he was fully supportive of the proposals. He said that one of his constituents had asked about the toilet facilities in Holt and Weybourne. The report referred to phase 1 and he wondered what Phase 2 would involve and when it would be rolled out. Cllr Price replied that there would be a detailed survey of facilities ahead of Phase 2. Regarding Holt, he said that the facilities there were better than most and that the initial phase was starting with the poorer toilets.

Cllr S Hester, speaking as Vice-Chairman of the Overview and Scrutiny Committee, said that the Committee had made the following recommendation at the meeting on 19<sup>th</sup> September:

That urgent priority is given to the toilets in West Runton and Cart Gap being kept open during the forthcoming winter period.

Cllr E Seward added that this recommendation arose out of a discussion on the Deep History Coast project and felt that consideration should be given to all toilets being kept open throughout the year. Cllr Price replied that this was currently under review but consideration needed to be given to practicalities.

Cllr M Prior said that car park income underpinned this scheme and as there were public conveniences in Holt situated on the Albert Street car park it seemed fair that they should benefit from the income. She added that she agreed they should be open all year.

It was proposed by Cllr R Price, seconded by Cllr J Lee and

## **RESOLVED**

That a capital budget be established of £600,000 to fund Phase 1 of the Public Convenience Strategy, to be financed from the Invest to Save Reserve.

## **60. OPPOSITION BUSINESS**

Cllr S Bütikofer introduced this item. She explained that the motion had been brought forward to add clarity. It was not about trying to stop the Egmore Business Zone but ensuring that jobs and businesses were created. Members were just asking Cabinet to understand their concerns and to consider appointing an independent auditor to review the business case.

She urged Cabinet to make a judgement on the facts before them. It was about managing risk and the Council needed to move away from the 'heroic' model of leadership and the 'talking up' of success. She said that Members had been told that the proposals would bring new jobs but so far it was just a business relocating from a nearby village. There had also been references to growth potential but again, it appeared that just a few jobs would be created by the move. Cllr Bütikofer said that the Heads of Paid Service had acknowledged that the proposals involved an element of risk and so far the Local Enterprise Partnership (LEP) had done very little to work with the Council. The Northern Distributor Road (NDR) would have little impact as it was too far away and so far there was no superfast broadband. She concluded by saying that even designation as an enterprise zone would not improve the longevity of the scheme and that a further short delay to allow for a review of the proposals should not be a problem.

Cllr Rest, seconder of the motion, reserved his right to speak.

The Chairman invited Members to speak:

- a) Cllr A Fitch-Tillett said that the Egmore scheme had always rung alarm bells for her. She had several concerns regarding its viability as a location and the promised 300 jobs looked unlikely to materialise. There had been an expectation that the wind farm operators would use the site but this seemed unlikely now and in addition, Highways was not supportive.
- b) Cllr J Lee, Leader of the Council, said that he was pleased to see opposition business on the Council agenda. As this subject had been debated several times before, he asked that Members try and restrict their comments to new issues.
- c) Cllr T FitzPatrick, local member for Egmore, began by saying that jobs and the economy were part of the Council's Corporate Plan and projects such as Egmore were key to the delivery of this. It was imperative that the Council worked with the LEP to make it a success. Withdrawing now would make the Council a 'laughing stock'. If the project was delayed then the potential

tenant would pull out and this would reflect poorly on the Council. If the first unit was not built then the second one wouldn't be. Sometimes risks were worth taking.

- d) Cllr R Reynolds, local member for Fakenham North, said that the site was only 10-15 minutes drive from Fakenham and was important for local jobs. Businesses had been based on the site in some form since the late 1940s. With 1000 new homes planned for Fakenham such a site was essential for providing jobs. It was rural but situated on an arterial road which was well connected to other key routes. He concluded by saying that he felt no further review of the proposals was needed.
- e) Cllr R Price, Portfolio Holder for Assets, showed Members a series of photographs of the site. He said that the Council would be seeking to widen the Enterprise Zone to attract further investment. He said that he would like to assure Council that any new facts that came to light would be taken into account by Cabinet. He then reminded Members that this project provided an opportunity. A return of 1.62% was a good starting point and a further delay good deter the prospective new tenant. He added that the site had not yet been marketed.
- f) Cllr V FitzPatrick made reference to the potential risks involved in the project. He said in fact by asking for further analysis, the Council was risking its reputation by delaying the scheme-effectively creating 'paralysis by analysis'. He went onto say that he hoped all Members supported North Norfolk and that it made no sense to turn prospective tenants away. All Members should want the EZ to grow to create jobs and prosperity to the west of North Norfolk, certainly as the local member for Wells he wanted to see businesses flourish.
- g) Cllr A Claussen-Reynolds referred to the Cabinet minutes of 5 January 2016 and Cllr Rest's supportive comments for the Egmere scheme which were seconded by Cllr Fitch-Tillett.
- h) Cllr N Lloyd reminded Members that the proposals had been scrutinised by a cross-party working group and a huge amount of information had been looked at, yet there had been no evidence of new jobs being created just relocation of existing jobs. Despite this, Cabinet was looking to invest £2m of tax payers' money in the scheme. He then reminded Members that the return on the investment was low at just 1.62% and this together with no new jobs and no marketing strategy in place should be cause for concern. Cllr Lloyd concluded by saying that the interpretation of the data was over optimistic and it would be prudent to seek independent advice.
- i) Cllr N Dixon, Portfolio Holder for Economic Growth, said that there was a lack of credible evidence of demand and that Members should be concerned as to whether the project was viable. He said that the poor financial return and low job creation had not persuaded him that it was a good investment opportunity but he was willing to remain open-minded. Cllr Dixon then said that it was possible that 'optimism bias' – where project motivators become too close, was at play here. An independent review would not only protect officers but was the obvious final step in the process.

Cllr J Rest, seconder of the motion, said that for him the key issue was the protection of the Council's reputation. The reports presented to date showed opportunities and risks – essentially the same information with a different conclusion. He reminded Members that this was a potential investment of between £2m – £6m and that it was only prudent to have an independent review. Cllr Rest then referred to the Corporate Peer Review which took place in 2014 and said that the Egmere scheme had only been mentioned 3 times despite there being a clear focus on growth priorities. In fact in the section on 'moving forward', Egmere was not mentioned at all. He concluded by reminding Members that the Overview & Scrutiny Committee had voted unanimously to refer the decision back to Cabinet.

Cllr S Bütikofer said that Cllr Dixon and Cllr Rest had summed up the

- j) It was proposed by Cllr J Lee, seconded by Cllr R Reynolds and

## **RESOLVED**

- a) That the District Council indicates its support for the proposed partnership arrangement between the Victory Housing Trust and the Flagship Housing Group

Limited, subject to the retention of the objectives of Paragraph 18 of the original Transfer Agreement.

- b) To advise that it looks forward to maintaining and further developing the strong relationship it has enjoyed with the Victory Housing Trust under the new partnership arrangements in meeting the housing needs of local communities across North Norfolk into the future.

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

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

- 1) Cabinet – 14 May, 11 June 2018
- 2) Development Committee – 14 June 2018
- 3) Overview & Scrutiny Committee – 23 May 2018
- 4) Governance, Risk & Audit Committee – 27 March 2018

**62. QUESTIONS RECEIVED FROM MEMBERS**

None received

**63. OPPOSITION BUSINESS**

None received

**64. NOTICE OF MOTION**

None received

**65. EXCLUSION OF PRESS AND PUBLIC**

**66. PRIVATE BUSINESS**

**None**

The meeting concluded at 6.48pm

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Chairman

**COUNCIL**  
**RECORDED VOTE FORM**

**Agenda item: 13 Opposition Business**

**Date: 26 September 2018**

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



## CABINET MEMBERS REPORT TO COUNCIL

21<sup>st</sup> November 2018

### **COUNCILLOR ARNOLD - CABINET MEMBER FOR**

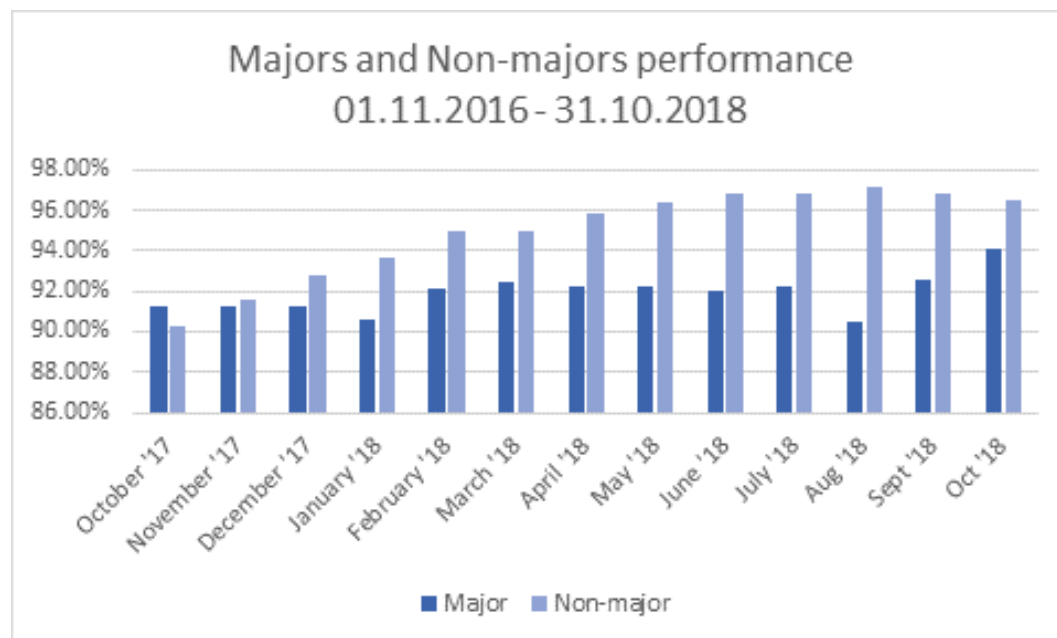
For the period September to November 2018

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

##### Development Management & Major Applications Performance

The Major Applications and Development Management teams strive to deliver quality and speed within the decision making process. Recent performance trends for the teams have exceeded the Government targets for major and non-major applications. Our latest figures for speed of decision stand as majors at 94.1% (90.5% September 2018) and for non-major 96.5% (97.2% September 2018). The Graph below shows the performance trends from October 2017 to October 2018.

Major development, dark blue – non major development light blue



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 is 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 current figure is 0.75% of appeals have been approved (16 appeals being upheld over the two-year period).

National requirements are that no more that 10% of appeals to be approved in a two-year period.

#### Recruitment

Natalie Levett joined the Development Management team in a full time permanent role as a Senior Planning Officer, working with Darryl Watson and Caroline Dodden. Natalie joins the team from Breckland District Council and has over 10 years' professional experience as a planning officer. Our team are delighted to welcome Natalie and will look forward to working with her.

#### Development Management

The Development Manager Sarah Ashurst will be re engaged in the public inquiry enforcement appeal in connection with Beeches Farm, Tunstall which reopens for at 13:00 on 8 November. The Inquiry should be complete by close of business on that day, with a decision expected within six to eight weeks from close.

#### Major Developments

The Council's legal challenge to Justice Ouseley's decision not to allow the appeal for onshore wind turbines at Bodham and Selbrigg to reopen as a public enquiry has been submitted to the Court of Appeal. Support the challenge which seeks to deliver an appeal which demonstrably engages interested parties in this process.

The Council has received notification that the appellant has withdrawn the public inquiry appeal for the large scale residential proposals at Sculthorpe. The withdrawal of this appeal will open up some resources within the team to manage other projects and also save a considerable capital in supporting a second Public Enquiry.

Significant demand is placed on the team in Three National Infrastructure off shore wind energy projects. Geoff Lyon and Counsel Estelle Dehon will be engaged in a week long hearing process to be held in Norwich during the first week of December. Geoff and Estelle will support the council's position in relation to the Ørsted project (Hornsea 3).

This month has seen the delivery a minded to grant decision for the NNDC Splash project at Sherringham, and will also see presentation of the Sandscape application at Bacton to our 29 November planning committee. Both projects continue to run to schedule and have been subject to positive recommendation and outcomes via the major developments team.

### Building Control

The Building Control team continue to provide a good service to the developers within North Norfolk District Council and continue to retain a high market share of just under 90% of the work within the district. Partnership working with architects continues to increase and we now have 22 registered partner clients.

The Building Control Team are up for the LABC National Excellence Awards in November for their partnership working with local architectural firm SMG.

Workload and fee income remains good with the current income levels exceeding budget requirements. Work is now commencing on reviewing the service, staffing requirements and looking at providing future resilience etc.

NNDC Building Control have now signed up to the LABC performance standards and will be looking to implement these over the next few months, this will be undertaken in conjunction with the new back office UNIFORM system being introduced.

We are awaiting an announcement from National Government in the run up to Christmas with some further guidance to proposed changes to the Building Control legislation and service provision following Grenfell, however like most things this seems to be taking a back seat with the ongoing Brexit negotiations taking prominence.

### Local Plan Review

Work is progress well, including a recent meeting of the Working Group which agreed to a paper splitting the delivery of 90% of housing numbers via the strategic sites policies, (February 2019 consultation) and 10% housing delivery via smaller sites allocations (Consultation TBC). The working party also responded to Overview & Scrutiny Rapid review recommendations.

Two Parish & Town Council workshops were run on 30 October and 1 November, the workshops were well attended with over 80 representatives attending the two evenings. Officers were thanked by attendees for the engagement opportunity.

An independent examiner has now checked the Corpusty and Saxthorpe Neighbourhood Plan. The Inspector has asked a number of clarifying questions which will be considered by the Corpusty and Saxthorpe Neighbourhood Plan team and officers. Responses will be received by the examiner who will then consider whether or not to approve the plan. If approved, then the plan will be subject to a referendum. Should the referendum be successful then the plan will become a part of the Development Plan for the area that can guide development in Corpusty and Saxthorpe.

### Conservation, Design & Landscape

The Council have produced Conservation Area Appraisals for the Glaven valley Ward, these include Blakeney, Wiverton and Salthouse. Public consultation was completed on October 22. A good level of responses has been received, Officers and consultants are now reviewing those comments. Once the review is complete the revised draft documents will be reported to Planning Policy & Built Heritage Working Group.

The Graham Allen Awards for 2018 were presented on 4 October, the ceremony was well attended, with excellent support from Conservation and Design Officer Paul Rhymes. Three awards were made

- Church Barn in East Ruston, won the judges' vote this year. The project saw the conversion of a Grade II Listed Barn and the erection of a single-storey extension.
- The prize for Highly Commended went to Wells Maltings, Staithe Street. The project saw the conversion and extension of Grade II Listed Wells Maltings, a high profile building in the town centre, creating a cultural centre and community hub for the public to enjoy.
- 31-34 Market Place, Fakenham; won the Commended prize. The project saw the creation of a mixed use development following fire damage to the former Aldiss building in the town centre.

### Enforcement

Arcady, Cley - officers met with Cllr. Young & Cllr. Ward to update on the further investigatory works undertaken (and scheduled) with a view to rectifying the breaches observed on this site. Officers will be contacting the site owners / agents and issuing a briefing note for those elected members / Parish Chairmen in the near future. Once a final expediency test is completed then officers will advise as to actions arising.

Melton Hall – Chris Young has attended the enforcement appeal site visit with the Appellant and inspector at Melton Hall. Three enforcement notices were considered along with the appellants 3 applications for costs / and the Council's rebuttals. The outcome of those decision is awaited early in the New Year.

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

- Planning Policy & Built Heritage Working Group – 12 November (09:30 Council Chamber).
- Developer & Agent Forum - 15 November (15:00 committee room).
- Development Committee 29 November (09:30 Council Chamber)

<b>3</b>	<b>Meetings attended</b>
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Development Committee meetings Portfolio Holder meetings Planning Policy and Built Heritage working Party Graham Allen Design Award Ceremony Local Plans Duty to Cooperate meeting
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## **CABINET MEMBERS REPORT TO COUNCIL**

**28<sup>th</sup> November 2018**

### **COUNCILLOR ARNOLD - CABINET MEMBER FOR HOUSING**

For the period September to November 2018

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

By the end of October, 60 affordable homes had been completed and it is expected that by the end of March 2019, 138 affordable homes will have been completed or acquired across the district.

The Community Housing Fund team are continuing to engage with communities where at least 10% of homes are second and holiday homes, with community consultation steering groups established in Trimingham and Hickling. Work is continuing with communities to seek land and develop proposals to deliver affordable housing.

Delegated planning permission was approved on 1 November for 43 affordable homes at Laundry Loke site in North Walsham. This scheme will redevelop a brownfield site which is overgrown as well as clearing contamination related to its previous use as a laundry. The design of the change has to address issues of noise in association with the neighbouring business use. This scheme would not come forward other than as an affordable housing scheme and the approval of the scheme reflects effective joint working by Victory Housing Trust with a number of teams across the Council.

Following the decision of Cabinet on 3 September to provide financial support to Housing & Care 21 for the Fakenham Extra Care scheme, it has been agreed that the Council will provide a grant of £212,500 with Norfolk County Council providing a further £212,500. The scheme now therefore has all the grant funding to proceed. It is therefore expected that, subject to the current planning application to make some amendments to the existing approved design of the scheme being approved, that a start on site will be made in January.

## **CABINET MEMBERS REPORT TO COUNCIL**

**21<sup>st</sup> November 2018**

### **COUNCILLOR COX - CABINET MEMBER FOR COAST**

For the period September to November 2018

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

- Coastal Partnership East has directly discussed and inputted into the development of the Committee on Climate Change report on Managing the Coast in a change Climate. The value of the report is that it strongly highlights to government the need to support Local Authorities and Local Communities to find long term solutions for coastlines that are vulnerable to coastal erosion. Please see <https://www.theccc.org.uk/publication/managing-the-coast-in-a-changing-climate/>
- Coastal Partnership East arranged on behalf of the LGThe House of Lords and Coastal Special Interest Group regenerating seaside towns workshop, attended by Cllr Cox and Steve Blatch.
- Mundesley Outline Business Case response received from the Environment Agency, as per normal procedure there are a number of queries for response.
- Bacton to Walcott Sandscaping main works contract tender evaluation underway. Professional Services tender under development. Marine Licence/Planning Applications public consultations completed.
- Bacton Terminal revetment maintenance re started, alternating with maintenance work at revetment maintenance at Ostend, Walcott dependant on tides.
- Finalisation of Sandscaping LEP and Environment Agency Funding underway. INTERREG bid in support of additional sand placement and lesson learned sharing (utilising the NNDC contribution as match funding) submitted.
- 10-year generic licence for Happisburgh completed. Marine and Planning conditions to be discharged prior to movement of rock sill.
- Management of Happisburgh beach access ramp still ongoing. Beach levels are low along much of the coast which exposes the defences and cliffs to greater exposure to the sea.
- Maintenance work ongoing in a number of locations across the frontage, Weybourne Beck Outfall. At this location temporary buoys mark the outfall whilst a Navigation Beacon is prepared.
- Maintenance of Cromer groynes completed.
- NNDC is working with a local landowner, Environment Agency and Internal Drainage Board in developing options for further flood

alleviation at Walcott.

- Cabinet have agreed to proceed with developing a Public Pay and Display Car at Bacton, discussions with the landowner are ongoing.
- Cabinet have agreed to the recruitment of a Coastal Adaptation Officer (to be advertised)
- Cabinet approved the use where appropriate of the Coastal Partnership East Dynamic Purchasing System for NNDC projects.
- Coastal Partnership East have recruited an Assistant Coastal Engineer (start date to be confirmed)
- NNDC, through Coastal Partnership East continues to work with coastal communities along the Norfolk and Suffolk coast including Hemsby.

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

- East Runton ramp improvements
- Relocation of Happisburgh rock sill
- Ongoing maintenance across frontage
- Selection of preferred contractor for Main works contractor
- Tender of Professional Services for Sandscaping
- Responses to Sandscaping consenting consultation queries
- Finalisation of Sandscaping funding (LEP and EA)
- Sandscaping actions (numerous)
- Responses to EA queries on Mundesley OBC
- Development of Adaptation Officer role and job evaluation
- Six Monthly Asset inspection
- Development of business Case for further Walcott flood alleviation

## **3 Meetings attended**

- Sandscaping Local Liaison Group – Cllr Cox/Coastal Manager/Technical Support Officer – 5 September
- Cromer Coast Protection Phase 2 Discussion with Cromer Town Council Planning Committee – Cllr Cox/Coastal Engineer/Coastal Engineering Manager/Coastal Manager/Technical Support Officer – 6 September
- Coastal Manager/Coastal Engineering Manager – Anglian Coastal Monitoring Programme – 13 September
- National Trail Partnership Meeting (Sandscaping Presentation) - Cllr Hilary Cox/Coastal Manager – 19 September
- LGA Coastal Field Trip East Sussex – Cllr Cox/Technical Support Officer/Head of CPE (partial) - 25 – 27 September
- INTERREG 2Seas seminar on funding – Coastal Manager/Senior EA Advisor – 1 October



- Hemsby Community Visit to Happisburgh to view Adaptation– Coastal manager/Coastal Engineer/Technical Support Officer – 3 October
- Historic England Coastal Management Workshop – Head of CPE – 9 October
- Suffolk Coastal Conference – 12 October- Coastal Engineering Manager/Technical Support Officer

## CABINET MEMBERS REPORT TO COUNCIL

21<sup>st</sup> November 2018

### **COUNCILLOR HILARY COX- CABINET MEMBER FOR ENVIRONMENT**

For the period September to November 2018

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

##### **General**

The Business Process Review (BPR) project continues to progress, with several areas beginning to deliver efficiencies and enhanced customer service. The Garden Waste Service has seen a significant number of customer's self-serving using online forms and over 60% of customers using the direct debit system.

We have installed a further release of the Environmental Health IT system which has enabled more services to migrate onto the Assure system and greater functionality for those already using the system. Private Sector Housing are now using the system for everything from HMO licensing, Housing Hazard Rating Safety Scheme inspections to notices and prosecutions.

Following a live pilot, officers the Commercial Team will begin to use the mobile app for food inspections during the November. Officers will undertake the inspection using a tablet device which enables them to share information with the business both during and immediately after the inspection and reduces the need for rekeying information.

##### **Breakdown of Garden Bin Renewal Customer Payments to 17 October;**

**Self Service** = 10,573 payments (59%) of which;  
Online Annual Direct Debit = 9,562 (90%)  
Online one off card payment = 1,011 (10%)

**Assisted Service** = 7,455 (41%) of which;  
Annual Direct Debit = 2,948 (40%)  
Card payment by phone = 1,554 (21%)  
Card payment face to face = 216 (3%)  
Cheques = 2,596 (34%)  
Cash payments = 141 (2%)

Customer Services were able to resolve 78.19% of telephone calls at the first point of contact during the period from 21 June to 17 August.

**Civil Contingencies**

Alison Sayer started as the Resilience Manager for the Council on the 7<sup>th</sup> November. Her previous role was as Principal Resilience Officer for Norfolk County Council and she has a wealth of knowledge and experience relating to both emergency planning and business continuity.

**Combined Enforcement**

Visits to review the properties on the long term empty (LTE) property list was completed by across several teams in preparation for the submission of the annual CTB1 return to Government. This work in combination with work by the Revenues team resulted in a significant reduction in the number of long term empty properties included in the return; at a level below the national average.

**Commercial**

Officers from the Food Standards Agency undertook an audit of the approach the Council takes to programming food inspections. The auditors were satisfied with the plans in place and were impressed with the use the Council will make of technology.

**Environmental Protection**

The team are attending meetings to develop a Norfolk Wide approach to fly tipping based on a successful campaign elsewhere in the country.

The Environmental Protection Rangers have begun a series of high profile patrols in market towns providing both a presence to tackle any ASB such as littering and advice to residents and businesses on any EH issues around compliance.

**Environmental Services**

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

**Public Protection**

Officers have begun to carry out inspections under the recently introduced Animal Welfare Regulation. This new legislation brings together the legislation around a number of animal activities including dog breeding, dog and cat boarding, seeking animals as pets and riding establishments.

**2 Forthcoming Activities and Developments.**

Work regarding the staffing structure in EH, in response to the impending retirement of one of the Team Managers, will take place over the next few months to ensure that we are able to take advantage of the efficiencies that the BPR process is beginning to deliver whilst maintains s the strong team required to deliver services to a high standard.

<b>3 Meetings attended</b>
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Joint Waste Procurement Officer Member Board
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## **CABINET MEMBERS REPORT TO COUNCIL**

**21<sup>st</sup> November 2018**

### **COUNCILLOR DIXON - CABINET MEMBER FOR ECONOMIC DEVELOPMENT BUSINESS AND TOURISM**

For the period September to November 2018

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

##### **Business Support**

The Economic Growth Team proactively works with the business community, providing support for business growth plans and helping to overcome any barriers to growth. Financial year to date, the team has engaged **194** business via business events and has had 'meaningful' engagement with a further **131** 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.

##### **North Walsham Skills Forum**

The North Walsham Skills Forum had its first meeting on 1 November and was hosted by Chell Instruments. This forum brought together representatives from NNDC, local businesses and training providers with a view to achieving a better understanding local training issues within manufacturing / engineering and to explore possible solutions. There is potential to develop an 'employer cluster' which could start the process of creating collaborative training schemes which may help to overcome the lack of local provision.

##### **Tourism**

The Council has sponsored Visit North Norfolk's latest marketing campaign, 'North Norfolk, Naturally'. This campaign started in June 2018 and features ten new thirty second films focussing on the unique aspects of north Norfolk. The films can be seen on [www.visitnorthnorfolk.com](http://www.visitnorthnorfolk.com). The campaign so far has been very successful with nearly **500,000** views of the first four films and yielded a significant increase in website visits.

It is hoped that this work will further support the visitor economy. The recent Economic Impact of Tourism report (2017 data) illustrated a positive picture for North Norfolk. The number of overnight trips has increased by **12%** (against 2016) compared to Norfolk with 6.8% and England at 3%. There

was also a significant uplift in seasonal overnight spend.

### **Deep History Coast**

Design work is currently being finalised for the 'discovery points' which will be placed at prominent locations along the coast. The discovery trail will begin to be installed over the winter.

An agency has been commissioned to develop a marketing strategy for the project. A report has now been drafted and is presently being circulated with relevant stakeholders. This will help to drive this exciting project which will further raise the profile of North Norfolk as a destination and shine a light on the many historic finds that our coastline continues to reveal.

NNDC is keen to use digital tools to tell the stories of our living landscape. The Council has recently learnt that we have been successful in receiving LEADER funding to support the development and delivery of this which will include an 'app' and other digital mediums. This will enable visitors to engage interactively with the local geography, help to bring history alive and encourage visitors to explore the lesser-known parts of the coast. The app is now currently in the development stage.

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

### **Bid Writing Workshops**

On **5 December**, **22 January** and **6 February** NNDC will be delivering further workshops for businesses and community groups who require practical guidance on writing grant and funding applications. These popular workshops (following on from those provided in the spring and summer) will provide tips, tools and techniques to support bids and help signpost funding opportunities for local initiatives.

To book a place on this workshop, organisations should email [grants@north-norfolk.gov.uk](mailto:grants@north-norfolk.gov.uk) or call **01263 516009**

### **Social Recruiting Workshop**

On **27 November** NNDC is offering a FREE two-hour workshop for local businesses on 'social recruiting'. Businesses will be supported with advice and good practice on how to use website and social media accounts, such as Facebook and YouTube, to promote the benefits of working for their organisation.

To book a place on this workshop, organisations should email [economic.growth@north-norfolk.gov.uk](mailto:economic.growth@north-norfolk.gov.uk) or call **01263 516009**

### **Coffee Means Business**

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

The next event is on **15 January** (9:30am-11:30am) at the Fakenham Racecourse. Details can be found at: [www.genix.org.uk](http://www.genix.org.uk) or call **0800 096 3013**.

<b>3</b>	<b>Meetings attended</b>

## **CABINET MEMBERS REPORT TO COUNCIL**

**21<sup>st</sup> November 2018**

**COUNCILLOR JOHN LEE - CABINET MEMBER FOR LEGAL AND DEMOCRATIC SERVICES**

For the period September to November 2018

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

#### **Democratic Services:**

The team has been involved in supporting several training sessions for Members recently including Development Committee training and Budgeting sessions for the Groups.

We are now starting to prepare for the intake of new Members in 2019, working with Member Development Group on planning the induction and with IT on the rollout of new devices.

#### **Legal**

Eastlaw remains on track to deliver its budgeted savings.

Eastlaw have also been shortlisted for Lawyers in Local Government Team of the Year and Emma Duncan has been shortlisted for Governance Lawyer and Legal Professional of the Year.



## CABINET MEMBERS REPORT TO COUNCIL

November 2018

### **COUNCILLOR PALMER - CABINET MEMBER FOR LEISURE, CULTURE, HEALTH & CUSTOMER SERVICES**

For the period 2018 to November 2018

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

##### **Sports and Leisure Facilities**

The Council's sports and leisure facilities continue to perform well. The throughput figure (total visits) for October was 49,023 with a cumulative total of 330,515 visits. This is just over 7,000 visits down on the same time last year which equates to just over 2% down on 2017.

##### **Parkrun**

Sheringham parkrun celebrated its 6<sup>th</sup> birthday on Saturday 3 November with 215 runners participating. Cllrs Becky Palmer and Brian Hannah (Portfolio Holder and Shadow Portfolio Holder for Sport & Leisure respectively) were in attendance to support and assist with the annual prize giving.

Numbers continue to grow and there is now a total of 2,432 registered runners averaging 136.8 runners each week. There has been a total of 313 events, with 7,922 individual runners from 735 clubs taking part in 42,828 runs covering 214,140km.

##### **Countryside**

The Countryside team has been working hard planning its Halloween and Christmas events. At the Halloween event there were over 100 children in attendance. Currently there are over 170 children and 180 adults booked in to see Santa at Holt Country Park.

##### **Pier Pavilion Theatre**

The Pier Pavilion Theatre continues to operate well, with the following figures remaining stable.

Summer	6% down on the same time last year
Christmas	1% down on the same time last year
Concerts	19% up on the same time last year
Hire	0.5% up on the same time last year

### **Sporting Centre of Excellence**

The Council organised its year three launch event at Gresham's School with over 100 young people being inspired by former Olympic Gymnast Craig Heap and Commonwealth athlete Iona Lake. Iona coincidentally is coached by Tim and Pauline Ash who provide the lead running coaching as part of this programme.

### **Sports Development**

The Sports Development team has been busy progressing a new development plan in order to encourage more people aged 5 and upwards to be physically active.

The unit is offering Primary Schools a menu of activity including 'The Daily Mile', 'The Health & Fitness Roadshow' and after school clubs. The team is currently working with Sidestrand, Suffield Park, Mundesley, Cromer Junior, Happisburgh, Aldborough and Stibbard Schools.

### **Culture & Community Support**

Applications closed for the second bid round for Arts and Culture and Community Transport Grants on 26 October with the working group is due to consider 8 applications for funding when they meet in December.

A brief is being developed for the Music Centre of Excellence, for which NNDC has agreed to provide a budget. It will be delivered in partnership with Norfolk Music Hub and Gresham's School. The first event will be a concert by the City of London Sinfonia on 30 March, with outreach opportunities which will engage local young musicians in the performance.

On 29 October, Cabinet approved the extension of the current contract with Mid Norfolk Citizen's Advice for the provision of a district wide advice and information service until the end of March 2020. The extension reflects the fact that Norfolk County Council jointly fund the service and had agreed to extend their funding until the end of March 2020 to align this funding with the ending of other, specialist, advice and information services which they fund.

<b>2</b>	<b>Forthcoming Activities and Developments.</b>
<b>3</b>	<b>Meetings Attended and Meetings Scheduled</b>

## PORTFOLIO REPORT TO COUNCIL

21<sup>st</sup> November 2018

### **COUNCILLOR DUNCAN BAKER - CABINET MEMBER FOR FINANCE, REVENUES & BENEFITS**

For the period September to November 2018.

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

**Autumn budget announcement** – on Monday 29 October the Chancellor made his autumn budget announcements. The Local Government Association provided a useful summary following the announcement and this can be accessed electronically [here](#).

Whilst the majority of the measures do not impact directly on districts there is additional money in the system in respect of Disabled facilities Grants.

There is further business rate relief for small businesses which sees the rateable value threshold increase from £15,000 to £51,000 for 2 years from April 2019. The Council does not lose out on this income as central government pay it back to us through Section 31 grants.

It was also announced that public lavatories will receive 100% relief although this is not due to be implemented until 2020 and again any lost income should be covered by Section 31 grants.

**Localisation of Business Rates** – the date for the announcement in relation to the provisional local government finance settlement is Thursday 6 December. On this date the Council should get confirmation as to whether it has been successful with the countywide business rates pilot application.

**Member training** – the second Member training sessions which were held on the 31 October have now been completed and Duncan has asked me again to thank all of those who were able to attend and I hope you found the sessions useful.

A final session is in the diary following the Overview & Scrutiny meeting on Wednesday 12 December and this is specifically for members of the O&S committee and will focus on effective budget scrutiny in the lead up to the budget setting in February 2019 although all Members are welcome to attend this session if they feel it will be of benefit.

**Medium Term Financial Strategy (MTFS)** – The MTFS has been through pre-Scrutiny and Cabinet and is on this evening's agenda for final approval by

Full Council. This work will be used to inform the budget preparation for 2019/20.

**Budget monitoring 2018/19** – similarly the second budget monitoring report of the year was considered by Cabinet at the end of October and covered the period from April through to the end of September (period 6).

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

**Fair Funding review** – The next consultation is likely to be released alongside the Local Government finance settlement at the start of December. The Council will continue to engage in any developments and further consultation that comes forward in respect of this very important area.

**2019/20 Budget** – the finance team are currently working on pulling the draft budget together for next year and an early cut of this will be going for pre-scrutiny for consideration and discussion in December prior to approval by Full Council in February.

**December reports** – as well as an early draft of next year's budget going to O&S there are also a number of other reports coming forward for consideration in December as follows;

- Council tax discounts – this report considers any changes to council tax discounts for the forthcoming year
- Fees and charges – this report sets the Council's fees and charges for the coming year

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

Nothing further to report.

## PORTFOLIO REPORT TO COUNCIL

21<sup>st</sup> November 2018

### **COUNCILLOR RICHARD PRICE - CABINET MEMBER FOR PROPERTY & ASSET COMMERCIALISATION**

For the period September to November 2018.

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

**Grove Lane Holt** – the Joint Contracts Tribunal (JCT) contract documenting the refurbishment works at Grove Lane and the lease to Fleur Development has now been completed.

Fleur have now started on site and hope to have the work completed by May. The lease, for 15 years, has commenced and the rental charge will commence on 1<sup>st</sup> January 2019.

Our contribution to the works of £232,450 is due on practical completion.

**Egmere** – The lease documentation continues to be progressed with the Walsingham Estate, the prospective tenant and the JCT contract for the construction contractor who will be undertaking the works.

The Corporate Direct and Joint Head of Paid Service (Steve Blatch) and the Estates and Asset Strategy Manager (Renata Garfoot) met with a local company which had previously expressed an interest in the site on 02/11/18. The meeting was useful in terms of understanding their current position but at present the business has no immediate requirements for additional space although there may be a requirement for additional parking provision for the company once the road infrastructure has been provided.

The company did however see the Council's investment as very positive, suggesting that the fact that there would be serviced land available would make it easier for the local management team to make a case for further investment at Egmere relative to other sites in the future.

Officers are also in the process of drafting an expression of interest submission in respect of the Enterprise Zone Accelerator Fund.

Furthermore the Crown Estate has recently advised that they are prepared to receive expressions of interest from operators of existing wind farm developments for extensions of such developments.

The Crown Estate will publish the successful applicants for extensions,

hopefully including both Dudgeon and Scira, and the further process before the projects can be granted rights to the seabed areas. The extensions could be up to the same size as the existing wind farm in terms of capacity, namely 317MW for Scira and 402MW for Dudgeon, while the areas might be bigger than the existing wind farms to allow for more optimal layout.

The extension areas will be located as follows:

Dudgeon: partly to the north west of the Dudgeon Offshore Wind Farm and partly to the south east

Scira: northern side of existing Scira, stretching from a bit west of Scira to a bit east of Scira.

This is the first step of a long process and the applications do only refer to the offshore areas.

I believe that any extension of these existing wind farms off the North Norfolk Coast will provide new opportunities for us to at the very least present a case for further development of support facilities in North Norfolk.

**Highfield Road car park, Fakenham** – works in relation to the resurfacing of this car park commenced in respect of Highfield Road on 20<sup>th</sup> September. The works are due for completion by the end of the month along with the works to the public conveniences.

**Cromer pier** – initial works to the pier substructure have commenced and the steel has been ordered. The physical works are due to commence shortly and will be a pre-cursor to the works to the theatre roof which are scheduled for early in the New Year before the next shows start.

**Small electrical works** – tenders are currently being assessed in respect of a new contract to cover small electrical works. The focus will be on works below £10,000 and once let will provide cover not only during the working week but also out of ours in the evenings and weekends as well as required. The contract will initially run for 3 years with the potential for a further 2 year extension and will be in operation from next year.

**Public convenience improvements** – following approval by Cabinet to implement a refurbishment programme on some of the public convenience facilities in most need of updating, officers will be working up designs and work programmes 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.

**Cromer office roof works** – at the last Cabinet meeting funding was agreed to undertake the works required to the glulam beams and roof glazing at the main administrative office in Cromer. The works are due to start at the end of November and the programme is scheduled to run for approximately 52 weeks.

<b>2 Forthcoming Activities and Developments.</b>
<p><b>Asset condition surveys</b> – a tender document and specification for phase 1 of the rolling programme has been issued, seeking suitably qualified consultants to undertake condition surveys on the Council's property assets to update surveys previously undertaken. This rolling programme undertaken over a 5 year period. 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).</p> <p><b>Public convenience opening hours</b> – Cabinet approved the winter opening for the facilities at East Runton and Cart Gap for this coming winter and a further report is to be considered by Overview and Scrutiny in relation to the opening hours for the remainder of the portfolio. Any changes approved will be fed into the budget considerations for potential implementation for next season.</p>
<b>3 Meetings attended (as part of Portfolio responsibilities)</b>
Nothing further to report.

**Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018 – Changes to Licensing Arrangements for Animal Based Businesses**

Summary: To update and inform members on the Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018 and the forthcoming changes in the way in which animal boarding, dog breeding, pet shops, and riding establishments are licensed and the commencement of the licensing of the keeping of animals for exhibition.

Conclusions: N.A

Recommendations: 1. That the report be noted for information and conditions set out by statute are agreed.  
2. That the proposed fee structure is noted and recommended to Cabinet and Full Council in line with the Authority’s fee setting structure.

Cabinet Member(s) Councillor Hillary Cox – Portfolio Holder Councillor Simon Hester - Chair of the Licensing Committee	Ward(s) affected - All
Contact Officer, telephone number and email: Gemma Faircloth 01263 516139 <a href="mailto:gemma.faircloth@north-norfolk.gov.uk">gemma.faircloth@north-norfolk.gov.uk</a>	

**1. Introduction**

1.1 The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 will come in to force on 1 October 2018. The information in this report is based on the regulations and the (currently) draft guidance issued in June 2018), and whilst further significant changes are not anticipated, they may be subject to amendments. If a final guidance has been published by the date of the Committee officers will update on any changes.

1.2 The Council is at present responsible for the regulation of a variety of animal-related businesses, as well as the keeping of specified dangerous animals by individuals. The licence types currently issued by the Council are:

- **Animal boarding establishment licences** (for businesses accommodating dogs or cats – e.g. kennels, catteries, home boarders, pet day care)
- **Dog breeding establishment licences** (premises used for, or in connection with, the commercial breeding of dogs)



- **Pet shop licences** (any business which keeps animals with a view to selling them as pets)
- **Riding establishment licences** (premises which keep gorses and ponies for the hire for riding or for riding tuition – excluding livery stables)
- **Zoo licences and Dangerous Wild Animal licences** (licences are also issued by the Council for these activities, however they will continue to be covered by specific legislation and are not included in the new Regulations)

1.3 The current number of licences issued by North Norfolk District Council are as follows;

Number	Licence Type	Duration / Expiry
20	Animal boarding establishment (including home and day care)	One year / expiry on anniversary of grant of licence
5	Pet Shop	One year / expiry on 31 December each year
5	Riding establishments	One year / expiry on anniversary of grant of licence
3	Dog breeding	One year / expiry on anniversary of grant of licence

1.4 In addition to the licences issued by North Norfolk District Council, Norfolk County Council is currently responsible for registering any performing animals based within the county, this function will pass to the District Council for those registered in the District.

1.5 The new regulations provide for the licensing of persons involved in England in selling animals as pets, providing or arranging for the provision of boarding for cats or dogs, hiring out horses, breeding dogs and keeping or training animals for exhibition. This replaces the requirement in England, to be registered under the Performing Animals (Regulation) act 1925 or to obtain a licence under the Pet Animals Act 1951; the Animal Boarding Establishments Act 1963; the Riding Establishments Act 1964 or the Breeding of Dogs Act 1973.

1.6 The Regulations provide for local authorities to be the licensing authorities. Any person wishing to carry on any of these activities in England must obtain a licence from their local authority. Carrying on any of these activities without a licence would commit an offence and that person would be liable to imprisonment for up to six months, a fine or both.

## 2 Forthcoming Changes:

2.1 The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 define the animal based activities that require licences as follows:

- Selling animals as pets (or with a view to their being later resold as pets) in the course of a business including keeping animals in the course of a business with a view to their being so sold or resold.

- Providing or arranging for the provision of accommodation for other people's cats or dogs in the course of a business on any premises where the provision of that accommodation is a purpose of the business.
  - Hiring out horses in the course of a business for either riding, instruction in riding, or both.
  - Breeding three or more litters of puppies in any 12-month period; or breeding dogs and advertising a business of selling dogs.
  - Keeping or training animals for exhibition in the course of a business for educational or entertainment purposes, either to any audience attending in person, or by the recording of visual images of them by any form of technology, or both.
- 2.2 There are overarching General conditions and Specific conditions relating to each animal activity laid out in the Regulations, as opposed to these being locally set or based on Chartered Institute of Environmental Health (CIEH) model conditions. The proposed conditions, set by statute, can be seen within **Annexes 1 to 1E**. All new licences issued from 1 October 2018, under these Regulations will contain these nationally set conditions. The first expected renewal under the new regulations for this Authority relates to an animal boarding establishment where the current licence expires on 20 November 2018.
- 2.3 Existing licences that are issued up to the 30 September 2018, will continue until their stated expiry dates and will then be renewed under the new regulations.
- 2.4 The Regulations provide for a licence to be granted or renewed for a period of one, two or three years in respect of that activity. The local authority must have regard to Secretary of State guidance as may be issued, having regard to the following when determining the period of licence: the risk of an operator breaching any licence conditions; the impact on animal welfare on any such breaches; and whether the operator is already meeting higher standards of animal welfare than are required by the licence conditions. Local authorities will be required to use a national risk-based assessment system.

### **3. Inspection Process**

- 3.1 The new regime requires a 'qualified inspector' to carry out the inspections, and in the case of the grant of a dog breeding establishment and at grant and renewal of horse riding establishments they must be accompanied by a veterinary surgeon who must be listed with the Royal College of Veterinary Surgeons.
- 3.2 A 'qualified inspector' must hold a Level 3 certificate in the Professional Programme in Inspecting Licensable Activities Involving Animals. Courses are in the process of being set up, these will be run over 4 days and include an assessed element. Officers will require this training to continue carrying out inspections, however, transitional arrangements are in place but the training must be completed no later than October 2021. If an inspector is not available, then a qualified veterinary surgeon must carry out the inspection.
- 3.3 Under the new arrangements, the inspection process will be much more comprehensive, and will provide the premises with a 'risk rating'. This process will establish whether the business is 'low risk' or 'higher risk' based on the level to which it meets the standards set out in regulations and guidance. It will be awarded a rating of between one and five, which will determine the length of the licence (with the exception of 'Keeping and Training Animals for Exhibition' for which all licences will be issued for

3 years as default). The rating will be displayed on the licence and included in the Council's public register, published on the North Norfolk District Council website.

- 3.4. Businesses established as higher risk will be able to attain a rating between one and four. If a one or two rating is issued they will receive a one-year licence, and can expect a minimum of one unannounced visit during that period. If a four rating is attained, the licence will be issued for two years, and the licence holder can expect one unannounced visit during the two-year period.
- 3.5. Lower risk businesses can be issued a licence for any period between one and three years and receive a rating of one, three or five. Licence holders can expect a minimum of one unannounced visit at any time during the period specified on the licence.
- 3.6. The published draft guidance advises that if a business is certified by UKAS-accredited body to operate animal welfare certification, it should be considered low risk and receive the higher rating, unless there is evidence of poor animal welfare or non-compliance. Existing businesses that are not certified must be assessed using a risk scoring table – also set out in the guidance – to ascertain their score, and from this, their rating. New businesses that are not certified will automatically be considered high risk as they have no operational history.
- 3.7. Operators of businesses will be able to appeal their risk rating, or request a reassessment if they have made improvements.

#### **4. Publicising the Changes**

- 4.1 Information will shortly be updated on the North Norfolk District Council's website, detailing the changes and the new conditions. We have been advising as required, using the draft guidance, where enquiries have been received.

#### **5. Fees**

- 5.1 The animal licensing scheme falls within the definition of 'services', and is subject to the EU Services Directive, incorporated into UK law as the Provision of Services Regulations 2009.
- 5.2 The Authority can charge such fees as it considers necessary for;
  - The consideration of an application, for the grant, renewal or variation of a licence, including any inspection relating to that consideration
  - Reasonable anticipated costs of consideration of a licence holder's compliance (including inspection)
  - Reasonable costs of enforcement in relation to any licensable activity of an unlicensed operator
  - Reasonable anticipated costs of compliance for provision of information to the Secretary of State
- 5.3 It is proposed that the fee is split to include an 'application' fee, which would cover the reasonable costs in relation to considering and determining the application and the 'licence' fee which covers the ongoing enforcement and compliance requirements. These fees would be based on the anticipated officer time to examine the application documentation, the assessment/inspection and administrative requirements for determining and issuing the licence and for consideration of compliance using an officer

hourly rate of £30.00. This is in line with previous fee setting and is in accordance with relevant regulations.

5.4 **Please note;** more detailed fees and charges documentation will follow the report and be provided, as **Annex 2**, ahead of the Licensing and Appeals Committee meeting. It has not been possible to produce this to accompany the report as it was hoped that national guidance would be issued with regard to fee setting and this has not happened. It may, therefore, be necessary for the proposed fees and charges to be amended in the future if further national guidance is released.

5.5 Until such fees have been approved in accordance with the Council's fee setting process the council will continue to charge the current stated fee for each of the animal licencing activity. For Keeping Animals for Exhibition, Norfolk County Council currently charge is £80.00. It is anticipated that the Fees will be approved at Full Council on the 15 November 2018 following submission to Cabinet on the 2 October 2018.

## 6. Options and Recommendations

6.1 Members are asked to;

6.1.1 Note the information in the report and confirm the statutory conditions to be applied to licence from 1 October 2018

6.1.2 Recommend the proposed fees for Cabinet and Full Council in line with the Council's fee setting process.

## 7 Implications

7.1 In preparing this report, the author has considered the likely implications of the decision, where there may be implications these are identified below under the headings below.

7.2 The report is to update and inform Committee members regarding the new Regulations which will be enforced by the local authority as the licensing authority.

7.3 The information provided in this report is given as a result of the publication of draft guidance at this time. Should there be any further changes or clarifications which impact on the proposed approach after the date of the Committee, officers will make amendments in consultation with the Chair of Licensing and Appeals Committee and the Head of Environmental Health.

## 8. Financial Implications and Risks

8.1 There will be an additional burden on the authority, in terms of officer time, in implementing the legislation and making the necessary changes to procedures, database, website, forms, officer training etc.

8.2 A new fee structure will be implemented.

## 9. Sustainability

9.1 There are no identified issues relating to sustainability arising from this report.

## **10. Equality and Diversity / Human Rights**

- 10.1 An impact assessment was carried out by DEFRA prior to the publication of the draft Regulations. It is the opinion of the report author that there will be no adverse effect on the equality, diversity or human rights of any individual.

## **11. Section 17 Crime and Disorder Considerations**

- 11.1 The new Regulations will simplify the licensing framework for animal establishments and activities, and create criminal offences for breach of conditions and obstruction of officers.

## **12. Constitution & Legal**

- 12.1 When the final Regulations are published the team will be properly authorised for the purposes of enforcement under the legislation. The Legal Services Manager has been consulted.

## **13. Corporate Priorities**

- 13.1 The animal welfare licensing framework serves to ensure that the welfare and safety of animals and the public is maintained. It also ensures that there is a fair trading environment for businesses. The new licensing scheme will be implemented to ensure that it is customer friendly and digital where possible.

## **14 Acronyms**

- 14.1 DEFRA – Department for Environment Food and Rural Affairs  
14.2 CIEH - Chartered Institute of Environmental Health

## **15. Background Papers**

- 15.1 The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018; <https://www.legislation.gov.uk/ukdsi/2018/9780111165485>

**1. Licence display**

- (1) A copy of the licence must be clearly and prominently displayed on any premises on which the licensable activity is carried on.
- (2) The name of the licence holder followed by the number of the licence holder's licence must be clearly and prominently displayed on any website used in respect of the licensable activity.

**2. Records**

- (1) The licence holder must ensure that at any time all the records that the licence holder is required to keep as a condition of the licence are available for inspection by an inspector in a visible and legible form or, where any such records are stored in electronic form, in a form from which they can readily be produced in a visible and legible form.
- (2) The licence holder must keep all such records for at least three years beginning with the date on which the record was created.

**3. Use, number and type of animal**

- (1) No animals or types of animal other than those animals and types of animal specified in the licence may be used in relation to the relevant licensable activity.
- (2) The number of animals kept for the activity at any time must not exceed the maximum that is reasonable taking into account the facilities and staffing on any premises on which the licensable activity is carried on.

**4. Staffing**

- (1) Sufficient numbers of people who are competent for the purpose must be available to provide a level of care that ensures that the welfare needs of all the animals are met.
- (2) The licence holder or a designated manager and any staff employed to care for the animals must have competence to identify the normal behaviour of the species for which they are caring and to recognise signs of, and take appropriate measures to mitigate or prevent, pain, suffering, injury, disease or abnormal behaviour.
- (3) The licence holder must provide and ensure the implementation of a written training policy for all staff.

**5. Suitable environment**

- (1) All areas, equipment and appliances to which the animals have access must present minimal risks of injury, illness and escape and must be constructed in materials that are robust, safe and durable, in a good state of repair and well maintained.
- (2) Animals must be kept at all times in an environment suitable to their species and condition (including health status and age) with respect to—
  - (a) their behavioural needs,
  - (b) its situation, space, air quality, cleanliness and temperature,
  - (c) the water quality (where relevant),
  - (d) noise levels,
  - (e) light levels,

(f) ventilation.

- (3) Staff must ensure that the animals are kept clean and comfortable.
- (4) Where appropriate for the species, a toileting area and opportunities for toileting must be provided.
- (5) Procedures must be in place to ensure accommodation and any equipment within it is cleaned as often as necessary and good hygiene standards are maintained and the accommodation must be capable of being thoroughly cleaned and disinfected.
- (6) The animals must be transported and handled in a manner (including for example in relation to housing, temperature, ventilation and frequency) that protects them from pain, suffering, injury and disease.
- (7) All the animals must be easily accessible to staff and for inspection and there must be sufficient light for the staff to work effectively and observe the animals.
- (8) All resources must be provided in a way (for example as regards frequency, location and access points) that minimises competitive behaviour or the dominance of individual animals.
- (9) The animals must not be left unattended in any situation or for any period likely to cause them distress.

## **6. Suitable diet**

- (1) The animals must be provided with a suitable diet in terms of quality, quantity and frequency and any new feeds must be introduced gradually to allow the animals to adjust to them.
- (2) Feed and (where appropriate) water intake must be monitored, and any problems recorded and addressed.
- (3) Feed and drinking water provided to the animals must be unspoilt and free from contamination.
- (4) Feed and drinking receptacles must be capable of being cleaned and disinfected, or disposable.
- (5) Constant access to fresh, clean drinking water must be provided in a suitable receptacle for the species that requires it.
- (6) Where feed is prepared on the premises on which the licensable activity is carried on, there must be hygienic facilities for its preparation, including a working surface, hot and cold running water and storage.

## **7. Monitoring of behaviour and training of animals**

- (1) Active and effective environmental enrichment must be provided to the animals in inside and any outside environments.
- (2) For species whose welfare depends partly on exercise, opportunities to exercise which benefit the animals' physical and mental health must be provided, unless advice from a veterinarian suggests otherwise.

- (3) The animals' behaviour and any changes of behaviour must be monitored and advice must be sought, as appropriate and without delay, from a veterinarian or, in the case of fish, any person competent to give such advice if adverse or abnormal behaviour is detected.
- (4) Where used, training methods or equipment must not cause pain, suffering or injury.
- (5) All immature animals must be given suitable and adequate opportunities to—
  - (a) learn how to interact with people, their own species and other animals where such interaction benefits their welfare, and
  - (b) become habituated to noises, objects and activities in their environment.

## **8. Animal handling and interactions**

- (1) All people responsible for the care of the animals must be competent in the appropriate handling of each animal to protect it from pain, suffering, injury or disease.
- (2) The animals must be kept separately or in suitable compatible social groups appropriate to the species and individual animals and no animals from a social species may be isolated or separated from others of their species for any longer than is necessary.
- (3) The animals must have at least daily opportunities to interact with people where such interaction benefits their welfare.

## **9. Protection from pain, suffering, injury and disease**

- (1) Written procedures must—
  - (a) be in place and implemented covering—
    - (i) feeding regimes,
    - (ii) cleaning regimes,
    - (iii) transportation,
    - (iv) the prevention of, and control of the spread of, disease,
    - (v) monitoring and ensuring the health and welfare of all the animals,
    - (vi) the death or escape of an animal (including the storage of carcasses);
  - (b) be in place covering the care of the animals following the suspension or revocation of the licence or during and following an emergency.
- (2) All people responsible for the care of the animals must be made fully aware of these procedures.
- (3) Appropriate isolation, in separate self-contained facilities, must be available for the care of sick, injured or potentially infectious animals.
- (4) All reasonable precautions must be taken to prevent and control the spread among the animals and people of infectious diseases, pathogens and parasites.
- (5) All excreta and soiled bedding for disposal must be stored and disposed of in a hygienic manner and in accordance with any relevant legislation.
- (6) Sick or injured animals must receive prompt attention from a veterinarian or, in the case of fish, an appropriately competent person and the advice of that veterinarian or, in the case of fish, that competent person must be followed.



- (7) Where necessary, animals must receive preventative treatment by an appropriately competent person.
- (8) The licence holder must register with a veterinarian with an appropriate level of experience in the health and welfare requirements of any animals specified in the licence and the contact details of that veterinarian must be readily available to all staff on the premises on which the licensable activity is carried on.
- (9) Prescribed medicines must be stored safely and securely to safeguard against unauthorised access, at the correct temperature, and used in accordance with the instructions of the veterinarian.
- (10) Medicines other than prescribed medicines must be stored, used and disposed of in accordance with the instructions of the manufacturer or veterinarian.
- (11) Cleaning products must be suitable, safe and effective against pathogens that pose a risk to the animals and must be used, stored and disposed of in accordance with the manufacturer's instructions and used in a way which prevents distress or suffering of the animals.
- (12) No person may euthanase an animal except a veterinarian or a person who has been authorised by a veterinarian as competent for such purpose or—
  - (a) in the case of fish, a person who is competent for such purpose;
  - (b) in the case of horses, a person who is competent, and who holds a licence or certificate, for such purpose.
- (13) All animals must be checked at least once daily and more regularly as necessary to check for any signs of pain, suffering, injury, disease or abnormal behaviour and vulnerable animals must be checked more frequently.
- (14) Any signs of pain, suffering, injury, disease or abnormal behaviour must be recorded and the advice and further advice (if necessary) of a veterinarian (or in the case of fish, of an appropriately competent person) must be sought and followed.

## **10. Emergencies**

- (1) A written emergency plan, acceptable to the local authority, must be in place, known and available to all the staff on the premises on which the licensable activity is carried on, and followed where necessary to ensure appropriate steps are taken to protect all the people and animals on the premises in case of fire or in case of breakdowns of essential heating, ventilation and aeration or filtration systems or other emergencies.
- (2) The plan must include details of the emergency measures to be taken for the extrication of the animals should the premises become uninhabitable and an emergency telephone list that includes the fire service and police.
- (3) External doors and gates must be lockable.
- (4) A designated key holder with access to all animal areas must at all times be within reasonable travel distance of the premises and available to attend in an emergency.

### **A1. Interpretation**

In this Schedule—

- “prospective owner” means a person purchasing an animal to keep or to be kept as a pet;
- “premises” means the premises on which the licensable activity of selling animals as pets (or with a view to their being later resold as pets) is carried on;
- “purchaser” means a person purchasing an animal to keep as a pet or with a view to it later being resold as a pet.

### **A2. Records and advertisements**

- (1) A register must be maintained for all the animals or, in the case of fish, all the groups of fish, on the premises which must include —
  - (a) the full name of the supplier of the animal,
  - (b) the animal’s sex (where known),
  - (c) (except in the case of fish) the animal’s age (where known),
  - (d) details of any veterinary treatment (where known),
  - (e) the date of birth of the animal or, if the animal was acquired by the licence holder, the date of its acquisition,
  - (f) the date of the sale of the animal by the licence holder, and
  - (g) the date of the animal’s death (if applicable).
- (2) Where an animal is undergoing any medical treatment—
  - (a) this fact must be clearly indicated—
    - (i) in writing next to it, or
    - (ii) (where appropriate) by labelling it accordingly, and
  - (b) it must not be sold.
- (3) Any advertisement for the sale of an animal must—
  - (a) include the number of the licence holder’s licence,
  - (b) specify the local authority that issued the licence,
  - (c) include a recognisable photograph of the animal being advertised,
  - (d) (except in the case of fish) display the age of the animal being advertised,
  - (e) state the country of residence of the animal from which it is being sold, and
  - (f) state the country of origin of the animal.

### **A3. Prospective sales: pet care and advice**

- (1) The licence holder and all staff must ensure that any equipment and accessories being sold with an animal are suitable for the animal.
- (2) The licence holder and all staff must ensure that the prospective owner is provided with information on the appropriate care of the animal including in relation to—
  - (a) feeding,
  - (b) housing,
  - (c) handling,
  - (d) husbandry,
  - (e) the life expectancy of its species,
  - (f) the provision of suitable accessories, and
  - (g) veterinary care.

- (3) Appropriate reference materials on the care of all animals for sale must be on display and provided to the prospective owner.
- (4) The licence holder and all staff must have been suitably trained to advise prospective owners about the animals being sold.
- (5) The licence holder and all staff must ensure that the purchaser is informed of the country of origin of the animal and the species, and where known, the age, sex and veterinary record of the animal being sold.

#### **A4. Suitable accommodation**

- (1) Animals must be kept in housing which minimises stress including from other animals and the public.
- (2) Where members of the public can view or come into contact with the animals, signage must be in place to deter disturbance of the animals.
- (3) Dangerous wild animals (if any) must be kept in cages that are secure and lockable and appropriate for the species.
- (4) For the purposes of sub-paragraph (3), “dangerous wild animal” means an animal of a kind specified in the first column of the Schedule to the Dangerous Wild Animals Act 1976(a).

#### **A5. Purchase and sale of animals**

- (1) The purchase, or sale, by or on behalf of the licence holder of any of the following is prohibited—
  - (a) unweaned mammals;
  - (b) mammals weaned at an age at which they should not have been weaned;
  - (c) non-mammals that are incapable of feeding themselves;
  - (d) puppies, cats, ferrets or rabbits, aged under 8 weeks.
- (2) The sale of a dog must be completed in the presence of the purchaser on the premises.

#### **A6. Protection from pain, suffering, injury and disease**

- (1) All animals for sale must be in good health.
- (2) Any animal with a condition which is likely to affect its quality of life must not be moved, transferred or offered for sale but may be moved to an isolation facility or veterinary care facility if required until the animal has recovered.
- (3) When arranging for the receipt of animals, the licence holder must make reasonable efforts to ensure that they will be transported in a suitable manner.
- (4) Animals must be transported or handed to purchasers in suitable containers for the species and expected duration of the journey.

**Conditions specific to providing boarding for cats or dogs****PART 1: Providing boarding for cats****B1. Interpretation**

In this Part—

“cat unit” means the physical structure and area that comprises a sleeping area and an exercise run;

“exercise run” means an enclosed area forming part of the cat unit attached to and with direct and permanent access to the sleeping area;

“premises” means the premises on which the licensable activity of providing boarding for cats is carried on.

**B2. Suitable environment**

- (1) Cats within the premises must be prevented from coming into direct contact with other animals from outside the premises.
- (2) There must be a safe, secure, waterproof roof over the entire cat unit.
- (3) A cat unit may only be shared by cats from the same household.
- (4) Communal exercise areas are not permitted.
- (5) Each cat unit must be clearly numbered and there must be a system in place which ensures that information about the cat or cats in each cat unit is available to all staff and any inspector.
- (6) Each cat unit must provide the cat with sufficient space to—
  - (a) walk,
  - (b) turn around,
  - (c) stand on its hind legs,
  - (d) hold its tail erect,
  - (e) climb,
  - (f) rest on the elevated area, and
  - (g) lie down fully stretched out,without touching another cat or the walls.
- (7) Each cat unit must have sufficient space for each cat to sit, rest, eat and drink away from the area where it urinates and defecates.
- (8) Cats must have constant access to their sleeping area.
- (9) A litter tray and safe and absorbent litter material must be provided at all times in each cat unit and litter trays must be regularly cleaned and disinfected.
- (10) Each cat unit must include an elevated area.
- (11) Adjoining cat units must have solid barriers covering the full height and full width of the adjoining wall.
- (12) Any gaps between cat units must be a minimum of 0.6 metres wide.

(13) Any cat taken out of a cat unit must be secured in a suitable carrier.

(14) The sleeping area must form part of the cat unit and be free from draughts.

### **B3. Monitoring of behaviour and training of cats**

- (1) There must be an area within each cat unit in which the cat can avoid seeing other cats and people outside the cat unit if it so chooses.
- (2) Each cat unit must include a facility for scratching and any surface within a cat unit available for scratching must either be disinfected between uses by different cats or disposed of.
- (3) All cats must be provided with toys or feeding enrichment (or both) unless advice from a veterinarian suggests otherwise.
- (4) All toys and other enrichment items must be checked daily to ensure they remain safe and must be cleaned and disinfected at least weekly.

### **B4. Records**

A register must be kept of all the cats on the premises which must include—

- (a) the dates of each cat's arrival and departure,
- (b) each cat's name, age, sex, neuter status and a description of it or its breed,
- (c) each cat's microchip number, where applicable,
- (d) the number of any cats from the same household,
- (e) a record of which cats (if any) are from the same household,
- (f) the name, postal address, telephone number (if any) and email address (if any) of the owner of each cat and emergency contact details,
- (g) in relation to each cat, the name, postal address, telephone number and email address of a local contact in an emergency,
- (h) the name and contact details of each cat's normal veterinarian and details of any insurance relating to the cat,
- (i) details of each cat's relevant medical and behavioural history, including details of any treatment administered against parasites and restrictions on exercise,
- (j) details of each cat's diet and related requirements,
- (k) any required consent forms,
- (l) a record of the date or dates of each cat's most recent vaccination, worming and flea treatments, and
- (m) details of any medical treatment each cat is receiving.

### **B5. Protection from pain, suffering, injury and disease**

- (1) A cat must remain in its assigned cat unit, except when it is moved to an isolation cat unit or to a holding cat unit.
- (2) Where any other activity involving animals is undertaken on the premises, it must be kept entirely separate from the area where the activity of providing boarding for cats takes place.
- (3) All equipment must be cleaned and disinfected before a cat is first introduced into a cat unit.
- (4) A preventative healthcare plan agreed with the veterinarian with whom the licence holder has registered under paragraph 9(8) of Schedule 2 must be implemented.

- (5) A holding cat unit must only be used in an emergency and must not be used for longer than is necessary and in any event for no longer than a total of 12 hours in any 24-hour period.
- (6) In this paragraph, “holding cat unit” means a cat unit, separate from any other cat unit, in which a cat may be housed temporarily.

## **PART 2: Providing boarding in kennels for dogs**

### **B6. Interpretation**

In this Part—

“exercise run” means an enclosed area forming part of a kennel unit attached to and with direct access to the sleeping area;

“kennel unit” means the physical structure and area that consists of a sleeping area and an exercise run;

“premises” means the premises on which the licensable activity of providing boarding in kennels for dogs is carried on.

### **B7. Suitable environment**

- (1) Dogs within the premises must be prevented from coming into contact with other animals from outside the premises.
- (2) In each kennel unit, the sleeping area must—
  - (a) be free from draughts;
  - (b) provide the dog with sufficient space to—
    - (i) sit and stand at full height,
    - (ii) lie down fully stretched-out,
    - (iii) wag its tail,
    - (iv) walk, and
    - (v) turn around,without touching another dog or the walls;
  - (c) have a floor area which is at least twice the area required for the dog in it to lie flat; and
  - (d) if built after the date on which these Regulations come into force, have a floor area of at least 1.9 square metres.
- (3) Each kennel unit must be clearly numbered and there must be a system in place which ensures that information about the dog or dogs in each kennel unit is available to all staff and any inspector.
- (4) Each dog must have constant access to its sleeping area.
- (5) Each dog must have a clean, comfortable and warm area within its sleeping area where it can rest and sleep.
- (6) Each exercise run must have a single, safe, secure, waterproof roof over a minimum of half its total area.
- (7) Where a dog poses a health or welfare risk to other dogs, it must be kept on its own in a kennel unit and, if that kennel unit adjoins another kennel unit, any adjoining wall must be of full height and width so as to prevent the dog from coming into physical contact with any other dog.

(8) Only dogs from the same household may share a kennel unit.

#### **B8. Monitoring of behaviour and training**

- (1) Any equipment that a dog is likely to be in contact with and any toy provided must not pose a risk of pain, suffering, disease or distress to the dog and must be correctly used.
- (2) All dogs must be provided with toys or feeding enrichment (or both) unless advice from a veterinarian suggests otherwise.
- (3) All toys and other enrichment items must be checked daily to ensure they remain safe and must be cleaned and disinfected at least weekly.
- (4) Each dog must be exercised at least once daily away from its kennel unit as appropriate for its age and health.
- (5) Any dog which, on the advice of a veterinarian, cannot be exercised must be provided with alternative forms of mental stimulation.
- (6) There must be an area within each kennel unit in which a dog can avoid seeing people and other dogs outside the kennel unit if it so chooses.

#### **B9. Records**

- (1) A register must be kept of all the dogs on the premises which must include—
  - (a) the dates of each dog's arrival and departure;
  - (b) each dog's name, age, sex, neuter status, microchip number and a description of it or its breed;
  - (c) the number of any dogs from the same household;
  - (d) a record of which dogs (if any) are from the same household;
  - (e) the name, postal address, telephone number (if any) and email address (if any) of the owner of each dog and emergency contact details;
  - (f) in relation to each dog, the name, postal address, telephone number and email address of a local contact in an emergency;
  - (g) the name and contact details of the dog's normal veterinarian and details of any insurance relating to the dog;
  - (h) details of each dog's relevant medical and behavioural history, including details of any treatment administered against parasites and restrictions on exercise;
  - (i) details of the dog's diet and related requirements;
  - (j) any required consent forms;
  - (k) a record of the date or dates of each dog's most recent vaccination, worming and flea treatments;
  - (l) details of any medical treatment each dog is receiving.
- (2) When outside the premises, each dog must wear an identity tag which includes the licence holder's name and contact details.

#### **B10. Protection from pain, suffering, injury and disease**

- (1) Where any other activity involving animals is undertaken on the premises, it must be kept entirely separate from the area where the activity of providing boarding for dogs in kennels takes place.
- (2) A preventative healthcare plan agreed with the veterinarian with whom the licence holder has registered under paragraph 9(8) of Schedule 2 must be implemented.

- (3) A holding kennel unit must only be used in an emergency and must not be used for longer than is necessary and in any event for no longer than a total of 12 hours in any 24-hour period.
- (4) In sub-paragraph (3), “holding kennel unit” means a kennel unit, separate from any other kennel unit, in which a dog may be housed temporarily.

### **PART 3: Providing home boarding for dogs**

#### **B11. Interpretation**

In this Part—

“designated room” means a room within the home allocated to a dog;

“home” means a domestic dwelling on which the licensable activity of providing home boarding for dogs is carried on.

#### **B12. Home**

- (1) Dogs must be accommodated within the home.
- (2) The home must include—
  - (a) direct access to a private, non-communal, secure and hazard-free external area, and
  - (b) at least two secure physical barriers between any dog and any entrance to or exit from it.

#### **B13. Suitable environment**

- (1) Dogs from different households may only be boarded at the same time with the written consent of every owner.
- (2) Each dog must be provided with its own designated room where it can, if necessary, be kept separate from other dogs.
- (3) Each dog must have a clean, comfortable and warm area within its designated room where it can rest and sleep.
- (4) Each designated room must have a secure window to the outside that can be opened and closed as necessary.
- (5) A dog must not be confined in a crate for longer than three hours in any 24-hour period.
- (6) A dog must not be kept in a crate unless—
  - (a) it is already habituated to it,
  - (b) a crate forms part of the normal routine for the dog, and
  - (c) the dog’s owner has consented to the use of a crate.
- (7) Any crate in which a dog is kept must be in good condition and sufficiently large for the dog to sit and stand in it at full height, lie flat and turn around.

#### **B14. Suitable diet**

Each dog must be fed separately in its designated room unless its owner has given written consent to the contrary.



**B15. Monitoring of behaviour and training**

- (1) Any equipment that a dog is likely to be in contact with and any toy provided must not pose a risk of pain, suffering, disease or distress to the dog and must be correctly used.
- (2) Each dog must be exercised at least once daily as appropriate for its age and health.
- (3) Dogs which on the advice of a veterinarian cannot be exercised must be provided with alternative forms of mental stimulation.

**B16. Housing with or apart from other dogs**

- (1) Written consent must be obtained from the owner or owners (as the case may be) to keep dogs together in a designated room.
- (2) Unneutered bitches must be prevented from mating.
- (3) If any person aged under 16 years resides at the home, there must be procedures in place to regulate the interactions between the dogs and that person.

**B17. Records**

- (1) A register must be kept of all the dogs accommodated in the home which must include—
  - (a) the dates of each dog's arrival and departure;
  - (b) each dog's name, age, sex, neuter status, microchip number and a description of it or its breed;
  - (c) the number of any dogs from the same household;
  - (d) a record of which dogs (if any) are from the same household;
  - (e) the name, postal address, telephone number (if any) and email address (if any) of the owner of each dog and emergency contact details;
  - (f) in relation to each dog, the name, postal address, telephone number and email address of a local contact in an emergency;
  - (g) the name and contact details of each dog's normal veterinarian and details of any insurance relating to the dog;
  - (h) details of each dog's relevant medical and behavioural history, including details of any treatment administered against parasites and restrictions on exercise;
  - (i) details of each dog's diet and related requirements;
  - (j) any required consent forms;
  - (k) a record of the date or dates of each dog's most recent vaccination, worming and flea treatments;
  - (l) details of any medical treatment each dog is receiving.
- (2) When outside the premises, each dog must wear an identity tag which includes the licence holder's name and contact details.

**B18. Protection from pain, suffering, injury and disease**

- (1) Before a dog is admitted for boarding, all equipment to be used by or in relation to that dog must be cleaned and disinfected.
- (2) A preventative healthcare plan agreed with the veterinarian with whom the licence holder has registered under paragraph 9(8) of Schedule 2 must be implemented.

## **PART 4: Providing day care for dogs**

### **B19. Interpretation**

In this Part, “premises” means the premises on which the licensable activity of providing day care for dogs is carried on.

### **B20. No overnight stay**

No dog may be kept on the premises overnight.

### **B21. Suitable environment**

- (1) Each dog must be provided with—
  - (a) a clean, comfortable and warm area where it can rest and sleep, and
  - (b) another secure area in which water is provided and in which there is shelter.
- (2) Each dog must have access to areas where it can—
  - (a) interact safely with other dogs, toys and people, and
  - (b) urinate and defecate.
- (3) There must be an area where any dog can avoid seeing other dogs and people if it so chooses.

### **B22. Suitable diet**

Any dog that requires specific feed due to a medical condition must be fed in isolation.

### **B23. Monitoring of behaviour and training**

- (1) All dogs must be screened before being admitted to the premises to ensure that they are not afraid, anxious or stressed in the presence of other dogs or people and do not pose a danger to other dogs or staff.
- (2) Any equipment used that is likely to be in contact with the dogs and any toys provided must not pose a risk of pain, suffering, disease or distress to the dog and must be correctly used.

### **B24. Housing apart from other dogs**

- (1) Unneutered bitches must be prevented from mating.
- (2) Dogs which need to be isolated from other dogs must be provided with alternative forms of mental stimulation.

### **B25. Records**

- (1) A register must be kept of all the dogs on the premises which must include—
  - (a) the date of the dog’s attendance;
  - (b) the dog’s name, age, sex, neuter status, microchip number and a description of it or its breed;
  - (c) the name, postal address, telephone number (if any) and email address (if any) of the owner and emergency contact details;
  - (d) the name and contact details of the dog’s normal veterinarian and details of any insurance relating to the dog;
  - (e) details of the dog’s relevant medical and behavioural history, including details of any treatment administered against parasites and any restrictions on exercise;
  - (f) details of the dog’s diet and relevant requirements;
  - (g) any required consent forms;

- (h) a record of the date or dates of the dog's most recent vaccination, worming and flea treatments;
  - (i) details of any medical treatment the dog is receiving.
- (2) When outside the premises, each dog must wear an identity tag which includes the licence holder's name and contact details.

**B26. Protection from pain, suffering, injury and disease**

- (1) The dogs must be supervised at all times.
- (2) A preventative healthcare plan agreed with the veterinarian with whom the licence holder has registered under paragraph 9(8) of Schedule 2 must be implemented.
- (3) Any journeys in a vehicle must be planned to minimise the time dogs spend in the vehicle.

**C1. Interpretation**

In this Schedule, “client” means a person for whose use a horse is hired out.

**C2. Eligibility**

- (1) The licence holder must—
  - (a) hold an appropriate formal qualification, or have sufficient demonstrable experience and competence, in the management of horses, and
  - (b) hold a valid certificate of public liability insurance which—
    - (i) insures the licence holder against liability for any injury sustained by, and the death of, any client, and
    - (ii) insures any client against liability for any injury sustained by, and the death of, any other person, caused by or arising out of the hire of the horse.
- (2) The certificate mentioned in sub-paragraph (1)(b) must be clearly and prominently displayed on the premises.

**C3. Supervision**

- (1) The activity must not at any time be left in the charge of a person aged under 18 years.
- (2) No horse may be hired out except under the supervision of a person aged 16 years or more unless the licence holder is satisfied that the person hiring the horse is competent to ride without supervision.
- (3) The following must be clearly and prominently displayed on the premises—
  - (a) the full name, postal address (including postcode) and telephone number of the licence holder or other person with management responsibilities in respect of the activity;
  - (b) instructions as to the action to be taken in the event of a fire or other emergency.

**C4. Suitable environment**

- (1) It must be practicable to bring all the horses on the premises under cover.
- (2) Suitable storage must be provided and used for feed, bedding, stable equipment and saddlery.
- (3) All arena surfaces must be suitable for purpose, well drained, free of standing water and maintained regularly to keep them level.

**C5. Suitable diet**

- (1) At all times when any horses are kept at grass, adequate pasture, shelter and clean water must be available for them.
- (2) Supplementary feed and nutrients must be provided to any horse when appropriate.
- (3) Each horse must be fed a balanced diet of a quantity and at a frequency suitable for its age, health and workload to enable it to maintain an appropriate physical condition.

## **C6. Protection from pain, suffering, injury and disease**

- (1) The horses must be maintained in good health and must be in all respects physically fit.
- (2) A preventative healthcare plan agreed with the veterinarian with whom the licence holder has registered under paragraph 9(8) of Schedule 2 must be implemented.
- (3) A daily record of the workload of each horse must be maintained and available for inspection at any reasonable time.
- (4) Each horse must be suitable for the purpose for which it is kept and must not be hired out if, due to its condition, its use would be likely to cause it to suffer.
- (5) Any horse found on inspection to be in need of veterinary attention must not be returned to work until the licence holder has, at the licence holder's expense, obtained from and lodged with the local authority a veterinary certificate which confirms that the horse is fit for work.
- (6) Each horse's hooves should be trimmed as often as is necessary to maintain the health, good shape and soundness of its feet and any shoes should be properly fitted and in good condition.
- (7) An area suitable for the inspection of horses by a veterinarian must be provided.
- (8) The following must not be hired out—
  - (a) a horse aged under 3 years;
  - (b) a mare heavy with foal;
  - (c) a mare whose foal has not yet been weaned.
- (9) The licence holder must keep a register of all horses kept for the licensable activity on the premises, each such horse's valid passport showing its unique equine life number and a record of its microchip number (if any).

## **C7. Equipment**

All equipment provided to clients must be in good and safe condition and available for inspection at any reasonable time.

**D1. Advertisements and sales**

- (1) The licence holder must not advertise or offer for sale a dog—
  - (a) which was not bred by the licence holder;
  - (b) except from the premises where it was born and reared under the licence;
  - (c) otherwise than to—
    - (i) a person who holds a licence for the activity described in paragraph 2 of Schedule 1; or
    - (ii) a keeper of a pet shop in Wales who is licensed under the Pet Animals Act 1951(a) to keep the shop, knowing or believing that the person who buys it intends to sell it or intends it to be sold by any other person.
- (2) Any advertisement for the sale of a dog must—
  - (a) include the number of the licence holder's licence,
  - (b) specify the local authority that issued the licence,
  - (c) include a recognisable photograph of the dog being advertised, and
  - (d) display the age of the dog being advertised.
- (3) The licence holder and all staff must ensure that any equipment and accessories being sold with a dog are suitable for it.
- (4) The licence holder and all staff must ensure that the purchaser is informed of the age, sex and veterinary record of the dog being sold.
- (5) No puppy aged under 8 weeks may be sold or permanently separated from its biological mother.
- (6) A puppy may only be shown to a prospective purchaser if it is together with its biological mother.
- (7) Sub-paragraphs (5) and (6) do not apply if separation of the puppy from its biological mother is necessary for the health or welfare of the puppy, other puppies from the same litter or its biological mother.

**D2. Suitable environment**

- (1) Each dog must have access to a sleeping area which is free from draughts and an exercise area.
- (2) Each dog must be provided with sufficient space to—
  - (a) stand on its hind legs,
  - (b) lie down fully stretched out,
  - (c) wag its tail,
  - (d) walk, and
  - (e) turn around,without touching another dog or the walls of the sleeping area.
- (3) The exercise area must not be used as a sleeping area.

- (4) Part or all of the exercise area must be outdoors.
- (5) There must be a separate whelping area for each breeding bitch to whelp in which contains a suitable bed for whelping.
- (6) Each whelping area must be maintained at an appropriate temperature (between and including 26 and 28 degrees centigrade) and include an area which allows the breeding bitch to move away from heat spots.
- (7) Each dog must be provided with constant access to a sleeping area.
- (8) A separate bed must be provided for each adult dog.
- (9) No puppy aged under 8 weeks may be transported without its biological mother except—
  - (a) if a veterinarian agrees for health or welfare reasons that it may be so transported, or
  - (b) in an emergency.
- (10) No breeding bitch may be transported later than 54 days after the date of successful mating except to a veterinarian.
- (11) No breeding bitch may be transported earlier than 48 hours after whelping except to a veterinarian where it is not otherwise practicable or appropriate for that person to attend to the bitch.
- (12) Each dog's sleeping area must be clean, comfortable, warm and free from draughts.
- (13) In this paragraph, "exercise area" means a secure area where dogs may exercise and play.

### **D3. Suitable diet**

Staff must—

- (a) ensure that each puppy starts weaning as soon as it is capable of ingesting feed on its own,
- (b) provide each breeding bitch with feed appropriate to its needs,
- (c) provide each puppy with feed appropriate for its stage of development, and
- (d) ensure that each puppy ingests the correct share of the feed provided.

### **D4. Monitoring of behaviour and training**

- (1) The licence holder must implement and be able to demonstrate use of a documented socialisation and habituation programme for the puppies.
- (2) Each dog must be provided with toys or feeding enrichment (or both) unless advice from a veterinarian suggests otherwise.
- (3) Except in the circumstances mentioned in sub-paragraph (4), all adult dogs must be exercised at least twice daily away from their sleeping area.
- (4) Where a veterinarian has advised against exercising a dog, the dog must be provided with alternative forms of mental stimulation.

- (5) Any equipment that a dog is likely to be in contact with and any toy provided must not pose a risk of pain, suffering, disease or distress to the dog and must be correctly used.

#### **D5. Housing with or apart from other dogs**

- (1) Each adult dog must be provided with opportunities for social contact with other dogs where such contact benefits the dogs' welfare.
- (2) Each adult dog must be given suitable and adequate opportunities to become habituated to handling by people.
- (3) Procedures must be in place for dealing with dogs that show abnormal behaviour.
- (4) There must be an area within each sleeping area in which dogs can avoid seeing people and other dogs outside the sleeping area if they so choose.

#### **D6. Protection from pain, suffering, injury and disease**

- (1) All dogs for sale must be in good health.
- (2) Any dog with a condition which is likely to affect materially its quality of life must not be moved, transferred or offered for sale but may be moved to an isolation facility or veterinary care facility if required until it has recovered.
- (3) The licence holder must ensure that no bitch—
  - (a) is mated if aged less than 12 months;
  - (b) gives birth to more than one litter of puppies in a 12-month period;
  - (c) gives birth to more than six litters of puppies in total;
  - (d) is mated if she has had two litters delivered by caesarean section.
- (4) The licence holder must ensure that each puppy is microchipped and registered to the licence holder before it is sold.
- (5) No dog may be kept for breeding if it can reasonably be expected, on the basis of its genotype, phenotype or state of health that breeding from it could have a detrimental effect on its health or welfare or the health or welfare of its offspring.
- (6) The health, safety and welfare of each dog must be checked at the start and end of every day and at least every four hours during the daytime.
- (7) Breeding bitches must be adequately supervised during whelping and the licence holder must keep a record of—
  - (a) the date and time of birth of each puppy,
  - (b) each puppy's sex, colour and weight,
  - (c) placentae passed,
  - (d) the number of puppies in the litter, and
  - (e) any other significant events.
- (8) The licence holder must keep a record of each puppy sale including—
  - (a) the microchip number of the puppy,
  - (b) the date of the sale, and
  - (c) the age of the puppy on that date.



- (9) The licence holder must keep a record of the following in relation to each breeding dog—
- (a) its name,
  - (b) its sex,
  - (c) its microchip and database details,
  - (d) its date of birth,
  - (e) the postal address where it normally resides,
  - (f) its breed or type,
  - (g) its description,
  - (h) the date or dates of any matings, whether or not successful,
  - (i) details of its biological mother and biological father,
  - (j) details of any veterinary treatment it has received, and
  - (k) the date and cause of its death (where applicable).
- (10) In addition to the matters mentioned in sub-paragraph (7), the licence holder must keep a record of the following in relation to each breeding bitch—
- (a) the number of matings,
  - (b) its age at the time of each mating,
  - (c) the number of its litters,
  - (d) the date or dates on which it has given birth, and
  - (e) the number of caesarean sections it has had, if any.
- (11) Unless the licence holder keeps the dog as a pet, the licence holder must make arrangements for any dog no longer required for breeding to be appropriately rehomed.
- (12) A preventative healthcare plan agreed with the veterinarian with whom the licence holder has registered under paragraph 9(8) of Schedule 2 must be implemented.
- (13) The licence holder must keep a record of any preventative or curative healthcare (or both) given to each dog.
- (14) Where any other activity involving animals is undertaken on the premises on which the licensable activity of breeding dogs is carried on, it must be kept entirely separate from the area where that licensable activity is carried on.

**Conditions specific to keeping and training animals for exhibition****E1. Insurance**

The licence holder must hold valid public liability insurance in respect of the licensable activity of keeping or training animals for exhibition.

**E2. Emergencies**

A written policy detailing contingency measures in the event of the breakdown of a vehicle used to transport the animals or any other emergency must be available to all staff.

**E3. Suitable environment**

Suitable temporary accommodation must be provided for all the animals at any venue where they are exhibited.

**E4. Monitoring of behaviour and training**

The animals must be trained by competent staff and given suitable and adequate opportunities to become habituated to being exhibited, using positive reinforcement.

**E5. Housing with or apart from other animals**

- (1) Social animals must not be exhibited if their removal from and reintroduction to the group with which they are usually housed causes them or any other animal within that group stress, anxiety or fear.
- (2) Animals must be prevented from coming into contact with each other during any exhibition where such contact would be likely to cause any of them to show signs of aggression, fear or distress.
- (3) All persons likely to come into contact with the animals during an exhibition must be briefed about how to behave around the animals so as to minimise anxiety, fear and stress in the animals.
- (4) No female animal with unweaned offspring may be removed from its home environment and newborn, unweaned or dependent offspring must not be removed from their mothers.

**E6. Records**

The licence holder must keep a list of each animal kept, or trained, for exhibition with all the information necessary to identify that animal individually (including its common and scientific names) and must provide the local authority with a copy of the list and any change to it as soon as practicable after the change.

**E7. Protection from pain, suffering, injury and disease**

- (1) A register must be kept of each animal exhibited or to be exhibited which must include—
  - (a) the full name of its supplier,
  - (b) its date of birth,
  - (c) the date of its arrival,
  - (d) its name (if any), age, sex, neuter status, description and microchip or ring number (if applicable),
  - (e) the name and contact details of the animal's normal veterinarian and details of any insurance relating to it,

- (f) details of the animal's relevant medical and behavioural history including details of any treatment administered against parasites and any restrictions on exercise or diet,
  - (g) a record of the date or dates of the animal's most recent vaccination, worming and flea treatments, and
  - (h) the distance to and times taken for it to travel to and from each exhibition event.
- (2) A record of when the animals are exhibited must be kept and an animal rotation policy must be put in place to ensure that the animals have enough rest between and during exhibition events.
- (3) All the animals used in exhibition events must be in good physical and mental health. (4) The exhibited animals must be suitable for the specific conditions, type of enclosure and actions involved in the exhibition.
- (5) Any equipment, chemicals and other materials used in the exhibition must not cause the animals pain, discomfort, fatigue or stress.
- (6) The animals must be transported in suitable, secure and appropriately labelled carriers.
- (7) The licence holder or the licence holder's staff must undertake a risk assessment before each exhibition event.
- (8) The animals must not be handled by persons whose behaviour appears at the time to be influenced by the consumption of alcohol or by any psychoactive substance.

## **NORFOLK BUSINESS RATES PILOT 2019/20**

- Summary:** Following on from previous years, Central Government has proposed operating business rates pilots again in 2019/20. Members will recall that we put in a countywide bid to take part in the 2018/19 business rates pilot at this last time last year which was unfortunately unsuccessful. The terms of this next round of pilots differ slightly in that they will test 75% retention rather than the current 100% pilots. Following discussions at the Norfolk Chief Executives Group and subsequently the Norfolk Leaders Group a countywide approach was again agreed based upon the model established last year and the pilot application was submitted on 25 September 2018. Due to the tight timescales for the submission it was not possible to bring a paper forward to committee before the deadline so the authority for the pilot was agreed under delegation. While the financial benefit would only be for a single year it could potentially result in around £0.5m in additional business rates income for the authority but a net increase to the residents of Norfolk of nearly 8m representing the additional 25% share of growth that would be retained locally and shared between the Districts and County Council.
- Options considered:** As the pilot application has already been submitted there are no options to consider as part of this report.
- Conclusions:** Central Government have confirmed business rates pilots for the 2019/20 financial year based on 75% retention. Pilots operated during previous years have seen significant financial benefits from these arrangements. Entering into a joint business rates pilot could see NNDC retain around £0.5m (based on current projections and assumptions) in extra business rates income for the 2019/20 financial year. It would also help support closer working and a more collaborative approach county wide and provide Central Government with valuable learning in respect of the potential future operation of the business rates system.
- Recommendations:** As the pilot application has already been submitted there are no recommendations to consider as part of this report.

Reasons for Recommendations: N/A

**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
Contact Officer, telephone number and email:	

**1. Introduction**

- 1.1 Norfolk was unsuccessful with a pilot bid in 2018/19. Government has offered a new opportunity to bid for a pilot in 2019/20. The terms of this offer have changed slightly in that new pilots will test 75% Business Rates retention (rather than 100%) and there will not be a “no detriment” clause available meaning pilots are exposed to risk in a way the 2018/19 pilots were not.
- 1.2 Following last year’s unsuccessful submission Norfolk Chief Finance Officers agreed that it would be desirable to consider a further submission for 2019/20 should the opportunity arise.
- 1.3 The Norfolk Chief Executives group considered a paper covering the potential for a pilot submission for 2019/20 at their meeting on 6 September 2018 with the details further discussed at the Leaders meeting held on 13 September. The final sign off of the pilot submission was undertaken at the Norfolk Finance Officers meeting by the various Section 151 Officers on 21

September prior to submission of the joint proposals by the deadline on 25 September.

- 1.4 Due to these tight timescales for the submission of the application it was not possible for a paper to be brought forward for consideration by Committee ahead of the submission deadline. The submission was therefore made under delegated powers with the position being shared with the Party Leaders internally on 13 September.
- 1.5 This paper provides an update on the work which has been undertaken to develop a Norfolk application for a pilot for 2019/20.

## **2. The opportunity for Norfolk**

- 2.1 As with last year's submission in the event that any Norfolk district was not supportive of an application, it would have been highly unlikely that MHCLG would have approved a pilot. Fortunately, following the preparatory work that was undertaken in relation to last year's submission it was again possible to reach a unanimous decision to proceed with the 2019/20 pilot submission.
- 2.2 Forecasts indicate that Norfolk could retain around **£7.759m** of growth by piloting 75% Business Rates Retention. This would be a one-off benefit in 2019-20, as the pilot will operate for one year only.
- 2.3 Pilots in 2019-20 are being funded by the Treasury and so the availability of pilot status is expected to be limited due to national affordability constraints. It is therefore likely that there will be significant competition to become a pilot area and a successful application is not guaranteed. Authorities that were successful in piloting the new system in 2018-19 will have to reapply for pilot status in 2019-20 with the exception of the 'devo' areas. MHCLG have emphasised that it will be a smaller programme of pilots in 2019-20.

## **3. Business Case for Bid**

- 3.1 The Norfolk bid has been based on the following key elements:
  - All Norfolk local authorities are included, reflecting the current Norfolk Business Rates Pool.
  - The bid proposes a split for sharing business rates growth which supports the financial sustainability of member authorities and allocates funding to promote economic development. The Norfolk pilot will allocate a substantial share of funding to support local growth.
  - The following points set out the learning that MHCLG will gain from a Norfolk pilot:
    - Norfolk is a rural, two-tier, county area, with a Local Enterprise Partnership.
    - There is a very wide variation in the business rates base in Norfolk – including a city, rural areas, a port, multiple Enterprise Zone sites and renewable energy sites.
    - A two-tier area will enable demonstration of governance arrangements, decision-making across the pilot area, cashflow arrangements, and how billing authorities review and work together to produce provisions, appeals and growth forecasts.

- The pilot will be able to draw on existing governance and administration arrangements already in place and operating effectively for the Norfolk Business Rates Pool, while providing an opportunity to further refine and develop these. The pilot will demonstrate how strategic decisions can be made through effective joint working, with all partners working together at senior political and officer levels, for example through the existing Strategic Growth Group.

#### **4. Proposed Tier Split**

- 4.1 MHCLG have stated that *“The government is interested in exploring how 75% rates retention can operate across more than one authority to promote financial sustainability and to support coherent strategic decision-making across functional economic areas.”* The Norfolk application proposes a tier split for all growth within the Business Rates Retention scheme which allocates more funding to local authorities thus promoting financial sustainability. The application also shows that a percentage of all Norfolk rates growth will be allocated to economic development projects as agreed by all Norfolk Leaders.
- 4.2 The Local Government Finance Settlement figures will provide the baselines for any pilot of full business rates retention in 2019-20. An indication of these figures is provided by the 2018-19 Settlement, which confirmed the multi-year allocations previously announced by the Government. The technical consultation on the 2019-20 Settlement indicates that Government is minded to confirm these figures.
- 4.3 The proposed split of rates agreed by all Norfolk authorities in the 2018-19 bid was for the districts and county to receive half of the additional local share. The additional district growth was further split 30% based on growth in the individual district and 70% shared across all seven districts.
- 4.4 It has been agreed that this is the sharing mechanism to be used as part of the 2019/20 pilot application as well having been previously endorsed.
- 4.5 The impact of the proposed tier splits is covered in more detail below within the finance section in terms of what this could mean for both the district and the wider county should the pilot application be successful.

#### **5. Timetable**

- 5.1 As mentioned above the deadline for submission of the bid was 25 September and this has duly been submitted. An announcement is now expected as part of the provisional settlement funding announcement this December.
- 5.2 If the pilot is successful the new retention framework will come into force on 1 April 2019 and stay in place for a period of 1 year.

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

- 6.1 As mentioned above it has been agreed that the sharing mechanism to be used as part of the 2019/20 pilot application should be the same as that

previously agreed for the 2018/19 pilot. Table 1 below shows the potential increased revenue from being in the pilot based on current forecasts.

**Table 1: Resubmit 2019-20 based on 2018-19 Pilot agreed split**

	<b>Existing Growth</b>	<b>New Growth I</b>	<b>New Growth II</b>	<b>Total Growth</b>	<b>% Splits</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Breckland	1.040	0.195	0.388	<b>1.623</b>	
Broadland	0.866	0.162	0.388	<b>1.417</b>	
Great Yarmouth	0.456	0.086	0.388	<b>0.930</b>	
King's Lynn	1.424	0.267	0.388	<b>2.079</b>	
North Norfolk	0.836	0.157	0.388	<b>1.380</b>	
Norwich	0.261	0.049	0.388	<b>0.698</b>	
South Norfolk	1.323	0.248	0.388	<b>1.959</b>	
	6.207	<b>1.164</b>	<b>2.715</b>	<b>10.086</b>	32.5%
Norfolk CC	3.103	<b>3.879</b>	0.000	<b>6.983</b>	22.5%
Economic Development	6.207	0.000	0.000	<b>6.207</b>	20.0%
Central Government	15.517	-7.759	0.000	<b>7.759</b>	25.0%
<b>Totals</b>	<b>31.034</b>	<b>-2.715</b>	<b>2.715</b>	<b>31.034</b>	<b>100.0%</b>

- 6.2 The proposed split of rates agreed by all Norfolk authorities in the 2018-19 bid was for the districts and county to receive half of the additional local share. The additional district growth was further split 30% based on growth in the individual district and 70% shared across all seven districts. This is reflected in the columns headed 'New Growth I' and 'New Growth II' in the table above.
- 6.3 Based on current forecasts this shows NNDC gaining an additional £0.157m under 'New Growth I' and a further £0.388m under 'New Growth II' amounting to a total additional benefit of **£0.545m**. This is however based on current forecasts and the actual additional income retained by the district will be dependent upon the actual business rates growth in 2019/20.
- 6.4 The net benefit to residents across the whole of Norfolk as a result of a successful pilot would be nearly £8.0m and is represented by the three figures within the table highlighted in yellow and represents the additional growth forecast to be retained across the whole county.
- 6.5 In terms of risk the prospectus confirms that pilots will have a safety-net of 95% of baseline funding. This increased level from 92.5% under the current system means that Norfolk as a whole will in fact be guaranteed more funding in a pilot in 2019-20 (£216.067m) than under a Norfolk wide 50% business rates retention pool (£213.906m).



- 6.6 It is however essential to recognise that an individual authority under both the current pool, and in the proposed pilot, could potentially be better or worse off as a result of their individual business rates receipts (rather than any current forecasts).
- 6.7 Also, with an increased share of rates Norfolk authorities will experience more volatility and bear more of the risk and reward i.e. 75% of all the growth and decline in Norfolk rates rather than 50%. For example, in the event of £1m decline in business rates, under the 50% BRRS Norfolk would lose income of £0.500m, whereas in a 75% BRRS pilot Norfolk would lose income of £0.750m. What this means in practice is that a smaller change in business rates is required before the safety-net would be triggered for a pilot.
- 6.8 It should be noted however that Norfolk has been managing risk effectively through existing pool arrangements, with a business rates pool which has developed over time to include additional members. The pilot application to MHCLG will set out that local authorities within the county are now ready and well placed to take the next step with a 75% pilot, which represents a natural progression from the current pool.
- 6.9 Within a pilot, Norfolk would have to fund the first £11.372m reduction in rates below the baseline before any safety-net payment would be received. In this context it should be remembered that the Norfolk Business Rates Pool has consistently performed above baseline levels and all districts are forecasting rates growth above baseline levels for 2019/20 so should business rates collection continue at current levels, the pilot will be financially beneficial to Norfolk.
- 6.10 A pool or a pilot does increase individual authority funding risk in times of rates decline. The 95% safety-net is only guaranteed for Norfolk as a whole and Government offers no guarantee on individual authority funding. In this scenario robust local governance arrangements are in place to enable a redistribution of funding between local authorities to ensure that no Norfolk local authority will receive less than 95% of baseline funding level in 2019/20.
- 6.11 Member authorities do however need to recognise that the only element of funding guaranteed within the pilot is the 95% of the new baseline (£216.067m). It is possible that individual authorities' retained growth would have to be clawed back by the lead authority to bring other members of the pilot up to their 95% funding level. It would therefore be prudent for all members of the pilot to reflect this in their budget decisions for 2019-20 by retaining a proportion of growth gains until the actual business rates growth for 2019-20 is confirmed and, should the pilot bid be successful, this is the approach that NNDC will take in terms of recognising any additional growth over and above the level already budgeted for.
- 6.12 The mechanisms for this are set out in detail within the pilot governance agreement. In relation to this risk, firstly it should be noted that members of the 50% rates pool are **already exposed to a similar risk**, which has to date not materialised, and secondly **it is unlikely that such a scenario would arise**, for the following reasons:
- The level of reduction required before a safety net position is reached;
  - Districts have been prudent in producing their forecasts; and

- Historic experience is that rates have consistently performed above the baselines.
- 6.13 Members will be aware that the Council currently holds a Business Rates Reserve to mitigate against the effect of appeals and potential volatility. This reserve currently stands at £2.5m and could be used to smooth any potential fluctuations in business rates income but **it should be noted that this reserve is for use by NNDC only and would not be used to support other authorities.**
- 6.14 Further to this there are a number of mechanisms that will enable the pilot to mitigate this risk. Within the current business rates pool, a £1m volatility fund is held. It is proposed that this could be used as the first call to top-up any authority funding which has fallen below the 95% safety-net baseline. Consideration could also be given to increasing this volatility fund using any levy retained in 2018-19, which has not yet been allocated to economic development projects.
- 7. Sustainability**
- 7.1 There are no sustainability implications directly resulting from the recommendations or options contained within this report.
- 8. Equality and Diversity**
- 7.1 There are no equality and diversity implications directly resulting from the recommendations or options considered in this report.
- 9. Section 17 Crime and Disorder considerations**
- 8.1 There are no Crime and Disorder implications directly resulting from the recommendations or options considered in this report.
- 10. Conclusions**
- 10.1 Central Government are again running business rate pilots for 2019/20, albeit based on 75% retention as opposed to previous pilots which have enjoyed 100% retention.
- 10.2 Pilots operated during 2018/18 have seen significant financial benefits from these arrangements. Entering into a joint business rates pilot could see NNDC retain around £0.545m (based on current projections and assumptions) in extra business rates income for the 2019/20 financial year.
- 10.3 There is a net increase to the residents of Norfolk of nearly £8m representing the additional 25% share of growth that would be retained locally and shared between the Districts and County Council.
- 10.4 This approach would also help support closer working and a more collaborative approach county wide and provide Central Government with valuable learning in respect of the potential future operation of the business rates system.

**MEDIUM TERM FINANCIAL STRATEGY – 2019/20 TO 2022/23**

- Summary: This report presents an updated Medium Term Financial Strategy (MTFS) for the period 2019/20 to 2022/23. The strategy has been updated to support the Corporate Plan for the period 2015 to 2019.
- Options considered: The MTFS has been refreshed in the year and provides an updated financial projection in support of the 2019/20 budget process.
- Conclusions: The financial position for 2019/20 is currently showing a deficit of c£319k with ongoing funding gaps year on year reaching c£2.1m in 2022/23. The MTFS identifies the key themes and priorities for the Council in seeking to reduce the forecast budget gap.
- Recommendations: **It is recommended that:**  
**1) Members consider and note:**  
 a) **The current financial forecast for the period 2019/20 to 2022/23;**  
 b) **The current capital funding forecasts;**  
**2) Recommend approval of the Medium Term Financial Strategy to Full Council**
- Reasons for Recommendations: To refresh the Medium Term Financial Strategy in line with the Corporate Plan and to inform the detailed budget work for 2019/20.

**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)*

*2018/19 Budget report and in year budget monitoring reports.*

Cabinet Member(s) Cllr Wyndham Northam	Ward(s) affected All
Contact Officer, telephone number and email: Duncan Ellis, Head of Finance and Assets, 01263 516330, <a href="mailto:duncan.ellis@north-norfolk.gov.uk">duncan.ellis@north-norfolk.gov.uk</a>	

## **1. Introduction and Background**

- 1.1 The paper attached as an appendix to this covering report sets out the Financial Strategy for the period 2019/20 to 2022/23. It sets out how both the external financial changes and internal budget pressures will impact on the overall financial position of the Council for the next four years.
- 1.2 In addition the Financial Strategy updates the Council's financial projections for the medium term. It identifies the budgetary pressures on the Council during the period of the Corporate Plan by examining inflation, service pressures, income streams, reserves and the capital programme and seeks to identify strategies for addressing these areas within the overall context of the revenue and capital budgets.
- 1.3 This will be the last MTFS to be based on the current Corporate Plan with a new updated Corporate Plan expected following the elections in May 2019.
- 1.4 Revised funding projections have been made and are included within the MTFS. These have been informed by the 2017/18 outturn position along with the in-year budget monitoring and updating for delivery of savings and additional income that was factored into the current and future financial forecasts as part of the 2018/19 budget process.
- 1.5 As part of the annual budget process the Financial Strategy is the first of a number of pieces of work which culminate in setting the annual budget for the forward financial year in February 2019.
- 1.6 The papers are being presented for pre-scrutiny ahead of consideration by Cabinet on 29 October with final approval by Full Council on 21 November.

## **2. Financial Implications and Risks**

- 2.1 The detail within the financial strategy has highlighted the significant challenges that Local Authorities are facing in terms of the forecast funding reductions.
- 2.2 The strategy provides an update to the funding forecasts for the period 2019/20 to 2022/23.
- 2.3 The Strategy provides details of a programme of key themes that will be delivered over the period of the financial strategy that will assist in reducing the forecast budget gap although further work is required to try and address a forecast shortfall in excess of £2m by the end of the period currently under review.

## **3 Sustainability**

- 3.1 This report does not raise any sustainability issues.

## **4. Equality and Diversity**

- 4.1 This report does not raise any equality and diversity issues.

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

5.1 This report does not raise any Crime and Disorder considerations.

# Medium Term Financial Strategy

2019/20 to 2022/23

North Norfolk District Council

# Executive Summary

North Norfolk District Council's Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan. The MTFS sets out how Council's priorities will be achieved by setting out the framework within which resources are available to the Council over the medium term and the financial challenges facing the Council in terms of future funding gaps.

## The MTFS Aims to:

- provide a high-level assessment of the resources available and outlines the projections for the following four financial years (beyond the current year);
- refresh the financial projections taking into account a number of local and national factors. These will include known spending pressures and commitments, along with forecast future funding reductions and the impact of the national economic outlook;
- provide preparatory work for the following year's budget;
- explore the demands on the capital programme both in terms of ambition and resources along with the impact on the revenue account and reserve levels held by the Council;
- address the sustainability of the Council's financial position.

The MTFS is fundamentally linked to the Corporate Plan, a summary of which can be found at: [https://www.north-norfolk.gov.uk/media/2394/corporate\\_plan\\_summary\\_2015\\_to\\_2019.pdf](https://www.north-norfolk.gov.uk/media/2394/corporate_plan_summary_2015_to_2019.pdf)

The following diagram provides an overview of the financial processes undertaken by the Council to ensure value for money for the tax payers.



The updated forecasts in this strategy build on previous figures from the 2018/19 Budget setting exercise in early 2018 as described by the table below.

	<b>2018/19 Base Budget</b>	<b>2019/20 Projection</b>	<b>2020/21 Projection</b>	<b>2021/22 Projection</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
(Surplus)/Deficit forecast Feb 2018	(843,441)	1,565,599	2,128,739	2,111,233
Revised Funding	-	(21,813)	340,306	714,188
Revised Budget Pressures	-	(500,000)	(500,000)	(500,000)
Revised Income and savings	-	(724,454)	(373,500)	(356,000)
<b>Revised (Surplus)/Deficit Oct 2018</b>	<b>(843,441)</b>	<b>319,332</b>	<b>1,595,545</b>	<b>1,969,421</b>

The Council is currently projecting a deficit position for the coming years. Forecasting the deficit allows the Council time to plan mitigating actions more effectively, meaning they are more likely to be successful. This strategy will explore some of the Council's plans for addressing this deficit. As can be seen from the full General Fund summary contained within appendix 1, based on the updated forecasts for the final year of this plan (2022/23), the deficit is forecast to be in excess of £2m by the end of the period currently under review.



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# 1. Context

*Some financial pressures are driven nationally and are beyond the control of the Council and may come about due to policy directions of new legislation from Central Government. Some of these which impact NNDC are shown below.*

The population of North Norfolk is gradually increasing, with residents living longer. There is a higher than average number of residents migrating into the district, particularly in the 50-64 years age group as people retire to the area. When compared to county and regional averages, there are far more over 55 year olds proportionately that live in North Norfolk; this puts pressure on services such as Adult Social Care in the district.

North Norfolk has a fairly low index of deprivation score, but is higher than the Norfolk and East of England averages. Areas of deprivation often require higher levels of service provision and are a budget pressure for both NNDC and the County Council. Barriers to housing services and living environment are the highest deprived domains within North Norfolk and these are increasing in deprivation.

The strongest business sectors in the district are:

- Accommodation and food services
- Manufacturing
- Arts, entertainment and recreation
- Retail

There is a higher than average number of micro-businesses in North Norfolk and this trend is increasing. This area has a lower than average number of new business start-ups. The Council offers support for its small businesses through Business Rates relief schemes.

North Norfolk has proportionally more residential property sales than the East of England average, with house prices higher than the County average. The unaffordability of houses and number of second homes is proportionally higher in North Norfolk and is on the increase. The high number of second homes particularly increases the burden on Council services, as well as affecting the sense of community in individual areas with a high number of second homes.

A large part of the North Norfolk economy is dependent on tourism and travel to the area, with the Council itself benefiting directly from tourism in the form of car parking income. Visitor trips to North Norfolk are increasing, with July, August and December being the most popular months for tourists. Overall, visitors spend and the numbers of jobs in the tourism sector are increasing.

## 2. National Pressures

## National Pay Review

There are ongoing discussions in relation to the national pay spine and national living wage which are likely to impact on staffing costs. As part of the 2016-18 pay deal, the National

*These arise from local circumstances and demand for services. The financial effects of these must be dealt with by the Council, as there is often no external funding.*

Joint Council (NJC) agreed to conduct a review of the NJC pay spine. The primary reason for this review is the introduction of the National Living Wage (NLW).

The forecast of £8.75 per hour NLW in 2020 requires a 12.5% increase from current £7.78 bottom rate of the NJC pay spine. However NNDC already pay a supplement up to the Real Living Wage (RLW) which is currently £8.75 per hour. Previous forecasts regarding the potential impact of this changes were estimated to be £450,000 on the assumption that the review would impact the whole of the pay spine (excluding Heads of Service/Senior Management), the estimated impact being 4-6% on the total pay bill.

However the Council is in a fortunate position as it only needs to make minor adjustments to our grade bands and these are only at the lower end of the scale (no impact above grade 10). Due to this the revised impact of these changes is expected to be around £250,000 and this is the figure currently built in to the future projections. Ultimately this will mean that our minimum rate is above the NLW and there should also be a positive impact on our gender pay gap although the scheme is still subject to approval by Unison.

## Brexit

Following the Brexit referendum result we are due to leave the European Union (EU) on 29 March 2019. At present it is unclear as to exactly what deal will be negotiated and how this might then impact on a raft of factors including Local Government funding, inflation, businesses, availability of labour for construction etc. Due to the level of uncertainty this poses it is flagged as a risk rather than having any quantifiable financial risk. Volatility of investments, cost of commodities and access to funding streams are all likely to affect NNDC post-Brexit.

## Low interest rates

The current Bank of England bank rate is 0.75% following two recent rate rises. Investment income continues to be an important source of income to the Council. This is generated from investment of the Council's reserves and surplus funds from the timing of daily cash inflows and outflows. In this climate of low interest rates, the Council has had to work hard to generate investment returns that outstrip inflation.

If this does not happen, not only does this put pressure on our budget through lost investment income, but inflation effectively erodes the spending power of the invested cash. On the upside, borrowing continues to be relatively cheap, and remains a potential source of capital funding for the council and an effective tool to help manage cash flows. As can be seen below the current rate of CPI inflation as at August 2018 is 2.7% and our average rate of return on investments is 2.58%. The current year's budget assumes that an average rate of 3.3% will be achieved.

## 3. Local Pressures

### Local Economic changes

NNDC derives significant sums of income from fees and charges for services such as car parking and planning. These will be affected by factors outside the Council's control, such as the weather, consumer confidence and the general health of the economy.

### Waste Management

Waste management currently represents a pressure for two reasons. The first relates to the current outsourced contract, which is coming to an end in March 2020 and is in the process of being re-procured. This represents a potential cost pressure as market conditions have changed since the contract was last let. We are anticipating this will cost around £700,000 a year more than currently. Recycling income is also under threat as recent quality control developments in China have effectively closed that market with income reducing as a result. The Council is currently exploring ways to mitigate this.

### Local Council Tax Support Schemes (LCTS)

The LCTS scheme was implemented in April 2013 as a replacement to Council Tax Benefit. This change was part of wider welfare reforms to reduce expenditure, giving responsibility of the replacement scheme to Local Councils. LCTS schemes should encourage people into work and be based on the ability to pay. Previously the Council Tax Benefit scheme was 100% funded through subsidy paid to the Council from the Department for Work and Pensions (DWP).

From April 2013 each billing authority was given the discretion to set their own scheme, although at the outset the government did stipulate that the scheme would not change the 100% maximum support for low income pensioners i.e. they would receive the same level of support as they did under the system of Council Tax Benefit. Funding for LCTS is no longer received as a separate subsidy grant but is now within the overall Local Government Funding system as non ring-fenced funding within the Revenue Support Grant (RSG) and baseline funding level. The local scheme (for North Norfolk) has remained the same since the introduction of LCTS in 2013/14. The local scheme means that those of working age previously entitled to 100% maximum council tax benefit are required to pay a maximum of 8.5% of their council tax liability.

The Council Tax Support Working Group met in June 2018 to consider the options for the LCTS for 2019/20 and decided that the scheme should remain the same. With the changes made for the rollout of Universal Credit there will be implications for the cost of LCTS schemes. The Council will need to review options going forward to ensure this remains a cost effective, affordable scheme.

## 4. Inflation

*Inflation is the rate at which the prices for goods and services that the Council buys are expected to rise. At the end of August, Consumer Price Index (CPI) inflation was at 2.7%, considerably higher than the Bank of England's target rate of 2%*

**Staff Pay** - the forecasts assume an annual pay award of 2%. The Council is part of a national pay agreement and as a guide for NNDC, 1% equates to approximately £100,000 annually. Therefore should the annual pay award agreement be different to the 1% assumed, say for example by 0.5%, this would equate to an additional cost of £50,000 per annum.

**General prices and contracts** - the Council assumes in this financial strategy that inflation will follow the pattern in the graph below as outlined by the Office for Budget Responsibility (OBR) with general price increases being assumed at around 2%. There are also some areas and contracts, such as the waste contract, which use different indices to calculate annual increases and these are taken account of where appropriate.

**Income (fees and charges)** – In recent years budgets for fees and charges have included a 3% increase unless there have been specific reasons for higher or lower increases or alternatively the Council is not able to influence them.

During the 2018/19 budget setting process, the inflationary pressure on the budget for 2019/20 was assumed to be £336,000 in total, offset partly by income inflation of (£69,000).

**Chart 1 – Inflation Forecast 2019/20 onwards (source OBR)**



## 5. Funding changes

*Local Government is currently going through a significant period of change in terms of the way it is funded and the way the funding elements are to be calculated for the future.*

### Settlement Funding

The Local Government funding settlement is issued each year by the Ministry of Housing, Communities and Local Government (MHCLG) and for NNDC comprises several elements. These include Revenue Support Grant (RSG), New Homes Bonus (NHB), Baseline Funding Level (via the Business Rates Retention Scheme), Council Tax (through the setting of referendum principles) and Rural Services Delivery Grant.

RSG is an un ring-fenced grant which can be spent on services at NNDC's discretion. This has been reducing over the past years, and in 2019-20, the last year of receipt of this grant, NNDC will receive just £88,000 compared to £2.4m back in 2015/16.

To reflect North Norfolk's rural nature and the increasing cost this brings to the Council in terms of sparsity, NNDC receive an annual amount of Rural Services Delivery Grant. The final year of this grant is assumed to be 2019-20.

The total amount of settlement funding is anticipated to drop, as detailed below and is summarised below in Chart 2. Chart 3 shows the change in total funding sources, including Council Tax.

Chart 2: Anticipated Settlement Funding Assessment

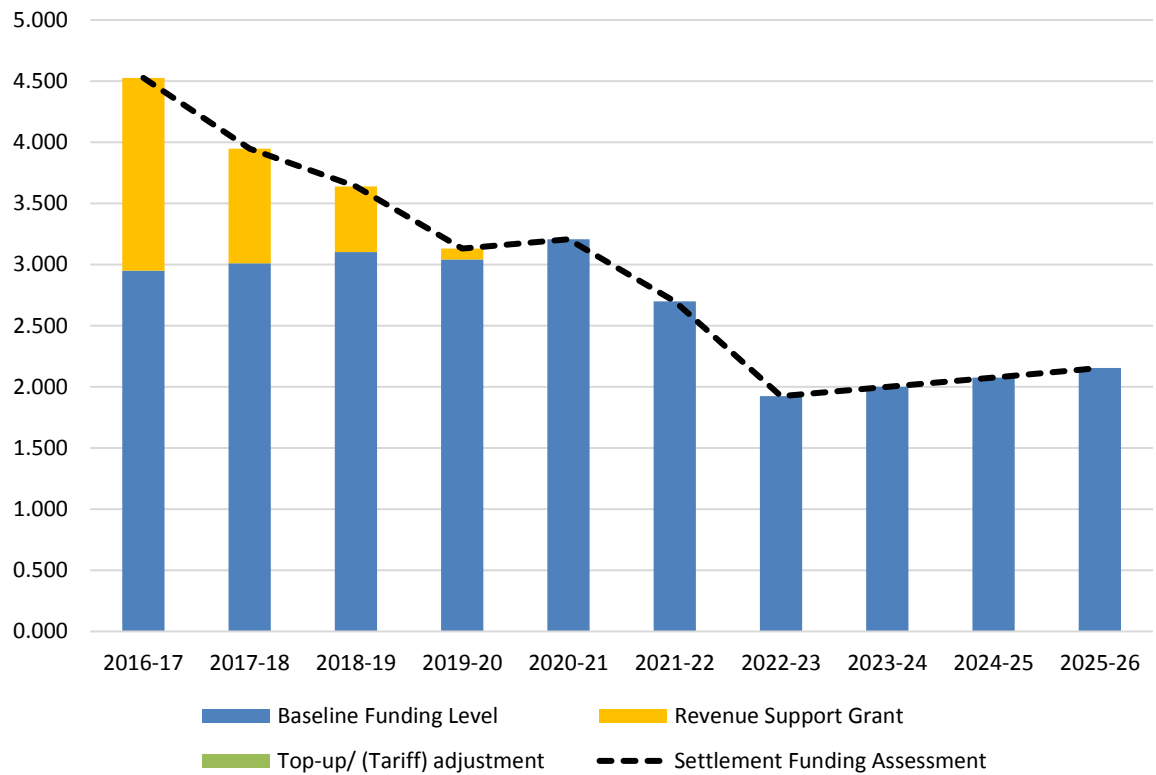
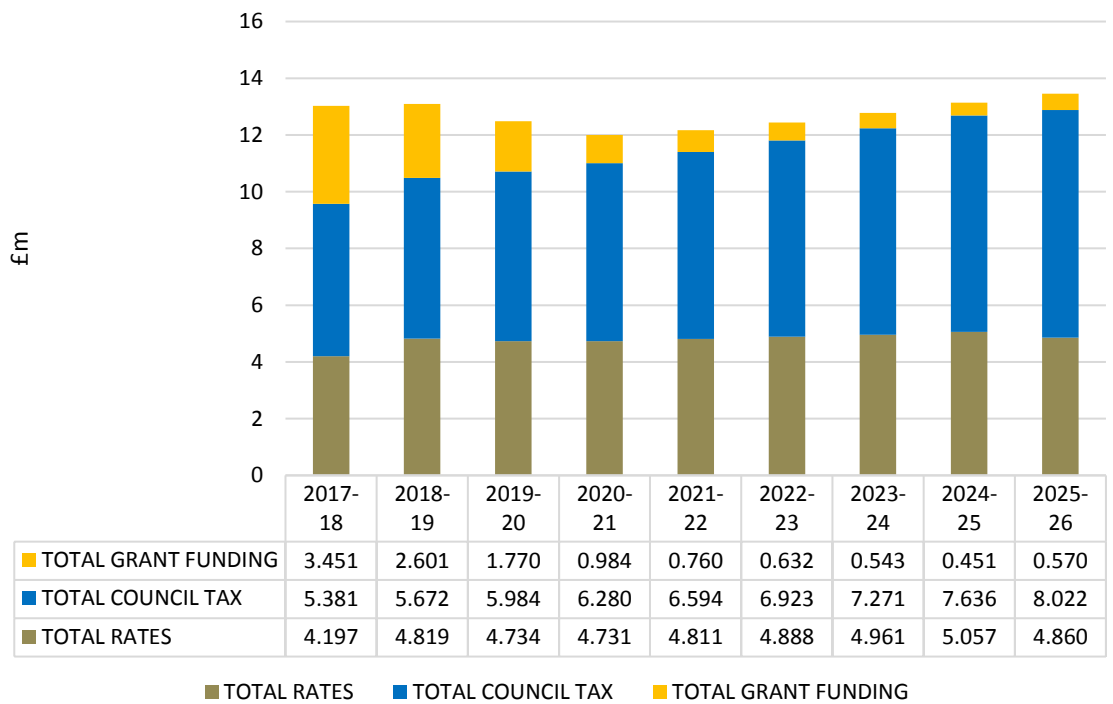


Chart 3: Sources of Funding



## Spending Review/Fair Funding Review

There are a number of projects currently being carried out by MHCLG which have the potential to have a large and unpredictable impact on the Council's finances. The Fair Funding Review is looking at refreshing the data and formulas that sit behind funding allocations for Local Authorities from Central Government. This has not been done since 2011, so even simply refreshing the data would potentially cause large shifts in funding between Councils.

The current crisis in social care funding is likely to mean that more money is channelled towards Authorities with social care responsibilities (such as the County) and away from Authorities such as NNDC. The Fair Funding Review will look again at what drives a Council's need to spend, what resources they can raise locally and create new funding allocations for each authority.

The overall amount of funding available for allocation – the quantum - will be governed by the Spending Review, which will effectively decide how much money each Central Government department will have available to spend. Both of these reviews represent significant risk to NNDC's balanced budget position and are being monitored closely by officers. Within this strategy, the Council has assumed there will be a reduction to core funding of approximately £850,000 (before damping) as a result of the Fair Funding Review.

Refreshing the funding formulas could potentially create large shifts in funding between Councils. There is likely to be some kind of damping mechanism in place which would phase in large changes in funding, to allow the affected Councils more time to plan for this. We have assumed that the damping threshold will be set at 5%, meaning that Councils which have any change to funding levels over and above this amount will see it phased in over a period of 4 years.

## **6. Income**

### Business Rates Retention

*The Council derives a limited and reducing amount of funding from Central Government, with the main sources of income now being locally raised taxes, fees and charges and specific grants. This section explains more about how the Council is funded and how this is expected to change over the coming years.*

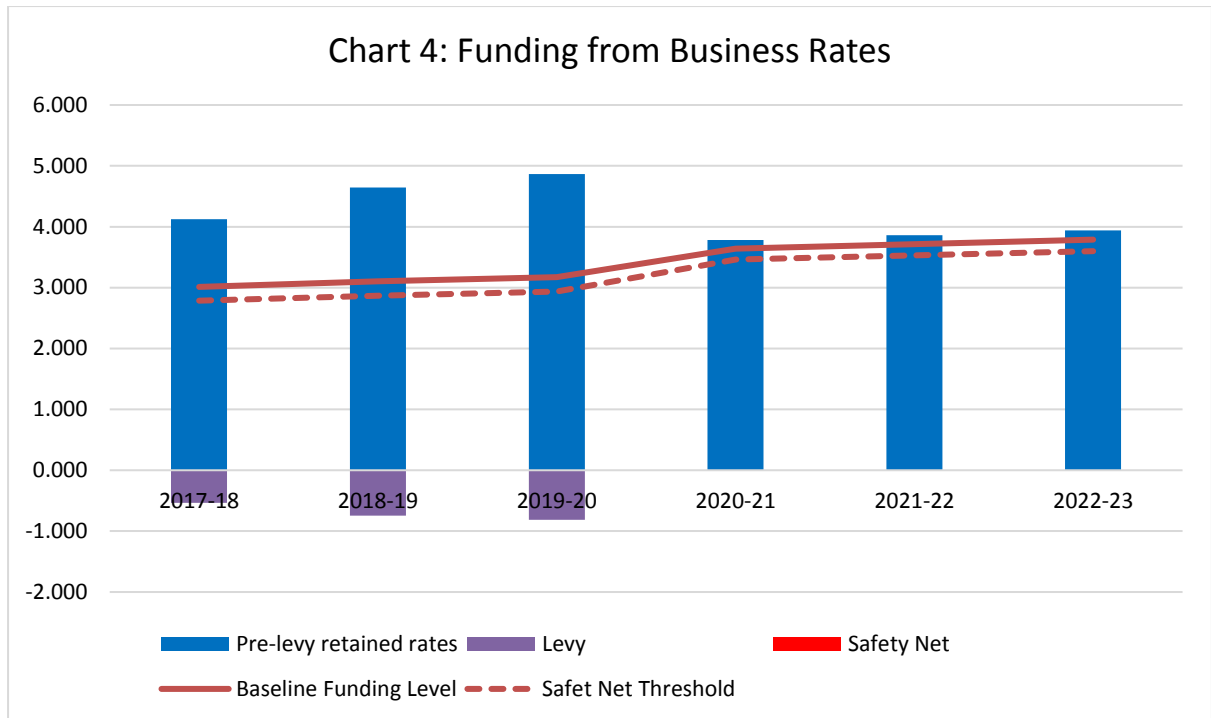
Since the 2013/14 financial year, local government has been able to retain 50% of the growth in the local business rates income to support services. As part of a manifesto commitment, the Government had pledged to allow Councils more control locally over their finances, and as part of this began to plan for an eventual system of 100% local retention of business rates growth. In exchange for this, Councils would have to forgo certain grants received from Central Government.

Following the snap General Election in 2017 and a period of uncertainty around the new Business Rates Retention Scheme, MHCLG have now confirmed a local 75% share from April 2020. A small number of authorities will pilot this scheme in 2019-20. North Norfolk



District Council has applied to be a pilot authority as part of the Norfolk Business Rates Pool, as it is forecast that the pilot would bring significant financial benefit to the district.

The income from the current system is shared on the basis of 50% being returned to Central Government, 40% being retained by NNDC with 10% going to the County. However, while technically NNDC's share is projected to be around £12.7m, after the tariff payment is made the net income to NNDC reduces to around £4.7m for 2019/20. Chart 4 shows the anticipated funding for the Council from the Business Rates Retention Scheme.



### New Homes Bonus

The New Homes Bonus (NHB) was introduced in 2011/12 as an incentive and reward mechanism to promote housing growth. Councils receive payment for new houses built in the district and also long term empty properties that have been brought back into use with 80% kept by NNDC and 20% returned to the County. Since its initial introduction the payment mechanism has undergone two fundamental changes which have significantly impacted on the income received by NNDC.

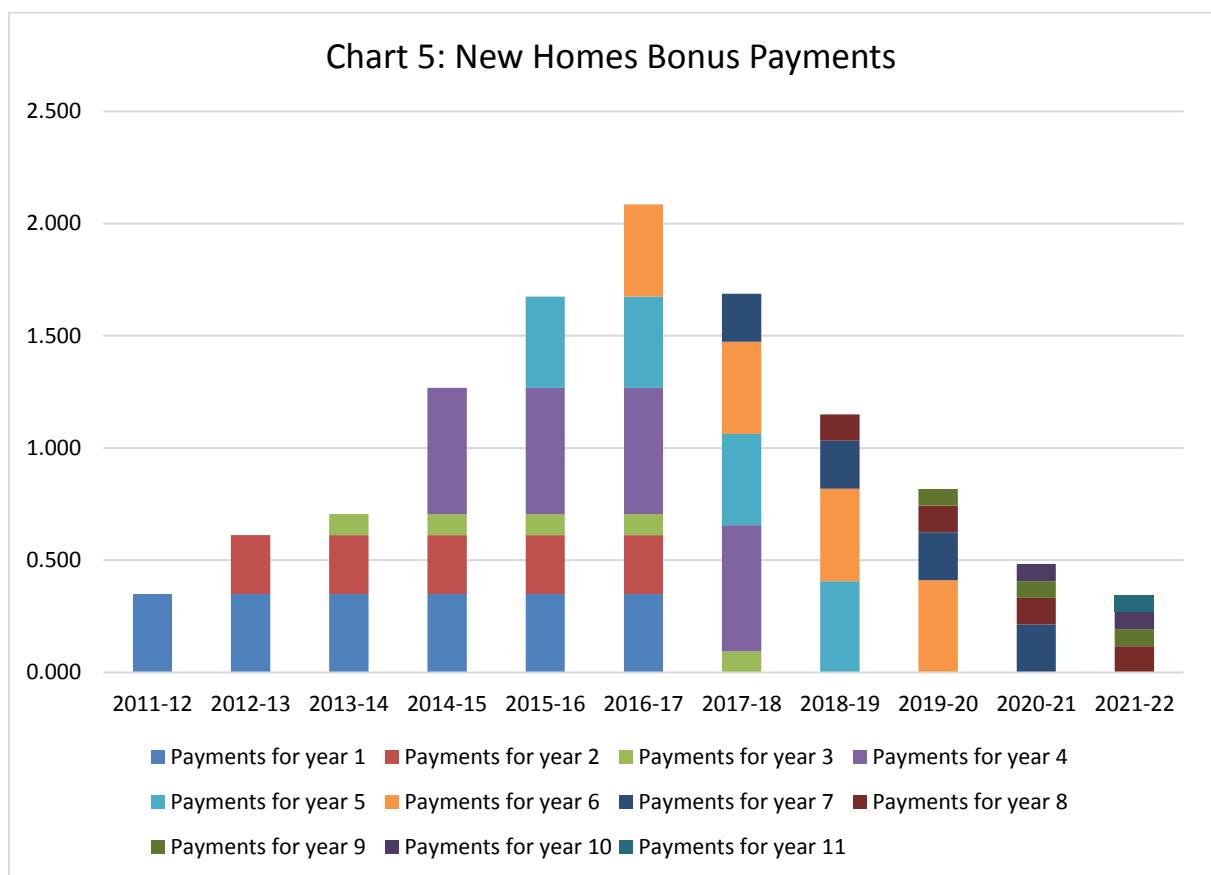
The first was the transition from payments rolled up over a 6 year period up to 2016/17 (for which the Council received £2.1m, to 5 years in 2017/18 to the new 'floor' of 4 years from 2018/19 onwards. The second was in 2017/18 when a national baseline of 0.4% (based on property numbers within the district) was introduced. For the current financial year this equates to 192 properties which is supposed to represent 'normal growth' and it is now only properties which exceed this baseline that attract the bonus.

The combined effect of these two changes is forecast to see income decrease from the highest point in 2016/17 of £2.1m to only £0.3m in 2021/22 and that is assuming that the baseline only increases to 0.6% as per the current projections.

The current consultation on the settlement indicates that the Government is intending to increase this baseline level for the 2019/20 financial year, as money is redirected by the Ministry into social care, but it is not yet clear by how much. Our forecasts assume a 0.2% increase of the national baseline to 0.6% and a continuation of the premium paid for affordable dwellings (currently £350 per dwelling).

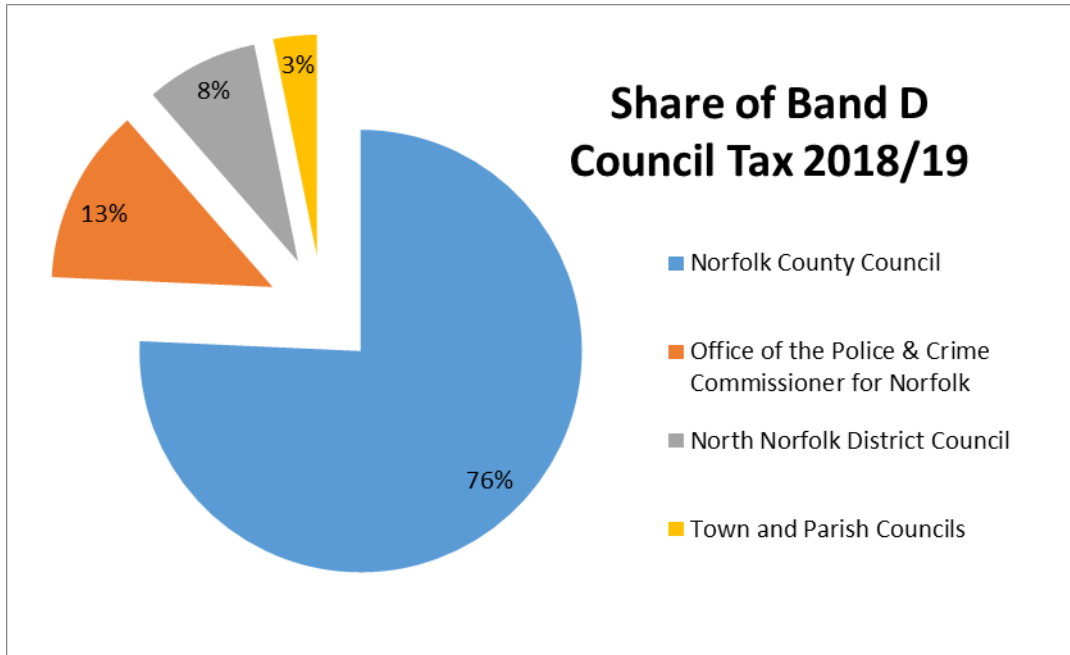
The current forecasts of growth in the District anticipate a 0.67% increase in dwellings; any increase of the national baseline above the 0.6% level forecast would effectively mean the only NHB earned would be in relation to any affordable homes delivered which aren't impacted by the baseline (just over £19,000 based on the 2018/19 budget). The Government intends to consult further in the coming months on more radical changes to the distribution of NHB, to ensure that additional housing growth is rewarded, rather than what could be seen as normal growth and there is a very strong possibility that NHB will disappear altogether in the very near future.

Chart 5 shows the forecast payments to the Council for NHB.



### Council Tax

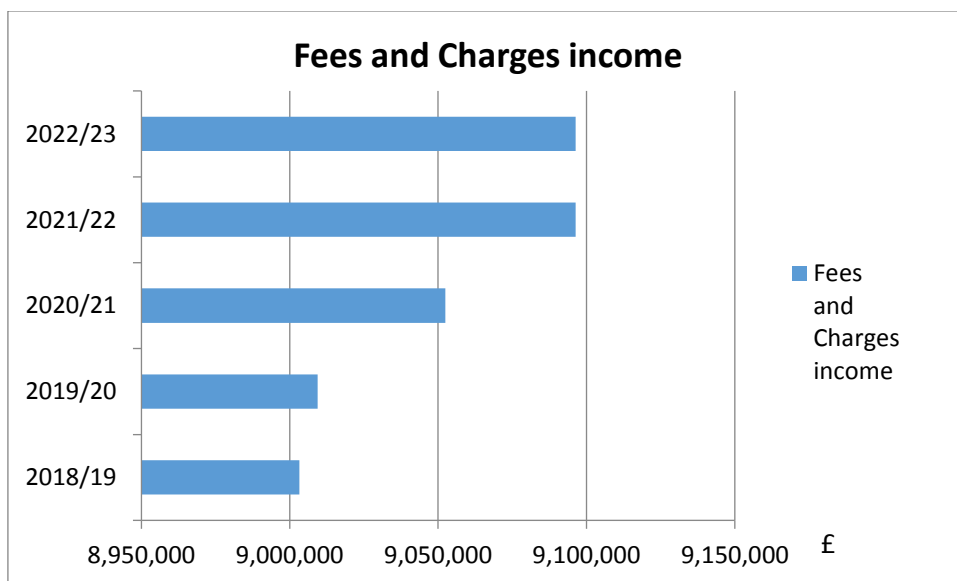
NNDC is the billing authority for the district of North Norfolk. This means that NNDC send out the Council Tax bills to residents and collect the Council Tax, but most of this is then distributed to the County Council and Norfolk Police Authority with a further element then going to town and parishes councils.



The charge on a Band D property which is retained by NNDC is currently £143.82. Any increases on this amount are restricted by a cap put in place by the Government, which means that NNDC cannot increase its precept by more than 3% or £5, whichever is the greater. The Government is currently consulting on this, but the current view is that this cap will remain the same for the coming year. Within the MTFS, it has been assumed that NNDC will increase its precept annually by the maximum amount to partly offset the reduction in grant funding from Central Government.

**Fees and charges**

The Council has limited means to charge for some of the services it provides. Some of these charges are set by central government, but the Council has discretion over the levels of others. The latest projections for fee income are shown below.



## 7. Looking forward

*In the context of these pressures and reduced funding, the Council has produced a forecast for spend for Capital and Revenue purposes and also anticipated use of Reserves*

### General Fund

The General Fund shows how much the services provided by the Council cost the taxpayer, and how much funding is required from other sources.

Table 1: General Fund Summary 2019/20 – 2022/23

	<b>2018/19 Base Budget</b>	<b>2019/20 Projection</b>	<b>2020/21 Projection</b>	<b>2021/22 Projection</b>	<b>2022/23 Projection</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net Operating Expenditure	14,677,474	16,496,154	16,004,601	16,235,643	16,478,498
Contributions to/(from) Earmarked Reserves:	(1,040,693)	(1,889,133)	(585,248)	(462,808)	(462,808)
Amount to be met from Government Grant and Local Taxpayers	13,636,781	14,607,021	15,419,353	15,772,835	16,015,690
Income from Government Grant and Taxpayers	(14,480,222)	(14,287,689)	(13,823,808)	(13,803,414)	(13,898,873)
<b>(Surplus)/Deficit</b>	<b>(843,441)</b>	<b>319,332</b>	<b>1,595,545</b>	<b>1,969,421</b>	<b>2,116,818</b>

### Reserves

The Council holds a number of 'useable' reserves both for revenue and capital purposes which fall within one of the following categories:

- General Reserve
- Earmarked Reserves
- Capital Receipts Reserve

The *General Reserve* is held for two main purposes:

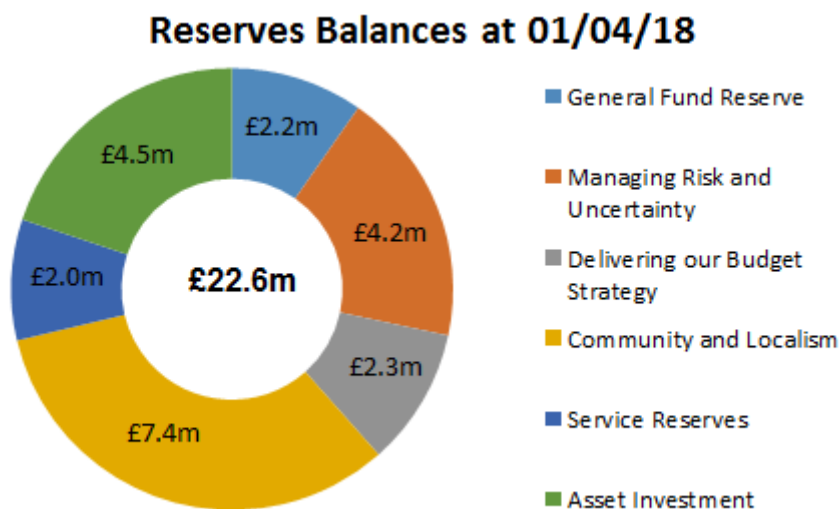
- to provide a working balance to help cushion the impact of uneven cashflows and avoid temporary borrowing
- a contingency to help cushion the impact of unexpected events or emergencies

As part of setting the budget each year the adequacy of all reserves is assessed along with the optimum level of general reserve that an authority should hold. The optimum level of the general reserve takes into account a risk assessment of the budget and the context within which it has been prepared.

*Earmarked Reserves* provide a means of building up funds to meet known or predicted liabilities and are typically used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund restructurings. A number of contingency reserves are also held by the Council to reduce the impact on Council Tax payers of future uncertain events such as business rate appeals or clawback of benefit subsidy.

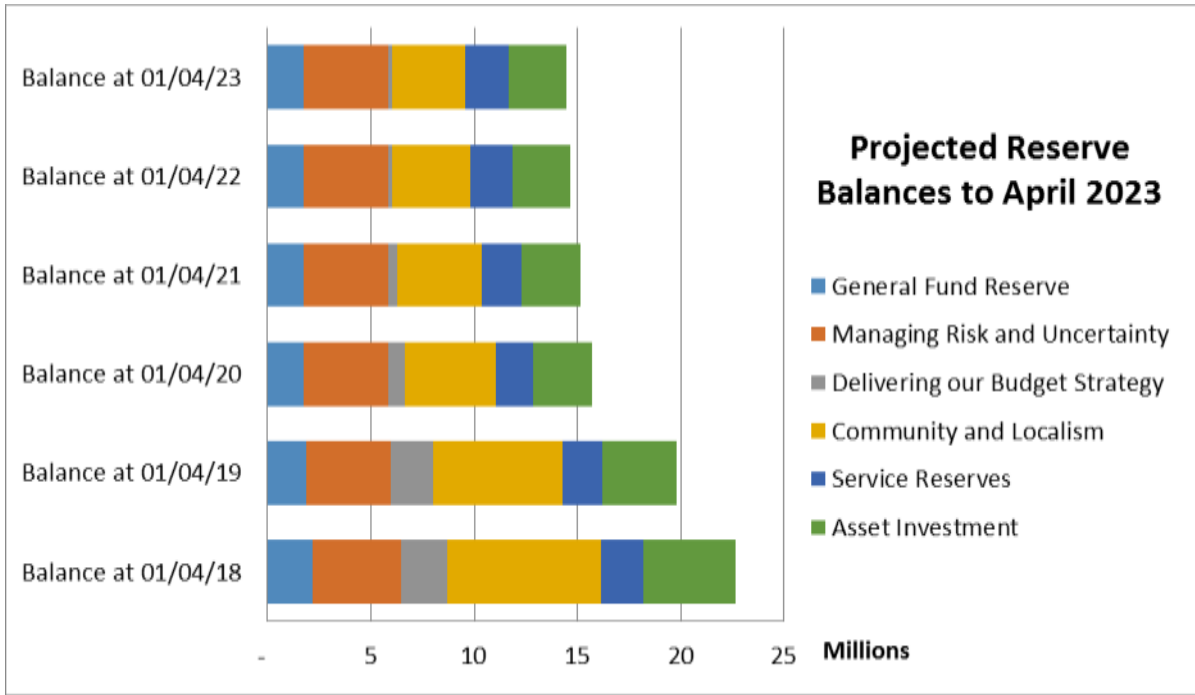
All reserves, general and earmarked, will be reviewed over the coming months as part of setting the budget for 2019/20, with a view that where commitments have not been identified and funds or reserve balances are no longer required these are re-allocated to specific reserves to address other requirements as applicable.

Use of reserves to balance a budget provides only a short term solution as the funds can only be used once. They can however be used to smooth the impact of funding gaps over the short to medium term and to allow for planning and implementing projects and work streams that will deliver a longer term financial benefit through reduced costs and/or additional income.



Similarly, reserves can be used to fund one-off costs for projects that will deliver a longer-term benefit. For example the use of the Restructuring and Invest to Save reserve to fund one-off restructuring costs, where a restructuring will deliver a longer term saving for a service and for some of the implementation and project costs for the Business Transformation programme that will deliver future savings. The use of reserves in this way will be considered as part of the full business case for individual project proposals, taking into account the payback period of the project along with indirect financial implications, for example, reduced balances available for investment and the associated loss of investment income.

The *Capital receipts Reserve* consists of capital receipts from the disposal of assets and land and is used to fund the capital programme. Capital receipts can not ordinarily be used to fund revenue expenditure.



This strategy predicts a fall in the levels of Reserves held from £22.6m to £14.5m by April 2023

## Capital

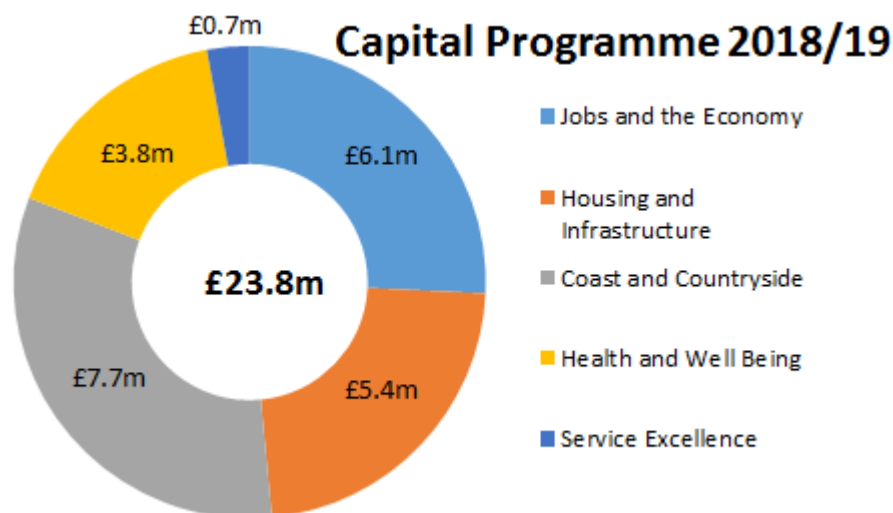
The capital programme shows what the Council intends to spend on purchasing new assets and improving its existing ones over the next three years.

As capital expenditure is incurred, a source of finance must be identified. This can be done through capital receipts, grants and other revenue resources or alternatively through borrowing.

Any expenditure that is financed through borrowing increases the Council's 'Capital Financing Requirement' (CFR). Each year a revenue charge called the Minimum Revenue Provision (MRP) is made to reflect the funding of the CFR by the taxpayer, it is required to be set aside to cover the repayment of debt caused by the need to borrow for capital purposes. As the need to borrow increases, the CFR and MRP also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.

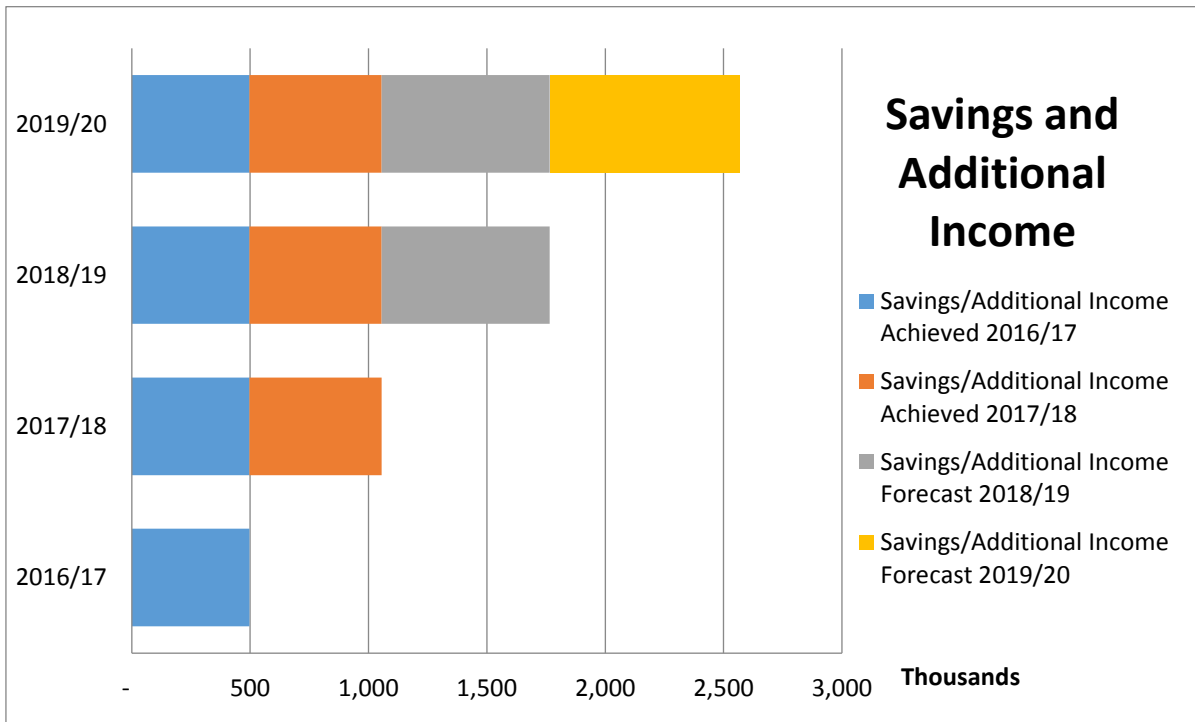
New projects, which are included in the programme in the future, will need to be financed by MRP if no capital resources such as capital grants or capital receipts from future asset sales are available. Alternatively existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge.

Future external borrowing is assumed to finance a portion of the Sheringham Leisure Centre replacement project and could also be used to finance future capital projects. Short-term borrowing rates are currently very low, meaning it may be preferable to undertaking long-term borrowing at the current time.



## 8. Closing the Budget gap

*The Council's strategy for reducing the budget gap covers several work streams as outlined below.*



### Property Investment and Asset Commercialisation

Opportunities for investment in property, whether direct or indirect, are being considered to achieve either a direct income stream from the asset or improved returns on investment. Following the initial work with the Council's property advisor Gleeds, which identified four potential projects to consider, it has been challenging trying to deliver any of these projects with only one of them (Grove Lane, Holt) progressing, albeit in a different format from that originally anticipated.

Opportunities for the most efficient utilisation of the Council's assets and maximising returns where appropriate are vital. Indirect property investments via treasury instruments, such as the purchase of pooled property funds, can potentially provide a return in terms of a regular income and growth in the value of the investment. Under the Treasury Management Strategy, the Council has made investments in a number of pooled funds which invest in property. One of these funds, the LAMIT Pooled Property Fund, invests exclusively in various property assets with the aim of achieving a regular income and growth in the value of the investment. In addition to these investments, the Council has agreed to provide capital expenditure loans to registered providers of social housing to facilitate the delivery of housing in the district, along with achieving an income return on its investment. The Council can choose to use its capital resources to finance a programme of asset commercialisation which aims to deliver long-term revenue streams for the Council and



work on an ongoing basis is required to identify the most appropriate projects. This strategy of direct property investment can ensure a secondary benefit to the district as it is possible to generate an economic growth benefit when the investment is located in North Norfolk. This is, however, more resource intensive to manage than externalising these investments.

Digital Transformation

Building upon the Business Transformation project that commenced in 2014 savings continue to be identified from changes to service delivery from the implementation of new technology and changes to business processes. The overall programme was delivered over a number of years and as projects have been rolled out there have been changes to working practices which have helped to deliver efficiencies. Phase 1 of the Digital Transformation programme is currently being closed down, having achieved annual savings of £427,000 by the end of 2018/19. Phase 2 of the project is in the planning and early delivery stages, and is being funded by a £940,000 contribution from the Invest to Save reserve. Over the next 3 to 4 years, it is anticipated that Phase 2 will result in net savings of approximately £216,000. Our current forecasts assume this will be delivered in the following profile:

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Savings delivered (£)	83,750	167,500	335,000	335,000

Shared Services, collaboration and selling services

Creating efficiencies through shared services continues to be a priority for central government. Identifying such opportunities must therefore continue at a local level, ensuring that realistic and deliverable benefits can be achieved. This could include joint procurement opportunities such as the new waste contract, shared service delivery where appropriate and selling services via arrangements such as East Law.

Identifying opportunities to work alongside other public sector partners and organisations to deliver services, such as our successful partnerships with NCC Children’s Services, the Early Help Hub and the DWP in terms of shared office space and the One Public Estate agenda.

Growing Business Rates and NHB

Under the current allocation method of New Homes Bonus (NHB) there is a direct financial benefit to the Council from growth in homes through the NHB funding and through increasing the council tax base and additional income generated from council tax. Whilst new housing growth will have an impact on the demand for local services, there will still be a net gain in terms of overall income for delivery while the NHB remains and subject to potential changes to the baseline. For similar reasons growing the business rates base will have a direct impact on the level of business rates income retained locally. Equally, maintaining existing business rates remains a priority in that decline in business rates will reduce the amount of income retained.

### Council Tax

The increased flexibilities around council tax discounts and increases following the removal of the tax freeze grant in 2016/17 provides a further potential income stream. Further review of the current level of discounts can also provide additional income, recommendations on the level of council tax discounts will be reported for approval as part of the budget reports for 2019/20.

### New opportunities

Given the current uncertainties around issues such as Brexit and changes to the Local Government funding mechanisms it will be essential to identify new opportunities to either increase income, increase efficiency through the redesign of services, explore new partnership models for service delivery etc and this will be one of the main challenges over the medium term.

While the Council's reserves do provide some level of comfort over the short term and could be used to address budget deficits this is not a sustainable financial strategy for the medium to long term.

## Appendix 1 – General Fund Summary

<b>General Fund Summary</b>					
<b>Service Area</b>	<b>2018/19 Base Budget</b>	<b>2019/20 Projection</b>	<b>2020/21 Projection</b>	<b>2021/22 Projection</b>	<b>2022/23 Projection</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Corporate Leadership Team/Corporate	316,213	480,797	321,425	325,581	328,837
Community & Economic Development	2,648,580	2,596,492	2,474,432	2,488,908	2,513,797
Customer Services & ICT	2,143,311	2,384,163	2,468,617	2,545,093	2,570,544
Environmental Health	3,761,582	3,785,342	3,823,943	3,864,987	3,903,637
Finance and Assets	2,429,642	3,400,350	2,343,098	2,358,782	2,382,370
Legal and Democratic Services	591,003	541,247	547,687	556,702	562,269
Planning	2,061,807	2,156,748	2,096,707	2,145,457	2,166,912
National Joint Council (NJC) Pay Review	0	250,000	250,000	250,000	250,000
Waste Contract Extension/Reprovision	0	700,000	700,000	700,000	700,000
Service Savings to be identified (DT)	0	(83,750)	(167,500)	(335,000)	(335,000)
<b>Net Cost of Services</b>	<b>13,952,138</b>	<b>16,211,389</b>	<b>14,858,409</b>	<b>14,900,510</b>	<b>15,043,365</b>
Parish Precepts (Estimate from 2019/20 onwards)	2,210,812	2,408,410	2,633,115	2,633,115	2,633,115
Capital Charges and REFCUS	(1,344,248)	(2,308,288)	(1,125,478)	(1,049,430)	(1,049,430)
Interest Receivable	(1,147,384)	(1,100,110)	(1,109,440)	(1,000,110)	(900,110)
External Interest Paid	3,500	30,991	225,395	219,631	219,631
Revenue Financing for Capital:	751,407	1,000,000	0	0	0
Minimum Revenue Provision	0	0	266,300	273,064	273,064
IAS 19 Pension Adjustment	251,249	253,762	256,300	258,863	258,863
<b>Net Operating Expenditure</b>	<b>14,677,474</b>	<b>16,496,154</b>	<b>16,004,601</b>	<b>16,235,643</b>	<b>16,478,498</b>
<b>Contributions to/(from) Earmarked Reserves:</b>	<b>(1,040,693)</b>	<b>(1,889,133)</b>	<b>(585,248)</b>	<b>(462,808)</b>	<b>(462,808)</b>
<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>13,636,781</b>	<b>14,607,021</b>	<b>15,419,353</b>	<b>15,772,835</b>	<b>16,015,690</b>
Collection Fund – Parishes	(2,210,812)	(2,408,410)	(2,633,115)	(2,633,115)	(2,633,115)
Collection Fund – District	(5,909,655)	(5,983,555)	(6,279,530)	(6,593,868)	(6,923,249)
Retained Business Rates	(4,190,773)	(4,601,726)	(4,428,231)	(4,231,047)	(4,038,138)
Revenue Support Grant	(535,619)	(88,359)	0	0	0
New Homes bonus	(1,149,592)	(817,427)	(482,932)	(345,384)	(304,370)
Rural Services Delivery Grant	(483,771)	(388,212)	0	0	0
<b>Income from Government Grant and Taxpayers</b>	<b>(14,480,222)</b>	<b>(14,287,689)</b>	<b>(13,823,808)</b>	<b>(13,803,414)</b>	<b>(13,898,873)</b>
<b>(Surplus)/Deficit</b>	<b>(843,441)</b>	<b>319,332</b>	<b>1,595,545</b>	<b>1,969,421</b>	<b>2,116,818</b>

Appendix 2 – Projected Reserve Movements

Reserve	Balance 01/04/18	Updated Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21	Budgeted Movement 2021/22	Balance 01/04/22	Budgeted Movement 2022/23	Balance 01/04/23	Report Classification
	£	£	£	£	£	£	£	£	£	£	£	
<b>General Fund - General Reserve</b>	<b>2,196,488</b>	(345,370)	<b>1,851,118</b>	(80,000)	1,771,118	0	1,771,118	0	1,771,118	0	1,771,118	GENERAL
<b>Earmarked Reserves:</b>										0		
Capital Projects	<b>3,449,782</b>	(747,964)	<b>2,701,818</b>	(700,000)	2,001,818	0	2,001,818	0	2,001,818	0	2,001,818	ASSET INVESTMENT
Asset Management	<b>858,440</b>	(149,750)	<b>708,690</b>	(10,000)	698,690	0	698,690	0	698,690	0	698,690	ASSET INVESTMENT
Benefits	<b>1,295,357</b>	(31,588)	<b>1,263,769</b>	(12,838)	1,250,931	0	1,250,931	0	1,250,931	0	1,250,931	MANAGING RISK AND UNCERTAINTY
Broadband	<b>1,000,000</b>	0	<b>1,000,000</b>	(1,000,000)	0	0	0	0	0	0	0	COMMUNITY AND LOCALISM

Building Control	<b>159,783</b>	0	<b>159,783</b>	0	159,783	0	159,783	0	159,783	0	159,783	SERVICE RESERVES
Business Rates	<b>2,506,669</b>	(61,843)	<b>2,444,826</b>	(37,290)	2,407,536	(18,000)	2,389,536	(18,000)	2,371,536	(18,000)	2,353,536	MANAGING RISK AND UNCERTAINTY
Coast Protection	<b>202,516</b>	(20,000)	<b>182,516</b>	(20,000)	162,516	(20,000)	142,516	(20,000)	122,516	(20,000)	102,516	ASSET INVESTMENT
Communities	<b>1,594,135</b>	90,533	<b>1,684,668</b>	(242,000)	1,442,668	(242,000)	1,200,668	(242,000)	958,668	(242,000)	716,668	COMMUNITY AND LOCALISM
Economic Development and Regeneration	<b>120,621</b>	(20,000)	<b>100,621</b>	0	100,621	0	100,621	0	100,621	0	100,621	SERVICE RESERVES
Election Reserve	<b>83,000</b>	40,000	<b>123,000</b>	(120,000)	3,000	40,000	43,000	40,000	83,000	40,000	123,000	SERVICE RESERVES
Enforcement Works	<b>197,113</b>	0	<b>197,113</b>	(10,000)	187,113	0	187,113	0	187,113	0	187,113	COMMUNITY AND LOCALISM
Environmental Health	<b>294,389</b>	0	<b>294,389</b>	0	294,389	0	294,389	0	294,389	0	294,389	SERVICE RESERVES
Grants	<b>534,788</b>	(120,805)	<b>413,983</b>	(20,000)	393,983	0	393,983	0	393,983	0	393,983	SERVICE RESERVES

Housing	<b>2,500,602</b>	(14,247)	<b>2,486,355</b>	(72,624)	2,413,731	(70,248)	2,343,483	(32,808)	2,310,675	(32,808)	2,277,867	COMMUNITY AND LOCALISM
Land Charges	<b>273,950</b>	0	<b>273,950</b>	0	273,950	0	273,950	0	273,950	0	273,950	SERVICE RESERVES
Legal	<b>128,389</b>	(933)	<b>127,456</b>	0	127,456	0	127,456	0	127,456	0	127,456	SERVICE RESERVES
Local Strategic Partnership	<b>0</b>	0	<b>0</b>	0	0	0	0	0	0	0	0	COMMUNITY AND LOCALISM
LSVT Reserve	<b>435,000</b>	0	<b>435,000</b>	0	435,000	0	435,000	0	435,000	0	435,000	MANAGING RISK AND UNCERTAINTY
New Homes Bonus (NHB)	<b>2,006,417</b>	(1,280,944)	<b>725,473</b>	(514,747)	210,726	0	210,726	0	210,726	0	210,726	COMMUNITY AND LOCALISM
Organisational Development	<b>340,847</b>	(4,649)	<b>336,198</b>	0	336,198	0	336,198	0	336,198	0	336,198	SERVICE RESERVES
Pathfinder	<b>143,168</b>	0	<b>143,168</b>	0	143,168	0	143,168	0	143,168	0	143,168	COMMUNITY AND LOCALISM
Planning	<b>56,354</b>	18,330	<b>74,684</b>	50,000	124,684	50,000	174,684	50,000	224,684	50,000	274,684	SERVICE RESERVES

Restructuring & Invest to Save Proposals	<b>2,290,514</b>	(242,939)	<b>2,047,575</b>	(1,278,924)	768,651	(325,000)	443,651	(240,000)	203,651	0	203,651	DELIVERING OUR BUDGET STRATEGY
Sports Hall Equipment & Sports Facilities	<b>12,193</b>	0	<b>12,193</b>	0	12,193	0	12,193	0	12,193	0	12,193	SERVICE RESERVES
<b>Total Reserves</b>	<b>22,680,514</b>	<b>(2,892,169)</b>	<b>19,788,345</b>	<b>(4,068,423)</b>	<b>15,719,922</b>	<b>(585,248)</b>	<b>15,134,674</b>	<b>(462,808)</b>	<b>14,671,866</b>	<b>(222,808)</b>	<b>14,449,058</b>	

Appendix 3 – Capital Programme 2018/19 and beyond

Corporate Priority	Scheme Total Current Estimate £	Pre 31/3/18 Actual Expenditure £	Current Budget 2018/19 £	Actual Expenditure 2018/19	Updated Budget 2019/20 £	Updated Budget 2020/21 £	Updated Budget 2021/22 £
<b>Jobs and the Economy</b>	7,556,361	422,424	6,133,937	103,776	1,000,000	-	-
<b>Housing and Infrastructure</b>	4,128,262	265,889	5,413,905	493,647	-	-	-
<b>Coast and Countryside</b>	17,860,492	10,167,705	7,692,787	288,422	-	-	-
<b>Health and Well Being</b>	13,801,120	23,210	3,880,436	559,727	5,799,000	4,333,500	-
<b>Service Excellence</b>	1,843,910	957,142	691,768	321,378	95,000	55,000	55,000
<b>Total Expenditure</b>	<b>45,190,145</b>	<b>11,836,370</b>	<b>23,812,833</b>	<b>1,766,950</b>	<b>6,894,000</b>	<b>4,388,500</b>	<b>55,000</b>
<b>Grants and Contributions</b>			9,213,891		2,465,500	-	-
<b>Reserves</b>			4,123,917		1,000,000	-	-
<b>Capital Receipts</b>			10,475,025		3,428,500	55,000	55,000
<b>Internal / External Borrowing</b>			-		-	4,333,500	-
<b>Total Funding</b>			<b>23,812,833</b>		<b>6,894,000</b>	<b>4,388,500</b>	<b>55,000</b>



**COUNCIL OFFICES CROMER - PV PANELS**

**Summary:** This report identifies an opportunity for the provision of a PV Panel array on the roof of the council offices and the potential for a revenue saving.

The financial and operational issues involved with the scheme are covered, with a recommendation to move forward with the project in time to take full advantage of the Feed in Tariff scheme.

**Conclusions:** There appears to be a window of opportunity to invest in PV panels on the council office building, with an initial revenue saving/income giving a rate of return of 11% and a minimum of at least 8% over the life of the scheme.

**Recommendations:** **That Full Council approve;**

- 1. A capital budget for the scheme of £225,000 to be funded from capital receipts;**
- 2. That, due to the tight timescales for installation and to maximise the potential income, Contract Standing Orders are waived to enable the procurement processes to be completed in time (either through direct award or framework contracts);**

**Reasons for Recommendations:**

- 1 To provide adequate budget for the proposed project
- 2 To maximise the chances of taking the project forward whilst still maintaining a timeline that allows the Council to access Feed in Tariff payments.

Cabinet Member(s) Cllr John Lee	Ward(s) affected Cromer
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Contact Officer, telephone number and email:

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**1. Introduction**

**1.1 Summary**

This report highlights an opportunity for the Council to commission a Photovoltaic (PV) array for the roof of the Council offices at Cromer.

The proposal makes use of a sustainable power source and offers reduced reliance on electricity from the National Grid and therefore a reduction in the Council's electricity bill over that which would otherwise be expected. In addition, if commissioned by 31 March 2019, it would allow the Council to take advantage of the last phase of the Feed in Tariff scheme, which in turn would maximise financial benefits arising from the installation.

## **2. Background**

- 2.1 Members will be aware of the government funded scheme known as Feed in Tariff, which is paid to those who install and then operate sustainable electricity generation technology. The rate of tariff paid by government has reduced since the scheme started, mainly in response to changes in availability and price of the technology involved.
- 2.2 Following discussions at the Greenbuild event this year, it has been established that there is an opportunity for the Council to install a PV panel array on the Cromer offices before the government Feed in Tariff scheme ceases in April 2019. There is however, only a small window in which to make a decision to proceed and take advantage of the scheme.
- 2.3 That said, there is also a larger financial gain to be made from such an installation, as the electricity produced would reduce the Council's use of grid-supplied power by around 40%. This is because most of the power is generated during office hours when our electricity consumption is high, so instead of feeding our energy back into the grid, it would reduce our draw on grid-supplied power.
- 2.4 Whilst the latter benefit is not time limited in terms of installing the PV panels, to be able to qualify for the Feed in Tariff benefit, the Council would need to install, commission and have the panels certified and accepted by our electricity supplier by 31 March 2019. Officers have therefore engaged Inspired Renewables, who are Microgeneration Certification Scheme (MCS) accredited consultants, to advise on costs and likely generation capacity and returns, along with risk issues.

On the basis that the project appears to be deliverable, in parallel to developing this report, enough work has been done to prepare a planning application, and to obtain advice regarding procurement and installation, should members wish to proceed.

## **3 Financial Implications**

- 3.1 The estimated cost of purchase, installation and commissioning of a 150KW PV panel array, and associated electrical work is £225,000. It is proposed that this is funded from capital receipts.
- 3.2 Based on the government's Microgeneration Certification Scheme (MCS) calculator (Appendix 1), the Feed in Tariff and Export income total £6,298 pa. This is available for 20 years and is index linked. In addition, and based on the Council's current electricity usage and unit price, the estimated saving for such a system is £18,667pa which will obviously vary as electricity prices change over time.

Together, these give an overall positive revenue position of £24,965pa, which in turn gives an initial annual return of 11.1% with a payback period of 9 years.

- 3.3 It should be noted that Ofgem are forecasting an average price rise for electricity of 6% pa over the coming 3-5 years, which will also therefore further improve the relative saving over time, although this will of course be variable.

### **3. Risks and Mitigation**

- 4.1 There is a risk that the installation is delayed and the commissioning misses the Feed in Tariff deadline. The effect of this would be to lose revenue of £6,298pa reducing the return (saving) to the Council to £18,667pa, or 8.3% but this still represents a significant level of return.
- 4.2 Whilst this cannot be fully mitigated for weather, contractors will be tested as to their ability to complete on time as far as is practicable.
- 4.3 As the PV array requires Planning Approval, there is also a risk that the scheme will not obtain such approval and would not be able to progress. Obviously, Planning processes and procurement would be run in parallel so that the Council was not committed to the procurement until any Approval was granted. Initial pre-application discussions have taken place to ensure that, as Applicant, the Council understands as far as possible the requirements of the Local Planning Authority.
- 4.4 Due to the tight timescales for installation and to maximise the income available from the Feed in Tariff, it is recommended that Contract Standing Orders are waived. This should enable the procurement processes to be completed (either through direct award or framework contracts) in time for the system to be installed and signed off before the Feed in Tariff deadline of at the end of March 2019.

### **4. Sustainability**

This technology goes to the heart of the sustainability agenda, of using an unlimited source of energy.

### **5. Equality and Diversity**

There are no Equality or diversity issues arising from the report.

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

There are no s17 matters arising.

### **7. Conclusion**

There appears to be a window of opportunity to invest in PV panels on the council with a revenue saving/income giving a rate of return of 11% and a minimum of at least 8%.

## Proposal to Install Solar Photovoltaic Panels for North Norfolk District Council

Location: - Council Offices, Holt Road, Cromer, Norfolk, NR27 9EN.

The proposal is to install 150 kilowatts of PV panels on the 3 south facing roofs, this will comprise 508 PV panels, 6 off 25-Kilowatt, 3 phase inverters and about 3 kilometres of cable.

The below tables represent estimated Feed In Tariff (FIT) and Export payments and are based up installation of a Tier 1 type Solar panel.

**The Government's Microgeneration Certificate Scheme (MCS) states that estimates for Kilowatt hours generated per year are based in the irradiance (light), pitch of the panels on the roof and degrees from south.**

There are 3 roofs on the NNDC offices with potential for PV panels.

The roof pitch is calculated at 45 degrees, with the centre roof being due south, the other 2 roofs are 25 degrees from south.

In terms of irradiance, the MCS Irradiance Datasets version 2.0 Issue date 24-07-2013 states Cromer would be in Zone 12 (Norwich), as shown by the MCS multiplier in Table 1.

Table 2 the shows the potential system size per roof, kilowatts and estimated kilowatt hours per year which would be generated from this system.

Table 1

Roof	Irradiance		
	Deg	Pitch	MCS
SSE	25%	45%	939
South	0%	45%	959
SSW	25%	45%	939

Table 2

System size	
KW	KWH/Y
50	46950
50	47950
50	46950
<b>141850 kWh p/y</b>	

### Feed in Tariff (FIT) payment

The FIT payment is based on a payment for each Kilowatt hour generated by the system. These can vary because of weather conditions and the cleanliness of the panels on the roof. This estimated kWh p/y is also based on a good design of system and quality of the panels used. The estimated final return is shown in Table 3 below.

Roof	Rate £	kWh/y	£
SSE	0.018	46950	845.10
South	0.018	47950	863.10
SSW	0.018	46950	845.10
			<b>2553.30</b>

### Export Tariff

Under the scheme it is estimated the system will export 50% of the electricity generated to the national grid, for generation times when the office is closed, with NNDC receiving the following payments as stated in Table 4. Please note this is an estimate and based upon system design and use.

<u>Roof</u>	<u>Rate £</u>	<u>kWh/y</u>	<u>£</u>	<u>50% £</u>
SSE	0.0528	46950	2478.96	1239.48
South	0.0528	47950	2531.76	1265.88
SSW	0.0528	46950	2478.96	1239.48
				<b>3744.84</b>

### Self-use and cost savings from installing PV

NNDC will use much of the power generated in a given day thus making a direct financial saving on the energy not then drawn from the grid. The estimate in Table 5 below is based on Electricity prices to October 29th 2017.

<u>Roof</u>	<u>Rate £</u>	<u>kWh/y</u>	<u>£</u>
SSE	0.132	46950	6178.62
South	0.132	47950	6310.22
SSW	0.132	46950	6178.62
<b>Total</b>			<b>18667.46</b>

Under the terms of the FIT licence from ultimately the department of energy and managed by your chosen FIT provider the scheme will be open to NNDC for 20 year as long as the application is received and processed by 23:59 on the 31st March 2019

	FIT	£	2,553.30
	Export	£	3,744.84
	Savings	£	18,667.46
		£	<b>24,965.60</b>
Fit scheme duration	<b>20</b>	<b>years</b>	<b>£ 499,312.00</b>

Panel linearity is guaranteed for 25 years and therefore the life of the system will be 25 years also.

**NNDC current usage**

The below details are current kWh/h usage by NNDC, these number have been supplied by the Councils Finance and Assets Team. Installing 150kW of PV solar panels would provide 40% of the required use for the Council.

NNDC office year use	<b>358618</b>	KWh p/y
Estimated PV generation	<b>141850</b>	kWh p/y
Percentage self-use / generation	<b>40</b>	%

## **COMMUNITY SPORTS HUB AND SATELLITE TENNIS FACILITIES**

Summary: This report updates the Council regarding the project to deliver the Community Sports Hub and associated Satellite Tennis Facilities.

Final costs are now available, with the tender evaluation having been completed.

Award of the main construction tender is requested, along with funding for improvements to community tennis facilities in North Walsham, Fakenham and Wells.

Options considered: None

Conclusions: The Community Sports Hub provides an opportunity for the Council to bring together three leisure assets in which it has a positive interest; the Cromer Tennis Club site with some of the best grass courts in the country, the Cromer Academy, where it uses school sports facilities through a dual use agreement; and the new 3 court indoor tennis centre, with gym and other facilities.

On the back of this project also sits the improvement of four community tennis facilities and a wider Tennis Development Network, jointly promoted and managed by the Council and the LTA. Together, these will greatly increase active leisure participation, as part of the Council's wider leisure offer.

Council approved the project last year and is now at the point where final costs are known. The construction costs for this £3.4m project have increased by £118k and external, LTA funding was reduced by £228k. Members are therefore requested to approve the additional project and award of the Contract, which will be conditional on the external funding coming forward.

Recommendations: **1. That Council provisionally awards the construction contract for the Community Sports Hub to Bidder X as per the attached confidential Tender Evaluation Report; with final award being subject to the LTA Grant Funding expected on December 6<sup>th</sup>.**

2. That Council agrees to an additional capital budget of £118,000 to fund additional, unforeseen works as described in the report.
3. That, subject to the Community Sports Hub going ahead, delegation is given to the s151 officer to adjust the financing by £228,000 in respect of the funding for improving the satellite community tennis facilities at Fakenham, Wells and North Walsham as described in the report. These amendments to be funded from capital receipts.
4. That delegated authority is given to the Head of Finance and Assets to adjust the financing as outlined within the report if required to maximise the value for the tax payer.

Reasons for  
Recommendations:

- 1) To provide a construction contract to build the new Community Sports Hub facility as previously approved by Full Council in December 2017. This will be dependent upon external funding being confirmed, so that the Council's position is protected.
- 2) To provide funding for the community sports hub in Cromer, as previously approved
- 3) To provide funding to improve satellite tennis facilities in North Walsham, Wells and Fakenham, as previously approved.
- 4) To enable the best mix of funding to be utilised within the budgetary framework for this 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)  Cllr Becky Palmer	Ward(s) affected  Cromer, North Walsham, Fakenham and Wells; although the sites proposed are in specific wards, the impact of the facilities would be across these towns and beyond
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Contact Officer, telephone number and email:
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## 1. Introduction

- 1.1 This report updates Members on the progress of the Community Sports Hub project including improvements to four outdoor satellite tennis sites that were agreed by Council alongside the main Hub.
- 1.2 Good progress has been made on the Community Sports Hub, with enabling works having been completed at risk during the summer school holidays and Planning Approval granted in September. The progress of the wider tennis development network has also been good, and the formal award of the LTA grant funding of £505,000 for elements of the project anticipated in early December.
- 1.3 Construction tenders have now been received and the report seeks approval of one bidder to undertake the works.
- 1.4 The report notes however, that since the original budget was approved, the cost of the construction contract has risen and the Lawn Tennis Association (LTA) grant funding has reduced. Therefore, in order for the project to go ahead, the Council will need to increase its capital expenditure.

## 2. Background

- 2.1 The Council published the Indoor Sports Facilities Strategy in 2015, and one of the Strategy's agreed recommendations was to install a 2-3 court, indoor tennis centre and combine the facilities at Cromer Academy, Dual Use Sports Centre and Tennis Club, into one community sports hub. The Council subsequently commissioned a feasibility study and business case, and agreement was given at Full Council in December 2017 to progress this project, including the satellite tennis facilities in Fakenham, Wells and North Walsham.
- 2.2 The LTA launched their funding scheme, 'Transforming British Tennis Together' in October 2017. Transforming British Tennis Together is the largest capital investment programme the LTA has ever undertaken. Over the next 10 years the LTA aim to invest £125m in British tennis facilities. There is a large emphasis on facilities receiving investment to provide transformational changes in participation, with the LTA therefore working towards two goals:
  - To double the number children playing tennis
  - To double the number of times that infrequent adult players play tennis

This will essentially be delivered by providing grant funding for additional indoor facilities and for the improvement of existing outdoor facilities, where transformational levels of increased participation can be achieved

- 2.3 A bid was made in late 2017 for an LTA capital grant from this fund, which has seen a long period of work with the LTA facilities and community teams in order to develop the bid to a point at which funding could be recommended.

Officers received a conditional offer of funding in September this year and since then, have received confirmation that the council has been recommended for a grant of £505,000, which should be awarded on 6 December.

- 2.4 As part of our original bid, the Council agreed to provide improvements to four outdoor tennis facilities across the district, as well as the community sports hub. These are sites that require improvements to be undertaken and are as follows:

- Wells Tennis Club:
  - thriving and successful club,
  - fully committed to the tennis development partnership,
  - open membership and courts available for public bookings
  - usage hours limited by lack of floodlighting which would be provided under this project
  
- Alderman Peel High School
  - school which performs highly in terms of its sports and wider wellbeing offer
  - fully committed to the tennis development and the wider, Schools' Sports Partnership where they provide the tennis lead, towards all of our schools being a "School for Tennis" under the LTA scheme
  - school sports facilities open to the public out of school hours
  - usage hours limited by lack of floodlighting which would be provided under this project
  
- Fakenham Sports Centre ('The Gallows')
  - privately owned but leased to the community sports association, of which the tennis club is a key member
  - association and tennis club open membership, with public access and bookings and a good reputation for children's coaching
  - courts of good quality but very limited run off area at the sides of the courts which limits participation
  - proposal is to extend courts to maximise opportunity for increased usage. This will necessitate some groundworks and extending the surfaced area and fencing
  
- North Walsham High School/Dual Use Sports Centre
  - school site, with strong commitment to sport
  - school facilities leased as a Dual Use facility run by NNDC out of school hours
  - link to North Walsham Town Council courts on the adjacent Memorial Park
  - significant latent demand identified locally but surface, floodlights and fencing are of poor quality
  - link to new leisure contract with new contractor driving participation

- North Walsham High School hugely committed to the Tennis Development Network and Schools Sports Partnership and, with improved facilities, would become a School for Tennis under the LTA scheme.

2.5 The Council has set up a Tennis Development Network with the stakeholders involved at these and other sites and importantly, all schools across the district. This network will act as the mechanism that drives tennis participation across the district by linking the four identified, plus other outdoor facilities, with the new indoor tennis centre. This will further link through to school tennis across the district and the Council's Sporting Centre of Excellence.

The Council and the LTA has been working with the network to produce a Tennis Development Plan, which formed an integral part of the Community Sports Hub funding application to the LTA. This network is and will continue to be supported by the LTA with revenue funding available for coaching enhancement, etc.

### **3. Current Position**

#### **3.1 Community Sports Hub**

The Community Sports Hub has progressed well, and the project has been overseen by an officer member Board and a project team of officers and external consultants.

Planning Approval was achieved in September 2018. Enabling works requiring the demolition of some old buildings on site were undertaken during the Academy summer holidays and the design of the steel frame for the indoor tennis centre design is in progress. Construction tenders have been received and evaluated, with the evaluation of tenders dealt with later in the report.

At the time of writing this report, the property related matters for the site are agreed and the final legal documents being drafted for signature.

The Community Sports Hub is due to open in summer 2019 and has been well supported by the local community and well received by bidders for the Council's Leisure Management Contract, which will come forward for award in December. Bidders clearly saw this facility as being able to increase participation, especially with the co-location with both the Academy and Tennis Club.

#### **3.2 Satellite Tennis Facilities**

As was originally planned, the identified satellite facilities will provide an enhanced level of tennis across the community. They will link up to other existing tennis facilities across the District, as well as the Community Sports Hub; all under the umbrella of the Tennis Development Network.

As the project has progressed, more in-depth analysis has been undertaken of the satellite sites identified and likely participation outcomes.

From this, it is clear that, whilst these sites provide good community level facilities and that investment in them will significantly increase participation,

the increase will not meet the “transformational” levels required of this part of the project to qualify for LTA grant funding.

There is no doubt of the commitment of the clubs and schools involved in maximising participation or of the latent demand which exists. However, because of our geographical position, this is just not at the level that the LTA requires for funding approval.

### 3.3 Funding and Cost Changes

- 3.3.1 In addition to not funding the satellite sites, the LTA has only agreed to a lower rate of grant funding for some of the ancillary facilities (gym, social facility, etc) at the main Community Sports Hub, as these will not be used entirely for tennis.

Whilst still agreeing to fund a grant of £505,000, the LTA grant originally assumed in the feasibility study was £733,000 and this has therefore been reduced by £228,000.

- 3.3.2 The increase in the construction costs, of £118,000, reflects additional ground works for surface water drainage and demolition costs, which could not have been foreseen when the original budget was agreed

It also covers additional works to the access road and new car park provision on Cabbell Park, which makes significant improvements to the access and transport links to the site. This was not available at the time of the original project report, due to the existence at the time of a single user agreement with Cromer Town FC, which has since changed. All of these changes were agreed as necessary by both project team and Board.

- 3.3.3 The current approved capital budget for this project is £3,181,000 which assumed and included the original higher level of LTA grant. With the reduced LTA grant, the actual budget now available is £2,953,000.

Having evaluated construction tenders, the anticipated final project cost is £3,299,289 which includes the provisional allocation of the £250,000 for the satellite sites. With the additional quality of access and the unforeseen works, the construction costs increased by £118,000 in the final contract sum.

This leaves a total deficit across the overall (indoor and satellite facilities) project of £346,289. For clarity, this is made up of the reduced LTA grant of £228k, and unforeseen construction costs of £118k.

- 3.5 The member/officer project board met in September and discussed the issue of the reduced LTA grant funding. This was then subsequently discussed with the Political Group Leaders. It was agreed essential that the Council should proceed with the main Community Sports Hub project as long as further funding was approved by Full Council for the community tennis sites.

## 4. Main Contract Tender Evaluation

- 4.1 The project for the main Community Sports Hub has maintained good progress overall. The member/officer project board agreed to undertaking some enabling works in the summer as it was impossible to undertake these

in school term times and also for the design contract to be let for the frame fabric structure; both of these were completed at risk.

- 4.2 The main construction contract tender process has been handled on the Council's behalf by Real Consulting in Norwich and their report has now been received, and is contained at confidential Appendix 1. This advises that the construction can be completed within the budget that Council has previously approved, although as highlighted above this would not leave the full £250,000 allocation available for the satellite sites.
- 4.3 Members will be aware that the names of companies bidding for such contracts are not made public until after the award has been formalised and the request for Council's approval to award the contract to Bidder X, as described in the Appendix is therefore contained in Recommendation 1.
- 4.4 The Council's advisors have stated to officers that, with the additional works, to only increase by £118k on a £3million contract value is a very successful outcome given that our business case was made a year ago.

## **5 Financial Implications and Risks**

- 5.1 As highlighted above, the current approved capital budget for this project is £3,181,000. The total anticipated final project cost at the present time is £3,299,289 which includes the provisional allocation of the £250,000 for the satellite sites.

This leaves a total deficit across the overall (indoor and satellite facilities) project of approximately £118,300.

- 5.2 It is therefore recommended that the project budget is increased by this amount to ensure that the facilities can be delivered as originally planned.
- 5.3 Initially the LTA were keen for these satellite sites to be included as part of the Council's main submission but with the participation numbers lower, later decided as part of the funding application process, that these wider improvements were not considered to be transformational and therefore would not attract funding.
- 5.4 The financing mix for the project now therefore needs to change as it was originally anticipated that the LTA would provide a grant of £733,000 whereas the grant level forecast now is £505,000 so the financing assumptions need to be altered to reflect this movement of £228,000.
- 5.5 It is therefore recommended that the overall budget for the project is increased by £118,300 to £3,299,300 and that the LTA changes are adjusted within the overall scheme financing. These changes are to be financed from capital receipts.
- 5.6 It is however further recommended that delegated authority is given to the Head of Finance and Assets to adjust the financing as outlined above if required from reserves/borrowing to maximise the value for the tax payer.

## **6 Sustainability**

Sustainability issues for this project are not high. Building issues will focus on energy usage which will be maintained at a low level with LED lighting.

The town centre position of the Cromer facility allows easy access by walking or cycling and the satellite hubs will help provide facilities at a local level, which in turn will minimise travel.

## **7 Equality and Diversity**

Clearly, these facilities will be open to all and where sectors of the population have traditionally not taken up tennis, additional focus will be provided for them. The LTA very much support the Sport England campaign “This girl can.” which seeks to encourage more women and girls into sport and active leisure.

The focus on tennis is especially relevant to North Norfolk’s demographic, as it is a low impact sport that many older people are able to continue to play well.

## **8 Section 17 Crime and Disorder Considerations**

It is well recognised that providing alternative leisure opportunities, especially for young people, helps to reduce anti-social behaviour. This will especially be the case with the links of these wider projects to local schools.

## **9 Conclusions**

The Community Sports Hub provides an opportunity for the Council to bring together three leisure assets in which it has a positive interest; the Cromer Tennis Club site with some of the best grass courts in the country, the Cromer Academy, where it uses school sports facilities through a dual use agreement; and the new 3 court indoor tennis centre, with gym and other facilities.

On the back of this project also sits the improvement of four community tennis facilities and a wider Tennis Development Network, jointly promoted and managed by the Council and the LTA. Together, these will greatly increase active leisure participation, as part of the Council’s wider leisure offer.

Council approved the project last year and is now at the point where final costs are known. The construction costs for this £3.4m project have increased by £118k and external, LTA funding was reduced by £228k. Members are therefore requested to approve the additional project and award of the Contract, which will be conditional on the external funding coming forward.

## **REVIEW OF POLITICAL BALANCE AND ALLOCATION OF SEATS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES AND PANELS**

**Summary:** Following further changes to the membership of the political groups at North Norfolk District Council, the Council is required to review the allocation of seats on committees, sub committees and working parties to reflect the political balance of the Council, in accordance with Section 15 of the Local Government and Housing Act 1989 and regulations made thereunder.

**Conclusions:** Following a change in the political balance it is necessary to review the allocation of seats on committees, sub-committees, working parties and panels.

**Recommendations:**

- 1. That Council approves the revised political balance calculation as per section 2.4 of this report**
- 2. That Council approves the allocation of seats to political groups as shown at Appendix A**
- 3. That delegation is given to the Group Leaders to make any appointments to committees, sub-committees, working parties and panels (in line with the political balance).**

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### **1. Introduction**

- 1.1 Since the last review of the political balance of the Council in July 2018, there have been further changes to the political make-up of the Council. As a result of these change, it is necessary to review the political balance again and determine the allocation of seats on committees to ensure that they reflect the revised balance.
- 1.2 Council's duty is to determine the allocation of seats to be filled by appointments by the authority, except the Cabinet. The purpose is to ensure that there is proportionality across all formal activities of the Council, reflecting the overall political composition. It affects all formally constituted committees, sub-committees, working parties and panels which discharge functions on behalf of the authority.

## 2. Background

2.1 On 5<sup>th</sup> October 2018 a non-aligned Independent Member joined the Liberal Democrat Group. On 1<sup>st</sup> November 2018, a seat was declared vacant following the death of an elected member. Then, on 12<sup>th</sup> November, a member of the Conservative Group joined the Independent Group. The above has resulted in a change to the political balance of the Council. The Council remains in 'no overall control' (NOC) with the composition as follows: Conservatives (19 Members), Liberal Democrats (19 Members), Independent Group (9 Members) and one vacancy.

2.2 Section 15(1) of the Local Government & Housing Act 1989 requires the Council to review the representation of the different political groups on committees and sub-committees:

- at, or as soon as practicable after the Annual Meeting of the Council or,
- where notice is received of a change in the composition of political groups

2.3 The Heads of Paid Service have a duty, whenever such a review takes place, to submit a report to the Council showing what the allocation of seats, in their opinion, best meet the requirements of the above Act.

### 2.4 Political Composition

The political composition of the Council is outlined below:  
(As there is one vacancy for the purposes of the political balance calculation they are not included in the table below – see section 2.6)

Group	No. of members	%
Conservative	19	40.43
Liberal Democrat	19	40.43
Independent	9	19.14
Vacancy	1	
<b>Total</b>	<b>47</b>	<b>100%</b>

2.5 The Council needs to approve the allocation of seats to the political groups on those committees which are required by law to be politically balanced.

2.6 The obligation to ensure that there is proportionality in the political composition of the Council's committees extends only to proportionate representation of members of political groups and does not require that a vacant seat is represented.

2.7 In carrying out any review, the Council is obliged to adopt the following principles and to give effect to them 'so far as is reasonably practicable':

- a) That not all seats on the Council are allocated to the same political group
- b) That the majority of the seats on the Council are allocated to a particular group if the number of persons belonging to that group is a majority of the authority's membership



- c) Subject to the above, that the number of seats on ordinary committees of the Council which are allocated to each political group, have the same proportion to the total of all the seats on the ordinary committees of that authority as is borne by the number of members of that group to the membership of the authority and
- d) Subject to a) and c) above, that the number of the seats on the Council which are allocated to each group have the same proportion to the number of all the seats on that Council as is borne by the number of members of that group to the membership of the Council.
- e) It was agreed at the meeting of Full Council on 28<sup>th</sup> March 2018 that delegation should be given to the Group Leaders to make any changes required to appointments to committees, sub-committees, working parties and panels as long as they are in accordance with the political balance. Group Leaders will inform the Democratic Services Manager of any changes and Members will be informed via the Members' Bulletin. In addition, and to ensure they changes are recorded formally, an update will be provided to the next meeting of Full Council.

### **3. Entitlement to Places**

- 3.1 The table at Appendix A shows those Committees that are required to be politically balanced and provides the entitlement to places of each group. Generally, the approach taken has been to round up percentages where they are above 0.5%, however, with two Groups having the same percentage share this has not been possible without increasing the overall number of seats on some committees. Consequently, the report highlights three committees where there is no clear outcome regarding the allocation of seats. To ensure that each group has their full entitlement to seats, it is therefore proposed that they negotiate an additional seat each on one of the highlighted committees.
- 3.2 According to NNDC's Constitution, Chapter 5 section 6.2 'Working Parties shall in law be Committees of the Council' and consequently the political balance rules will also apply to working parties – unless they are Cabinet sub-committees. Cabinet sub-committees are not required to be politically balanced but it is the practice at NNDC that they are and for this reason they are included in the table (marked with an asterisk)

### **4. Conclusion**

Council is asked to allocate seats and substitutes to political groups in accordance with the political balance rules.

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

In line with the relevant legislation, the Council must review the political balance and allocation of seats following the formation of a new political group. There is no alternative.

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

There are no financial implications arising from this report.

### **7. Sustainability**

There no sustainability issues arising from this report.

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

An Equality Impact Assessment has not been completed because there are no service, policy or organisational changes being proposed.

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

There are no Crime and Disorder implications arising from this report.

		Conservative		Liberal Democrat		Independent		TOTAL
Members		19		19		9		47
Expressed as %		40.43%		40.43%		19.14%		100%
Committee	No. of Seats Currently	Entitled Places (exact)	Entitled Places (rounded)	Entitled Places (exact)	Entitled Places (rounded)	Entitled Places (exact)	Entitled Places (rounded)	
Licensing Committee	15	5.94	6	5.94	6	2.81	3	15
Development Committee	14	5.54	5	5.54	5	2.63	3	14
Overview & Scrutiny	12	4.75	5	4.75	5	2.25	2	12
Planning Policy & Built Heritage WP	12	4.75	5	4.75	5	2.25	2	12
Standards Committee	7	2.77	3	2.77	3	1.31	1	7
*Big Society Fund Grants Panel	7	2.77	3	2.77	3	1.31	1	7
*Member Development Group	6	2.38	2	2.38	2	1.13	1	6
Governance, Risk & Audit Committee	6	2.38	2	2.38	2	1.13	1	6
Constitution Working Party	5	1.98	2	1.98	2	0.94	1	5
*Joint Staff Consultative Committee	5	1.98	2	1.98	2	0.94	1	5
* Council Tax Support Working Party	5	1.98	2	1.98	2	0.94	1	5
<b>TOTAL</b>	<b>94</b>	37.22	<b>37 (38)</b>	37.22	<b>37 (38)</b>	17.64	<b>17 (18)</b>	<b>94</b>

*\*Please note that all of the committees marked with an asterisk \* are Cabinet sub-committees and therefore they are not required to be politically balanced – however, it is the practice at NNDC that they are politically balanced.*