

# Cabinet



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27<sup>th</sup> January 2017

A meeting of the **Cabinet** of North Norfolk District Council will be held in the Council Chamber at the Council Offices, Holt Road, Cromer on **Monday 06 February 2017 at 10.00am**

At the discretion of the Chairman, a short break will be taken after the meeting has been running for approximately one and a half hours

Members of the public who wish to ask a question or speak on an agenda item are requested to arrive at least 15 minutes before the start of the meeting. It will not always be possible to accommodate requests after that time. This is to allow time for the Committee Chair to rearrange the order of items on the agenda for the convenience of members of the public. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel: 01263 516010, Email: [democraticservices@north-norfolk.gov.uk](mailto:democraticservices@north-norfolk.gov.uk)

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

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

To: Mrs S Arnold, Mr N Dixon, Mr T FitzPatrick, Mrs A Fitch-Tillett, Mrs J Oliver, Mr W Northam, Miss B Palmer, Mr R Price, Ms M Prior

All other Members of the Council for information.  
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

**Heads of Paid Service:** Nick Baker & Steve Blatch  
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## A G E N D A

### 1. TO RECEIVE APOLOGIES FOR ABSENCE

### 2. MINUTES

(page 14)

To approve, as a correct record, the minutes of the meeting of the Cabinet held on 05 December 2016.

### 3. PUBLIC QUESTIONS

To receive questions from the public, if any.

### 4. 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.

### 5. DECLARATIONS OF INTEREST

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.

### 6. MEMBERS QUESTIONS

To receive oral questions from Members, if any.

### 7. CONSIDERATION OF ANY MATTER REFERRED TO THE CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE OR COUNCIL FOR RECONSIDERATION

To consider matters referred to the Cabinet (whether by the Overview and Scrutiny Committee or by the Council) for reconsideration by the Cabinet in accordance with the provisions within the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules.

### 8. CONSIDERATION OF REPORTS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

To consider any reports from the Overview and Scrutiny Committee, which may be presented by the Chairman of the Overview and Scrutiny Committee, and determination of any appropriate course of action on the issues so raised for report back to that committee

### 9. PLANNING POLICY & BUILT HERITAGE WORKING PARTY

(Minutes attached – p.20)

At the meeting of the Planning Policy & Built Heritage Working Party held on 12 December 2016 the following recommendations were made:

#### **RECOMMENDED to Cabinet**

That the amendments to the scheme of delegation for Local Listing to allow Officers to add individual buildings to the list as and when necessary, having first sought the prior agreement of the Local Member(s) and Planning Portfolio Holder, be approved.

## **RECOMMENDED to Cabinet**

That the Maltings Hotel, Weybourne be added to the Local List.

### **10. STORM SURGE UPDATE**

(page 24)

Summary: This report has been compiled to highlight the response of the Council, its staff and other agencies, to the recent storm surge.

Options considered: No options to consider.

Conclusions: In general terms, this event was managed extremely well by the Council working in partnership with volunteers and emergency services and other agencies.

A de-brief process is ongoing so that any lessons to be learnt can be captured and if necessary, the Council's Policies and Procedures will be reviewed and updated as a result.

Recommendations: That Cabinet notes the report and the progress made in response to the event and the recovery action taken thereafter.

Reasons for Recommendations: To ensure that Members are appraised of the Council's response to the recent storm surge so that appropriate governance can be maintained around the Council's Civil Contingencies planning arrangements.

Cabinet member(s): Cllr T FitzPatrick  
Ward member(s) All  
Contact Officer Nick Baker  
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and e-mail: [nick.baker@north-norfolk.gov.uk](mailto:nick.baker@north-norfolk.gov.uk)

### **11. 2017/18 BUDGET REPORT**

(page 31)

(Appendix A – p.61) (Appendix B – p.63) (Appendix C – p.87) (Appendix D – p.88)  
(Appendix E – p.90) (Appendix F – p.95) (Appendix G – p.97)

Summary: This report presents for approval the 2017/18 budget along with the latest financial projections for the following three years to 2020/21.

Options considered: The budget for the forthcoming financial year must be set annually. Whilst there are options around the individual budgets presented for approval i.e. what is included in the budget for 2017/18, the overall position now presented for approval is the culmination of work carried out by officers and Cabinet over a number of months, details of this work is provided within the report.

Conclusions: The Council's budget is set for approval each year; it is presented to Cabinet and then considered by Overview and Scrutiny Committee before recommendations are made to Full Council. This report now presents a balanced budget for 2017/18 and also presents the latest financial projections for the

following three financial years, 2018/19 to 2020/21. The budget has been produced based on a number of assumptions as detailed within the main body of the report and also reflects the provisional finance settlement announced on 15 December 2016. The report recommends that the surplus for the year is allocated between the Asset Management reserve to support the council's asset commercialisation agenda and the Enforcement Works reserve. The report also outlines the risks facing the Council in setting the budget and forecasting future spending plans and resources.

Recommendations: **It is recommended that Cabinet agree and where necessary recommend to Full Council:**

**Council  
Decision**

- 1) **The 2017/18 revenue budget as outlined at Appendix A;**
- 2) **The surplus of £1,045,911 is allocated between the Asset Management reserve (£904,974) and the Enforcement Works reserve (£140,937) as outlined in the report;**
- 3) **The demand on the Collection Fund for 2017/18, subject to any amendments as a result of final precepts still to be received be:  
a. £5,520,427 for District purposes  
b. £2,015,978 (subject to confirmation of the final precepts) for Parish/Town Precepts;**
- 4) **The statement of and movement on the reserves as detailed at Appendix D;**
- 5) **To approve a new car park enforcement Service Level Agreement (SLA) with Kings Lynn and West Norfolk Borough Council for an initial period of five years with the potential for a further 2 year extension;**
- 6) **The updated Capital Programme and financing for 2016/17 to 2018/19 as detailed at Appendix E;**
- 7) **The new capital bids as detailed at Appendix F;**
- 8) **The prudential indicators as included at Appendix G;**
- 9) **To agree the minor adjustment to the fees for annual chalet licences in Sheringham**
- 10) **That members note the current financial projections for the period 2018/19 to 2020/21;**

Reasons for Recommendations: To recommend a balanced budget for 2017/18 for approval by Full Council on 22 February 2016.

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

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

Local Government Finance Settlement 2017/18, 2016/17 budget monitoring reports.

Cabinet member(s): Cllr W Northam  
Ward member(s): All  
Contact Officer: Duncan Ellis  
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## 12. TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18

(page 102)

Summary: This report sets out details of the Council's treasury management activities and presents a strategy for the prudent investment of the Council's surplus funds.

Options Considered: Alternative investment options are continuously appraised by the Council's treasury advisors, Arlingclose and all appropriate options are included within this Strategy.

Conclusions: The preparation of this Strategy Statement is necessary to comply with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services.

**Council  
Decision**

**Recommendations: That the Council be asked to RESOLVE that The Treasury Management Strategy Statement is approved.**

Reasons for Recommendation: The Strategy provides the Council with a flexible treasury strategy enabling it to respond to changing market conditions and ensure the security of its funds.

Cabinet member(s): Cllr W Northam  
Ward member(s): All  
Contact Officer: Tony Brown  
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## 13. COMMUNITY HOUSING FUND

(page 114)

(Appendix H – p.122) (Appendix I – p.123)

Summary: This report provides information on the funding awarded to North Norfolk District Council in 2016/17 through the Community Housing Fund. The fund has been established to support the delivery of community led affordable housing schemes in areas where the impact of second homes is particularly acute.

Whilst the Council has been awarded £2,436,942 in 2016/17, payment of the final 50% of this sum is dependent on the submission of a satisfactory delivery plan. This report shows how the fund will be targeted at those parishes where 10% or more of dwellings are second and holiday homes. It identifies a number of opportunities for how the fund could be spent and makes two recommendations which will support the development of a delivery plan to ensure the appropriate spend of the current allocation and ensure that the Council is able to take maximum advantage of future opportunities for funding from the Community Housing Fund.

The Council's allocation of £2,436,942 in 2016/17 from the

Community Housing Fund recognises that North Norfolk is an area where there are significant numbers of second and holiday homes and that this has an impact on local communities. The Community Housing Fund therefore represents a significant opportunity for the Council to address this issue for the benefit of our local communities.

Conclusions:

The first year of funding is designed to ensure that there is sufficient capacity and skills to deliver an ongoing and sustainable programme of community led housing schemes with funding from April 2017 focused on supporting the delivery of new homes. Further allocations will depend in part on whether the initial allocation is spent in accordance with the objectives of the fund. On this basis, in order to ensure the applications/bids to the fund from April 2017 are successful, the Council will need to develop and implement an effective ongoing delivery strategy. This will allow the fund to continue to be used to benefit local communities with high levels of second and holiday homes through the provision of new affordable homes and the ability of the new housing schemes to provide wider community benefits.

Recommendations: **It is recommended that:**

Cabinet  
Decision

- 1. Cabinet approves the targeting of the Community Housing Fund monies on those parishes where the percentage of second homes and holiday homes represents 10% or more of dwellings.**
- 2. Cabinet delegates to the Corporate Director and Head of Paid Service (S Blatch) and Portfolio Holders for Housing and Community Liaison and Engagement:**
  - a) The production of a delivery plan for the spend of the 2016/17 Community Housing Fund allocation.**
  - b) Authority to negotiate and agree with the Borough Council of Kings Lynn and West Norfolk Council joint working or partnership arrangements through which the outcomes for the Community Housing Fund can be delivered**
  - c) Spend of the Community Housing Fund in accordance with the delivery plan.**

Reasons for  
Recommendations:

The recommendations will ensure that the opportunity presented by the Community Housing Fund to support rural and coastal communities where the impact of high levels of second and holiday homes is most acute will be fully realised and will ensure that the Council will be able to continue to support such communities by developing a strategic approach and delivery programme to support the funding opportunities available through the fund from 2017/18 onwards.

In addition the recommendations will support the Council's Corporate Plan priority of:  
'Addressing the housing and infrastructure needs for local people whilst meeting the market demand for housing by supporting the delivery of new housing across the district.'

Cabinet member(s): Cllrs S Arnold & R Price  
Ward member(s) All  
Contact Officer Nicola Turner  
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14. **STRATEGIC PROPERTY DEVELOPMENT PARTNER** (page 125)  
**\*\* EXEMPT APPENDICES \*\* NOT FOR PUBLICATION – BY VIRTUE OF PARAGRAPH 3 OF  
PART 1 OF SCHEDULE 12A (AS AMENDED) OF THE LOCAL GOVERNMENT ACT 1972**

(Exempt Appendices – page 190)

**Summary:** This report outlines the Council’s engagement of a Strategic Property Development Partner to provide advice to the authority in respect of the increased “commercialisation” of its asset portfolio, as a key strand of work outlined in the Council’s Medium-Term Financial Strategy.  
The Council has appointed a consortium led by Gleeds of Nottingham and supported by commercial property agents, Pygott and Crone and architects CPMG as our Strategic Property Development Partner, for an initial period of one year, with the option to extend this by up to a further two years.  
The report details the initial consideration by the Gleeds team of four property assets held by the Council and makes recommendations as to how the Council might seek to realise the development of these assets in the future.

**Options considered:** The report details the options available to the Council in the development or disposal of a number of land and property assets owned by the authority and recommends a course of action in each case.

**Conclusions:** The report makes a number of recommendations concerning the disposal or development of a number of Council owned land and property assets based upon potential revenue generation or capital receipts by the authority.

**Recommendations:** It is recommended that Cabinet:

**Cabinet  
Decision**

- 1. Notes the appointment of a consortium led by Gleeds of Nottingham to advise the Council with regards the commercialisation of its property portfolio.**
- 2. Agrees that the Council commissions detailed plans for a residential development scheme for the former depot site at Grove Lane, Holt, with options for the future delivery / development of such a scheme being the subject of a future report to Cabinet.**
- 3. Agrees that the Council has detailed plans prepared for a commercial development of the Beach Road public convenience site, Wells-next-the-Sea with the intention of the authority developing this site out for future lease as an investment proposal.**
- 4. Agrees that the Highfield Road car park site, Fakenham be advertised for sale or a joint venture / partnership development opportunity for an Over 55s apartment development.**

5. Agrees to consider further the potential of the Cadogan Road car park in Cromer to accommodate a new hotel development on the terms advised by Pygott and Crone and to engage the company to represent the Council in the advertising and disposal of part of the site for such a development, based on the company's experience of similar investment proposals elsewhere.
6. That the Cabinet agrees that the costs involved in preparing detailed designs for the Grove Lane, Holt and Beach Road, Wells schemes and in advice in the marketing and disposal of the Highfield, Fakenham and Cadogan Road, Cromer sites are funded through the Asset Management Reserve.

Reasons for Recommendations: To deliver some elements of the Medium-Term Financial Strategy through developing potential sources of ongoing revenue income and capital receipts to the authority which can be used to support future revenue budgets and further capital investment projects by the Council moving forward under the authority's asset commercialisation strategy.

#### **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)

Tender specification for the appointment of a strategic property development partner  
Confidential site options / appraisal analysis to inform decisions on individual sites.  
Such summaries are confidential / exempt documents on the basis that they contain professional advice to the authority which is commercially sensitive.

Cabinet member(s): Cllr J Oliver  
Ward member(s) All, but with detailed recommendations made in respect of assets in the following wards:-  
Holt, Lancaster North, Priory, and Cromer Town,  
Contact Officer Steve Blatch  
telephone 01263 516232  
and e-mail: [steve.blatch@north-norfolk.gov.uk](mailto:steve.blatch@north-norfolk.gov.uk)

#### **15. DIGITAL TRANSFORMATION – REQUEST FOR RELEASE OF FUNDING FROM RESERVES** (page 132)

Summary: This report seeks the release of funding from reserves allocated for Digital Transformation for

1. The purchase of software for a committee management system
2. A further 12 month extension for two temporary posts to support ongoing business process reviews



Options considered:

Not to implement a committee management system. Democratic Services could continue to produce agendas manually but this is resource intensive and electronic access to committee documents is limited.

Not to extend the two business process review posts. This would impact on the ongoing business process review and service redesign considerations in both Planning and Environmental Health, and other smaller scale reviews elsewhere across the organisation.

Conclusion:

The implementation of a committee management system would enable Democratic Services to manage the democratic processes of the Council in a streamlined, fully integrated way.

The extension of the two temporary posts will provide continued support for the ongoing reviews in both Planning and Environmental Health and enable further reviews across the wider authority.

Recommendations:

- 1. That Cabinet approves the release of £15,000 from the Digital Transformation Reserve for the purchase of committee management software.**
- 2. That Cabinet approves the release of £45,000 from the Digital Transformation Reserve to extend the contracts for Posts 11401 and 11403 by one year to 31 March 2018.**

**Cabinet  
Decision**

Reasons for  
Recommendations:

1. There would be considerable savings in the amount of staff time spent on manually producing committee documents and compiling work programmes. This would ensure that the Council is always able to achieve its statutory deadlines. Access to electronic documents for the public and Members would be improved.
2. To provide the capacity and skills to support the Digital Transformation Programme.

Cabinet member(s):  
Ward member(s)  
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Cllr T FitzPatrick  
All  
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## 16. BUSINESS CONTINUITY POLICY REVIEW

(page 138)  
(Policy document – p.141)

- Summary: The attached revised Business Continuity Policy has been reviewed and updated to reflect the new management structure and the framework for those involved in the Business Continuity Programme within the Authority.
- Options considered: Cabinet endorse the Business Continuity Policy and agree that it can be accepted as the overarching Business Continuity document for the Authority.
- Cabinet rejects the need for a Business Continuity Policy. Given the Council's designation as a Category 1 responder under the Civil Contingencies Act, this would not be considered appropriate.
- Conclusions: The revised policy will build on the good foundations already in place and enable the authority to continue to meet its obligations for business continuity as detailed within the Civil Contingencies Act 2004

### Recommendations:

**Cabinet  
Decision**

- 1. That Members note the progress made and the plan to further improve business continuity within the council.**
- 2. That Members agree to the adoption of the revised Business Continuity Policy.**

Reasons for Recommendations: To provide positive corporate direction and governance to business continuity planning across the Council.

Cabinet member(s): Cllr A Fitch-Tillett  
Ward member(s): All  
Contact Officer: Richard Cook  
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## 17. COMMUNICATIONS STRATEGY 2016 – 2019

(page 151)  
(Strategy document – p.154)

- Summary: This report presents a communications strategy for North Norfolk District Council Cabinet to consider.
- Options considered: To Not Have A Strategy – Given the need to communicate as a public sector organisation this option was discounted.
- Conclusions: The Communications Strategy suggests how the authority can ensure its communications is fit for purpose and meets the needs of our different stakeholders.

**Recommendations:**

**Cabinet  
Decision**

**That the Cabinet adopts the Communications Strategy 2016-2019, setting out how the authority will communicate and engage with the community.**

**Reasons for  
Recommendations:**

The Council is a public sector organisation which has a duty to communicate with its customers, residents, businesses and visitors to North Norfolk.

The Communications Strategy 2016-2019 sets out how the authority will seek to communicate and engage with the community.

Cabinet member(s):  
Ward member(s)  
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telephone  
and e-mail:

Cllr T FitzPatrick  
All  
Sue Lawson  
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**18. COMPULSORY PURCHASE OF 4 SCULTHORPE LODGE, BRECK LANE , WEST BARSHAM**

(page 186)

(Exempt Appendix – p. 199)

**\*\* EXEMPT APPENDIX \*\* 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 makes the case for compulsory purchase of the above property, which has been empty in excess of 18 years.

**Options**

This property has been empty for a considerable period and is in a poor state of repair. Considerable time and effort has gone in to attempts to work with the owner to encourage him to take the steps necessary to return the property to a habitable condition but these efforts have failed to achieve a positive outcome for the property..

The property first came to the Enforcement Board's attention in September 2014 amid concerns that the property could be hazardous and dangerous due significant and prominent cracking to the property exterior.

Initially, the Council was looking to take action under Building Act legislation as a dangerous structure but evidence from the owner's surveyor indicated that the property was not in imminent danger the council agreed to give the owner time to address the long term erosion in October 2015.

As no works have been carried it is felt that the property will not be returned to use without direct intervention by the Council and due to long-term empty status of this property this report proposes that the Council applies to the Secretary of State for a Compulsory Purchase Order as the most likely way to ensure the property is returned to use.

Prior to seeking an order, the Council would be expected to have attempted to reach a voluntary agreement for sale with the current owners, which would be based on an independent market valuation.

It may be possible to enter into an arrangement with a purchaser for a back to back sale following compulsory purchase. If not, then once acquired, the property would be sold on the open market by the method likely to attract greatest interest from potential developers.

**Recommendations:**

**Cabinet  
Decision**

- 1. That officers are authorised to seek a voluntary agreement from the owner of 4 Breck Lane, West Barsham, to sell the property to the Council stating clear timescales for the owners to respond and to complete the sale.**
- 2. If no such agreement is reached, that officers are authorised to proceed with a Compulsory Purchase Order on the property from the Secretary of State.**
- 3. That officers are authorised to take necessary steps for the acquired property to be sold on at the earliest opportunity with binding conditions that will make clear the Council's expectation for the property be returned to use as soon as realistically achievable.**
- 4. That the purchase will be funded from capital resources from which virement of the necessary funds is authorised.**
- 5. To cap the CPO on costs at the upper limit identified in the accompanying briefing paper.**

**Reasons for  
Recommendations:**

1. There is an expectation by the Secretary of State that Councils will seek to reach voluntary agreement on purchase prior to a Compulsory Purchase being authorised.
2. To enable the property to be brought back into use, thus reducing the number of long-term empty properties in the area and increasing housing provision.
3. As for 2 above.
4. To make the necessary financial provision for purchase
5. To ensure CPO remains a cost effective option.

Cabinet member(s)  
Wards Affected  
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telephone  
and e-mail:

Cllr J Oliver  
All  
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**19. EXCLUSION OF PRESS AND PUBLIC**

To pass the following resolution:

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

**20. PRIVATE BUSINESS**



**75. MEMBERS QUESTIONS**

The Leader confirmed that Members could ask questions as each item arose.

**76. CONSIDERATION OF ANY MATTER REFERRED TO THE CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE OR COUNCIL FOR RECONSIDERATION**

None

**77. CONSIDERATION OF REPORTS FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

None

**78. FEES & CHARGES, SAVINGS AND CAPITAL BIDS**

Mr W Northam, Portfolio Holder for Finance introduced this item. He explained that the recommended fees and charges would be used to inform the income budgets for the 2017/18 budget. Mr Northam said that following a change to car park charges in July 2016, there were no proposed changes for 2017/18. Season tickets would increase slightly by 2%.

Beach hut and chalet fees were due to increase incrementally over the next few years with hut sites reaching £500 pa by 2019/20. Mr Northam said that these remained very popular and the increase would bring them into line with other authorities.

Mr Northam concluded by saying that some fees and charges were set by central government and had to be implemented.

It was proposed by Mr W Northam, seconded by Mrs A Fitch-Tillett and

**RESOLVED**

To agree and recommend to Full Council the fees and charges from 1 April 2017 as included in Appendix A to the report.

**Reason for the decision:**

To approve the fees and charges as set out in the report that will be used to inform the 2017/18 budget process.

**79. ENFORCEMENT UPDATE**

The Portfolio Holder for Legal services, Mrs J Oliver introduced this item. She said that the report provided an update for Members on the work of the Enforcement Board over the previous 6 months and also gave an assessment of progress made by the Board on the difficult enforcement cases since its inception.

Mrs Oliver said that the Board had considered 139 cases to date, of which all but 6 had seen positive action. She said the newly formed Combined Enforcement Team

which tackled planning enforcement issues and supported enforcement work in the Revenues team, had started to see some excellent results.

Mrs Oliver concluded by saying the reduction of Long Term Empty Homes (LTEs) continued steadily with a total reduction of 140 since the inception of the Board.

Mr R Shepherd commented that the Board were doing great work and seeing excellent results.

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

**RESOLVED to**

1. Note the progress made by the Enforcement Board and the Combined Enforcement Team over the past six months.
2. Note the progress made around the Council's use of RIPA including relevant authorisations investigations in the past year.
3. Approve the virement of £20,000 from the Enforcement Board Reserve to allow further complex Planning Enforcement cases to be allocated to external consultants for progress, on the basis that this is unlikely to be recovered.

**Reason for the decision:**

To ensure appropriate governance and funding of the Council's enforcement activities.

**80. DIGITAL TRANSFORMATION UPDATE**

The Leader, Mr T FitzPatrick, introduced this item. He said that it was the latest six monthly update for the Digital Transformation Programme which had been running for 3 years now. Overall, progress on the technology infrastructure improvement work was progressing well. There was some outstanding work for the Business Process Review (BPR) in the planning service where outcomes were currently being implemented. He added that the BPR in Environmental Health had commenced and the business case would be developed for consideration in March 2017

The Leader then invited Miss B Palmer, Portfolio Holder for Customer Services to introduce the new Customer Services Strategy. She said that the new strategy would ensure that customers could access all of the Council's services more easily.

Mrs S Arnold said that she welcomed the update. Referring to the increased use of agile working, she said that although this provided increased flexibility for the Council and its staff, it was only possible where there was good Broadband and mobile phone coverage. The Leader replied that the Council would continue to put pressure on the government and that he could arrange for a regional update on progress if Members wished. Mrs J Oliver said that the Council could ask parishes to come forward with potential sites for masts as this could encourage the telecommunications companies to invest. Mr FitzPatrick agreed but said this had proved challenging in the past. Mr R Shepherd and Mr R Reynolds both sought an update on telecommunications sites in Blakeney. The Corporate Director (SB) replied that funding had expired on 31<sup>st</sup> March 2016 and no successive programme had been announced. Regarding the Langham Road site, he said that he was not aware of any follow-up and that it was now in the hands of the operators to identify potential sites.



Mrs A Fitch-Tillett said that she agreed with Mrs Arnold's comments about agile working. She said Environmental Health Staff relied on mobile technology to do their work and poor reception caused them problems.

Mr V FitzPatrick said that agile working was a choice and would not be imposed on anyone. It offered flexibility and made the workforce more effective.

It was proposed by Mr T FitzPatrick, seconded by Miss B Palmer and

## **RESOLVED**

- 1) To note the progress made on the Digital Transformation Programme.
- 2) To approve the new Customer Services Strategy appended to the report.

### **Reason for the decision:**

- 1) To provide appropriate governance and oversight of the Digital Transformation Programme.
- 2) To publicly detail the Council's plans in this area.

## **81. SUPPORTING HOUSING DELIVERY & MEETING TEMPORARY ACCOMMODATION NEEDS**

The Leader, Mr T FitzPatrick, introduced this item. He explained that the report recommended the disposal of the Council's retained housing land off School Close, Knapton by private treaty to Victory Housing Trust for the provision of an Exception Housing Scheme subject to Planning permission being secured. In addition, it was also recommended that Full Council approved capital expenditure of £100,000 grant funding to Victory Housing Trust to support the delivery of 43 new homes on the Laundry Loke site in North Walsham and up to £180,000 towards the provision of temporary accommodation.

Mrs S Arnold, in seconding the motion, said that the proposals would achieve more affordable housing and improve the supply of temporary accommodation.

The Leader invited Members to comment:

Ms V Gay said that she welcomed the proposal to deliver homes on the Laundry Loke site but she would be interested to know when the decision was made to move forward with this proposal and if were local members told. The Housing Strategy and Community Development Manager replied that Victory Housing had undertaken a consultation with the local community the previous month. Mrs Turner said that she was not sure if local members had been told and said that the Council had only recently received detailed information on the extensive remediation costs and it was being considered by Cabinet now to avoid any further delay. Ms Gay replied that a representative from Victory Housing had attended a meeting of North Walsham Town Council to brief them about the contamination on the site and that was how she had found out about the proposals. Ms Gay then went onto speak about the need for temporary accommodation. She said that there had been an increase in the number of rough sleepers in urban areas such as Norwich and Great Yarmouth and wondered what the current situation was in the district. Mrs Turner replied she was aware that the recent count in Norwich and Kings Lynn had confirmed the increase in rough sleeping but was not aware of the current number of rough sleepers in the district but would ensure all members are notified. Mrs Turner then referred to the

Severe Weather Emergency Protection (SWEP) Scheme which monitored overnight temperatures and ensured people had access to accommodation and confirmed that the Housing Customer Services team do engage with rough sleepers.

It was proposed, seconded and

### **RESOLVED**

1. To agree to the disposal of land off School Close, Knapton to Victory Housing Trust by private treaty on the terms set out in the report.
2. To recommend to Full Council the approval of capital expenditure in the form of a grant of £100,000 to Victory Housing Trust in relation to the Laundry Loke site in North Walsham to be funded from capital receipts.
3. To recommend to Full Council that a budget of up to £180,000 is made available to secure the provision of temporary accommodation for homeless households to be funded from capital receipts

### **Reason for the decision:**

To support the Council's Corporate Plan priority to:  
Address the housing and infrastructure needs for local people whilst meeting the market demand for housing by supporting the delivery of new housing across the district.

## **82. MARKET PAY REVIEW**

The Leader introduced this item. He explained that the Council had commissioned a market pay review to benchmark pay against other local authorities in the East of England. He went on to say that the Council had struggled over recent years to recruit to some key posts and had implemented supplements in some areas in order to encourage applications. In addition, the last Investors In People (IIP) report in December 2015 had highlighted reward and recognition as one of the few indicators that was not met.

The summary findings of the market pay review showed that 64.15% of the 53 posts surveyed were 5% or more below the median maximum salary for the sample group. The findings indicated that the pay differentials were across the board and were not confined to certain grades, posts or service areas.

The Leader said that the report looked at a number of options for adjusting the current grade ranges in order to align them more closely with the relevant market median. It was felt due to level of upset caused by the review of the pay and grading structure a few years ago that this was not an option and the simplest approach would be to add a spinal column point onto each grade. If approved the changes would come into effect from April 2017.

Cllr J Oliver said she fully supported the proposals not only for good economic reasons but because the Council should also be a fair employer.

The Leader invited Members to speak:

- 1) Mr R Reynolds queried whether enough was being done to encourage people to relocate to the area. The Corporate Director (SB) replied that relocation costs were included as part of the recruitment package.

- 2) Mrs S Arnold said that she supported the proposals and that the Council needed to retain its existing staff as well as attracting new people.
- 3) Ms V Gay said that all members appreciated the staff very much. She agreed that the pay and grading review had created a lot of ill feeling which had lasted for years and it was not an option to go down that path again.
- 4) Mrs S Butikofer said that it was an excellent proposal and the Council's employees deserved to be paid the right wage.

It was proposed by Mr T FitzPatrick, seconded by Mrs J Oliver and

**RESOLVED to recommend to Council:**

that the Council:

- a) Retains the existing pay and grading structure but increases each grade by one spinal column point (above option 2) with effect from 1 April 2017.
- b) Identifies those posts that are 10% or more below the market to investigate the differences and consider a review of job descriptions and evaluation if appropriate.

**Reason for the decision:**

As a Gold standard Investors in People organisation, reward and recognition is one area of the Council's HR strategy that is out of line with all other practices. In addition, staff survey data consistently shows that the Council is seen as a good place to work but that pay lets the Council down and this can lead to the loss of effective members of staff.

Before the meeting closed, Mr W Northam said that he wished to congratulate the Democratic Services Team Leader on her recent award. He said that it was well deserved and he was pleased to see that it had received good publicity. The Leader said that he endorsed these comments and that it was gratifying to see awards being achieved and that it was a good reflection on the quality of the Council's staff.

Mrs S Arnold said that during her year as Chairman of the Council a new display cabinet had been purchased and it was good to see these awards displayed in there.

Mrs A Claussen-Reynolds said that this was the second award in one year for the Democratic Services team.

Mr V FitzPatrick said that it was important to pass such positive news onto the town and parish councils so that they were aware of the good work that the Council was doing. Mrs Oliver confirmed that herself and her fellow ward member had already done this.

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Chairman

**12 DECEMBER 2016**

Minutes of a meeting of the **PLANNING POLICY & BUILT HERITAGE WORKING PARTY** held in the Council Chamber, Council Offices, Holt Road, Cromer at 10.00 am when there were present:

Councillors

Mrs S Arnold / Mr J Punchard (Chairman)

Mrs J English  
Ms V Gay

Mrs A Green  
Mrs P Grove-Jones

Observers:

Ms M Prior  
B Smith

Officers

Mr M Ashwell – Planning Policy Manager  
Mr P Rhymes – Conservation and Design Officer  
Mr I Withington – Planning Policy Team Leader

**28. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors P High, N Pearce, S Shaw, R Shepherd and Mrs V Uprichard.

During the meeting, Councillor Mrs S A Arnold felt unwell and left the meeting, with Councillor J Punchard taking the Chair for the remainder of the meeting.

**29. PUBLIC QUESTIONS**

None.

**30. MINUTES**

The Minutes of the meeting held on 17 October 2016 were approved as a correct record and signed by the Chairman.

**31. ITEMS OF URGENT BUSINESS**

None.

**32. DECLARATIONS OF INTEREST**

None.

**33. UPDATE AND AMENDMENTS TO THE NORTH NORFOLK LOCAL LIST AND ADOPTION PROCEDURE**

The Conservation and Design Officer presented the report which set out proposals for a number of minor amendments to the process of adoption and delegation

relating to local listing of buildings of special architectural or historical interest. It also recommended the addition of the Maltings Hotel, Weybourne to the local list.

The Conservation and Design Officer explained that the purpose of the local list was to identify those buildings, structures and archaeological sites which were not considered by Historic England to warrant national listing, but were considered to enrich and enliven their local area. However, in relation to adding individual buildings to the list, the process adopted in 2011 was unwieldy and therefore it was suggested that all future nominations for addition to the Local List be assessed at Officer level against the agreed criteria and then authorised via the Local Member and Planning Portfolio Holder. Conservation Area proposals and proposals to add a number of buildings to the list would continue to be brought before the Working Party.

Councillor Ms V R Gay asked if Members could propose buildings for addition to the list or if they had to do so through the Parish or Town Council.

The Conservation and Design Officer stated that although most nominations came from Parish Councils, it was open to individuals to put forward buildings for local listing. The Conservation and Design Team would then assess the technical merits of the proposal.

Councillor Mrs J English asked if Parish Councils would be informed that a building was being considered for local listing. The Conservation and Design Officer confirmed that this would be done.

It was proposed by Councillor Mrs P Grove-Jones, seconded by Councillor Mrs J English and

#### **RECOMMENDED to Cabinet**

**That the amendments to the scheme of delegation for Local Listing to allow Officers to add individual buildings to the list as and when necessary, having first sought the prior agreement of the Local Member(s) and Planning Portfolio Holder, be approved.**

The Working Party considered the proposal to add The Maltings Hotel, Weybourne to the local list.

At the request of Councillor J Punchard, the Conservation and Design Officer stated that the local Member, Councillor D Young, had not been consulted but was aware of the proposal and supported it.

In answer to a question by Councillor Ms M Prior, the Conservation and Design Officer explained that permitted development rights were retained for locally listed buildings. However, local listing was a material consideration when determining planning applications.

It was proposed by Councillor Ms V R Gay, seconded by Councillor Mrs P Grove-Jones and

#### **RECOMMENDED to Cabinet**

**That The Maltings Hotel, Weybourne be added to the Local List.**

#### **34. PLANNING POLICY UPDATE**

The Planning Policy Manager presented an update report on work of the Planning Policy Team, with a particular focus on the review of the Local Plan. The report outlined progress on:

- Norfolk Housing and Economic Land Availability Assessment (HELAA)
- Sustainability Scoping Report
- Evidence commissioning
- Other areas of work being undertaken by the team.

Councillor J Punchard referred to the Strategic Flood Risk Assessment (SFRA) and in particular, surface flooding.

The Planning Policy Manager explained that Norfolk County Council and District Councils were preparing surface water management plans which defined surface water catchment areas and known areas of surface water flooding. These would be material to the determination of planning applications and would feed into the SFRA.

Councillor Mrs P Grove-Jones considered that lack of maintenance of ditches was an issue.

The Planning Policy Manager explained that evidence was being gathered to determine a policy approach to flood risk. It would not address issues such as ditch maintenance.

Councillor Ms M Prior asked if the Council held an up-to-date register of brownfield land.

The Planning Policy Manager stated that the Government had not yet published its guidance regarding registration of brownfield land. The current definition of brownfield was “previously developed land”.

In response to a question by Councillor Ms V R Gay, the Planning Policy Manager explained that gardens were now classified as “greenfield”. They had previously been classified as brownfield which resulted in many gardens being built on and as a result they had been redefined.

Councillor Mrs P Grove-Jones asked how farmyards were classified. The Planning Policy Manager stated that agricultural land was greenfield but he was unsure as to how farmyards were dealt with.

The Working Party noted the report.

#### **35. PLANNING POLICY – SECOND HOMES**

The Planning Policy Manager presented a report relating to second homes in the District and the approach taken by other authorities. This report had been prepared at the Working Party’s request.

The Planning Policy Manager explained that second homes qualified for a Council tax discount of 5% but the owners had to apply for it. However, some did not choose to do so and there was therefore a note of caution around the figures.

He explained that if second home ownership were to be restricted on new build developments it may reduce the development value and therefore reduce the amount

of affordable housing that could be delivered. He referred to a case in Blakeney where half of the market homes on a new development had been sold as second homes, but the developer had provided 50% affordable housing on the site. If a restriction had been applied it was possible that this quantity of affordable housing would not have been possible.

Councillor Mrs P Grove-Jones considered that some of these second homes were likely to become main residences as people bought them to live in when they retired.

Councillor Ms V R Gay stated that she had been surprised that there were second homes all over the District. She considered that people would buy new build which required little maintenance as second homes in preference to high maintenance older properties. She considered that there was little more that could be done regarding the second homes issue.

The Working Party noted the report.

Councillor Mrs A R Green considered that the affordable housing shortage could be addressed by "flat pack" homes, possibly to be built by the authority.

The Planning Policy Manager suggested that this matter be widened to include low cost housing for purchase. He agreed to bring a report to the Working Party on this issue.

Councillor J Punchard requested that this should also encompass self-build.

Councillor Ms V R Gay expressed her support and stated that such housing was successful in Scandinavia.

The meeting closed at 11.18 am.

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CHAIRMAN

**Storm Surge update**

Summary: This report has been compiled to highlight the response of the Council, its staff and other agencies, to the recent storm surge.

Options considered: No options to consider.

Conclusions: In general terms, this event was managed extremely well by the Council working in partnership with volunteers and emergency services and other agencies.

A de-brief process is ongoing so that any lessons to be learnt can be captured and if necessary, the Council's Policies and Procedures will be reviewed and updated as a result.

Recommendations: i) That Cabinet notes the report and the progress made in response to the event and the recovery action taken thereafter.

Reasons for Recommendations: i) To ensure that Members are appraised of the Council's response to the recent storm surge so that appropriate governance can be maintained around the Council's Civil Contingencies planning arrangements.

**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
Cllr Tom FitzPatrick (Leader of the Council)	All coastal areas
Contact Officer, telephone number and email:	
Nick Baker - 01263 <a href="tel:01263516221">516221</a> <a href="mailto:nick.baker@north-norfolk.gov.uk">nick.baker@north-norfolk.gov.uk</a>	



## **1. Introduction**

- 1.1 As a Category 1 responder within the terms of the Civil Contingencies Act, North Norfolk District Council has robust plans in place to respond to emergency events which may threaten or disrupt residents, businesses and or the environment across North Norfolk.

These plans are maintained under the umbrella of the Norfolk Resilience Forum which as well as local authorities includes all emergency services, utility providers and the military. There is a specific plan to respond to coastal flooding to which all agencies within the NRF have signed up.

In North Norfolk, the Council has worked for many years and places great reliance on community volunteer flood wardens to help at a very local level to warn residents and businesses of impending risks of flooding and of the need for properties to be evacuated. In addition, the Council has responsibility for the provision of Rest Centres to provide temporary accommodation for those displaced by such evacuation.

In addition, the Council has a responsibility to ensure that recovery from such events is supported and a state of normality returned to as soon as possible. For North Norfolk, this is especially relevant in terms of our coastal assets such as Cromer pier and the sea fronts at Sheringham, Cromer and Mundesley which are seen as an essential part of the local open space and tourism infrastructure.

This report details the specific arrangements which were put into place in response to the storm surge on 13 January 2017.

## **2. Storm Surge January 2017**

- 2.1 In the days leading up to 13 January 2017, weather and sea conditions combined to give rise to a storm surge along the east coast of the UK. As Members will be aware, the North Norfolk coast is particularly exposed to such events, and as such, the Council maintains a multi-agency plan in order to both respond to and recover from such events should they cause damage to property or risk to life.

The flood response plans were managed through the Norfolk Resilience Forum (NRF) with co-ordinating groups at strategic, tactical and local levels. In addition, a Communication/Media cell was established to ensure that accurate and consistent information was provided to the public and other interested parties. Officers at appropriate levels from within the organisation participated in meetings of the co-ordinating groups and our Communications Team were represented within the Communication/Media cell.

- 2.2 As 13 January approached and forecasts around weather and marine conditions became more reliable, agencies from across Norfolk, including emergency services and all local authorities, worked with the Environment Agency to put well-rehearsed contingency plans in place to protect our communities.

In areas of North Norfolk assessed to be at risk, local flood management plans were set in motion. As part of the multi-agency Local Coordinating Group which included the police, fire service and coastguards, North Norfolk District Council liaised with community flood warden groups and other agencies, to ensure important warning messages were delivered directly to properties at significant risk of flooding in all areas around our coastline.

The main areas of flooding concern were in Wells, where high water levels were predicted to be close to the top of the quayside floodgates; Cley and Salthouse, where it was predicted that the shingle bank would be breached; and at Bacton/Walcott, where it was anticipated that wave action would cause overtopping of the sea defences.

In addition, it was expected that a number of Council owned sea defence and coastal frontage assets could be damaged by the heavy seas and our Property Services and Coastal Teams took action in some areas to close off some stretches of coastline where the Council has management of the access points.

2.3 For Members information and to give a wider understanding of the level of commitment and partnership working involved, the site specific activity through the tidal surge period is provided in more detail below:

2.3.1 Wells -

- Wells had 17 Flood Wardens working with the Council, to warn and inform the general public.
- Police and Norfolk Fire and Rescue were on site to provide reassurance.
- No evacuation was required.

2.3.2 Cley/Salthouse -

- Salthouse had two Senior Flood Wardens, working with Council Officers in that area, to warn and inform the public and to open evacuation centres at Wells and Salthouse.
- Police and Norfolk Fire and Rescue Service maintained a forward base at Cley Village Hall to assist with any incident and to maintain cordons.
- The A149 coast road was closed due to flooding.
- Approximately 20 residential properties were advised to evacuate and a small number of residents moved to either friends and family, or evacuation centres, before returning to their homes.

2.3.3 Walcott/Bacton -

- North Norfolk District Council had seven officers working across a number of locations in this area; at the forward control point at Pollard Street, manning the Evacuation and Rest Centres overnight, and then assessing damage and providing reassurance across Saturday 14<sup>th</sup> January.
- Norfolk Police - officers from as far away as Dersingham, ensured that road cordons were maintained and provided reassurance to the public overnight and across Saturday.
- Community volunteer flood warden groups at both Walcott and Bacton, who undertook the majority of the warnings to residents in properties which were considered at risk of flooding.

- Norfolk Fire and Rescue Service provided three crews from as far away as Thetford on site until midnight on Friday, including deep water rescue capability.
- HM Coastguard - both full time and volunteer resources based at Pollard Street, from where local tasking of resources was carried out.
- Mundesley inshore lifeboat crew to provide evacuation support and deep water rescue capability.
- British Red Cross volunteers for Rest Centre refreshments.
- UK Power Networks for electricity cable repairs to ensure power was restored at the earliest opportunity.

## 2.4 Council owned Assets

The Council had seven Property Services and Coastal staff committed across Friday 13<sup>th</sup> and the weekend that followed, to undertake a wider variety of actions as required.

As mentioned above, the decision was taken early, on safety grounds, to close off access to the public to a number of Council managed seafront areas at Sheringham, Cromer, Overstrand and Mundesley. Property Services staff attended to ensure these closures were signed and where appropriate, secured.

Across the weekend, the focus for Property Services was on inspection, securing damaged properties and unsafe areas, before mobilising the Council's contractors to undertake initial clear up and urgent repair work.

With regard to sea defences, a general sweep of all Council owned sea defence assets was undertaken to assess damage to enable contractors to be tasked for further work during the week that followed.

## 3. Response around Evacuation and Flooding

- 3.1 From Wednesday 11 January 2017 through to the evening of Friday 13 January, as the weather and sea conditions became better known, there was a gradual increase in activity. A strategic (all agencies at county-wide level) decision was made that the majority of the resources would need to go to Great Yarmouth as the potential evacuation effort would have been far larger but this did not leave the North Norfolk area short.

The Flood Warden groups were put on stand-by in good time and NNDC Officers were on site at all high risk areas from early morning on the Friday.

Evacuation advice was provided from mid-afternoon on Friday in readiness for the evening high tide and Evacuation Centres were opened during the afternoon in Cley, Salthouse, Bacton and Walcott.

Approximately 20 people self-evacuated from Cley and Salthouse to evacuation centres, friends. etc.

Approximately 90 households were advised to evacuate at Bacton/Walcott and 70 residents went to the Lighthouse Evacuation Centre, with our staff on hand to provide reassurance and support for those affected. When the Evacuation Centre was closed in mid evening, a further 23 people stayed

overnight at the Rest Centre at Stalham High School, which was also staffed by NNDC officers.

- 3.2 As with all other emergency responses, there will be a detailed de-briefing process, which is ongoing. This will help all agencies concerned to build on the good practice already in place.
- 3.3 We have received a small number of requests for assistance with waste disposal arising from flooded properties, along with housing assistance, and the Environmental Health and Housing Options Teams respectively have been dealing with these.
- 3.4 Whilst the multi-agency debrief is still ongoing officers have already taken some early lessons from the event and will be working where necessary to highlight and learn from these:
  - The multi-agency collaboration at all levels was excellent with clear improvements from the 2013 event.
  - The use of a Forward Tasking base at the HM Coastguard Station, Pollard Street generally worked well in terms of ensuring a fast response to the changing events which the teams experienced on the ground.
  - Our staff did exceptionally well in difficult circumstances and this is evidenced by having only received one complaint regarding the evacuation process. However, we need to improve further the staff working pattern in terms of rotation of staff and take better advantage of mutual aid from neighbouring authorities.
  - The communications messages were good at multi-agency level and benefitted from a direct link to our own communications team.
- 3.5 Members will recall that North Norfolk had the highest uptake of property level flood protection grants which were administered by the Council after the 2013 storm surge. It is extremely pleasing to note that, generally, the works enabled by these grants have protected many of the properties which would otherwise have been flooded by the recent event.

#### 4. Coastal infrastructure

- 4.1 There are varying levels of damage to our sea defence and sea front infrastructure all along the coast between Sheringham and Walcott, although nothing as bad as the damage sustained in the 2013 floods.

Cromer Pier suffered some damage and the decking was repaired by Monday 15<sup>th</sup> so that the pier could then open for business. In addition, a survey team also arrived on site on 15<sup>th</sup> January to assess the damage sustained to the sub-structure on the underside of the pier. As a result of the survey, our contractors were instructed to complete repairs. There was superficial damage to the interior of the Box Office and Tides Restaurant and we are looking to repair these as well as the Theatre Bar and the Ladies Toilet floor.

A major blockage in the sewerage system caused by the sand washed up by the storm surge, in front of the pier has also been cleared.

A number of privately owned chalets and beach huts were also damaged or lost and these will be subject to individual insurance claims and repair works over the coming months.

The total cost to the Council for coastal works as a result of the storm surge is estimated to be between £300,000 and £500,000 depending on Environment Agency grant funding and insurance claims.

Whilst all areas were provided with signs and were closed promptly before the high tides and storm it was considered a priority to get public areas cleared and made safe and then re-opened as soon as possible.

The response between Council officers and contractors was excellent from Saturday 14 January, which ensured all affected areas were open within a very short timescale.

#### **4.2 Early lessons learned**

- The Property Services Team are developing a system to close off the Pier and seafront areas as early as possible by holding fencing and signs in pre-determined places which can be erected quickly.
- Some property level protection against ingress of water and other damage will be provided at our own assets such as The Rocket House, the Pier, and the RNLI Museum.

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

The Council has a statutory responsibility under the Civil Contingencies Act as a Category 1 responder to maintain appropriate levels of resources to provide a community level response and to lead recovery where necessary. The recent event has tested our plans for events such as the tidal surge and the feedback which we have received so far from both our own officers and partners has been positive in terms of us meeting our responsibilities.

There is a clear reputational risk to the Council if we do not ensure that our property assets are repaired and re-opened as soon as possible. In addition, in more serious events, it is essential that the Council is seen to take a lead in recovery by not only helping others but returning the local area to a state of normality as soon as possible. Again, the feedback we have received so far has indicated that our response to this event was very good in ensuring that our assets were repaired and made fit for purpose and re-opened as soon as possible.

The Council also has a responsibility to maintain business continuity arrangements to allow a positive response to events such as this and to maintain as far as possible good levels of service across the Council. Where necessary, business continuity has been maintained during this event. Members should note that a revised Business Continuity Strategy appears elsewhere on this agenda for Cabinet approval and although written before

this event, Officers do not believe that any further revision is required as a result of the recent storm surge.

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

The financial implication of this event is estimated at between £300,000 and £500,000 depending on the ability of the Council to use Environment Agency grant for related works to include repairs to infrastructure damaged by this event. In addition, the Council will be making a clam to its insurers for the costs of some repair work.

There is also a financial risk arising from possible claims against the Council if we fail to carry out our statutory roles in events such as this one.

## **7. Sustainability**

There are no sustainability implications directly resulting from the recommendations or options considered in this report.

## **8. Equality and Diversity**

The only equality and diversity issues arising from this incident relate to the evacuation of vulnerable people and officers are not aware of any negative impacts from this event. Vulnerable people were given priority in terms of identification and early warning; they were given advice on taking medicines etc with them to evacuation centres. The Council provided staff at both evacuation centres and rest centres which enabled reassurance to be given to vulnerable people and also to allow paramedics to be called to assist where people's conditions had worsened during evacuation.

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

Where people had been evacuated there was an obvious risk and fear of potential looting at vacated properties and Council Officers worked with the police to ensure that cordons were maintained and officers were highly visible to provide reassurance.

## **10. Conclusions**

In general terms, this event was managed extremely well by the Council working in partnership with volunteers and emergency services and other agencies.

A de-brief process is ongoing so that any lessons to be learnt can be captured and if necessary, the Council's Policies and Procedures will be reviewed and updated as a result.

## 2017/18 BUDGET REPORT

**Summary:** This report presents for approval the 2017/18 budget along with the latest financial projections for the following three years to 2020/21.

**Options considered:** The budget for the forthcoming financial year must be set annually. Whilst there are options around the individual budgets presented for approval i.e. what is included in the budget for 2017/18, the overall position now presented for approval is the culmination of work carried out by officers and Cabinet over a number of months, details of this work is provided within the report.

**Conclusions:** The Council's budget is set for approval each year; it is presented to Cabinet and then considered by Overview and Scrutiny Committee before recommendations are made to Full Council. This report now presents a balanced budget for 2017/18 and also presents the latest financial projections for the following three financial years, 2018/19 to 2020/21. The budget has been produced based on a number of assumptions as detailed within the main body of the report and also reflects the provisional finance settlement announced on 15 December 2016. The report recommends that the surplus for the year is allocated between the Asset Management reserve to support the council's asset commercialisation agenda and the Enforcement Works reserve. The report also outlines the risks facing the Council in setting the budget and forecasting future spending plans and resources.

**Recommendations:** **It is recommended that Cabinet agree and where necessary recommend to Full Council:**

- 1) **The 2017/18 revenue budget as outlined at Appendix A;**
- 2) **The surplus of £1,045,911 is allocated between the Asset Management reserve (£904,974) and the Enforcement Works reserve (£140,937) as outlined in the report;**
- 3) **The demand on the Collection Fund for 2017/18, subject to any amendments as a result of final precepts still to be received be:**
  - a. **£5,520,427 for District purposes**
  - b. **£2,015,978 (subject to confirmation of the final precepts) for Parish/Town Precepts;**
- 4) **The statement of and movement on the reserves as detailed at Appendix D;**
- 5) **To approve a new car park enforcement Service Level Agreement (SLA) with Kings Lynn and West Norfolk Borough Council for an initial period of five years with the**

- Reasons for Recommendations:
- 6) potential for a further 2 year extension;  
The updated Capital Programme and financing for 2016/17 to 2018/19 as detailed at Appendix E;
  - 7) The new capital bids as detailed at Appendix F;
  - 8) The prudential indicators as included at Appendix G;
  - 9) To agree the minor adjustment to the fees for annual chalet licences in Sheringham
  - 10) That members note the current financial projections for the period 2018/19 to 2020/21;

To recommend a balanced budget for 2017/18 for approval by Full Council on 22 February 2016.

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

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

Local Government Finance Settlement 2017/18, 2016/17 budget monitoring reports.

Cabinet Member(s): Cllr Wyndham Northam	Ward(s) affected All
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Contact Officer, telephone number and email: Duncan Ellis, 01263 516330, [duncan.ellis@north-norfolk.gov.uk](mailto:duncan.ellis@north-norfolk.gov.uk)



## **1 Introduction**

- 1.1 This report presents the detail of the 2017/18 revenue budget and the indicative projections for the following three financial years, 2018/19 to 2020/21.
- 1.2 An updated Capital Programme has also been included covering the periods 2016/17 to 2018/19 which takes account of slippage of schemes between financial years. Details of new proposed capital schemes are also included within the report for approval.
- 1.3 This report will be considered by the Overview and Scrutiny Committee on 15 February and then presented for approval by Full Council on 22 February 2017 as part of the annual Council Tax setting report.
- 1.4 The Medium Term Financial Strategy (MTFS) covering the period 2017/18 to 2020/21 was presented to Members in September 2016. At that time the forecast budget gap over the next four years was in the region of £2.04 million, before allowing for a number of workstreams that had been identified but where the detailed plans were yet to commence. After allowing for indicative savings targets from these workstreams the forecast funding gap by 2020/21 was reduced to £1.68m. This position took account of the following assumptions:
  - a) Known spending pressures;
  - b) Complete removal of the Revenue Support Grant by 2020/21;
  - c) Council tax freeze for the period of the strategy;
  - d) Continuation of the New Homes Bonus and using 100% of the Council's allocation of the funding in the base budget;
  - e) A number of work stream savings and additional income as approved as part of the 2016/17 budget process;
  - f) No one-off use of reserves were assumed for the period of the MTFS.
- 1.5 Since then the detail of the budget for 2017/18 and projections for the period to 2020/21 have been developed by both Officers and Members resulting in the budget now presented in this report. This reflects the provisional finance settlement figures announced on 15 December 2016, the final settlement is expected early February. The final budget presented for approval on 22 February 2017 will be updated to reflect the final figures as applicable.
- 1.6 The following sections of the report present the detail and context within which the budget has been produced. The summary of the budget and service budget details are included at appendices A and B respectively.

## **2 Provisional Local Government Finance Settlement (LGFS)**

- 2.1 On 15 December 2016 the Secretary of State for Communities and Local Government Sajid Javid, provided an update in relation to the provisional Local Government Finance Settlement (LGFS) for the period 2017/18 to 2019/20. This reflects the projections for the final three years of the four year settlement agreement.

2.2 The final settlement figures are due to be announced in early February and where applicable any changes resulting from the final settlement will be reflected in the budget report to Full Council on 22 February 2017.

2.3 Some of the key messages from the provisional settlement are as follows:

- a) The original settlement announced last year covered a four year period from 2016/17 to 2019/20 and was taken up by 97% of Councils. The announcement of the provisional settlement figures during December 2016 covers the final three years of this agreement. It is important to note that, while the four year settlement does aid financial planning, the figures announced are all provisional and potentially subject to change in future years as evidenced this year through the changes to the New Homes Bonus (NHB) allocations discussed in more detail below.
- b) Confirmation regarding 100% business rate retention by 2020. A Bill will be introduced this year to provide the framework for this new system, with trials starting at a number of Councils towards the end of the year. Whilst the 2020/21 financial projections are outside the period covered by the current four year settlement, the assumption is that RSG is no longer received beyond 2019/20.
- c) The settlement reflects a shift towards generating resources locally, from council tax and business rates, over the period of the settlement. The increasing of Council Tax is a factor that has been assumed in the original four year settlement, this is based on the assumption that local tax is increased in line with the council tax principles announced within the settlement (see 2.4 below also), including the Social Care Precept and the £5 increase for District Councils in the lowest quartile for band D.
- d) Following a period of consultation during 2016 the New Homes Bonus allocation methodology has been adjusted for 2017/18 onwards and this is discussed in more detail below.
- e) A Fair Funding Review is to be undertaken this year relating to the needs assessment formula which will look at how demographic pressures are affecting different areas in different ways and how in turn this is impacting on costs and service delivery. Officers will be monitoring the progress of this work and will respond to any consultation requests as required.
- f) Two new business rates reliefs were announced which covered the extension of Rural Rate Relief from 50% to 100% and 100% relief for new fibre broadband to be funded from Section 31 grants.

2.4 One of the main announcements as expected related to the New Homes Bonus (NHB) and the redistribution of c.£241m to social care funding in 2017/18. The key issues are as follows;

- New national baseline introduced based on 0.4% of housing growth for 2017/18, below this there will be no New Homes Bonus paid, for NNDC this baseline equates to 190 properties for the next financial year. The aim is to ensure 'additional housing' is rewarded rather than just 'normal growth'.
- Compared with final settlement figures issued in February 2016 this change has a negative impact of nearly £1/2 million over the next 3 years.
- The scheme will reduce from 6 to 5 years in 2017/18 and to 4 years from 2018/19. This was anticipated and future models and forecasts had already been based on these assumptions.

- To encourage more effective local planning central government will consider withholding payments for homes built following an appeal although further consultation is to follow regarding this.

2.5 Within the 2017/18 settlement the Government has used a measure of “Core Spending Power (CSP)” which sets out potential income for Local Authorities from a number of sources for the period 2017/18 to 2019/20 (to the end of the current 4 year settlement period). The sources of income are as follows:

- The “Modified Settlement Funding Assessment (MSFA)” – this includes the Revenue Support Grant (RSG) and Business Rates Baseline funding including where necessary tariff and top up adjustments.
- The council tax requirement (excluding parish precepts) – i.e. income generated locally from Council Tax.
- New Homes Bonus.
- Rural Services Delivery Grant.

2.6 The settlement makes a number of assumptions within the future years spending power for each of the income sources. These assumptions are outlined below:

- a) MSFA – Annual reductions have been made to the RSG and increases to the business rates baseline.
- b) Council Tax Base Growth – spending power assumes there will be annual growth in the Council Tax base throughout the period to 2019/20. The level of growth has been based on the average annual growth in the council tax base between 2013/14 and 2015/16.
- c) Council Tax Increases – the spending power assumes that Local Authorities will increase their Band D council tax in line with the Office for Budget Responsibilities (OBR) forecast for CPI for each year (which is an annual average of 1.75%) throughout the period to 2019/20, rather than the 2% allowed before triggering a referendum (except for those in the lower quartile – please see below).
- d) Social Care Precept – the settlement assumes that additional council tax will be generated from the setting of an adult social care precept for those authorities with this responsibility.
- e) Additional council tax available from a £5 cash principle – it has been assumed that all districts within the lower quartile Band D council tax level will increase council tax by £5 where applicable. This has been estimated by assuming that the 51 shire district councils with the lowest Band D council tax in the previous year will increase their Band D council tax by whichever is the greater of £5 or 2%.
- f) New Homes Bonus – for 2017/18 onwards the spending power assumes the introduction of the new ‘baseline’ based on 0.4% of national housing growth with no bonus paid for housing delivery below this baseline position.
- g) Rural Services Delivery Grant - This provides £20 million of funding in 2016/17, rising to £65 million in 2019/20. This funding is distributed to the top-quartile of authorities ranked by super-sparsity, as per the distributional methodology for the Rural Services Delivery Grant indicator in 2015/16.

2.7 The following table summarises the Core Spending Power as announced as part of the provisional settlement.

<b>Table 1 - Core Spending Power Provisional Finance Settlement</b>					
	<b>2016/17 Adjusted</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Settlement Funding Assessment:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Revenue Support Grant		936	536	88	0
Baseline Funding Level		3,012	3,109	3,219	3,335
<b>Modified Settlement Funding Assessment (MSFA)</b>	<b>4,527</b>	<b>3,948</b>	<b>3,644</b>	<b>3,308</b>	<b>3,335</b>
<b>Council Tax:</b>	<b>5,269</b>	<b>5,534</b>	<b>5,805</b>	<b>6,083</b>	<b>6,367</b>
Council Tax Requirement excluding parish precepts	5,269	5,448	5,634	5,826	6,025
Additional revenue from £5 referendum principle	0	85	171	257	343
New Homes Bonus and returned funding	2,092	1,695	1,290	1,238	904
Rural Services Delivery Grant	481	388	299	388	388
<b>Core Spending Power (as per announcement)</b>	<b>12,368</b>	<b>11,565</b>	<b>11,038</b>	<b>11,017</b>	<b>10,995</b>
Reduction £000		(803)	(527)	(22)	(22)
Reduction %		-6.5%	-4.6%	-0.2%	-0.2%
Reduction over period of settlement £ 000				(1,351)	
Reduction over period of settlement %				-10.9%	
Reduction over 4 year budget projection £ 000					(1,374)
Reduction over 4 year budget projection %					-11.1%

2.8 The table above highlights the provisional figures for the 4 year settlement (16/17 to 19/20) and then provides a further forecast for the 2020/21 financial year. It should however be noted that the projections for 2020/21 are only very high level forecasts at the present time and not based on central government projections but take forward certain assumptions and trends from the current settlement.

2.9 The Core Spending power assumes that the resources will reduce over the four year period covered by the settlement by 10.9% equating to £1.4 million, although this is based on the assumption that the Council tax band D will increase by £5 each year to generate additional Council Tax over this period and that the NHB is received at the level assumed in the settlement taking account of the new baseline.

2.10 The key element in terms of external support is the 'Settlement Funding Assessment'. This essentially comprises the Council's Revenue Support Grant (RSG) and the Business Rates baseline funding level (uprated by the Retail Price Index). Table 2 provides a breakdown of this element and the reductions included in the settlement. As with the table above at present the forecasts for 2020/21 are high level forecasts based on various assumptions and trends contained within the provisional settlement.

<b>Table 2 Settlement Funding Assessment</b>	<b>2016/17 Adjusted</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Settlement Funding Assessment:</b>					
Revenue Support Grant £000	1,575	936	536	88	0
Baseline Funding Level £000	2,952	3,012	3,109	3,219	3,335
<b>Total Settlement Funding Assessment £000</b>	<b>4,527</b>	<b>3,948</b>	<b>3,644</b>	<b>3,308</b>	<b>3,335</b>
<b>Movement - Year on Year</b>					
Revenue Support Grant £ (Reduction) 000		(639)	(400)	(447)	(88)
Revenue Support Grant % Reduction		-41%	-43%	-84%	-100%
Baseline Funding Level £ Increase 000		60	97	111	116
Baseline Funding Level % Increase		2.042%	3.217%	3.557%	3.600%
<b>Total Settlement Funding Assessment (Reduction) £000</b>		<b>(579)</b>	<b>(304)</b>	<b>(337)</b>	<b>28</b>
<b>Total Settlement Funding Assessment (Reduction) %</b>		<b>-12.8%</b>	<b>-7.7%</b>	<b>-9.2%</b>	<b>0.8%</b>
Reduction over period of settlement £ 000				(1,219)	
Reduction over period of settlement %				-27%	
Reduction over 4 year budget projection £ 000					(1,192)
Reduction over 4 year budget projection %					-26%

- 2.11 As with table 1 the above highlights the provisional figures for the 4 year settlement (16/17 to 19/20) and then provides a further forecast for the 2020/21 financial year and shows the settlement funding assessment as announced within the provisional settlement. Total funding (excluding the New Homes Bonus) is expected to reduce by 12.8% in 2017/18 (compared to 2016/17) and by 27% over the final 3 year period of the settlement. When compared to the budget figures for 2015/16 there is a net reduction of £2m over the four year settlement period.
- 2.12 In 2013/14 total funding of £9.5 million for supporting sparsely populated areas was included in the settlement. NNDC's allocation for 2016/17 was £480,785 reducing to £388,212 in 2017/18 and this grant is set to continue for the period of the settlement.
- 2.13 New Homes Bonus – the provisional finance settlement includes announcements on the NHB for 2017/18 and takes account of the introduction of the new baseline and the top slicing of funding for reallocation for adult social care, further details on this are provided at section 3.
- 2.14 Business Rates Retention – The scheme of Business Rates retention came into operation in April 2013, and no changes to the scheme were announced as part of the settlement apart from to confirm that consultation will be taking place this year in relation to the potential operation of the scheme from 2020 with trials taking in place in certain authorities towards the end of the year. The percentage shares are 50% central government; 40% NNDC and 10% Norfolk County Council. The Government has confirmed that the doubling of the Small Business Rate Relief (SBRR) from 50% to 100% will be made permanent from 1 April 2017. The £6,000 and £12,000 thresholds will increase to £12,000 and £15,000 respectively. The Autumn Statement confirmed that the Government will double rural rate relief to 100% from 1 April 2017 and that the intention is to amend the relevant primary legislation

to require local authorities to grant 100% mandatory rural rate relief. The provisional 2017/18 multipliers will therefore be 47.9 pence, with the small business multiplier being 46.6 pence. Top-ups and tariffs will be uprated by 9% in line with the increase in the September 2016 Retail Price Index and taking into account the April 2017 revaluation.

- 2.15 The amount of the Section 31 grant will not be confirmed until the NNDR returns for 2017/18 have been finalised. The annual National Non-Domestic Rates Return (NNDR1 form) provides an estimate of what the Council will collect in business rate income for the following financial year. The variation between the estimate and the actual is then dealt with through the surplus/deficit on the (business rates) collection fund in the following year, in a similar way to the operation of the Council tax collection fund. The actual position will be influenced by fluctuations in business rate income actually received in the year, for example as a result of appeals and reductions in property rateable value and also new business rate growth.
- 2.16 For example a surplus or deficit on the 2016/17 business rates collection fund will be taken into account within the 2017/18 NNDR1 return and determining the respective values of the shares of the business rates income. This will also determine the payment of the levy due from the authority in relation to increases in business rate income compared to the baseline.
- 2.17 The deadline for the NNDR1 form for 2017/18 is 31 January and this will also include an estimate of the surplus/deficit position for the current financial year. The budget position as included within the report makes an assumption of the net amount of retained income for 2017/18 after allowing for the section 31 grant and the payment of the levy. Where applicable this will be updated within the budget report to Full Council on 22 February 2017.
- 2.18 The last revaluation of business premises was undertaken in 2010, the Valuation Office Agency (VOA) have however undertaken a further revaluation and this will take effect from 1 April 2017.
- 2.19 The VOA have released statistics which provide estimates of the change in the Rateable Value (RV) of non-domestic properties following the recent revaluation, in order to reflect changes in the property market since the previous revaluation in 2010.
- 2.20 The information is presented as part of the wider government picture on changes to business rates. Business rates bills are affected not only by revaluation, but also by the tax rate, known as the multiplier, as well as various reliefs and transitional arrangements. The Department for Local Communities and Government is separately consulting on the transitional arrangements for the 2017 business rates revaluation.
- 2.21 The national increase in total rateable values for England as at 25 September 2016 has been reported as 9.6%. In terms of the local context the district of North Norfolk has seen an overall increase in rateable values of 16.1% which compares favourably with areas of Cambridgeshire and reflects the highest increase in the eastern region. This is spread over increases in retail (7.5%), industrial (14.4%), office (6.7%) and 'other' (22.6%).
- 2.22 The budget and future years forecasts have taken account of these movements, where reliefs have been increased the Government has

undertaken to compensate local authorities for the loss of income they suffer as a result of these changes. Compensation will be provided by means of a grant payment to authorities under section 31 of the Local Government Act 2003. As well as certain reliefs offered potential increases will also be impacted by things such as successful appeals etc which is why the Council holds the Business Rates to help mitigate any impacts of the local retention scheme.

### **3 New Homes Bonus (NHB)**

- 3.1 The New Homes Bonus was introduced in 2011/12 to incentivise and reward Councils and Communities that build new homes in their area. The bonus was originally paid as an un-ringfenced grant for six years and was paid based on the net additional<sup>1</sup> homes plus an additional supplement of £350 per affordable dwelling. The payment is then split between local authority tiers: 80% to the lower tier and 20% to the upper tier.
- 3.2 However, as already detailed above, the provisional settlement has confirmed the introduction of a new baseline to be set at 0.4% of national projected housing growth, below which no bonus will be paid.
- 3.3 The provisional allocation of NHB for 2017/18 for NNDC is £1,694,986 and is based on the council tax data return submitted in October 2016. As per the changes brought forward by the provisional settlement this now includes payments for 5 years from 13/14 to 17/18 as opposed to 6 years as per the original scheme as 17/18 is a transitional year. Payments for 18/19 onwards will only be based on 4 years which forms part of the adjustment and top slicing of the NHB allocations to provide additional money for adult social care funding.
- 3.4 In previous years the 17/18 allocation would have been based on additions of 382 properties and an increase in empty properties of (4) resulting in a net movement of 378, which, when converted to Band D equivalents represents 350 new homes. Under the old allocation system this would have attracted NHB funding of £535,176.
- 3.5 The impact of the introduction of the new baseline for NNDC is that the bonus will not now be paid on the first 190 properties which are considered by central government to represent 'normal growth'. The bonus will therefore only be paid on the additional 160 Band D equivalent properties (350 less 'baseline' of 190) considered to represent 'additional growth' over and above the baseline position.
- 3.6 The 190 property baseline position is calculated by reference to the number of Band D dwellings after discounts and premiums taken from the October 2015 Council Tax Base (CTB) 1 form which totals 47,535, 0.4% of which equates to 190 Band D properties and results in additional funding of £214,069 for 17/18.
- 3.7 The additional allocation for 17/18 financial year as per the provisional settlement is therefore £214,069 which includes an affordable homes

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<sup>1</sup> Net additional homes as recorded on the council tax base return (submitted October annually) takes into growth in property numbers, demolitions and movement in empty properties.

premium of £19,320 for 69 properties. In addition to this a small amount of £7,366 is due to be returned as additional one-off funding, which makes the total allocation for 17/18 £221,435. When added to the amounts for the previous 4 years this gives the final provisional allocation for 17/18 of £1,694,986.

- 3.8 Table 3 provides details of the Council's allocations of NHB to date and shows the forecasts for 17/18.

<b>Table 3 – New Homes Bonus – Allocations to date</b>					
<b>Allocation</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	£	£	£	£	£
<b>2013/14</b>	117,739*	93,857	93,857	93,857	93,857
<b>2014/15</b>		571,667**	561,706	561,706	561,706
<b>2015/16</b>			416,605***	406,972	406,972
<b>2016/17</b>				417,835****	411,016
<b>2017/18</b>					221,435*****
<b>Total</b>	<b>729,417</b>	<b>1,277,202</b>	<b>1,683,846</b>	<b>2,092,048</b>	<b>1,694,986</b>

\* Allocation of £93,857 plus £23,882 one-off reallocation for 2013/14  
 \*\* Allocation of £561,706 plus £9,961 one-off returned funding for 2014/15  
 \*\*\* Allocation of £406,972 plus £9,631 one-off returned funding for 2015/16  
 \*\*\*\* Allocation of £411,016 plus £6,819 one-off returned funding for 2016/17  
 \*\*\*\*\*Allocation of £214,096 plus £7,366 one - off returned funding for 2017/18

- 3.9 Following the consultation on the NHB the changes confirmed the reduction from 6 to 5 years in 2017/18 and to 4 years from 2018/19. Further to this to encourage more effective local planning central government will consider withholding payments for homes built following an appeal although further consultation is to follow regarding this, although this will be the subject of further consultation.
- 3.10 The projections of future years funding can be seen within the table below, it should be noted that these are based on NNDC's growth forecasts and do not necessarily represent the provisional settlement figures which seem to reflect unrealistic growth assumptions.

<b>Table 4 – New Homes Bonus – Future year forecasts</b>					
			<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Estimates</b>			1,247,057	1,055,085	859,069

- 3.11 There is currently forecast to be a balance within the New Homes Bonus earmarked reserve of just over £1.8 million at 1 April 2017. This has been earmarked to support the Council and communities for future growth opportunities and development and also to provide one-off funding for the Local Plan work that is currently being undertaken.



#### 4 Savings and Additional Income 2017/18 onwards

- 4.1 The financial strategy as reported to Cabinet in September 2016 provided an update in relation to a number of work streams and priorities to be delivered over the length of the medium term financial strategy as previously approved as part of the 2016/17 budget process. These essentially focused mainly on income maximisation and efficiency savings and an update can be found within the table below.
- 4.2 No separate savings exercise was undertaken as part of the 2017/18 budget process, however budget managers were asked to review the assumptions incorporated in savings forecasts during the 2016/17 process. As part of the 2016/17 budget process £974,729 of future savings were forecast for 2017/18, following a review of the current position this has decreased to £558,300. This reduction has largely been as a result of changes in shared services opportunities and slippage relating to the anticipated timing of other planned changes.
- 4.3 The latest 2016/17 budget monitoring undertaken for period 6 highlights actual savings to date of £516,966 compared to the estimate of £496,722 originally included with the 16/17 budget. Total savings and additional income of £558,300 have been factored into the budget for 2017/18, increasing to £804,839 in 2018/19 and to £858,301 from 2019/20 onwards. Where applicable the timing of the savings have been profiled over the next four years and some will be subject to more detailed work including project appraisals. The table below summaries the savings included in the budget and projections according to the workstream.
- 4.4 No further growth for New Homes and Business rates has been factored in above the current budget assumptions.

<b>Theme</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>
1. Growth - New Homes and Business Rates	0	0	0	0
2. Digital Transformation/BPR	135	135	135	135
3. Property Investment & Asset Commercialisation	28	161	214	214
4. Shared Services/Selling Services	27	27	27	27
5. Collaboration and Localism	0	0	0	0
6. Maximising Income and Reducing Costs	88	93	93	93
7. Other Efficiencies and Savings	281	389	389	389
<b>Total</b>	<b>558</b>	<b>805</b>	<b>858</b>	<b>858</b>

#### 5 Fees and Charges 2016/17

- 5.1 The fees and charges for 2016/17 were agreed by Full Council in December 2016. There was however a minor error with the chalet prices approved for Sheringham as the prices for 16/17 were incorrectly stated which led to an incorrect increase being proposed. The actual price for annual lets for old

chalets for 17/18 should be £574 and for new chalets (including electricity) should be £702 which represents a £20 increase on each.

- 5.2 The financial impact of the changes to the fees and charges have been included in the budget and forecast figures as included in the report as appropriate.

## 6 Revenue Account Base Budget

- 6.1 The detail of the revenue budget now presented for approval is included within Appendices A and B. Appendix A shows the overall position in the form of the General Fund Summary. Further detail on the individual service budgets is included at Appendix B which shows the movement of the 2017/18 budget compared to the base budget for 2016/17 as set in February 2016 along with comments of the more significant variances.
- 6.2 No growth bids were invited for revenue expenditure in 2017/18. Capital bids were invited and the capital programme is discussed in detail at section 9 which includes both an update to the current capital programme along with new capital schemes and the financing of the programme.
- 6.3 The revenue budget for 2017/18 makes a number of assumptions, the more significant ones are as follows:
- a) **Council Tax** – The budget assumes a **Council Tax freeze** for the district element of Council Tax in 2017/18 based on the tax base of 38,748 as approved in December 2016. This means that the district element of the council tax remains at **£138.87** for 2017/18.
- b) **Employee budgets** – The budget assumes a 1% pay award for 2017/18, although a local agreement on pay has yet to be agreed. As a guide a 0.5% sensitivity to the pay award equates to approximately £46,000 per annum. An allowance has been made to reflect vacancy savings of 2% as in previous years and where annual increments are due these have continued to be factored into the budget. From May 2017, employers with an annual pay bill of more than £3 million will be charged 0.5% of their total pay bill for the apprenticeship levy. This will be offset by a 'levy allowance' of £15,000 per year. For North Norfolk District Council this will total approximately £31,000. The Council has undertaken a review of all its salaries and compared them to market pay averages. This has meant additional staff costs of £237,000. This has largely been offset by savings of £234,000 in other salaries following an officer restructure. The employer pension contribution rates are based upon the results of the tri-ennial valuation of the pension fund as at 31 March 2016. For 2017/18 and future years, the contribution rate will remain unchanged at 14.5% of the payroll plus an additional monetary contribution. The next pension fund valuation is due on 31 March 2019 to take effect from April 2020. The fixed payment has been adjusted to take into account likely movements and has been factored into the budget. For 2017/18 the budget assumes the monetary contribution will increase from £687,000 to £788,000, an increase of £101,000. For 2018/19 it will increase from £788,000 to £876,000 an increase of £88,000. For 2019/20 it will increase from £876,000 to £968,000 an increase of £92,000.

- c) **Fees and Charges** – The impact of the fees and charges approved by Full Council in December 2016 as outlined at section 5 have been factored into the budget forecasts now presented for approval.
- d) **Contract inflation** – The most significant of the Council's contracts is the waste contract. The new contractor prices have been included in the 2017/18 budget for all waste, cleansing and grounds maintenance services as per the tendered contract. The current car park enforcement arrangements with Kings Lynn and West Norfolk (KL&WN) are due to finish at the end of March 2017. Negotiations have taken place with KL&WN in relation to entering into a new 5 year Service Level Agreement (SLA) with the potential for a further 2 year extension (subject to mutual agreement) for the management and operation of the car park enforcement and cash collection contract which is forecast to save nearly £40,000 per annum compared with the current budget. This will build on the excellent working relationship the Council has developed with KL&WN over the last 6 years. When the Council entered into the previous SLA KL&WN purchased all the vehicles required for the contract and then recharged the Council for this, however to avoid any interest costs it is recommended that the Council purchase the vehicles for the new SLA period direct, thereby avoiding any revenue interest costs and a capital bid is included elsewhere within this report to reflect this.
- e) **Investment income** – The net interest receivable is currently forecast to be £832,440 2017/18. This includes income derived from loans to Housing Associations under the Local Investment Strategy. The primary concern of the Council is the security of the sums invested and this remains the main consideration when selecting counterparties and financial instruments. The average investment rate anticipated in the forward year is 2.6% compared with 1.4% for the current estimates for 2016/17. The income budget assumes the investment portfolio is invested with counterparties and financial institutions as set out in the Treasury Strategy. Investments will predominately be made in pooled funds, on a secured basis in covered bonds and in money market funds for day to day liquidity. Further details of the Council's investment strategy are set out in the Treasury Management Strategy Statement and Investment Strategy 2017/18 to 2019/20 which appears elsewhere on this agenda.
- f) **Big Society Fund/Second Homes Funding** –The budget assumes the continuation of the Big Society Fund (now called the Communities Fund) and related costs and grant scheme funded by the second homes income which is returned to districts. 2017/18 is currently assumed to be the final year of this grant funding. This will be funded by second homes income of £215,914 in 2017/18 and from the Communities Fund reserve from 2018/19 onwards.
- g) **Storm surge – January 2017** - Following the very recent storm surge encountered over the 13<sup>th</sup> and 14<sup>th</sup> January 2017 a number of the Council's assets along the coast were damaged, including the pier decking and structure, public conveniences, cafes, sea defences, the promenade, street furniture, handrails and beach huts and chalets. While the damage was not as extensive as that encountered during the December 2013 surge it will none-the-less require significant work and financial support to rectify. Officers are currently working on assessing the damage and preparing initial cost estimates so that we have a better understanding of the potential financial impact but at present it is anticipated that the costs will be covered by the following sources of funding;

- Bellwin - An application to the Government's Bellwin scheme which is designed to provide emergency financial assistance for uninsured losses to local authorities in England in circumstances such as this. It should however be noted that the scheme is activated at the discretion of the Secretary of State and that there is a cap (£26,090 for NNDC as per the 15/16 limits) below which the authority would need to cover the costs
- Insurance claims – where appropriate claims will be made for insured losses although the Council will need to fund any excess payments
- Revenue budgets – where capacity exists costs can be covered by existing revenue budgets
- Reserves – the Council's General Fund reserve and potentially earmarked reserves can be used to finance any additional expenditure
- Capital funding/grants - depending on the nature of the works any capital costs could be financed through the use of capital funding, ideally provided by the Environment Agency/central Government

6.4 The General Fund Summary presented at Appendix A shows a balanced budget for 2017/18 and is summarised in Table 6 with the equivalent figures from the 2016/17 budget.

**Table 6 – Variance of 2016/17 to 2017/18 Base Budget**

	<b>2016/17 Base Budget £000</b>	<b>2017/18 Base Budget £000</b>	<b>Variance £000</b>
Net cost of services (incl. Parishes)	16,373	17,842	1,469
Non service expenditure/ income	(2,724)	(4,491)	(1,768)
Net budget requirement	13,649	13,351	(298)
<b>Funded by:</b>			
Local Taxpayers - Parishes	(1,888)	(2,016)	(128)
Local Taxpayers - District Council	(5,474)	(5,520)	(47)
Revenue Support Grant & Retained Business Rates	(4,982)	(4,777)	205
Rural Services Delivery Grant	(119)	(388)	(269)
Council Tax Freeze Grant one off (14/15)	0	0	0
New Homes Bonus	(2,085)	(1,695)	390
Total Income	(14,548)	(14,397)	151
<b>(Surplus)/ Deficit</b>	<b>(899)</b>	<b>(1,046)</b>	<b>(147)</b>

6.5 Non-Service Expenditure and Income includes the adjustments for notional items that are required to be charged within Net Cost of Services, for example, International Accounting Standard 19 (IAS19) pension costs and capital charges.

6.6 Appendix B shows the detail of the service movements for each of the service areas. Table 7 provides a summary of the main movements in Net Cost of Services across the standard expenditure headings, with notional charges being shown separately.

**Table 7 - Variance 2016/17 to 2017/18 Base Budgets (excl. notional charges)**

	2016/17 Base Budget £000	2017/18 Base Budget £000	Variance £000	Percentage Movement %
Employees/Support Services	10,458	10,769	311	3.0%
Premises	2,388	2,486	98	4.1%
Transport	294	293	(0)	-0.1%
Supplies & Services	8,796	8,911	115	1.3%
Transfer Payments	28,520	27,465	(1,055)	-3.7%
Income (External)	(38,594)	(37,485)	1,108	-2.9%
<b>Total Direct Costs and Income</b>	<b>11,862</b>	<b>12,439</b>	<b>578</b>	<b>4.9%</b>
Notional Charges:				
Capital Charges	2,210	2,692	483	21.8%
IAS19 Notional Charges <sup>2</sup>	(264)	(259)	4	-1.7%
Reffcus <sup>2</sup>	134	954	820	611.2%
<b>Total Notional Charges</b>	<b>2,080</b>	<b>3,387</b>	<b>1,307</b>	<b>62.8%</b>
<b>Total Net Costs</b>	<b>13,942</b>	<b>15,826</b>	<b>1,884</b>	<b>13.5%</b>

- 6.7 The significant movement in relation to transfer payments reflects the benefit subsidy payment where income is claimed through the subsidy system. This report recommends the surplus of £1,046k for 2017/18 be allocated between the Asset Management Reserve (£905k) to support the Council's asset commercialisation agenda and the Enforcement Works reserve (£141k).

## 7 Council Tax 2016/17

- 7.1 Table 8 summarises how the budget for 2017/18 will be financed and the District's net call on the Collection Fund for 2017/18. These figures assume a **council tax freeze** in the District element of the Council Tax for 2017/18, the Council tax summary is included at Appendix C. A Council Tax Base of 38,748 Band D equivalent properties was approved by Full Council on 21 December 2016. Based on this figure, and with no increase to the Net District Council Tax level, a Band D property would continue to be £138.87 for 2017/18.

**Table 8 – Council Tax Summary 2017/18**

	£000
Total District amount to be met from Government Grant & Local Taxation	11,335
Less:	
Revenue Support Grant	(936)
Business Rates Retained & S31 Grant	(3,841)
New Homes Bonus	(1,695)
Rural Services Delivery Grant	(388)
District call on Collection Fund – excluding Parish Precepts	(5,520)
Surplus	<b>(1,046)</b>

- 7.2 At present the figure within the General Fund summary (appendix A) for parish and town precepts is shown as £2,015,978. This figure will change however once all outstanding precepts have been received.
- 7.3 The parish precept figure will be updated for the final budget report which will go through to Full Council on the 22 February, but it should be noted that the changes have no impact on the overall budget position as the total amount paid from the General Fund in precepts is transferred from the Collection Fund.

## **8 Reserves**

- 8.1 The current position and forecast on the General and Earmarked Reserves is attached at Appendix D. The statement provides the latest proposals for use of reserves in the current financial year along with the budgeted movements in 2017/18, and proposed movements in the following three financial years. The current recommended balance on the general reserve is £1.75 million.
- 8.2 There are three main reasons for holding reserves:
- To provide a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the General Fund Reserve
  - A contingency to cushion the impact of unexpected events or emergencies, such as the recent storm surge – this also forms part of the General Reserve
  - As a means of building up funds, referred to as earmarked reserves, to meet known or predicted requirements. Earmarked reserves are accounted for separately but remain legally part of the General Fund. The title of the earmarked reserve generally reflects the purpose for which the balance is being maintained.
- 8.3 As part of considering the budget for 2017/18 all reserves have been reviewed along with the current balances. Where balances are no longer required or an allocation can be maintained within the General Reserve for such purposes, balances have been reallocated to the General Reserve or another earmarked reserve as appropriate.
- 8.4 The report is recommending that the surplus in the year is allocated between the Asset Management Reserve (£905k) to support the Council's asset commercialisation agenda and the Enforcement Works reserve (£141k). The balance on the general reserve as at 1 April 2017 is forecast to be £2.4 million.
- 8.5 It should be recognised that the use of reserves is not a long term financial strategy but does allow time for planning further efficiencies and consideration of budget options to inform future budget setting processes and to allow for the smoothing of funding reductions.
- 8.6 A comprehensive statement about the adequacy of the reserves and recommended balance will be included within the Chief Financial Officer's report, which forms part of the annual Council Tax and Budget report to Full Council in February.

## 9 Capital

9.1. An updated capital programme for the current year was reported to Members as part of the Period 6 budget monitoring report on the 31<sup>st</sup> October 2016. The current capital programme as shown at Appendix E has been updated to take into consideration those changes identified within the budget monitoring report, together with further amendments required following the Cabinet meeting of the 5<sup>th</sup> December. At these meetings a further four capital schemes received approval as follows;

- *Shannoeks Hotel* – A total budget of £490,000 has been included within the current capital programme in relation to this scheme. The expenditure is due to be financed from the Capital Projects Reserve, and is currently profiled to be spent within the 2016/17 financial year.
- *Joint Bacton and Walcott Coastal Management Scheme* – This joint scheme, with the Bacton Gas Terminal Operators, presents an opportunity to extend the life of sea defences adjacent to the Bacton to Walcott frontage and will provide benefits further down drift, by ‘Sandscaping’ the coastline. An amount of £500,000 has been included within the capital programme as an NNDC partnership contribution towards the scheme. The expenditure is due to be financed in full from the Capital Projects Reserve, with all expenditure anticipated as being incurred in 2017/18.
- *Laundry Loke* - A budget of £100,000 has been included within the capital programme, as grant funding to Victory Housing Trust, to support the delivery of 43 new homes on the Laundry Loke site in North Walsham. The expenditure is to be funded in 2017/18 from NNDC capital receipts.
- *Temporary Accommodation for the Homeless* - At their meeting on the 5<sup>th</sup> December, Cabinet also recommended the allocation of a £180,000 budget for the direct provision of temporary accommodation for the homeless. The Council has a statutory duty to provide such accommodation when necessary, but the main source of existing provision is no longer available due to closure of the premises. The budget is to be financed in full from capital receipts with significant expenditure anticipated within the 2016/17 financial year.

9.2. In addition to these schemes there are a number of existing projects which have been subject to amendment and these are detailed below.

- a) *Car Park Refurbishment* – Within the capital programme at Period 6 there were two individual schemes for car park refurbishment works. The two remaining budget values have been consolidated into a single scheme budget which totals £112,827. There have been no changes to the funding, with all expenditure to be financed from capital receipts.

- b) *North Norfolk Railway* – The Period 6 budget monitoring report identified a remaining capital budget of £72,681 for this scheme. The actual expenditure requirement in the year was £50,000 leaving a remaining budget balance of £22,681. The balance of this budget has subsequently been vired to the North Walsham Regeneration scheme in order to fund the additional expenditure arising from the use of higher specification stone for the paving element of the works.
- c) *North Walsham Regeneration Scheme* – The additional costs incurred on this scheme are to be funded from the virement of the remaining budget from the North Norfolk Railway capital scheme.
- d) *Housing Loans to Registered Providers* - Originally this scheme was identified as being financed from a mixture of capital receipts (£2,484,709), use of the Capital Projects Reserve (£90,800), with the balance of £924,431 to come from internal borrowing. Following a review of both the timing and financial implications of the scheme it has been determined that the Council would be better placed to use internal borrowing to fund the £3.5 million pound scheme in total. Use of internal borrowing would ordinarily give rise to an MRP charge to the revenue account within the year. However, the Council's MRP policy allows, in this instance, for the loan repayments from the external parties to be applied to the financing of the scheme in lieu of making an MRP charge, and therefore there is no impact on the revenue account.
- e) *Sheringham Promenade Lighting* - All works required under this scheme have been completed. The actual cost of the works was £1,924 less than the available budget which has therefore been reduced by the same sum, to reflect that these monies are no longer required.
- f) *Cromer Coast Protection Scheme 982* – The budget in relation to this scheme was identified as £10.4 million, based on initial estimates of expenditure a number of years ago. This scheme is to be fully funded through grant income from the Environment Agency, and current scheme approvals amount to £8,822,000. As a result of revised estimates being available it is therefore prudent to reduce the overall budget by £1,578,000 to reflect more accurately the expenditure that it likely to be incurred. As all funding was identified as being from grant this has no impact on the overall capital resources available to the Council.
- g) *Victory Swim and Fitness Centre* - A review of this project has identified that the works undertaken cost considerably less than originally anticipated. The original budget value was £54,370, but of this sum only £16,351 had been spent in a prior year. The remaining unspent balance of £38,019 is no longer required, and has therefore been removed from the capital programme.
- h) *Splash Roof Works* - The total capital budget for these works originally stood at £73,630. Some repair works were required to be undertaken to the roof, during the 2016/17 financial year, and these were treated as revenue expenditure in



the year. The total value of these works was £10,510. As this reduced the requirement to undertake further work as part of the capital scheme, it was determined that the budget for the capital scheme be reduced by the same value to reflect the fact that these works had already been undertaken. The funding for the revenue works was taken from the Capital Projects Reserve, which is capable of being used for either capital or revenue works. As the capital scheme's funding was originally all to come from capital receipts it has been necessary to adjust the funding sources for an alternative scheme (Council Chamber and Committee Room Enhancements) in order to ensure that there has been no impact on the net revenue resources available to the Council.

- i) *Holt Country Park* – Originally there was a capital budget of £12,500 identified for the replacement of the Observation Tower within Holt Country Park. During the 2016/17 financial year, it was identified that it would be possible to undertake repairs to the tower in order to make it safe, rather than there being a requirement to replace the structure as a whole. The repair works cost significantly less than the capital budget available, and were funded as revenue expenditure in year. There is therefore no requirement for the capital budget, which has been removed from the capital programme in full.
- j) *E-Financials Management System Software Upgrade* – A software upgrade is required in relation to the E financials system for 2017/18. The anticipated cost of this has been determined at £26,000 which is £14,506 more than the current available budget. The additional expenditure requirement is to be funded from the Capital Projects Reserve.
- k) *Council Chamber and Committee Room Enhancements* – At Period 6 there were two separate budgets for similar initiatives in relation to the Council Chamber and the Committee Room. In total these budgets amounted to £75,000, and they were amalgamated to form a single budget entitled Council Chamber and Committee Room Enhancements. In November the Head of Finance and Assets used delegated authority to amend this single scheme upwards by a further £14,000 to reflect further works in relation to blinds and sound proofing works etc. The increased expenditure was initially identified as being funded from the Capital Projects Reserve, but following the requirement to amend funding sources in relation to the Splash Roof Works scheme, it was ascertained that of this sum £10,510 should be provided from Capital Receipts, with the balance of £3,490 only to come from the Reserve. This is solely a change in the use of funding sources between schemes, to allow the Splash Roof revenue works to be funded from the Capital Projects Reserve.
- l) Storm surge (January 2017) – as detailed above significant damage was caused to a number of the Council's coastal assets and infrastructure following the recent storm surge. The impact and costs of the damage are still being assessed but where appropriate capital grants/resources will be applied to finance any capital works arising from this incident but further detail will be

provided in relation to any specific schemes and their financing as part of the regular budget monitoring process.

- 9.3 The only other amendment to the current capital programme arose following the receipt of a communication from the Department for Communities and Local Government on the 23<sup>rd</sup> December 2016 which identified an allocation of £2,484,789 to the Council from the Community Housing Fund. These monies have been allocated proportionately to the numbers of second/holiday homes in the area, whilst also considering the affordability of housing to people within the district. The overall fund was set up to enable community groups to deliver housing on sites which may not be of interest to mainstream house builders, whilst also helping build upon skills and supply chains at local levels. The full allocation given to the Council has been included as capital funding at this stage, although this may be subject to change once the logistics of the overall scheme are identified, as the funding may also be used to fund an element of revenue expenditure and is subject to a further report on this agenda. It should be noted that initially the Council will receive the sum of £1,218,471 which is due to be received in 2016/17. The second tranche of monies will follow early in 2017/18 subject to provision of evidence to central government, that the initial monies have been spent/allocated in accordance with the objectives outlined in the original announcement for the Community Housing Fund.

#### **Capital Scheme Slippage**

- 9.4 The only other changes to the budgets have been made in relation to the profiling of expenditure between financial years for the schemes below. This is to reflect more accurately when expenditure is anticipated to be incurred, although it should be noted that this will not have impacted upon the overall scheme budgets or the sources of financing, unless otherwise noted above.
- a) *Egmere Business Zone* – Whilst works have been progressing in relation to the Egmere Business Zone, the full budget of £1,445,000 is not anticipated as being spent in the current financial year. It is therefore requested that a balance of £681,987 is slipped into 2017/18.
  - b) *Public Conveniences – Review, Re-provision and Redevelopment* – Due to delays in taking forward the individual elements of this scheme it is not anticipated that any expenditure will be incurred in relation to these works in 2016/17, and as such the full budget is requested for slippage to the new year.
  - c) *Car Park Refurbishment 2016/17* – Various works have been undertaken relating to resurfacing/relining of car parks but it is anticipated that some of these works will not be able to be undertaken until the new financial year. Of the overall budget of £112,827, which includes amalgamation with another budget, a total of £39,994 has been requested for slippage to 2017/18.
  - d) *North Lodge Park* - this scheme is not being progressed presently. As a result the budget of £156,841 has been requested to be slipped into 2017/18.

- e) *Disabled Facilities Grants* – There was a significant increase in the Disabled Facilities budget for 2016/17 following an increase in the basic allocation of grant processed by Norfolk County Council. This increase, in addition to slippage of budgets from a previous year, resulted in a budget of £1,144,947 for 2016/17. Of this, it is anticipated that the £953,786 grant receivable in year will be spent, leaving a balance of £191,161 to be slipped. This slippage value comprises of £157,930 of prior year unspent grant allocations and £33,231 of NNDC capital receipts. As in the previous financial year, it has been assumed that unspent balances of grant will be capable of being rolled forward for use in future years. In addition to this it should be noted that all base budgets from 2017/18 onwards are identified as being funded from existing capital resources only. Should the position on grants changes in terms of roll forwards or allocations for future years, any updates to the budget will be confirmed as part of the regular budget monitoring process as reported to Cabinet.
- f) *Housing Loans for Registered Providers* – Following updated discussions with the loan parties it's been determined that only the initial loan of £750,000 will be processed now in 2016/17. The second loan of £2.75 million will not take place until the new financial year, and as such the budget associated with this payment will need to be slipped to the 2017/18 financial year.
- g) *Parklands Improvements* – All required works have been subject to the tender process, although the scheme is not anticipated to be started until the new financial year. The current year budget of £88,401 is therefore requested to be slipped into 2017/18.
- h) *Compulsory Purchase of Long Term Empty Properties* – The budget in relation to this scheme is £630,000 in total, of which £290,000 is anticipated as being spent by the end of the 2016/17 financial year. The balance of budget is therefore requested for slippage to 2017/18.
- i) *Cromer Pier Structural Works* – Items of structural refurbishment works have been undertaken in year to the value of £20,000. The balance of budget of £36,380 has been requested to be taken forward into the new financial year.
- j) *Cromer Pier and West Prom Refurbishment Project* - Major works have continued against this scheme during the year, with significant progress having been made. The budget value of £550,000 has been requested for slippage into 2017/18 to reflect the timing of works to be undertaken.
- k) *Cromer Coast Protection Scheme 982 and SEA* – This scheme, as funded by the Environment Agency, is progressing although the anticipated expenditure in year is lower, at £534,720, compared to the identified budget for the year. As a result of this a total of £3,484,894 has been requested to be slipped into the 2017/18 financial year.
- l) *Pathfinder Project* – Of the remaining budget for the Pathfinder project, it is anticipated that a maximum of £140,000 is likely to be spent in the current

financial year in relation to the Manor Farm Caravan Park scheme. The balance of £143,798 has therefore been requested to be slipped into the new financial year.

- m) *Coastal Erosion Assistance* – Minimal works on this scheme are anticipated for 2016/17 with the balance of £68,322 requested to be slipped to 2017/18.
- n) *Mundesley – Refurbishment of Coastal Defenses* - This scheme is not anticipated to be progressed in 2016/17, with the full budget being requested for slippage to 2017/18.
- o) *Ostend Targeted Rock Placement and Coastal Adaption* – This scheme is not anticipated to be progressed in 2016/17. The remaining budget of £54,781 will be slipped to the new year.
- p) *Cromer Pier – External and Roofing Improvements to Pavilion Theatre* – These works have been initiated, although not progressed in earnest due to the extensive use of the Theatre over the Christmas Show period. It is expected that around £20,000 of the total budget of £275,000 will be spent in the current year, leaving £255,000 to be requested for transfer into the new financial year.
- q) *Sheringham Gangway* - The estimated value of works to be undertaken in 2016/17 stands at £40,247, with £47,301 requested to be slipped to the 2017/18 financial year.
- r) *Steelwork Protection to Victory Pool and Fakenham Gym* – Originally, it was thought that this scheme would be started in this year, with the remaining works being done in 2017/18. This scheme has however, been subject to a delay with the budget being requested to be taken to the new financial year.
- s) *Fakenham Gym* – As with the above scheme no works are scheduled to take place in the current year. The budget of £45,000 included for 2016/17 is therefore requested for slippage to 2017/18.
- t) *Asset Management Computer System* – The Concerto Computer system is now used extensively for asset management purposes, and it is proposed that the balance of budget of £11,270 is taken into 2017/18, in order to improve the system functionality.
- u) *E Financials Financial Management System Software Upgrade* – The requirement to undertake the software upgrade has been addressed in terms of additional budget being made available, although it will not be progressed until the new financial year. The full revised budget of £26,000 has been requested for transfer to the new financial year.
- v) *Administrative Buildings* – Progress has been made in relation to the works on the Cromer Office Admin Building, although it is not all anticipated to be complete in the current financial year. £25,000 is therefore requested to be transferred to 2017/18.

- w) *Planning System – Business Transformation Programme* – Whilst this scheme is progressing, it is not anticipated to be complete within the current financial year. Slippage of £19,302 has been requested to 2017/18 in order to cover the financial implication of extension of the scheme for a further 6 months.
- x) *Environmental Health IT System* - The procurement of a new IT system for Environmental Health is progressing, and it is anticipated that up to £100,000 will be spent by the end of the financial year. This requires the remaining balance of £49,093 to be moved into the 2017/18 financial year.

<b>Table 9 - Capital Expenditure Summary 2017/18 Onwards</b>				
<b>N</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20 onwards</b>
<b>e</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>W</b> Previously Approved Capital Programme	19,442,955	2,218,401	162,083	0
<b>C</b> Adjustments in Year	1,979,989	94,506	20,000	0
<b>a</b> Slippage	(14,271,965)	14,271,965	0	0
<b>p</b> Revised Capital Programme	<b>7,150,979</b>	<b>16,584,872</b>	<b>182,083</b>	<b>0</b>

### **New capital Schemes**

- 9.5 In addition to the existing capital programme amendments, approval is also being sought for a number of new capital projects as identified in Appendix F. As part of the budget process, bids for new projects were submitted by officers which fell into the following categories;
- Health and safety issues;
  - System upgrades / enhancements that will deliver efficiency savings;
  - Invest to save projects;
  - Projects that are externally funded, for example, grants or other external contributions which may require match funding.

- 9.6 The following section outlines the bids that the report is recommending for approval for inclusion in the capital programme from 2017/18 onwards.

### **Assets and Leisure Related Bids**

- Fakenham Community Centre Window Replacement* – This scheme looks to replace the rear windows of the Fakenham Community Centre, in addition to undertaking various improvement works required. This will make the centre a more appealing place for local residents to visit, in addition to reducing the overall revenue investment on the property that may be required if it is left to deteriorate over an extended period. The cost of the works is anticipated at £30,000, for which funding is sought in total. There are no direct revenue costs or savings associated with the scheme, although continual minor repairs would be avoided if the works are undertaken.

- b) *Purchase of Car Parking Enforcement Vehicles* – The budget report for 2017/18 contains recommendations in relation to approving a new five year Service Level Agreement (SLA) with Kings Lynn and West Norfolk Borough Council (KL&WN) for the management and operation of the car park enforcement and cash collection contract. This agreement is forecast to save nearly £40k compared with the current revenue budget and will build upon the excellent working relationship we have developed with KL&WN over the last 6 years. When the Council entered into the initial SLA, KL&WN purchased all the vehicles required for the contract and then recharged the Council for this. However to avoid any interest costs it is recommended that the Council purchase the vehicles for the new SLA period direct, thereby avoiding these additional revenue costs. This bid therefore requests £60,000 of capital funds to facilitate the purchase of these vehicles in order to support the new agreement.

#### **Customer Services Related Bids**

- c) *User IT Hardware Refresh* – Historically the Council has spent on average £30,000 per annum replacing desktop personal computer hardware. No provision has however, been made for the increasing use of laptops, tablets or mobile phones. This scheme seeks to establish a rolling programme for the replacement of obsolete end user IT equipment, ensuring that it facilitates improvements in service quality and efficiency. The budget is identified at £55,000 per annum over the financial years 2017/18 to 2020/21, which in total amounts to a commitment of £220,000. In addition to this, there will be a £5,000 per annum revenue implication relating to the cost of licenses and software for the electrical items purchased.
- d) *Provision of Temporary Accommodation (4 Flats)* – the Council has a statutory requirement to provide temporary accommodation for homeless households. Existing provision has been reduced within the district, but by undertaking direct provision the Council could ensure that there is appropriate accommodation within the area to house families who meet the relevant criteria. The total capital cost of this scheme is £610,000 in relation to the purchase of housing units which are yet to be constructed, and which form part of a larger housing scheme within the North Walsham area. Of this sum £488,000 is estimated as being spent in 2017/18, with the balance to be expended in 2018/19.

#### **Environmental Services Related Bids**

- e) *Goat Livestock Grazing Project* – In June 2016 the Council introduced a scheme for the use of Bagot goats to manage vegetation on the cliff near the Melbourne Slope. This scheme has proven to be successful, and is a more economical way of vegetation and rodent management for this area. This bid looks to extend the scheme over a wider area, with expenditure being required for associated fencing, in addition to the purchase of a livestock trailer. In total the scheme is estimated to cost £17,000, but a direct capital contribution of £1,715 has already been secured from a land management stewardship scheme, as has some funding towards the revenue costs of the scheme. There is a net

revenue cost of £400 per annum associated with supplementary feed and medication requirements.

- f) *Replacement Environmental Protection Vehicle* – This scheme looks to replace the current vehicle used within the Environmental Protection Section, with a larger vehicle capable of towing heavier loads and covering difficult terrain in emergency situations. The capital cost of the new vehicle has been identified at £21,935, although the intention is to use the residual resale value of the previous vehicle to part fund the purchase of the replacement. There are no further revenue costs associated with this scheme as there are already revenue budgets in existence for the current vehicle.

### **Development Management Related Bids**

- g) *Upgrades to Acolaid and Idox* – This scheme seeks to upgrade the Acolaid and Idox systems which will improve back office capabilities to deliver the outcomes of the Business Process Review (BPR). Savings for BRP have already been factored into existing budget projections, and the software upgrades will be critical to service delivery and to monitoring of the Council's performance against Government targets. The total cost of the scheme is £10,000, with there being no additional revenue costs associated with this expenditure.
- h) *Back Scanning of Historic Planning and Building Control Files* - This is an extension to the existing Planning System (Scanning of Old Files), and would see all remaining historic paper documentation for Planning and Building Control scanned in order to generate a comprehensive database of information. This would reduce not only the creation of paper documents, but also the requirement to store these physical files. The capital cost of this scheme is £200,000, which is anticipated to be spent £150,000 in 2017/18 and £50,000 in 2018/19. The creation of this comprehensive database could also result in revenue savings to the Council, should the existing external storage facilities no longer be required.

## **10 Future Projections 2018/19 to 2020/21**

- 10.1 The provisional Local Government Finance Settlement announcement covered a four year period from 2016/17 through to 2019/20 with 2017/18 being the second year. While agreeing to a four year settlement does provide some element of certainty around future funding from Revenue Support Grant and other areas there is an overriding caveat that the figures are potentially subject to change as evidenced this year through the reduction of the New Homes Bonus.
- 10.2 The forecast financial projections included at Appendix A for the period 2018/19 to 2020/21 make assumptions around spending forecasts and include the provisional settlement figures for these periods, although the assumptions around council tax funding have been amended to reflect the council tax freeze and local assumptions around tax base growth for the period and the New Homes Bonus forecasts have been similarly adjusted to reflect anticipated growth levels.

- 10.3 After allowing for these assumptions the overall position shows a small surplus in 2018/19 moving to a forecast budget gap of £0.7 million in 2019/20 and just under £1.3 million in 2020/21.
- 10.4 The financial strategy report presented to Members in September 2016 highlighted a number of work streams and projects to be carried out over the period of the strategy that would help to deliver future savings and additional income. These work streams will be continuing and will be used to inform the updated financial strategy and financial projections that will be completed in 2017/18.
- 10.5 As detailed in section 2, the finance settlement announcement has assumed that local authorities will increase council tax annually by either 2% or the £5 where the local authority is in the lowest quartile. NNDC is currently in the lowest quartile and the funding assumptions made in the settlement assume that there is an annual increase in council tax of £5 for each year of the settlement. As discussed above, the proposals for the 2017/18 financial year are for a further freeze on Council Tax. However in terms of future funding gaps, if these settlement assumptions were applied from 2018/19 onwards, it would have the following effect.

<b>Allocation</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Budget (surplus)/deficit</b>	<b>(1,045,911)</b>	<b>(54,565)</b>	<b>716,038</b>	<b>1,260,026</b>
<b>2017/18 - Council tax freeze</b>	0	0	0	0
<b>2018/19 - £4.95 increase</b>		(193,288)	(193,288)	(193,288)
<b>2019/20 - £4.95 increase</b>			(196,258)	(196,258)
<b>2020/21 - £4.95 increase</b>				(199,228)
<b>Total additional income from Council tax</b>	<b>0</b>	<b>(193,288)</b>	<b>(389,545)</b>	<b>(588,773)</b>
<b>Adjusted (surplus)/deficit</b>	<b>(1,045,911)</b>	<b>(247,853)</b>	<b>326,493</b>	<b>671,253</b>

- 10.6 The table above shows the freeze for 17/18 but then an assumption that there will be year on year increases from 18/19 onwards. It should be noted that while the current referendum principle caps the maximum at £5.00 and proposed increase at this level would actually result in an increase of £4.95 as any increase has to be divisible by 9 due the way the calculations are undertaken and adjusted to represent Band D equivalent properties.
- 10.7 If the decision was taken in the future to make increase of this nature then the forecasts deficits for 19/20 and 20/21 would reduced to £0.3 million and £0.7 million respectively. It should however be noted that at this stage this is just theoretical and further work will be undertaken in relation to the future year projections as part of the update to the financial strategy later in the year, with any decision regarding any potential increases for 18/19 being considered as part of the budget process in February 2018.



- 10.8 Since the Government made available the Council Tax freeze grant, the Council has been able to accommodate a continuing freeze in Council Tax levels despite the fact that the last year of this grant payment was 2015/16. In view of the Governments change in approach towards funding for Local Authorities with a greater emphasis on Council Tax rises, and the cumulative impact of grant reductions from RSG and New Homes Bonus, a continuation of Council Tax freeze is not an approach that can be recommended in the medium to long term. Therefore as part of considering the financial strategy moving forward and options for closing the budget gap, this is an area that needs further consideration in line with the government's policy and principles on Council Tax.

## 11 Financial Implications and Risks

- 11.1 The overall budget for 2017/18 is balanced and delivers a surplus of £1,046k, which subject to approval will be transferred to the Asset Management Reserve (£905k) to support the Council's asset commercialisation agenda and the Enforcement Works reserve (£141k). The recommended level of the General Reserve is currently £1.75 million, the report highlights that the balance on this reserve is currently above this level.
- 11.2 The following outlines the main risks faced by the authority in the medium to long term and not only in relation to the 2017/18 budget.
- 11.3 **Future Funding** – The provisional Local Government Finance Settlement confirms that Local Government will continue to face funding reductions for the period of the financial forecasts. The provisional settlement figures confirm the continued shift from central government support from Revenue Support Grant to local funding from retained business rate (Baseline Funding), and Council Tax. The overall reduction in RSG over the period of the settlement is just over £2 million. The financial planning process has taken account of this change, however the future funding gaps still remain a risk. The future forecasts will assume the removal of RSG in full from 2020/21.
- 11.4 **New Homes Bonus (NHB)** – The provisional settlement confirmed the allocation of the 2017/18 New Homes Bonus grant and reflects the adjustments announced in relation to the 0.4% national baseline, the reduction in the period the grant is paid over and further changes around planning appeals for which further consultation is awaited. Some of this risk is mitigated by the earmarked reserve which can be used to smooth the impact of movements in funding from the level assumed.
- 11.5 **Business Rates** – The risk of funding fluctuations from business rate continues to be a prevalent feature of the funding of local authorities. The impact of appeals only exacerbates this risk and therefore the Council has continued to maintain an earmarked reserve to cushion the impact of these fluctuations. Whilst the risk is shared between Districts, County and Central Government in the proportionate shares i.e., 40:10:50, the impact can be over a number of years where there is a deficit to be covered from the collection of business rate income. Factors that will lead to the fluctuations include for example, economic downturn leading to business closures and reducing the income from business rates, reduced income from the outcome of successful rateable value appeals, including the impact of back dated appeals, reduced

income as schools transfer to academy status, the national impact of the GP surgery appeals which are being finalised through the appeal process and more recently the new emerging risk around hospital and NHS trust properties. The Council holds an earmarked reserve that can be used to mitigate the impact of fluctuations in business rate income and also the impact on the in-year fluctuations compared to the level budgeted. Further measures announced within the Autumn Statement and detailed earlier in the report, continue to present a risk to Local Authorities, albeit some of this risk is mitigated by the section 31 grant announced within the LGFS. A further risk in relation to the income retained from the business rates retention system is the review that will see changes to the system albeit keeping the impact fiscally neutral in that the amount of income collected through business rates will remain the same, however due to the significant proportion of small business hereditaments within the district, depending on the outcome of the review this could have a negative impact on the districts share of the income. Again as discussed above the 2017 revaluation, due to be implemented from 1 April 2017 should also help to mitigate against some of these risks but will as a result bring forward more appeals against the new list.

- 11.6 **Savings** – Details of the savings that have been factored into the 2017/18 budget and future projections are included within the detail of the report and appendices. Delivery of the savings at the levels budgeted is vital to delivery of the overall budget and future financial position. Where applicable the timing of the delivery of savings have been taken into account and a full year amount has not been assumed until 2018/19 or later. It is critical that the delivery of these savings is closely monitored by CLT and Cabinet as part of the on-going budget monitoring process.
- 11.7 **Income** – Income from a number of demand led services remains a financial risk that cannot be fully influenced by the Council. Whilst estimates have been based on previous actuals and knowledge of the service delivery, income levels need to be closely monitored, for example for planning and car park income. It is for reasons such as this that a factor in determining the recommended general reserve balance includes an amount for the more significant demand led income budgets.
- 11.8 **Investment Returns** – Interest rates continue to be low and the delivery of investment returns is problematic with the choice of counterparty and period of exposure needing to be weighed on a daily basis in line with the treasury management strategy. Sound principles underpinned by professional guidance from treasury management advisors allows for a cautious but not complacent approach to investment returns. These returns still provide support to the revenue budget and changes in profiled capital expenditure, economic forecasts, money markets and the stock market, as well as the government's triple A rating can all impact on these returns.
- 11.9 **Second Homes** – The budget for 2017/18 assumes that Norfolk County Council return 10% of their share of the second homes council tax to the districts but that no further income is returned in future years. The return of an element of the second homes council tax from the County to the districts is subject to annual approval by the County. This is returned to the districts for community related expenditure and has been used to fund the Council's Big Society Fund (BSF) Grant scheme and related expenditure. This will funded

by second homes income of £215,914 in 2017/18 and from the Communities Fund reserve from 2018/19 onwards.

- 11.10 **Pay** –The budget assumes an inflationary increase of 1% for pay, however this is subject to agreement externally and therefore any deviation from this presents a risk, although some of this will be mitigated through the allowance for staff turnover and if necessary by the one-off use of reserves.
- 11.11 **Waste contract** – The waste contract is due for renewal at the end of March 2019. There is an option to extend the contract for a further 8 years subject to mutual agreement but a ghost bid is currently being undertaken to try and establish what the contract costs might be if the Council were to retender. Options are also being considered in relation to operating some form of joint contract with neighbouring authorities to see what further savings this might achieve. However being the Council's largest contract with a combined value (including cleansing, grounds maintenance etc) in excess of £5m the re-tendering/extension does represent a financial risk to the Council but ultimately the impact of this will not be known until either negotiations around some form of extension are agreed with the current contractor or alternatively a new contract is let, either on an individual basis or with partner(s) authorities.
- 11.12 **Storm surge January 2017** – At the present time the full financial impact of the recent storm surge damage is not known, although it is anticipated to be far less than the cost of repairs following the 2013 surge. As discussed above there are various ways to help mitigate any impact of these recovery works and the position will continue to be tracked through the usual budget monitoring process.
- 11.13 **Devolution/Unitary status** – As the devolution deal has been rejected locally no further work is ongoing in respect of this and no changes have been factored into the budget or future year projections as a result. The Unitary issue will undoubtedly be discussed further again in the future now that devolution is no longer on the agenda and officers and members will keep a watching brief in respect of this but again at present no budgetary impact is being assumed.
- 11.14 **Brexit/world politics** – It is impossible to predict what impact factors such as Brexit and wider world politics and decisions might have on the national and local economy in terms of things such as investment returns, inflation, work force costs etc. Officers will continue to monitor the position but the potential impact of any unexpected changes could potentially be covered through the use of reserves.

## **12 Sustainability**

- 12.1 There are no sustainability issues as a direct consequence of this report.

## **13 Equality and Diversity**

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

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

13.2 Following the savings exercise undertaken in 2016/17 there have been no further submissions for 2017/18 and therefore no equality issues potentially affecting the proposals.

#### **14 Section 17 Crime and Disorder considerations**

14.1 There are no crime and disorder considerations as a direct consequence of the report.

## General Fund Summary 2017/18 Base Budget

2015/16 Actuals £	Service Area	2016/17 Updated Base Budget £	2016/17 Base Budget £	2017/18 Base Budget £	2018/19 Projection £	2019/20 Projection £	2020/21 Projection £
446,630	Corporate Leadership Team/Corporate	325,834	321,834	306,315	290,263	413,217	294,907
1,925,566	Customer Services & ICT	2,260,104	2,195,229	2,226,632	2,197,283	2,267,577	2,315,691
2,958,986	Communities and Leisure	3,299,033	3,047,164	4,130,272	3,598,891	3,584,355	3,607,464
3,662,595	Environmental Health	3,832,231	3,717,711	3,914,309	3,851,009	3,930,640	3,968,059
2,739,179	Finance and Assets	2,612,413	2,337,920	2,479,665	2,605,347	2,578,353	2,592,081
609,256	Legal and Democratic Services	664,466	664,466	655,985	661,521	604,627	606,351
1,338,423	Planning	1,646,545	1,657,443	2,113,015	2,077,985	2,057,668	2,075,819
<b>13,680,635</b>	<b>Net Cost of Services</b>	<b>14,640,626</b>	<b>13,941,767</b>	<b>15,826,193</b>	<b>15,282,299</b>	<b>15,436,437</b>	<b>15,460,372</b>
1,760,520	Parish Precepts (Estimate from 16/17 onwards)	1,887,806	1,887,806	2,015,978	2,133,442	2,332,492	2,550,114
(1,825,313)	Capital Charges	(2,209,805)	(2,209,805)	(2,558,242)	(2,886,505)	(2,828,253)	(2,816,926)
(600,206)	Refcus	(134,139)	(134,139)	(1,088,121)	0	0	0
(514,169)	Interest Receivable	(602,000)	(602,000)	(832,440)	(835,040)	(806,440)	(765,540)
970,110	Revenue Financing for Capital:	891,080	1,161,554	1,780,776	0	0	0
0	Minimum Revenue Provision	81,000	81,000	0	0	0	0
(120,954)	IAS 19 Pension Adjustment	263,692	263,692	259,287	261,879	264,498	267,143
<b>13,350,623</b>	<b>Net Operating Expenditure</b>	<b>14,818,260</b>	<b>14,389,875</b>	<b>15,403,431</b>	<b>13,956,075</b>	<b>14,398,734</b>	<b>14,695,163</b>
	<b>Contributions to/(from) Earmarked Reserves:</b>						
(340,898)	Capital Projects Reserve	(707,790)	3,246	(777,333)	0	0	0
94,499	Asset Management	(94,750)	0	(3,443)	0	0	0
(163,416)	Benefits	(31,000)	0	0	0	0	0
0	Broadband	0	(1,000,000)	(1,000,000)	0	0	0
25,216	Building Control	0	0	0	0	0	0
378,171	Business Rates Reserve	500,000	500,000	0	0	0	0
(63,779)	Coast Protection	0	0	0	0	0	0
21,000	Common Training	0	0	0	0	0	0
245,979	Communities	(138,000)	0	(5,594)	(242,000)	(242,000)	(242,000)
(1,500)	Economic Development & Tourism	0	0	0	0	0	0
(77,000)	Elections	30,000	30,000	40,000	40,000	(80,000)	40,000
(36,194)	Enforcement Board	(5,000)	0	0	0	0	0
159,000	Environmental Health	5,619	0	(5,619)	0	0	0
83,662	Grants	(44,989)	(25,939)	(24,272)	0	0	0
(26,303)	Housing	0	0	0	0	0	0
126,771	Land Charges	0	0	0	0	0	0
5,474	Legal	(33,347)	(33,347)	0	0	0	0
(51,728)	Local Strategic Partnership	0	0	0	0	0	0
0	LSVT	(4,880)	0	0	0	0	0
301,847	New Homes Bonus Reserve	414,012	281,512	(86,692)	(185,944)	(82,944)	0
(73,663)	Organisational Development	0	0	0	0	0	0
18,000	Planning Revenue	(220,609)	(127,186)	(122,395)	(31,670)	0	0
628,485	Restructuring/Invest to save	608,769	890,984	(67,356)	(20,117)	0	0
1,865	Sports Facilities	0	0	0	0	0	0
308,737	Contribution to/(from) the General Reserve	(180,331)	0	0	0	0	0
<b>14,914,848</b>	<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>14,915,964</b>	<b>14,909,145</b>	<b>13,350,727</b>	<b>13,516,344</b>	<b>13,993,790</b>	<b>14,493,163</b>
(1,760,520)	Collection Fund – Parishes	(1,887,806)	(1,887,806)	(2,015,978)	(2,133,442)	(2,332,492)	(2,550,114)
(5,307,073)	Collection Fund – District	(5,473,605)	(5,473,605)	(5,520,427)	(5,481,167)	(5,503,604)	(5,525,742)
(3,687,492)	Retained Business Rates	(3,406,572)	(3,406,572)	(3,841,000)	(3,875,000)	(3,910,000)	(3,910,000)
(2,403,933)	Revenue Support Grant	(1,575,147)	(1,575,147)	(936,035)	(535,619)	(88,359)	0
(72,081)	Council Tax Freeze (2015/16)	0	0	0	0	0	0
(1,683,749)	New Homes bonus	(2,092,049)	(2,085,230)	(1,694,986)	(1,247,057)	(1,055,085)	(859,069)
0	Rural Services Delivery Grant	(480,785)	(480,785)	(388,212)	(298,624)	(388,212)	(388,212)
<b>(14,914,848)</b>	<b>Income from Government Grant and Taxpayers</b>	<b>(14,915,964)</b>	<b>(14,909,145)</b>	<b>(14,396,638)</b>	<b>(13,570,909)</b>	<b>(13,277,752)</b>	<b>(13,233,137)</b>
<b>0</b>	<b>(Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>(1,045,911)</b>	<b>(54,565)</b>	<b>716,038</b>	<b>1,260,026</b>

## Corporate Service Area

2015/16 Actual	Service	2016/17 Base Budget	2017/18 Base Budget	Variance 2017/18 Base to 2016/17 Base
£		£	£	£
379,568	Personnel & Payroll Supp Svs	316,837	310,467	(6,370)
48,399	Policy & Performance Mgt	58,241	60,614	2,373
299,595	Registration Services	165,944	171,455	5,511
495,243	Corporate Leadership Team	470,474	431,611	(38,863)
213,075	Communications	235,928	228,666	(7,262)
<b>1,435,880</b>	<b>Total Net Costs</b>	<b>1,247,424</b>	<b>1,202,813</b>	<b>(44,611)</b>
7,000	Capital Charges	60,100	62,018	1,918
394,633	Support Service Charges	424,580	418,730	(5,850)
(1,390,883)	Support Service Recharges	(1,410,270)	(1,377,246)	33,024
<b>446,630</b>	<b>Net Cost of Service</b>	<b>321,834</b>	<b>306,315</b>	<b>(15,519)</b>

## CORPORATE SERVICE AREA

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Personnel &amp; Payroll Supp Svs</b>				
Gross Direct Costs	317,837	311,467	(6,370)	£10,570 - Pay award £4,400 and market pay review £6,170. (£13,802) - Savings resulting from new management structure.
Gross Direct Income	(1,000)	(1,000)	0	No Major Variances.
Support Service Charges	109,380	122,510	13,130	£13,130 - Increased recharges from Postal and Scanning £6,010 and Central Costs £6,890
Support Service Recharges	(426,217)	(432,977)	(6,760)	Increased recharges reflecting higher service costs.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Policy &amp; Performance Mgt</b>				
Gross Direct Costs	58,241	60,614	2,373	No Major Variances.
Support Service Charges	20,420	26,960	6,540	£4,210 - Increased recharge from Internal Audit reflecting the 2017/18 Audit Plan.
Support Service Recharges	(78,661)	(87,574)	(8,913)	Increased recharges reflecting higher service costs
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Support Service Charges	80,910	84,190	3,280	Increased recharge from Legal Services £10,380. This is partly offset by a reduction of (£5,460) in the recharge from Benefits & Revenues Management.
Support Service Recharges	(551,384)	(515,801)	35,583	Reduced recharges reflecting lower service costs.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Communications</b>				
Gross Direct Costs	235,928	228,666	(7,262)	(£9,905) - Staff costs transferred to another service area. £2,964 - Pay award. £4,285 - Market pay review. (£1,606) - Pension funding adjustment. (£3,000) - Staff training costs.
Capital Charges	60,100	62,018	1,918	This reflects the current capital programme.
Support Service Charges	57,980	50,210	(7,770)	(£4,170) - Reduced recharges from Digital Transformation. (£4,480) - Reduced recharges from Internal Audit.
Support Service Recharges	(354,008)	(340,894)	13,114	Reduced recharges reflecting lower service costs.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Gross Direct Costs	1,287,144	1,242,533	(44,611)	
Capital Charges	60,100	62,018	1,918	
Gross Direct Income	(39,720)	(39,720)	0	
Support Service Charges	424,580	418,730	(5,850)	
Support Service Recharges	(1,410,270)	(1,377,246)	33,024	
<b>Net Expenditure</b>	<b>321,834</b>	<b>306,315</b>	<b>(15,519)</b>	

## Customer Services Service Area

2015/16 Actual	Service	2016/17 Base Budget	2017/18 Base Budget	Variance 2017/18 Base to 2016/17 Base
£		£	£	£
194,976	Local Taxation	135,894	134,058	(1,836)
139,120	Benefits	399,121	358,820	(40,301)
3,962	Benefits & Revenues Mgmt	47,495	0	(47,495)
909,538	ICT - Support Services	999,724	1,083,449	83,725
123,319	Tic'S	94,040	101,991	7,951
(27,733)	Homelessness	8,650	8,650	0
240,140	Housing - Service Mgmt	240,238	251,897	11,659
186,784	Digital Transformation	184,471	137,795	(46,676)
138,942	Reprographics	142,188	87,634	(54,554)
457,787	Customer Services - Corporate	538,297	542,042	3,745
<b>2,366,835</b>	<b>Total Net Costs</b>	<b>2,790,118</b>	<b>2,706,336</b>	<b>(83,782)</b>
105,819	Gross Direct Costs - Reffcus	0	0	0
187,662	Capital Charges	254,567	283,995	29,428
2,266,557	Support Service Charges	2,439,310	2,693,670	254,360
(3,001,307)	Support Service Recharges	(3,288,766)	(3,457,369)	(168,603)
<b>1,925,566</b>	<b>Net Cost of Service</b>	<b>2,195,229</b>	<b>2,226,632</b>	<b>31,403</b>



## CUSTOMER SERVICES SERVICE AREA

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Local Taxation</b>				
Gross Direct Costs	566,675	561,689	(4,986)	(£26,117) Vacant post transferred to Corporate Enforcement Team. £18,756 Employee Inflation including £11,259 Market pay review. £4,043 Pension funding adjustment.
Gross Direct Income	(430,781)	(427,631)	3,150	No Major Variances.
Support Service Charges	402,180	453,000	50,820	Increased recharges, £13,660 Digital Transformation, £32,020 Corporate Enforcement team.
<b>Net Expenditure</b>	<b>538,074</b>	<b>587,058</b>	<b>48,984</b>	
<b>Benefits</b>				
Gross Direct Costs	799,140	797,933	(1,207)	£26,935 Employee inflation including £14,680 Market pay review. (£34,364) Staff savings included in the 2016/17 budget process based on rationalising vacant posts. £8,920 Pension funding adjustment.
Capital Charges	118,371	110,106	(8,265)	This reflects the current capital programme.
Gross Direct Income	(400,019)	(439,113)	(39,094)	Anticipated reduction in Central Government administration support for Council tax and Housing Benefits relating to the transfer of the Fraud function to the Department for Works and Pensions (DWP) not as great as assumed.
Support Service Charges	506,020	490,020	(16,000)	Reduction following removal of Head of Revenues and Benefits vacant post.
<b>Net Expenditure</b>	<b>1,023,512</b>	<b>958,946</b>	<b>(64,566)</b>	
<b>Benefits &amp; Revenues Mgmt</b>				
Gross Direct Costs	47,495	0	(47,495)	Staff savings included as part of the 2016/17 budget process, rationalising vacant posts.
Support Service Charges	7,150	0	(7,150)	This reflects the removal of the Head of Revenues and Benefits vacant post.
Support Service Recharges	(54,645)	0	54,645	
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>ICT - Support Services</b>				
Gross Direct Costs	1,000,134	1,083,859	83,725	£7,889 - Pay award. £11,963 - Market Pay Review. £57,025 - New staffing structure costs. £5,958 - Pension fund adjustments. £4,910 - Increased costs of software licences, £8,964 - New computer maintenance contracts. (£11,000) - Savings in telephone calls and rentals.
Capital Charges	92,912	134,491	41,579	This reflects the current capital programme.
Gross Direct Income	(410)	(410)	0	No Major Variances.
Support Service Charges	134,850	177,240	42,390	Increased recharges from Digital Transformation - £34,680 and Central costs - £7,320
Support Service Recharges	(1,220,366)	(1,389,070)	(168,704)	Increased recharges reflecting higher service costs
<b>Net Expenditure</b>	<b>7,120</b>	<b>6,110</b>	<b>(1,010)</b>	
<b>TIC'S</b>				
Gross Direct Costs	129,250	131,491	2,241	£1,332 - Inflationary increase in Business Rates.
Capital Charges	6,473	6,187	(286)	This reflects the current capital programme.
Gross Direct Income	(35,210)	(29,500)	5,710	No Major variances.
Support Service Charges	121,290	129,360	8,070	Increased recharge of £14,760 from Digital Transformation and £3,000 from Central costs, offset by reduced recharges from Customer Services (£6,160) and Insurance (£3,130)
<b>Net Expenditure</b>	<b>221,803</b>	<b>237,538</b>	<b>15,735</b>	

## CUSTOMER SERVICES SERVICE AREA

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Homelessness</b>				
Gross Direct Costs	87,692	102,692	15,000	Increased expenditure on Bed and Breakfast Accommodation.
Capital Charges	6,630	6,630	0	No Major Variances.
Gross Direct Income	(79,042)	(94,042)	(15,000)	Client receipts and Housing Benefit Subsidy on Increased homelessness costs.
Support Service Charges	389,440	421,700	32,260	£17,090 Customer Services Housing, £20,590 recharge from ICT.
<b>Net Expenditure</b>	<b>404,720</b>	<b>436,980</b>	<b>32,260</b>	
<b>Customer Services Housing</b>				
Gross Direct Costs	240,238	251,897	11,659	£10,921 Employee Inflation including £5,807 from Market pay review.
Support Service Charges	122,670	128,210	5,540	This reflects the current capital programme.
Support Service Recharges	(362,908)	(380,107)	(17,199)	£15,720 Digital Transformation offset by reductions in a number of other areas including customer services.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Digital Transformation</b>				
Gross Direct Costs	184,471	137,795	(46,676)	£5,496 - Pension funding adjustment. £2,685 - Market pay review. (£55,390) - Fixed term contracts ceasing.
Support Service Charges	404,650	494,810	90,160	Increased recharge of £37,440 from Computer Network & PCs, £22,740 from Computer (Applications Team) and £10,860 from Central Costs. The balance consists of minor variances.
Support Service Recharges	(589,121)	(632,605)	(43,484)	Increased recharges reflecting higher service costs.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Reprographics</b>				
Gross Direct Costs	149,688	95,134	(54,554)	(£22,288) - Restructure savings. (£33,648) - Savings as a result of renegotiating the contract for printers. £1,677 - Pay award. £1,065 - Market pay review. (£1,360) - Pension funding adjustment.
Capital Charges	12,000	12,603	603	This reflects the current capital programme.
Gross Direct Income	(7,500)	(7,500)	0	No Major Variances.
Support Service Charges	20,060	12,350	(7,710)	No Major Variances.
Support Service Recharges	(174,248)	(112,587)	61,661	Reduced recharges reflecting lower service costs
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Customer Services - Corporate</b>				
Gross Direct Costs	567,367	571,112	3,745	£12,982 - Pay award. £12,958 - Market pay review. (£19,147) - Fixed term contracts ceasing. (£9,529) - Other staff savings. £6,481 - Pension funding adjustment.
Gross Direct Income	(29,070)	(29,070)	0	No Major Variances.
Capital Charges	18,181	13,978	(4,203)	This reflects the current capital programme.
Support Service Charges	331,000	386,980	55,980	£15,710 - Increased recharges from Central Costs. £30,060 - Increased recharges from Digital Transformation. £10,160 - Increased recharge from Computer Network & PCs
Support Service Recharges	(887,478)	(943,000)	(55,522)	Increased recharges reflecting higher service costs.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Gross Direct Costs	3,772,150	3,733,602	(38,548)	
Capital Charges	254,567	283,995	29,428	
Gross Direct Income	(982,032)	(1,027,266)	(45,234)	
Support Service Charges	2,439,310	2,693,670	254,360	
Support Service Recharges	(3,288,766)	(3,457,369)	(168,603)	
<b>Net Expenditure</b>	<b>2,195,229</b>	<b>2,226,632</b>	<b>31,403</b>	

## ECONOMIC AND COMMUNITY DEVELOPMENT AND LEISURE SERVICE AREA

2015/16 Actual	Service	2016/17 Base Budget	2017/18 Base Budget	Variance 2017/18 Base to 2016/17 Base
£		£	£	£
(1,614,526)	Car Parking	(1,804,108)	(2,008,993)	(204,885)
12,000	Markets	13,150	(9,571)	(22,721)
308,206	Parks & Open Spaces	299,920	327,139	27,219
84,041	Foreshore	128,002	120,768	(7,234)
162,620	Sports Centres	156,060	132,153	(23,907)
307,463	Leisure Complexes	314,102	319,709	5,607
74,924	Other Sports	46,229	42,442	(3,787)
7,634	Recreation Grounds	7,163	7,465	302
73,801	Arts & Entertainments	73,550	73,550	0
88,833	Pier Pavilion	90,380	92,847	2,467
364,272	Foreshore (Community)	358,205	372,300	14,095
107,062	Woodlands Management	92,403	105,869	13,466
3,634	Cromer Pier	22,830	22,830	0
(77,699)	Investment Properties	(63,571)	(72,557)	(8,986)
199,295	Economic Growth	163,373	44,292	(119,081)
38,659	Tourism	52,338	40,338	(12,000)
330,291	Coast Protection	320,950	320,950	0
191,610	Regeneration Management	204,977	250,311	45,334
68,893	Comm & Econ Dev Mgt	67,365	77,830	10,465
149,481	Leisure	92,669	90,089	(2,580)
134,325	Independent Living Team	148,228	191,361	43,133
(66,909)	Hsg Strategy	5,377	189,692	184,315
0	CCTV	0	0	0
(269,743)	Community and Localism	31,106	85,349	54,243
134,585	Coastal Management	146,910	159,210	12,300
<b>812,752</b>	<b>Total Net Costs</b>	<b>967,608</b>	<b>975,373</b>	<b>7,765</b>
931,428	Gross Direct Costs - Reffcus	1,010,155	1,246,051	235,896
(437,040)	Gross Direct Income - Reffcus	(876,016)	(157,930)	718,086
758,723	Capital Charges	997,543	1,251,411	253,868
2,161,991	Support Service Charges	2,098,270	2,080,470	(17,800)
(1,268,868)	Support Service Recharges	(1,150,396)	(1,265,103)	(114,707)
<b>2,958,986</b>	<b>Net Cost of Service</b>	<b>3,047,164</b>	<b>4,130,272</b>	<b>1,083,108</b>

## ECONOMIC AND COMMUNITY DEVELOPMENT AND LEISURE SERVICE AREA

	2016/17 Base Budget	2017/18 Base Budget	Variance	Explanation for Major Variances
	£	£	£	
<b>Car Parking</b>				
Gross Direct Costs	684,452	735,081	50,629	See Note A below
Capital Charges	29,485	29,485	0	No Major Variances.
Gross Direct Income	(2,488,560)	(2,744,074)	(255,514)	See Note B below
Support Service Charges	168,240	176,740	8,500	£5,670 Additional Customer Services recharge. £5,090 Property Services recharge. (£8,270) Reduction in Accountancy recharge. £5,260 Increased Internal Audit Recharge
<b>Net Expenditure</b>	<b>(1,606,383)</b>	<b>(1,802,768)</b>	<b>(196,385)</b>	
<b>Note A:</b> (£6,130) Removal of additional repairs and maintenance costs associated with savings proposal AL01 16/17 which are no longer achievable. £21,990 Further rental expenditure for Gold Park and Clink Road due to projected increases in income. £42,876 Inflation on NNDR costs. £16,459 Credit card charges based on revisions to fee income budgets. £11,943 Revision of Kier costs for cleansing. (£39,056) Reduction in contract management fee reflecting changes to car parking orders between years and renegotiation of car parking contract				
<b>Note B:</b> £22,000 Removal of additional income identified from savings proposal AL01 16/17 which are no longer achievable. (£165,035) FYE of increases in car park charges identified for 2016/17 budget. (£9,285) Additional penalty charge notice income based on 2016/17 actuals. (£15,644) Inflation on season ticket income resultant from changes in prices. (£87,399) Further credit card parking fees representing changes in payment methods.				
<b>Markets</b>				
Gross Direct Costs	74,776	49,329	(25,447)	Reduction of Kier contract costs for markets cleaning to reflect more accurately where costs are incurred.
Gross Direct Income	(61,626)	(58,900)	2,726	No Major Variances.
Support Service Charges	52,250	46,440	(5,810)	No Major Variances.
<b>Net Expenditure</b>	<b>65,400</b>	<b>36,869</b>	<b>(28,531)</b>	
<b>Parks &amp; Open Spaces</b>				
Gross Direct Costs	314,510	341,729	27,219	£10,735 - Inflation on grounds maintenance contract. £16,484 - A permanent increase in grounds maintenance contract costs of £20,675 due to operational issues offset by savings of £4,191.
Capital Charges	41,446	47,482	6,036	This reflects the current capital programme.
Gross Direct Income	(14,590)	(14,590)	0	No Major Variances.
Support Service Charges	83,840	69,860	(13,980)	(£13,980) - Reduced recharges from Property Services (£4,080), Leisure (£5,450) and Legal Services (£3,700)
<b>Net Expenditure</b>	<b>425,206</b>	<b>444,481</b>	<b>19,275</b>	
<b>Foreshore</b>				
Gross Direct Costs	128,002	120,768	(7,234)	No Major Variances.
Capital Charges	48,528	11,943	(36,585)	Reduction in depreciation based on capital expenditure and revaluations in prior year.
Support Service Charges	61,910	60,180	(1,730)	No Major Variances.
<b>Net Expenditure</b>	<b>238,440</b>	<b>192,891</b>	<b>(45,549)</b>	

## ECONOMIC AND COMMUNITY DEVELOPMENT AND LEISURE SERVICE AREA

	2016/17 Base Budget	2017/18 Base Budget	Variance	Explanation for Major Variances
	£	£	£	
<b>Sports Centres</b>				
Gross Direct Costs	298,880	274,973	(23,907)	(£12,440) - Salary and oncosts transferred to another service. £1,520 - Pay award. £4,732 - Market Pay Review. (£13,488) - Restructure savings. (£3,400) - Pension funding adjustment
Gross Direct Income	(142,820)	(142,820)	0	No Major Variances.
Capital Charges	12,496	12,497	1	No Major Variances.
Support Service Charges	104,370	105,220	850	Reduced recharge from Property Services (£6,000) and Digital Transformation (£4,770). These are offset by increased recharges from Central Costs £3,350 and Internal Audit £6,300.
Support Service Charges	20,230	15,700	(4,530)	(£5,880) - Reduced recharge from Property Services.
<b>Net Expenditure</b>	<b>641,330</b>	<b>823,396</b>	<b>182,066</b>	
<b>Other Sports</b>				
Gross Direct Costs	128,929	125,142	(3,787)	£3,313 - Salary and oncosts, comprising £540 pay award, £1,713 market pay review and £1,060 pension funding adjustments. (£7,100) - Reduction in grants awarded.
Capital Charges	0	3,527	3,527	Depreciation
Gross Direct Income	(82,700)	(82,700)	0	No Major Variances.
Support Service Charges	40,750	37,770	(2,980)	(£2,840) - Reduced recharge from Property Services.
<b>Net Expenditure</b>	<b>86,979</b>	<b>83,739</b>	<b>(3,240)</b>	
<b>Recreation Grounds</b>				
Gross Direct Costs	8,163	8,465	302	No Major Variances.
Capital Charges	79	79	0	No Major Variances.
Gross Direct Income	(1,000)	(1,000)	0	No Major Variances.
Support Service Charges	7,610	5,090	(2,520)	Reduced recharge from Property Services.
<b>Net Expenditure</b>	<b>14,852</b>	<b>12,634</b>	<b>(2,218)</b>	
<b>Arts &amp; Entertainments</b>				
Gross Direct Costs	75,010	75,010	0	No Major Variances.
Capital Charges	211	211	0	No Major Variances.
Gross Direct Income	(1,460)	(1,460)	0	No Major Variances.
Support Service Charges	32,160	34,080	1,920	£3,250 - Increased recharge from Economic Development and Tourism
<b>Net Expenditure</b>	<b>105,921</b>	<b>107,841</b>	<b>1,920</b>	
<b>Pier Pavilion</b>				
Gross Direct Costs	90,380	92,847	2,467	No Major Variances.
Support Service Charges	14,150	9,150	(5,000)	Reduced recharge from Property Services.
<b>Net Expenditure</b>	<b>104,530</b>	<b>101,997</b>	<b>(2,533)</b>	

## ECONOMIC AND COMMUNITY DEVELOPMENT AND LEISURE SERVICE AREA

	2016/17 Base Budget	2017/18 Base Budget	Variance	Explanation for Major Variances
	£	£	£	
<b>Foreshore (Community)</b>				
Gross Direct Costs	358,205	372,300	14,095	£7,095 - Grounds maintenance contract costs. £8,000 - Transfer of maintenance costs from Foreshore Furniture and Fixtures.
Support Service Charges	32,870	30,180	(2,690)	(£2,300) - Reduced recharge from Leisure Services.
<b>Net Expenditure</b>	<b>391,075</b>	<b>402,480</b>	<b>11,405</b>	
<b>Woodlands Management</b>				
Gross Direct Costs	117,953	131,419	13,466	£6,724 - Staffing costs following restructure. Other salary increases including £979 pay award, £2,174 - market pay review, £704 new staff in pension scheme and £1,368 pension funding adjustments.
Capital Charges	1,346	1,346	0	No Major Variances.
Gross Direct Income	(25,550)	(25,550)	0	No Major Variances.
Support Service Charges	88,340	90,710	2,370	No Major Variances.
<b>Net Expenditure</b>	<b>182,089</b>	<b>197,925</b>	<b>15,836</b>	
<b>Cromer Pier</b>				
Gross Direct Costs	39,320	43,539	4,219	Inflationary increase in Business Rates funded by a recharge (see income below)
Capital Charges	24,795	23,716	(1,079)	This reflects the current capital programme
Gross Direct Income	(16,490)	(20,709)	(4,219)	Recharge of Business Rates
Support Service Charges	11,970	9,950	(2,020)	(£4,440) - Reduced recharge from Property Services.
<b>Net Expenditure</b>	<b>59,595</b>	<b>56,496</b>	<b>(3,099)</b>	
<b>Investment Properties</b>				
Gross Direct Costs	47,829	47,608	(221)	No Major Variances.
Gross Direct Income	(111,400)	(120,165)	(8,765)	(£12,500) Anticipated rental income following revision to beach huts and chalets pricing structures as part of 16/17 budget savings AL06. £3,735 potential reduction in fee income due to review of occupancy rates.
Support Service Charges	56,440	58,340	1,900	No Major Variances.
<b>Net Expenditure</b>	<b>(7,131)</b>	<b>(14,217)</b>	<b>(7,086)</b>	
<b>Economic Growth</b>				
Gross Direct Costs	248,569	44,292	(204,277)	Staff restructuring to realign with service priorities. This is partially offset by growth within Business Growth staffing cost centre.
Gross Direct Income	(85,196)	0	85,196	
Support Service Charges	214,530	198,800	(15,730)	Increased recharges from Economic Growth, reduced recharges relating to the NNFLAG project which finished in 2016/17.
<b>Net Expenditure</b>	<b>377,903</b>	<b>243,092</b>	<b>(134,811)</b>	
<b>Tourism</b>				
Gross Direct Costs	52,338	40,338	(12,000)	Savings in software costs agreed as part of the 2016/17 Budget Process.
Support Service Charges	49,870	56,930	7,060	Increased recharge from Economic Growth support service.
<b>Net Expenditure</b>	<b>102,208</b>	<b>97,268</b>	<b>(4,940)</b>	

## ECONOMIC AND COMMUNITY DEVELOPMENT AND LEISURE SERVICE AREA

	2016/17 Base Budget	2017/18 Base Budget	Variance	Explanation for Major Variances
	£	£	£	
<b>Coast Protection</b>				
Gross Direct Costs	320,975	320,975	0	No Major Variances.
Gross Direct Income	(25)	(25)	0	No Major Variances.
Capital Charges	529,999	630,978	100,979	Reflects the Capital Programme in year
Gross Direct Costs - Refcus	265,000	0	(265,000)	Reflects the Capital Programme in year
Gross Direct Income - Refcus	(265,000)	0	265,000	Reflects the Capital Programme in year
Support Service Charges	229,770	244,920	15,150	Higher recharges from Coastal Management
<b>Net Expenditure</b>	<b>1,080,719</b>	<b>1,196,848</b>	<b>116,129</b>	
<b>Business Growth - Staffing</b>				
Gross Direct Costs	204,977	250,311	45,334	Net £40,619 Transfer of staff costs following service restructure. £5,913 Employee Inflation.
Support Service Charges	89,210	91,210	2,000	
Support Service Recharges	(294,187)	(341,521)	(47,334)	Staff restructure across service area.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Comm &amp; Econ Dev Mgt</b>				
Gross Direct Costs	67,365	77,830	10,465	Employee Inflation.
Support Service Charges	7,790	8,580	790	No Major Variances.
Support Service Recharges	(75,155)	(86,410)	(11,255)	Increased direct costs recharged to the services supported.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Leisure</b>				
Gross Direct Costs	93,369	90,789	(2,580)	Salary increases including £670 pay award, £663 - market pay review and (£3,896) pension funding adjustments
Gross Direct Income	(700)	(700)	0	No Major Variance
Support Service Charges	59,560	48,750	(10,810)	Reduced recharges from Reprographics (£4,140) and Digital Transformation (£2,560)
Support Service Recharges	(152,229)	(138,839)	13,390	Reduced recharges reflecting lower service costs
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Housing Health and Well Being</b>				
Gross Direct Costs	148,228	191,361	43,133	£3.325 Market Pay review inflation. Additional staff costs recharged to Capital.
Gross Direct Costs - Refcus	644,247	1,246,051	601,804	This reflects the current capital programme.
Gross Direct Income - Refcus	(611,016)	(157,930)	453,086	
Support Service Charges	257,220	249,130	(8,090)	
Support Service Recharges	(198,858)	(235,091)	(36,233)	Additional staff costs recovered from recharges to Capital
<b>Net Expenditure</b>	<b>239,821</b>	<b>1,293,521</b>	<b>1,053,700</b>	
<b>Housing Strategy</b>				
Gross Direct Costs	180,377	189,692	9,315	See Note A below
Gross Direct Costs - Refcus	100,908	0	(100,908)	This reflects the current capital Programme
Gross Direct Income	(175,000)	0	175,000	It has been assumed that there will be no further VAT shelter receipts from Victory Housing Association.
Support Service Charges	258,010	269,360	11,350	
Support Service Recharges	(227,947)	(246,622)	(18,675)	Net increase in direct costs recovered from services supported.
<b>Net Expenditure</b>	<b>136,348</b>	<b>212,430</b>	<b>76,082</b>	

**Note A:** £21,362 staff transfer from Business Growth Staffing. (£22,767) End of temporary post funded from reserves. £6,250 reserve funding for Viability Consultant rolled forward from 2016/17. £10,266 Employee Inflation including £4,323 for market pay review inflation. (£10,200) Fee for administering VAT shelter receipts no longer payable

## ECONOMIC AND COMMUNITY DEVELOPMENT AND LEISURE SERVICE AREA

	2016/17 Base Budget	2017/18 Base Budget	Variance	Explanation for Major Variances
	£	£	£	
<b>CCTV</b>				
Capital Charges	2,160	2,160	0	No Major Variances.
<b>Net Expenditure</b>	<b>2,160</b>	<b>2,160</b>	<b>0</b>	
<b>Community and Localism</b>				
Gross Direct Costs	533,531	369,432	(164,099)	Reduced grants because lower 2nd homes grant from Norfolk County Council. This will lead to
Gross Direct Income	(502,425)	(284,083)	218,342	fewer commitments
Support Service Charges	102,070	105,970	3,900	Increased recharge from Economic Development and Tourism £11,830 reflecting new management arrangements. This is offset by reduced recharges from Insurance (£3,760) and Internal Audit (£4,480)
<b>Net Expenditure</b>	<b>133,176</b>	<b>191,319</b>	<b>58,143</b>	
<b>Coastal Management</b>				
Gross Direct Costs	146,910	159,210	12,300	£9,583 Inflation on salary and on costs; £2,141 Market Pay Supplement
Support Service Charges	55,110	57,410	2,300	Various minor variances.
Support Service Recharges	(202,020)	(216,620)	(14,600)	Increased recharges reflecting higher service costs.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Gross Direct Costs	4,677,150	4,472,149	(205,001)	
Capital Charges	997,543	1,251,411	253,868	
Gross Direct Income	(3,709,542)	(3,496,776)	212,766	
Gross Direct Costs - Refcus	1,010,155	1,246,051	235,896	
Gross Direct Income - Refcus	(876,016)	(157,930)	718,086	
IAS19 Pension Adjustment			0	
Support Service Charges	2,098,270	2,080,470	(17,800)	
Support Service Recharges	(1,150,396)	(1,265,103)	(114,707)	
<b>Net Expenditure</b>	<b>3,047,164</b>	<b>4,130,272</b>	<b>1,083,108</b>	



## Environmental Health Service Area

2015/16 Actual	Service	2016/17 Base Budget	2017/18 Base Budget	Variance 2017/18 Base to 2016/17 Base
£		£	£	£
338,803	Commercial Services	340,972	350,965	9,993
365,537	Rural Sewerage Schemes	376,504	374,254	(2,250)
(2,160)	Travellers	1,355	1,498	143
(31,677)	Licensing	3,360	29,251	25,891
12,506	Street Naming	24,341	41,971	17,630
9,886	Pest Control	10,974	0	(10,974)
439,988	Environmental Protection	427,072	475,487	48,415
35,023	Dog Control	38,161	0	(38,161)
131,229	Env Health - Service Mgmt	138,550	268,525	129,975
621,674	Waste Collection and Disposal	591,951	720,025	128,074
615,277	Cleansing	584,411	621,946	37,535
13,547	Environmental Strategy	8,000	5,000	(3,000)
19,325	Community Safety	22,229	24,725	2,496
78,097	Civil Contingencies	95,445	97,856	2,411
<b>2,647,055</b>	<b>Total Net Costs</b>	<b>2,663,325</b>	<b>3,011,503</b>	<b>348,178</b>
282,075	Gross Direct Costs - Reffcus	40,000	0	(40,000)
(282,075)	Gross Direct Income - Reffcus	(40,000)	0	40,000
459,095	Capital Charges	462,081	457,072	(5,009)
731,614	Support Service Charges	810,370	844,800	34,430
(175,169)	Support Service Recharges	(218,065)	(399,066)	(181,001)
<b>3,662,595</b>	<b>Net Cost of Service</b>	<b>3,717,711</b>	<b>3,914,309</b>	<b>196,598</b>

## ENVIRONMENTAL HEALTH SERVICE AREA

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Commercial Services</b>				
Gross Direct Costs	363,407	375,400	11,993	£9,214 Market Pay Review; £2,000 additional costs relating to Private Water Sampling (PWS) offset by additional income
Gross Direct Income	(22,435)	(24,435)	(2,000)	Additional income from PWS
Support Service Charges	156,500	136,110	(20,390)	The major changes relate to lower recharges of (£8,910) Business Transformation, (£2,590) Computer applications and network, (£1,930) Personnel Services and (£2,790) Reprographics. The balance is made up of various minor variances.
<b>Net Expenditure</b>	<b>497,472</b>	<b>487,075</b>	<b>(10,397)</b>	
<b>Rural Sewerage Scheme</b>				
Gross Direct Costs	376,504	374,254	(2,250)	Inflation on Internal Drainage Board (IDB) Rates and Levies.
Support Service Charges	440	220	(220)	No Major Variances.
<b>Net Expenditure</b>	<b>376,944</b>	<b>374,474</b>	<b>(2,470)</b>	
<b>Travellers</b>				
Gross Direct Costs	5,355	5,498	143	No Major Variances.
Gross Direct Income	(4,000)	(4,000)	0	No Major Variances.
Gross Direct Costs - Refcus	40,000	0	(40,000)	Reflects the Capital programme in year.
Gross Direct Income - Refcus	(40,000)	0	40,000	Reflects the Capital programme in year.
Capital Charges	97,800	97,800	0	No Major Variances.
Support Service Charges	1,430	1,320	(110)	No Major Variances.
<b>Net Expenditure</b>	<b>100,585</b>	<b>100,618</b>	<b>33</b>	
<b>Licensing</b>				
Gross Direct Costs	164,545	190,436	25,891	£13,484 Inflation on salary and oncosts; £4,595 Market Pay Review; £7,812 Pension Funding adjustment.
Gross Direct Income	(161,185)	(161,185)	0	No Major Variances.
Support Service Charges	108,040	133,400	25,360	The major changes relate to higher recharges of £6,440 Legal Services, £3,120 Customer & Personnel Services, £4,900 Central Services, £6,610 Computer Network & Applications and £5,840 Scanning & Postal Services.
<b>Net Expenditure</b>	<b>111,400</b>	<b>162,651</b>	<b>51,251</b>	
<b>Street Naming</b>				
Gross Direct Costs	24,341	41,971	17,630	Transfer of budget from Leisure Services for staffing restructure.
Capital Charges	7,565	7,565	0	No Major Variances.
Support Service Charges	610	540	(70)	No Major Variances.
<b>Net Expenditure</b>	<b>32,516</b>	<b>50,076</b>	<b>17,560</b>	

## ENVIRONMENTAL HEALTH SERVICE AREA

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Pest Control</b>				
Gross Direct Costs	15,919	0	(15,919)	All budgets transferred to Environmental Protection
Gross Direct Income	(4,945)	0	4,945	As above
Capital Charges	1,306	0	(1,306)	As above
Support Service Charges	6,020	0	(6,020)	As above
<b>Net Expenditure</b>	<b>18,300</b>	<b>0</b>	<b>(18,300)</b>	
<b>Environmental Protection</b>				
Gross Direct Costs	437,127	490,487	53,360	See Note A below:
Capital Charges	0	2,612	2,612	Reflects the Capital programme in year.
Gross Direct Income	(10,055)	(15,000)	(4,945)	Budget transfers relating to Pest Control contracts and kennelling fees
Support Service Charges	159,630	185,840	26,210	See Note B below:
<b>Net Expenditure</b>	<b>586,702</b>	<b>663,939</b>	<b>77,237</b>	
<b>Note A:</b> £52,769 relates to budgets transferred from Pest & Dog Control; £10,786 Inflation on salary and oncosts; £10,715 Market Pay Review; £4,000 Growth for new kennelling contract; (£29,774) Savings identified from 2016/17 for Business Transformation; £4,864 Pension Deficit adjustment				
<b>Note B:</b> The major changes relate to higher recharges of £3,300 Legal Services, £8,230 Central Services, £10,510 Computer Network & Applications, £2,740 Personnel Services, £3,560 Environmental Health and (£3,590) Scanning & Postal Services.				
<b>Dog Control</b>				
Gross Direct Costs	39,161	0	(39,161)	All budgets transferred to Environmental Protection.
Gross Direct Income	(1,000)	0	1,000	As above
Capital Charges	1,306	0	(1,306)	As above
Support Service Charges	27,410	0	(27,410)	As above
<b>Net Expenditure</b>	<b>66,877</b>	<b>0</b>	<b>(66,877)</b>	
<b>Env Health - Service Mgmt</b>				
Gross Direct Costs	138,550	268,525	129,975	£98,117 Budgets transferred in for the Corporate Enforcement Team; £9,975 Inflation on salary and oncosts; £5,839 Market Pay Review; £5,619 One-off transfer from Reserves for staffing; £10,425 Pension Deficit adjustment.
Capital Charges	33,385	20,181	(13,204)	Reflects the Capital programme in year
Support Service Charges	46,130	110,360	64,230	See Note A below
Support Service Recharges	(218,065)	(399,066)	(181,001)	Higher recharges reflecting higher service costs
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Note A:** The majority of this variance relates to recharges for the Corporate Enforcement Team and include charges of £8,660 Central Costs, £5,150 Business Transformation, £13,970 Computer Network and Applications Team, £3,830 Personnel Services, £31,010 Head of Planning and £2,520 Insurance. There is a saving of (£4,980) from Legal Services.

## ENVIRONMENTAL HEALTH SERVICE AREA

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Waste Collection and Disposal</b>				
Gross Direct Costs	3,373,878	3,626,012	252,134	See <b>Note A</b> below
Capital Charges	316,061	328,914	12,853	Reflects the Capital programme in year
Gross Direct Income	(2,781,927)	(2,905,987)	(124,060)	See <b>Note B</b> below
Support Service Charges	229,100	193,980	(35,120)	See <b>Note C</b> below
<b>Net Expenditure</b>	<b>1,137,112</b>	<b>1,242,919</b>	<b>105,807</b>	

**Note A:** Significant variances include: £115,069 Inflation on Kier contract; £64,121 Kier costs associated with an additional vehicle for composting and trade waste offset by budget savings slipped from 2016/17; £17,200 Additional commercial waste disposal costs; £45,500 Norse Environmental Waste Services (NEWS) - changes to agreement with NEWS resulting in an increase in the gate fee which also now encompasses the contamination charge; £8,500 Contribution to the Norfolk Waste Partnership.

**Note B:** (£55,000) Additional trade waste fee income; (£84,618) Additional garden bin fee income and recycling credits; £15,555 Reduced recycling credit income due to lower tonnage from mixed recyclables.

**Note C:** The major changes relate to lower recharges of (£6,000) Digital Transformation, (£5,220) Sundry Debtors, (£4,470) Computer Network and Applications, (£14,290) Customer Services, (£6,090) Creditors, Accountancy & Environmental Health, and offset by higher recharges of £7,170 Internal Audit.

**Cleansing**

Gross Direct Costs	629,373	668,370	38,997	£28,644 Inflation and ongoing efficiency savings on the Kier contract; £5,568 Inflation on salaries and oncosts; £3,673 Market Pay Review
Gross Direct Income	(44,962)	(46,424)	(1,462)	Recharges for dog and litter bins
Capital Charges	4,658	0	(4,658)	Reflects the Capital programme in year
Support Service Charges	15,060	29,090	14,030	See Note A below
<b>Net Expenditure</b>	<b>604,129</b>	<b>651,036</b>	<b>46,907</b>	

**Note A:** The major changes relate to higher recharges of £3,320 Central Costs, £5,450 from Computer Network & Applications, £2,020 Business Transformation, £1,790 Internal Audit & £1,840 Personnel Services.

**Environmental Strategy**

Gross Direct Costs	19,000	17,500	(1,500)	Savings bid from 2016/17 relating to Green Build
Gross Direct Income	(11,000)	(12,500)	(1,500)	Savings bid from 2016/17 relating to Green Build
Support Service Charges	6,760	5,520	(1,240)	No Major Variances
<b>Net Expenditure</b>	<b>14,760</b>	<b>10,520</b>	<b>(4,240)</b>	

**Community Safety**

Gross Direct Costs	22,229	24,725	2,496	No Major Variances
Support Service Charges	370	8,860	8,490	Miscellaneous minor variances
<b>Net Expenditure</b>	<b>22,599</b>	<b>33,585</b>	<b>10,986</b>	

## ENVIRONMENTAL HEALTH SERVICE AREA

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Civil Contingencies</b>				
Gross Direct Costs	95,445	97,856	2,411	No Major Variances.
Support Service Charges	52,870	39,560	(13,310)	The major changes relate to lower recharges of (£2,860) Digital Transformation, (£2,690) Computer Network and Applications, (£4,750) from Internal Audit, Insurance, Creditors and Personnel services.
<b>Net Expenditure</b>	<b>148,315</b>	<b>137,416</b>	<b>(10,899)</b>	
Gross Direct Costs	5,704,834	6,181,034	476,200	
Gross Direct Costs - Refcus	40,000	0	(40,000)	
Capital Charges	462,081	457,072	(5,009)	
Gross Direct Income	(3,041,509)	(3,169,531)	(128,022)	
Gross Direct Income - Refcus	(40,000)	0	40,000	
Support Service Charges	810,370	844,800	34,430	
Support Service Recharges	(218,065)	(399,066)	(181,001)	
<b>Net Expenditure</b>	<b>3,717,711</b>	<b>3,914,309</b>	<b>196,598</b>	

## Finance and Assets Service Area

2015/16 Actual	Service	2016/17 Base Budget	2017/18 Base Budget	Variance 2017/18 Base to 2016/17 Base
£		£	£	£
(94,357)	Industrial Estates	(107,919)	(110,749)	(2,830)
(7,697)	Surveyors Allotments	(50)	(50)	0
(32,927)	Handyman	(43,687)	(39,989)	3,698
(32,188)	Parklands	(30,240)	(31,080)	(840)
266,871	Benefits	0	0	0
92,122	Discretionary Rate Relief	80,148	70,798	(9,350)
334,428	Non Distributed Costs	263,692	259,287	(4,405)
379,283	Administration Building Svs	233,024	260,020	26,996
466,549	Property Services	592,958	547,702	(45,256)
0	Head of Assets & Finance	0	86,109	86,109
436,707	Corporate Finance	496,823	447,584	(49,239)
149,206	Insurance & Risk Management	178,227	176,017	(2,210)
58,292	Internal Audit	94,000	94,000	0
15,179	Playgrounds	30,670	30,995	325
3,840	Community Centres	6,099	5,938	(161)
467,650	Public Conveniences	414,251	457,379	43,128
32,846	Investment Properties	(42,648)	(26,408)	16,240
50,271	Central Costs	54,960	84,043	29,083
374,788	Corporate & Democratic Core	425,661	441,503	15,842
<b>2,960,863</b>	<b>Total Net Costs</b>	<b>2,645,969</b>	<b>2,753,099</b>	<b>107,130</b>
(320,428)	IAS 19 Adjustment	(263,692)	(259,287)	4,405
385,148	Capital Charges	390,970	462,525	71,555
2,099,058	Support Service Charges	2,064,277	2,198,247	133,970
(2,385,462)	Support Service Recharges	(2,499,604)	(2,674,919)	(175,315)
<b>2,739,179</b>	<b>Net Cost of Service</b>	<b>2,337,920</b>	<b>2,479,665</b>	<b>141,745</b>

## Finance and Assets Service Area

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Industrial Estates</b>				
Gross Direct Costs	20,116	21,666	1,550	£3,619 Inflation on NNDR costs for industrial Estates
Gross Direct Income	(128,035)	(132,415)	(4,380)	(£4,380) Additional income following lease amendments
Capital Charges	46,239	46,239	0	No Major Variances.
Support Service Charges	64,250	72,650	8,400	£8,300 Property Services recharges
<b>Net Expenditure</b>	<b>2,570</b>	<b>8,140</b>	<b>5,570</b>	
<b>Surveyors Allotments</b>				
Gross Direct Income	(50)	(50)	0	No Major Variances.
Support Service Charges	3,700	5,190	1,490	No Major Variances.
<b>Net Expenditure</b>	<b>3,650</b>	<b>5,140</b>	<b>1,490</b>	
<b>Handyman</b>				
Gross Direct Costs	63,113	66,811	3,698	No Major Variances.
Gross Direct Income	(106,800)	(106,800)	0	No Major Variances.
Capital Charges	2,739	2,739	0	No Major Variances.
Support Service Charges	54,300	58,450	4,150	No Major Variances.
<b>Net Expenditure</b>	<b>13,352</b>	<b>21,200</b>	<b>7,848</b>	
<b>Parklands</b>				
Gross Direct Costs	26,140	26,130	(10)	No Major Variances.
Gross Direct Income	(56,380)	(57,210)	(830)	No Major Variances.
Capital Charges	1,709	2,750	1,041	No Major Variances.
Support Service Charges	42,160	41,700	(460)	No Major Variances.
<b>Net Expenditure</b>	<b>1,280</b>	<b>0</b>	<b>(1,280)</b>	
<b>Discretionary Rate Relief</b>				
Gross Direct Costs	80,148	70,798	(9,350)	Reduction in line with actual Council Tax Support Grant funding reductions.
Support Service Charges	2,240	2,750	510	No Major Variances.
<b>Net Expenditure</b>	<b>82,388</b>	<b>73,548</b>	<b>(8,840)</b>	
<b>Non Distributed Costs</b>				
Gross Direct Costs	263,692	259,287	(4,405)	No Major Variances.
IAS 19 Adjustment	(263,692)	(259,287)	4,405	No Major Variances.
Support Service Charges	260	0	(260)	No Major Variances.
<b>Net Expenditure</b>	<b>260</b>	<b>0</b>	<b>(260)</b>	
<b>Administration Building Svs</b>				
Gross Direct Costs	480,554	499,548	18,994	£7,500 Rental for new property at Kings Arms St required to relocate occupants of North Walsham Offices which are being disposed of.
Capital Charges	87,379	115,217	27,838	£28,077 Additional depreciation based on capital expenditure in prior years
Gross Direct Income	(247,530)	(239,528)	8,002	£5,770 Reduction in service charge income following changes in lease Heads of Terms
Support Service Charges	148,140	152,850	4,710	£5,770 Increase in recharge from Head of Assets and Finance
Support Service Recharges	(382,487)	(427,560)	(45,073)	Recalculation of recharges following direct service cost amendments.
<b>Net Expenditure</b>	<b>86,056</b>	<b>100,527</b>	<b>14,471</b>	

## Finance and Assets Service Area

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Property Services</b>				
Gross Direct Costs	592,958	547,702	(45,256)	(£68,932) Transfer of salaries budget to Head of Assets and Finance separate cost centre. £6,991 Inflation relating to 20178/18 market pay supplement. £8,895 Pension funding adjustment. £5,076 Additional premises insurance premiums.
Capital Charges	27,638	12,773	(14,865)	(£15,000) Reduction in intangible amortisation costs resultant from incomplete capital schemes
Support Service Charges	163,060	195,710	32,650	£6,730 Increased Computer Recharges. £13,190 Recharge from Head of Assets and Finance reflecting changes to management structure. £14,010 Increased recharge from Legal Services. (£5,370) Reduced recharge for Internal Audit
Support Service Recharges	(783,656)	(756,185)	27,471	Recalculation of recharges following direct service cost amendments.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Head Of Finance and Assets</b>				
Gross Direct Costs		86,109	86,109	£68,932 Transfer of salaries budget from Property Services. £9,406 Transfer of salary supplements. £6,123 Pension funding adjustment
Support Service Recharges		(86,109)	(86,109)	Calculation of recharges following direct service cost amendments.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Corporate Finance</b>				
Gross Direct Costs	496,823	447,584	(49,239)	Reduction in staff costs as a result of Senior Management restructure.
Capital Charges	10,901	4,491	(6,410)	This reflects movement in the capital programme.
Support Service Charges	127,250	129,850	2,600	
Support Service Recharges	(634,974)	(581,925)	53,049	Reduced direct costs recharged on to the services supported by Corporate Finance.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Insurance &amp; Risk Management</b>				
Gross Direct Costs	178,877	176,667	(2,210)	No Major Variances.
Gross Direct Income	(650)	(650)	0	No Major Variances.
Support Service Charges	16,530	14,700	(1,830)	No Major Variances.
Support Service Recharges	(194,757)	(190,717)	4,040	No Major Variances.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Internal Audit</b>				
Gross Direct Costs	94,000	94,000	0	No Major Variances.
Support Service Charges	8,380	11,720	3,340	No Major Variances.
Support Service Recharges	(102,380)	(105,720)	(3,340)	No Major Variances.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Playgrounds</b>				
Gross Direct Costs	30,670	30,995	325	No Major Variances.
Support Service Charges	25,410	23,150	(2,260)	No Major Variances.
<b>Net Expenditure</b>	<b>56,080</b>	<b>54,145</b>	<b>(1,935)</b>	
<b>Community Centres</b>				
Gross Direct Costs	6,099	5,938	(161)	No Major Variances.
Capital Charges	5,342	0	(5,342)	(£5,342) Reduction in depreciation based on capital expenditure in previous years.
Support Service Charges	11,700	10,170	(1,530)	No Major Variances.
<b>Net Expenditure</b>	<b>23,141</b>	<b>16,108</b>	<b>(7,033)</b>	



## Finance and Assets Service Area

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Public Conveniences</b>				
Gross Direct Costs	414,251	457,379	43,128	£7,986 Amendments to Kier Street Services contract. £35,020 Removal of savings from redevelopment and reprovision of public conveniences - AL05 identified in base budget for 16/17 onwards, following reprofiling of schemes.
Capital Charges	144,323	141,917	(2,406)	This reflects the current capital programme.
Gross Direct Income	0	0	0	No Major Variances.
Support Service Charges	64,807	67,307	2,500	£5,240 Recharge from Head of Finance & Assets.
<b>Net Expenditure</b>	<b>623,381</b>	<b>666,603</b>	<b>43,222</b>	
<b>Investment Properties</b>				
Gross Direct Costs	70,661	66,568	(4,093)	No Major Variances.
Capital Charges	64,700	136,399	71,699	£69,421 Increased depreciation based on capitalisation and revaluations in prior years.
Gross Direct Income	(113,309)	(92,976)	20,333	£14,500 Removal of rental income for Grove Lane following disposal. (£7,750) Additional rental income from Other Lettings following new and revised leases being signed. £13,450 Removal of AL05 additional income relating to public convenience redevelopments included in 2017/18 base budget reprofiled for future years.
Support Service Charges	62,350	65,400	3,050	No Major Variances.
<b>Net Expenditure</b>	<b>84,402</b>	<b>175,391</b>	<b>90,989</b>	
<b>Central Costs</b>				
Gross Direct Costs	54,960	84,043	29,083	£27,428 - Apprenticeship Levy. £4,828 - Pension funding adjustment
Support Service Charges	346,390	442,660	96,270	See Note A below
Support Service Recharges	(401,350)	(526,703)	(125,353)	Increased recharges reflecting higher service costs
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Note A:</b> £17,100 - Recharge from the new Corporate Enforcement Team. £37,890 - Increased recharge from Customer Services. £14,750 - Increased recharge from Administrative Buildings. £6,010 - Increased recharge from Fakenham Connect. £10,090 - Increased recharge from Creditors. £7,240 - Increased recharge from Internal Audit.				
<b>Corporate &amp; Democratic Core</b>				
Gross Direct Costs	425,661	441,503	15,842	£10,916 - Free banking period ended. (£20,000) - Saving in the cost of the Monitoring Officer contract as a result of the new management structure. £19,292 - Staff transferred from another service area. £3,646 - Pension funding adjustment.
Support Service Charges	922,070	903,990	(18,080)	£7,480 - Increased recharge from Head of Planning. £14,350 - Increased recharge from Administrative Buildings. (£25,740) - Reduced recharge from Corporate Leadership Team. (£12,650) - Reduced recharge from Legal Services
<b>Net Expenditure</b>	<b>1,347,731</b>	<b>1,345,493</b>	<b>(2,238)</b>	
Gross Direct Costs	31,746,538	30,775,507	(971,031)	
Capital Charges	390,970	462,525	71,555	
Gross Direct Income	(29,100,569)	(28,022,408)	1,078,161	
IAS19 Pension Adjustment	(263,692)	(259,287)	4,405	
Support Service Charges	2,064,277	2,198,247	133,970	
Support Service Recharges	(2,499,604)	(2,674,919)	(175,315)	
<b>Net Expenditure</b>	<b>2,337,920</b>	<b>2,479,665</b>	<b>141,745</b>	

### Legal & Democratic Service Area

2015/16 Actual	Service	2016/17 Base Budget	2017/18 Base Budget	Variance 2017/18 Base to 2016/17 Base
£		£	£	£
446,953	Members Services	505,356	497,445	(7,911)
338,469	Legal Services	294,953	280,581	(14,372)
<b><u>785,422</u> Total Net Costs</b>		<b><u>800,309</u></b>	<b><u>778,026</u></b>	<b><u>(22,283)</u></b>
2,500	Capital Charges	2,500	2,500	0
270,351	Support Service Charges	277,570	273,140	(4,430)
(449,017)	Support Service Recharges	(415,913)	(397,681)	18,232
<b><u>609,256</u> Net Cost of Service</b>		<b><u>664,466</u></b>	<b><u>655,985</u></b>	<b><u>(8,481)</u></b>

## Legal &amp; Democratic Services Service Area

	2016/17 Base Budget £	2017/18 Base Budget £	Variance £	Explanation for Major Variances
<b>Members Services</b>				
Gross Direct Costs	505,756	497,845	(7,911)	Salary and oncost increases of £6,970 including pay award of £1,974, market pay review £3,628 and pension funding adjustment of £1,368. £3,119 - Inflation on Members basic allowances. (£18,000) - Financial impact of new Members allowances is lower than anticipated - ongoing from 16/17.
Capital Charges	2,500	2,500	0	No Major Variances.
Gross Direct Income	(400)	(400)	0	No Major Variances.
Support Service Charges	156,610	156,040	(570)	(£6,820) - Lower recharge from Reprographics. £8,310 - Higher recharge from Computer Network & PCs
	<b>664,466</b>	<b>655,985</b>	<b>(8,481)</b>	
<b>Legal Services</b>				
Gross Direct Costs	547,583	546,902	(681)	(£33,347) - Use of reserve to fund staffing in 2016/17 not required in 2017/18. £2,652 - Pay award. £7,550 - Market pay review. £13,855 - Management structure changes. £8,721 - Pension funding adjustment
Gross Direct Income	(252,630)	(266,321)	(13,691)	Additional fee income.
Support Service Charges	120,960	117,100	(3,860)	(£4,560) - Reduced recharge from Housing Strategy
Support Service Recharges	(415,913)	(397,681)	18,232	Reduced recharges reflecting lower service costs
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Gross Direct Costs	1,053,339	1,044,747	(8,592)	
Capital Charges	2,500	2,500	0	
Gross Direct Income	(253,030)	(266,721)	(13,691)	
Support Service Charges	277,570	273,140	(4,430)	
Support Service Recharges	(415,913)	(397,681)	18,232	
<b>Net Expenditure</b>	<b>664,466</b>	<b>655,985</b>	<b>(8,481)</b>	

## Planning Service Area

2015/16 Actual	Service	2016/17 Base Budget	2017/18 Base Budget	Variance 2017/18 Base to 2016/17 Base
£		£	£	£
56,341	Development Management	48,230	74,698	26,468
136,684	Major Development	200,716	246,705	45,989
87,757	Planning Policy	425,470	607,522	182,052
197,370	Conservation & Design	89,469	102,261	12,792
(55,151)	Building Control & Access	(29,472)	(5,142)	24,330
171,041	Planning Mgt & Comm Support	91,652	0	(91,652)
83,355	Head of Planning	171,951	167,256	(4,695)
(111,305)	Local Land Charges	5,880	21,724	15,844
<b>566,092</b>	<b>Total Net Costs</b>	<b>1,003,896</b>	<b>1,215,024</b>	<b>211,128</b>
25,184	Capital Charges	42,044	38,721	(3,323)
1,116,750	Support Service Charges	1,107,876	1,066,536	(41,340)
(369,603)	Support Service Recharges	(496,373)	(207,266)	289,107
<b>1,338,423</b>	<b>Net Cost of Service</b>	<b>1,657,443</b>	<b>2,113,015</b>	<b>455,572</b>

## PLANNING SERVICE AREA

	2016/17 Base Budget	2017/18 Base Budget	Variance	Explanation for Variance
	£	£	£	
<b>Development Management</b>				
Gross Direct Costs	803,850	830,318	26,468	(£58,594) two posts transferring to establish the Corporate Enforcement team. (£5,328) Movement in planning staff allocations. £34,509 Employee Inflation including £16,073 Market pay review. £12,463 Pension funding adjustment. £37,155 Additional post. £4,440 Staff joining the superannuation scheme.
Capital Charges	42,044	38,721	(3,323)	This reflects the current capital programme.
Gross Direct Income	(755,620)	(755,620)	0	No Major Variances.
Support Service Charges	455,720	603,050	147,330	Major movements include (£66,330) Planning support following BPR exercise, £128,190 New Corporate Enforcement team. £58,160 Postal and Scanning services.
<b>Net Expenditure</b>	<b>545,994</b>	<b>716,469</b>	<b>170,475</b>	
<b>Major Development</b>				
Gross Direct Costs	200,716	246,705	45,989	£24,909 Employee inflation (including £6,194 Market pay review). £33,571 Additional staffing costs to cover Maternity leave. (£6,182) Increased staff time recharged directly to Corporate.
Support Service Charges	55,710	100,320	44,610	The main variances include £13,420 Head of Planning, £13,180 Legal services.
<b>Net Expenditure</b>	<b>256,426</b>	<b>347,025</b>	<b>90,599</b>	
<b>Planning Policy</b>				
Gross Direct Costs	425,470	607,522	182,052	£30,334 Employee Inflation (including £5,372 market pay review). £100,000 One off costs relating to Local Plan review - these are being funded from the New Homes Bonus Reserve. £39,579 Additional staff costs initially to cover maternity leave and assist with Local Plan Review. £13,715 Pension fund adjustment.
Support Service Charges	65,116	67,376	2,260	No Major Variances.
<b>Net Expenditure</b>	<b>490,586</b>	<b>674,898</b>	<b>184,312</b>	
<b>Conservation &amp; Design</b>				
Gross Direct Costs	89,469	102,261	12,792	£14,693 Employee Inflation (including £6,306 relating to market pay review) (£3,017) Staff time recharged to Development Management.
Support Service Charges	111,860	66,670	(45,190)	(£34,090) Planning support following Business Process Review (BPR) exercise.
<b>Net Expenditure</b>	<b>201,329</b>	<b>168,931</b>	<b>(32,398)</b>	
<b>Building Control &amp; Access</b>				
Gross Direct Costs	331,573	367,439	35,866	£14,920 Employee inflation (Including £8,090 for market pay review). New Apprentice post covered by additional fee income.
Gross Direct Income	(361,045)	(372,581)	(11,536)	
Support Service Charges	133,100	122,220	(10,880)	(£20,540) Planning support following Business Process Review (BPR) exercise. Increases from £3,720 Customer Services, £4,760 ICT services.
<b>Net Expenditure</b>	<b>103,628</b>	<b>117,078</b>	<b>13,450</b>	

## PLANNING SERVICE AREA

	2016/17 Base Budget	2017/18 Base Budget	Variance	Explanation for Variance
	£	£	£	
<b>Head of Planning</b>				
Gross Direct Costs	171,951	167,256	(4,695)	(£11,377) Budget transfers following Planning restructure. £11,934 Employee Inflation (including market pay review). (£4,942) Pension funding adjustment.
Support Service Charges	120,400	40,010	(80,390)	Net reduction in recharges from Planning support following BPR exercise.
Support Service Recharges	(292,351)	(207,266)	85,085	Net reduction in the bottom line cost of service, this reduction is reflected in the recharges to the services supported.
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Property Information</b>				
Gross Direct Costs	190,880	190,724	(156)	No Major Variances
Gross Direct Income	(185,000)	(169,000)	16,000	Income reduced to reflect anticipated transfer of functions to The Land Registry, this is now not anticipated to happen until late 2017.
Support Service Charges	53,600	66,890	13,290	£12,230 Personnel Services. £3,630 Internal Audit.
<b>Net Expenditure</b>	<b>59,480</b>	<b>88,614</b>	<b>29,134</b>	
Gross Direct Costs	2,305,561	2,512,225	206,664	
Capital Charges	42,044	38,721	(3,323)	
Gross Direct Income	(1,301,665)	(1,297,201)	4,464	
Support Service Charges	1,107,876	1,066,536	(41,340)	
Support Service Recharges	(496,373)	(207,266)	289,107	
<b>Net Expenditure</b>	<b>1,657,443</b>	<b>2,113,015</b>	<b>455,572</b>	

## North Norfolk District Council

Council Tax Summary 2017/18

	2016/17 Actual	Actual 2017/18 0% Council Tax Increase		
			Variance £	Variance %
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 5,473,605	£ 5,520,427	£46,822	0.9%
District Council Tax Level at Band D	£ 144.27	£ 142.47	-£1.80	-1.2%
Less Estimated Collection Fund Surplus at 31st March	(£5.40)	(£3.60)	£1.80	-33.3%
<b>Net District Council Tax at Band D</b>	<b>£ 138.87</b>	<b>£ 138.87</b>	<b>£ -</b>	<b>0.00%</b>
Value of Precepts	£1,887,806	£2,015,978	£128,172	6.8%
Effect of Parish/Town Precepts	49.76	52.03	£2.27	4.6%
<b>Billed District Council Tax at Band D</b>	<b>£ 188.63</b>	<b>£ 190.90</b>	<b>£2.27</b>	<b>1.2%</b>

Tax Base	37,940	38,748
Tax Base Movement		808

Note: The Tax Base for 2017/18 is 38,748 (2016/17 37,940) so each £38,748 change in net expenditure has £1.00 effect on Council Tax at Band D.

## Reserves Statement 2017/18 Onwards

Reserve	Purpose and Use of Reserve	Balance 01/04/16	2016/17 Updated Movement	Balance 01/04/17	Budgeted Movement 2017/18	Balance 01/04/18	Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21
		£	£	£	£	£	£	£	£	£	£	£
<b>General Fund - General Reserve</b>	A working balance and contingency, current recommended balance is £1.75 million.	<b>2,597,761</b>	(187,150)	<b>2,410,611</b>	0	<b>2,410,611</b>	0	<b>2,410,611</b>	0	2,410,611	0	2,410,611
<b>Earmarked Reserves:</b>												
Capital Projects	To provide funding for capital developments and purchase of major assets. This includes the VAT Shelter Receipt.	<b>2,335,462</b>	(707,790)	<b>1,627,672</b>	(777,333)	<b>850,339</b>	0	<b>850,339</b>	0	850,339	0	850,339
Asset Management	To support improvements to our existing assets as identified through the Asset Management Plan.	<b>154,398</b>	(94,750)	<b>59,648</b>	(3,443)	<b>56,205</b>	0	<b>56,205</b>	0	56,205	0	56,205
Benefits	To be used to mitigate any claw back by the Department of Works and Pensions following final subsidy determination. Timing of the use will depend on audited subsidy claims.	<b>558,376</b>	(31,000)	<b>527,376</b>	0	<b>527,376</b>	0	<b>527,376</b>	0	527,376	0	527,376
Broadband	Earmarks £1million for superfast broad band in North Norfolk. (600k was transferred from the BSF reserve and £400k from NHB reserve)	<b>1,000,000</b>	0	<b>1,000,000</b>	(1,000,000)	<b>0</b>	0	<b>0</b>	0	0	0	0
Building Control	Building Control surplus ringfenced to cover any future deficits in the service.	<b>145,451</b>	0	<b>145,451</b>	0	<b>145,451</b>	0	<b>145,451</b>	0	145,451	0	145,451
Business Rates	To be used for the support of local businesses and to mitigate impact of final claims and appeals in relation to business rates retention scheme.	<b>2,027,045</b>	500,000	<b>2,527,045</b>	0	<b>2,527,045</b>	0	<b>2,527,045</b>	0	2,527,045	0	2,527,045
Coast Protection	To support the ongoing coast protection maintenance programme and carry forward funding between financial years.	<b>173,516</b>	0	<b>173,516</b>	0	<b>173,516</b>	0	<b>173,516</b>	0	173,516	0	173,516
Common Training	To deliver the corporate training programme. Training and development programmes are sometimes not completed in the year but are committed and therefore funding is carried forward in an earmarked reserve.	<b>48,450</b>	0	<b>48,450</b>	0	<b>48,450</b>	0	<b>48,450</b>	0	48,450	0	48,450
Communities	To support projects that communities identify where they will make a difference to the economic and social wellbeing of the area. Funded by a proportion of NCC element of second homes council tax.	<b>1,032,567</b>	(138,000)	<b>894,567</b>	(5,594)	<b>888,973</b>	(242,000)	<b>646,973</b>	(242,000)	404,973	(242,000)	162,973
Economic Development and Regeneration	Earmarked from previous underspends within Economic Development and Regeneration Budgets along with funding earmarked for Learning for Everyone.	<b>116,283</b>	0	<b>116,283</b>	0	<b>116,283</b>	0	<b>116,283</b>	0	116,283	0	116,283
Election Reserve	Established to meet costs associated with district council elections, to smooth the impact between financial years.	<b>13,000</b>	30,000	<b>43,000</b>	40,000	<b>83,000</b>	40,000	<b>123,000</b>	(80,000)	43,000	40,000	83,000



## Reserves Statement 2017/18 Onwards

Reserve	Purpose and Use of Reserve	Balance 01/04/16	2016/17 Updated Movement	Balance 01/04/17	Budgeted Movement 2017/18	Balance 01/04/18	Budgeted Movement 2018/19	Balance 01/04/19	Budgeted Movement 2019/20	Balance 01/04/20	Budgeted Movement 2020/21	Balance 01/04/21
		£	£	£	£	£	£	£	£	£	£	£
Enforcement Works	Established to meet costs associated with district council enforcement works including buildings at risk .	110,663	(5,000)	105,663	0	105,663	0	105,663	0	105,663	0	105,663
Environmental Health	Earmarking of previous underspends and additional income to meet Environmental Health initiatives.	200,287	5,619	205,906	(5,619)	200,287	0	200,287	0	200,287	0	200,287
Grants	Revenue Grants received and due to timing issues not used in the year.	411,403	(44,989)	366,414	(24,272)	342,142	0	342,142	0	342,142	0	342,142
Housing	Previously earmarked for stock condition survey and housing needs assessment.	75,617	0	75,617	0	75,617	0	75,617	0	75,617	0	75,617
Treasury (Property) Reserve	Property Investment (Treasury), to smooth the impact on the revenue account of interest fluctuations.	66,068	0	66,068	0	66,068	0	66,068	0	66,068	0	66,068
Land Charges	To mitigate the impact of potential income reductions.	215,926	0	215,926	0	215,926	0	215,926	0	215,926	0	215,926
Legal	One off funding for Compulsory Purchase Order (CPO) work and East Law Surplus.	79,069	(33,347)	45,722	0	45,722	0	45,722	0	45,722	0	45,722
LSVT Reserve	To meet the cost of successful warranty claims not covered by bonds and insurance following the housing stock transfer.	435,000	(4,880)	430,120	0	430,120	0	430,120	0	430,120	0	430,120
New Homes Bonus (NHB)	Established for supporting communities with future growth and development and Plan review*	1,418,041	414,012	1,832,053	(86,692)	1,745,361	(185,944)	1,559,417	(82,944)	1,476,473	0	1,476,473
Organisational Development	To provide funding for organisation development to create capacity within the organisation and address anomalies within the pay structure.	42,728	0	42,728	0	42,728	0	42,728	0	42,728	0	42,728
Pathfinder	To help Coastal Communities adapt to coastal changes.	206,378	0	206,378	0	206,378	0	206,378	0	206,378	0	206,378
Planning	Additional Planning income earmarked for Planning initiatives including Plan Review.	393,183	(220,609)	172,574	(122,395)	50,179	(31,670)	18,509	0	18,509	0	18,509
Restructuring & Invest to Save Proposals	To fund one-off redundancy and pension strain costs and invest to save initiatives. Transfers from this reserve will be allocated against business cases as they are approved. Timing of the use of this reserve will depend on when business cases are approved.	1,875,372	608,769	2,484,141	(67,356)	2,416,785	(20,117)	2,396,668	0	2,396,668	0	2,396,668
Sports Hall Equipment & Sports Facilities	To support renewals for sports hall equipment. Amount transferred in the year represents over or under achievement of income target.	28,181	0	28,181	0	28,181	0	28,181	0	28,181	0	28,181
<b>Total Reserves</b>		<b>15,760,224</b>	<b>90,885</b>	<b>15,851,109</b>	<b>(2,052,704)</b>	<b>13,798,405</b>	<b>(439,731)</b>	<b>13,358,674</b>	<b>(404,944)</b>	<b>12,953,730</b>	<b>(202,000)</b>	<b>12,751,730</b>

**GENERAL FUND CAPITAL PROGRAMME - 2016/17**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/16 Actual Expenditure	Current Budget 2016/17	Actual Expenditure 2016/17 P8	Updated Budget 2017/18	Updated Budget 2018/19
	£	£	£		£	£
<b>Jobs and the Economy</b>						
North Norfolk Enterprise Innovation Centre	50,000	10,295	39,705	0	0	0
Rocket House	77,084	37,334	39,750	198	0	0
North Norfolk Enterprise and Start Up Grants	135,000	126,207	8,793	0	0	0
Public Convenience Water Heater Improvements	11,837	849	10,988	922	0	0
Egmere Business Zone	1,445,000	0	763,013	80,255	681,987	0
Better Broadband for Norfolk	1,000,000	0	0	0	1,000,000	0
Public Conveniences - Review, Reprovision and Redevelopment	450,000	0	0	0	450,000	0
Car Park Refurbishment 2016/17	112,827	0	72,833	19,870	39,994	0
North Lodge Park	197,000	732	39,427	0	156,841	0
North Norfolk Railway	155,819	105,819	50,000	50,000	0	0
North Walsham Regeneration Scheme	159,910	102,229	57,681	50,069	0	0
Office Improvements Kings Arms St	30,000	0	30,000	0	0	0
	<b>3,824,477</b>	<b>383,465</b>	<b>1,112,190</b>	<b>201,314</b>	<b>2,328,822</b>	<b>0</b>
<b>Housing and Infrastructure</b>						
Disabled Facilities Grants	Annual programme	0	953,786	608,228	1,246,051	0
Housing Associations	Annual programme	0	100,909	0	0	0

**GENERAL FUND CAPITAL PROGRAMME - 2016/17**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/16 Actual Expenditure	Current Budget 2016/17	Actual Expenditure 2016/17 P8	Updated Budget 2017/18	Updated Budget 2018/19
	£	£	£		£	£
Housing Loans to Registered Providers	3,500,000	0	750,000	0	2,750,000	0
Parkland Improvements	100,000	11,599	0	527	88,401	0
Compulsory Purchase of Long Term Empty Properties	630,000	0	290,000	0	340,000	0
Felbrigg Junction Improvement Scheme	29,000	0	29,000	0	0	0
Shannoeks Hotel	490,000	0	490,000	0	0	0
Laundry Loke - Victory Housing	100,000	0	0	0	80,000	20,000
Temporary Accommodation for Homeless Households	180,000	0	180,000	0	0	0
Community Housing Fund	2,436,942	0	400,000	0	2,036,942	0
	<b>7,465,942</b>	<b>11,599</b>	<b>3,193,695</b>	<b>608,755</b>	<b>6,541,394</b>	<b>20,000</b>
<b>Coast and Countryside</b>						
Gypsy and Traveller Short Stay Stopping Facilities	1,409,000	1,226,710	35,707	0	42,000	104,583
Sheringham Beach Handrails	40,023	37,671	2,352	0	0	0
Cromer Pier Structural Works - Phase 2	1,378,549	1,321,572	20,597	527	36,380	0
Sheringham Promenade Lighting	72,307	70,200	2,107	2,107	0	0
Cromer Pier and West Prom Refurbishment Project	1,465,000	215,478	699,522	448,019	550,000	0
Refurbishment Works to the Seaside Shelters	149,500	118,769	30,731	8,682	0	0

**GENERAL FUND CAPITAL PROGRAMME - 2016/17**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/16 Actual Expenditure	Current Budget 2016/17	Actual Expenditure 2016/17 P8	Updated Budget 2017/18	Updated Budget 2018/19
	£	£	£		£	£
Cromer Coast Protection Scheme 982 and SEA	8,822,000	4,802,386	534,720	404,799	3,484,894	0
Pathfinder Project	1,967,015	1,683,217	140,000	0	143,798	0
Coastal Erosion Assistance	90,000	16,678	5,000	0	68,322	0
Storm Surge	1,176,000	1,012,760	163,240	0	0	0
Sheringham West Prom	804,000	495,202	308,798	114,743	0	0
Mundesley - Refurbishment of Coastal Defences	2,221,000	963	0	1,082	2,220,037	0
Ostend Targeted Rock Placement and Coastal Adaptation	55,000	219	0	0	54,781	0
Cromer Pier - External and Roofing Improvements to Pavilion Theatre	275,000	989	0	263	274,011	0
Sheringham Gangway	201,514	113,966	40,247	2,494	47,301	0
Vale Road Beach Access	18,600	0	18,600	0	0	0
Bacton and Walcott Coastal Management Scheme	500,000	0	0	0	500,000	0
	<b>20,644,508</b>	<b>11,116,780</b>	<b>2,001,621</b>	<b>982,714</b>	<b>7,421,524</b>	<b>104,583</b>
<b>Health and Well Being</b>						
Victory Swim and Fitness Centre	16,351	16,351	0	0	0	0
Splash Roof Repairs	63,120	9,866	53,254	0	0	0
Steelwork Protection to Victory Pool and Fakenham Gym	27,500	33	0	0	27,467	0
Holt Country Park	0	0	0	0	0	0

**GENERAL FUND CAPITAL PROGRAMME - 2016/17**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/16 Actual Expenditure	Current Budget 2016/17	Actual Expenditure 2016/17 P8	Updated Budget 2017/18	Updated Budget 2018/19
	£	£	£		£	£
Fakenham Gym	62,500	0	0	0	45,000	17,500
Splash Pool - Steelworks	35,000	0	0	0	35,000	0
Cromer Sports Pitch	50,000	0	50,000	753	0	0
Cabbell Park Sport Changing Facilities	30,000	0	30,000	40,560	0	0
Cabbell Park	5,269	0	5,269	31,958	0	0
	<b>289,740</b>	<b>26,250</b>	<b>138,523</b>	<b>73,271</b>	<b>107,467</b>	<b>17,500</b>
<b>Service Excellence</b>						
Trade Waste Bins/ Waste Vehicle	272,700	258,213	14,487	18,550	0	0
Personal Computer Replacement Fund	205,583	180,861	24,722	1,068	0	0
Asset Management Computer System	75,000	63,730	0	0	11,270	0
Procurement for Upgrade of Civica System	317,312	198,214	119,098	0	0	0
e-Financials Financial Management System Software Upgrade	47,506	21,506	0	0	26,000	0
Administrative Buildings	250,570	180,523	45,047	19,023	25,000	0
Planning System (Scanning of Old Files) - Business Transformation Programme	100,000	18,474	62,224	50,404	19,302	0
Telephony Procurement	90,000	78,440	11,560	9,479	0	0
Council Chamber and Committee Room Improvements	89,000	0	89,000	450	0	0

**GENERAL FUND CAPITAL PROGRAMME - 2016/17**

<u>Scheme</u>	Scheme Total Current Estimate	Pre 31/3/16 Actual Expenditure	Current Budget 2016/17	Actual Expenditure 2016/17 P8	Updated Budget 2017/18	Updated Budget 2018/19
	£	£	£		£	£
Environmental Health IT System Procurement	150,000	907	100,000	3,541	49,093	0
Stonehill Way Fire and Security System	15,000	0	0	0	15,000	0
Document and Records Management System	60,000	4,703	55,297	3,956	0	0
Web Content Management System	44,000	18,850	25,150	26,575	0	0
Access Control Systems	17,000	0	17,000	0	0	0
Log Solution to Satisfy PSN Code of Connection	41,365	0	41,365	37,746	0	0
Purchase of Bins	120,000	0	40,000	28,459	40,000	40,000
Customer Contact Centre	60,000	0	60,000	0	0	0
	<b>1,955,036</b>	<b>1,024,421</b>	<b>704,950</b>	<b>199,250</b>	<b>185,665</b>	<b>40,000</b>
	<b>34,179,703</b>	<b>12,562,515</b>	<b>7,150,979</b>	<b>2,065,304</b>	<b>16,584,872</b>	<b>182,083</b>

**Capital Programme Financing**

Grants	2,231,498	7,894,224	104,583
Other Contributions	833,374	0	0
Asset Management Reserve	0	3,443	0
Capital Project Reserve	862,080	777,333	0
Invest to Save Reserve / Broadband Reserve	29,000	1,000,000	0
Capital Receipts	2,445,027	4,159,872	77,500
Internal / External Borrowing	750,000	2,750,000	0
<b>TOTAL FINANCING</b>	<b>7,150,979</b>	<b>16,584,872</b>	<b>182,083</b>

### CAPITAL BIDS - 2017/18 to 2021/22 SUMMARY

Ref. (Bid Forms)	Bid Title/Brief Description	Perm or One off	Commitment/Growth/	Prepared by	Total Estimated Project Costs	Estimated Costs				Funding Already Identified	Total Funding Requested as part of Capital Budget	Annual Revenue Costs / (Income)	Comments
						2017/18	2018/19	2019/20	2020/21				
<b>Assets and Leisure</b>													
AL01	<b>Fakenham Community Centre Window Replacement</b> - Replacement of rear windows and additional improvement works at Fakenham Community Centre.	O	G	Duncan Ellis	30,000	30,000	0	0	0	0	30,000	0	This scheme looks at replacing the rear windows and undertaking additional improvement works at Fakenham Community Centre. This should reduce the overall investment that may be required if the building continues to deteriorate further, and will potentially make the centre a more appealing place to visit thereby improving the quality of life for local residents. Without these works the cost of addressing these conditions will increase, as would the scope of the required works.
AL02	<b>Purchase of Vehicles</b> - Direct purchase of vehicles to be used to facilitate the new 5 year service level agreement with Kings Lynn and West Norfolk Borough Council for the management and operation of the car park enforcement and cash collection contract.	O	G	Duncan Ellis	60,000	60,000	0	0	0	0	60,000	0	The budget report for 2017/18 contains recommendations in relation to agreeing a new 5 year Service Level Agreement (SLA) with Kings Lynn and West Norfolk Borough Council (KL&WN) for the management and operation of the car park enforcement and cash collection contract which is forecast to save nearly £40k compared with the current budget. This will build on the excellent working relationship we have developed with KL&WN over the last 6 years. When the Council entered into the previous SLA KL&WN purchased all the vehicles required for the contract and then recharged the Council for this, however to avoid any interest costs it is recommended that the Council purchase the vehicles for the new SLA period direct, thereby avoiding any revenue interest costs. This bid therefore requests the funds to make the necessary vehicle purchases to support the new agreement
<b>Customer Services</b>													
CS01	<b>User IT Hardware Refresh</b> - Establishment of a rolling programme for refresh of obsolete end user IT equipment so it remains reliable, secure and capable of supporting the software deployed by the Council	P	Growth	Sean Kelly	220,000	55,000	55,000	55,000	55,000	0	220,000	5,000	The Council has historically spent an average of £30k p.a. replacing obsolete desktop PC hardware, but no provision has been made for the increasing use of laptops, tablets or mobile phones. Ageing equipment will fail more frequently as it is incapable of supporting technology developments and enhancements designed to facilitate improvements in service quality and efficiency. It is also more difficult to plan for ad hoc replacement on failure, and would potentially require more staff resources for management and implementation purposes.
CS02	<b>Provision of Temporary Accommodation - 4 Flats</b> - The purchase of these flats looks to meet the Council's requirement for additional temporary accommodation for homeless households.	O	Growth	Sean Kelly / Rob Young	610,000	488,000	122,000	0	0	0	610,000	0	There is a statutory requirement for the Council to provide temporary accommodation for homeless households. Existing provision within the district will be reduced at the end of December as the existing main provider will be ceasing to operate. By undertaking this scheme NNDC could ensure that there is appropriate accommodation available within the area to house families who meet the relevant criteria.
<b>Environmental Services</b>													
EH01	<b>Goat Livestock Grazing Project</b> - Extension of the existing Livestock Grazing scheme which requires capital provision for fencing of an extended area on the Cromer cliffs together with the purchase of a Livestock Trailer.	O	Growth	Steve Hems	17,000	17,000	0	0	0	1,715	15,285	400	The original scheme for using Bagot goats to manage vegetation on the Cromer cliff has been successful and this bid looks to extend the scheme over a wider area, with expenditure being required for associated fencing of the area, and the purchase of a livestock trailer. Whilst there is a minor increase in revenue costs, the effective and sustainable use of livestock is a more economical way of vegetation and rodent management in this area. In addition to this there has been positive publicity and the scheme has already attracted external elements of funding for both the capital and revenue elements of the scheme.

**CAPITAL BIDS - 2017/18 to 2021/22 SUMMARY**

Ref. (Bid Forms)	Bid Title/Brief Description	Perm or One off	Commitment/Growth/	Prepared by	Total Estimated Project Costs	Estimated Costs				Funding Already Identified	Total Funding Requested as part of Capital Budget	Annual Revenue Costs / (Income)	Comments
						2017/18	2018/19	2019/20	2020/21				
EH02	<b>Replacement Environmental Protection Vehicle</b> - Seeks to replace the current vehicle within the section where vehicle requirements have changed, resulting in a requirement for a larger vehicle capable of towing heavier loads and covering difficult terrain in emergency situations.	O	Growth	Steve Hems	21,935	21,935	0	0	0	5,000 - Potential following sale of existing vehicle.	16,935	0	Within the last 3 years the role of the Animal Control Assistant has changed, particularly with regard to pest control related issues. Alongside this, as the authority has recently introduced livestock grazing on Cromer cliffs; there is a general requirement for a vehicle capable of towing larger loads over more difficult terrain. The intention is to use the residual resale value of the previous vehicle to part fund the purchase of the replacement.
<b>Development Management</b>													
DM01	<b>Upgrades to Acolaid and Idox</b> - Additional software releases will improve back office ability to deliver the outcome of BPR work, which is critical to service delivery and the monitoring of performance against Government targets related to the determination of planning applications.	O	Growth	Nicola Baker	10,000	10,000	0	0	0	0	10,000	0	Expenditure incurred on the upgrade of the Acolaid and Idox systems will serve to assist in embedding the required outcomes from BPR, for which savings have already been factored into existing budget projections. The back office software is critical to service delivery in addition to monitoring of NNDC performance against Government targets.
DM02	<b>Back Scanning of Historic Planning and Building Control Files</b> - This scheme would address the storage requirements in respect of historic planning and building control files, and remove the requirement to continue leasing additional storage facilities.	O	Growth	Nicola Baker	200,000	150,000	50,000	0	0	0	200,000	0	The capital costs associated with this scheme relate to the scanning of remaining historic paper documentation for Planning and Building Control Applications. This would result in the generation of a comprehensive database of information which will reduce the creation of paper documentation, and could also reduce ongoing revenue expenditure to the authority should the external storage facilities currently being used, no longer be required.

**Total Capital Project Bids**

<b>1,168,935</b>	<b>831,935</b>	<b>227,000</b>	<b>55,000</b>	<b>55,000</b>	<b>1,715</b>	<b>1,162,220</b>	<b>5,400</b>
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**Total New Capital Funding Required**

<b>1,162,220</b>	To be funded from NNDC Resources
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**Potential Revenue Implications:**

Revenue Income	2,700	5,400	5,400	5,400
Investment Income Reduction and Minimum Revenue Provision				
<b>Total Estimated Revenue Impact</b>	<b>2,700</b>	<b>5,400</b>	<b>5,400</b>	<b>5,400</b>



## Prudential Indicators and MRP Statement 2017/18

### 1. Background:

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

### 2. Estimates of Capital Expenditure:

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

Capital Expenditure	2017/18 Estimate £000's	2018/19 Estimate £000's	2019/20 Estimate £000's
Total	17,417	409	55

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

Capital Financing	2017/18 Estimate £000's	2018/19 Estimate £000's	2019/20 Estimate £000's
Capital Receipts	4,992	304	55
Government Grants	7,894	105	0
Revenue Contributions and Reserves	1,781	0	0
Internal Borrowing	2,750	0	0
<b>Total Financing</b>	<b>17,417</b>	<b>409</b>	<b>55</b>

### 3. Estimates of Capital Financing Requirement

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

Capital Financing Requirement	2017/18 Estimate £000's	2018/19 Estimate £000's	2019/20 Estimate £000's
Total CFR	3,724	3,133	2,946

- 3.2 The total CFR indicated in the table relates in part to vehicles and equipment used on the Council's refuse and car park management contracts. These are recognized under IFRS accounting regulations which require equipment on an embedded finance lease to be recognized on the balance sheet.
- 3.3 The CFR takes into consideration the Cabinet decision to provide loan advances to Registered Providers under the Local Investment Strategy. Although initially this will increase the CFR, the capital receipts generated by the annual repayments on the loans will be applied to reduce the CFR across subsequent years.

### 4. Gross Debt and the Capital Financing Requirement

- 4.1 This is a key indicator for prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. The Council will have no difficulty in meeting this requirement as no long term external borrowing is anticipated for the period of the Strategy.

### 5. Authorised Limit and Operation Boundary for External Debt

- 5.1 The Council has an integrated Treasury Management Strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council, and not just those arising from capital spending reflected in the CFR.
- 5.2 The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured against all external debt items (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). The indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved Treasury Management policy statement and practices.

5.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

5.4 The Operational Boundary is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario, and without the additional headroom included within the Authorised Limit for unusual cash movements.

	2017/18 Estimate £000's	2018/19 Estimate £000's	2019/20 Estimate £000's
Authorised Limit for Borrowing	10,450	10,450	10,450
Authorised Limit for Other Long-term Liabilities	355	0	0
<b>Authorised Limit for External Debt</b>	<b>10,805</b>	<b>10,450</b>	<b>10,450</b>
Operational Boundary for Borrowing	8,250	8,250	8,250
Operational Boundary for Other Long-term Liabilities	355	0	0
<b>Operational Boundary of External Debt</b>	<b>8,605</b>	<b>8,250</b>	<b>8,250</b>

## 6. Ratio of Financing Costs to Net Revenue Stream

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

6.2 The ratio is based on the costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
Total	-5.78	-6.15	-6.07

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

## 7. Incremental Impact of Capital Investment Decisions

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

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>
Increase in Band D Council Tax	0.42	0.21	0.16

- 7.2 The incremental impact of capital investment decisions reflects the additional revenue costs (or income) to the Council of undertaking specific capital schemes, together with the loss of interest from the use of resources that would otherwise have been invested as part of the Treasury Management process.

## 8. Adoption of the CIPFA Treasury Management Code

- 8.1 This indicator demonstrated that the Council has adopted the principles of best practice.

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

## 9. Annual Minimum Revenue Provision (MRP) Statement 2017/18

- 9.1 Where a local authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as the Minimum Revenue Provision (MRP). There has been no statutory minimum amount to be applied since 2008, although the Local Government Act 2003 does require authorities to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision, which was most recently updated in February 2012.
- 9.2 The Guidance requires that the Council approve an Annual MRP Statement in advance of each financial year, and identifies a number of options for calculation of a prudent

provision for MRP. Whilst there are four alternative methods available for this calculation, only two apply to new borrowing under the Prudential system for which no Government support is being given, i.e. borrowing which is intended to be self-financed.

- 9.3** All Council decisions made in relation to capital expenditure will be reviewed on their own merits and the most equitable treatment will be introduced in respect of the financing of these schemes. For the purposes of existing schemes and those proposed for the coming financial years where borrowing has been assumed, the Council will be applying the Asset Life Basis (Option 3 under the DCLG Guidance). This allows MRP to be charged to the revenue account across the estimated life of the assets that are being funded, in accordance with the regulations.
- 9.4 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

## Treasury Management Strategy Statement 2017/18

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

### 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 W Northam	Ward(s) affected: All
Contact Officer, telephone number and email: Tony Brown, 01263 516126, tony.brown@north-norfolk.gov.uk	

## 1. Introduction

- 1.1 In April 2010 the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.

- 1.2 In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.
- 1.3 This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4 The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
- 1.5 In accordance with CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, or in the Council's capital programme or in the level of its investment balance.
- 1.6 The treasury strategy set out in this report supports the budget for 2017/18 which is included as a separate report elsewhere on this agenda.

## 2. Context

- 2.1 **Economic background:** The major external influence on the Council's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets had not anticipated the outcome of the referendum and have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017, and these are anticipated to last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.
- 2.2 The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will exceed its 2% target in 2017, for the first time since 2013. However, the Bank is expected to look beyond these overshoots over the course of 2017 when setting interest rates, so as to avoid derailing the economy.
- 2.3 Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.
- 2.4 The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers receiving no reward or even a penalty for their savings, the outcome of the French presidential election and the German federal elections in 2017, all have the potential for upsets.

- 2.5 **Credit outlook:** The financial markets have expressed concern over the financial viability of a number of European banks recently, with sluggish economies and fines weighing on bank profits and any future slowdown will only exacerbate concerns.
- 2.6 Bail-in legislation which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and the USA, and is progressing in Australia and Canada. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council, and the returns from cash deposits continue to fall. The Council currently has no unsecured deposits with banks.
- 2.7 **Interest rate forecast:** The Council's treasury management advisor Arlingclose forecasts the UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the bank rate look less likely. A negative bank rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.
- 2.8 For the purpose of setting the budget for 2017/18, it has been assumed that treasury investments together with the loans to housing associations will achieve an average interest rate of 2.6%.
- 2.9 At the end of November 2016, the Council had total investments of £35.5m, details of which are set out in Appendix A. Forecast changes in the level of investments and loans are shown in the balance sheet analysis set out in Appendix B.

### 3. **Borrowing Strategy**

- 3.1 The Council is currently debt free and its capital expenditure and financing plans do not currently assume any external borrowing requirement over the forecast period. Investments are forecast to fall as capital receipts and other NNDC reserves are used to finance revenue and capital expenditure.
- 3.2 The balance available for treasury investments is after taking account of a £2.75m Housing Association loan anticipated to be made in June 2017 for service related purposes under the Local Investment Strategy. This will be financed from internal borrowing but the requirement to make Minimum Revenue Provision (MRP) will be avoided as, in accordance with the MRP Policy, the loan repayments will not be treated as a useable capital receipt, but will write down the Capital Financing Requirement instead.
- 3.3 In addition, the Council may borrow short-term for cash flow purposes in accordance with prudent treasury management activity.

### 4. **Investment Strategy**

- 4.1 The Council had an average balance of £34.8m invested to 30 November 2016. This represents income received in advance of expenditure, plus balances and reserves held. In the past 12 months, the Council's investment balances have ranged between £26.6m and £40.5m, and broadly similar levels are expected to be maintained in 2017/18.



- 4.2 The CIPFA Code and the DCLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 4.3 If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this situation the Council will have met its requirement to give priority to making secure investments, provided it receives the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 4.4 With the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2017/18. In the past a significant proportion of the Councils surplus cash has been invested in short-term unsecured deposits, certificates of deposit and money market funds. This diversification into more secured lending will represent a continuation of the strategy adopted in 2015/16 and 2016/17.
- 4.5 The strategy will be to make full use of the estimated £30m of “core cash” which is available for longer-term investment. With long-term rates expected to remain low for an extended period of time, there is no advantage in investing short-term and it is better to invest for longer periods at higher interest rates where cash flow allows. This may result in some short-term borrowing being required, but such borrowing is readily accessible and cheap, and doing so when required helps optimise longer-term investments. The Council’s treasury adviser, Arlingclose, has recommended this approach and fully supports it to help maximise investment returns.
- 4.6 The Council may invest its surplus funds with any of the counterparty types in table 1 below, subject to the cash limits (per counterparty) and the time limits shown. Further details are included from paragraph 4.7 onwards.

Table 1: Approved Investment Counterparties and Limits

<b>Credit Rating</b>	<b>Banks Unsecured</b>	<b>Banks Secured</b>	<b>Government (includes local authorities)</b>	<b>Corporates</b>	<b>Registered Providers</b>
UK Govt.	N/A	N/A	£ Unlimited 50 years	N/A	N/A
AAA	£1.5m 5 years	£3m 20 years	£3m 50 years	£1.5m 20 years	£1.5m 20 years
AA+	£1.5m 5 years	£3m 10 years	£3m 25 years	£1.5m 10 years	£1.5m 10 years

AA	£1.5m 4 years	£3m 5 years	£3m 15 years	£1.5m 5 years	£1.5m 10 years
AA-	£1.5m 3 years	£3m 4 years	£3m 10 years	£1.5m 4 years	£1.5m 10 years
A+	£1.5m 2 years	£3m 3 years	£1.5m 5 years	£1.5m 3 years	£1.5m 5 years
A	£1.5m 13 months	£3m 2 years	£1.5m 5 years	£1.5m 2 years	£1.5m 5 years
A-	£1.5m 6 months	£3m 13 months	£1.5m 5 years	£1.5m 13 months	£1.5m 5 years
BBB+	£0.75m 100 days	£1.5m 6 months	£0.75m 2 years	£0.75m 6 months	£0.75m 2 years
None	£0.75m 6 months	n/a	£3m 25 years	£50,000 5 years	£0.75m 5 years
Pooled funds	£7.5m per fund				

Note: The limits for banks apply equally to building societies as they are no longer treated any differently

- 4.7 Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 4.8 Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- 4.9 Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 4.10 Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- 4.11 Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

- 4.12 Registered Providers (treasury investments as opposed to loans made for services related purposes): Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.
- 4.13 Pooled Funds: Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- 4.14 Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly. At 31 December 2016 the Council has £3m invested in each of the Royal London Cash Plus Fund and the Payden & Rygel Sterling Reserve Fund (a short-dated bond fund), together with £5m in the Local Authorities Property Fund (LAMIT). The Balance Sheet projections completed as part of the 2017/18 budget process, suggest that around a further £10.5m of surplus funds will be available for a period of 3 to 5 years, and consequently suitable for investment in pooled funds. Additional investments will be considered in long-dated funds to increase portfolio diversification and to enhance returns.
- 4.15 Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 4.16 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 4.17 Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations

in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

- 4.18 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
- 4.19 Specified Investments: The CLG Guidance defines specified investments as those:
- denominated in pound sterling,
  - due to be repaid within 12 months of arrangement,
  - not defined as capital expenditure by legislation, and
  - invested with one of:
    - the UK Government,
    - a UK local authority, parish council or community council, or
    - a body or investment scheme of "high credit quality".
- 4.20 The Council defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.
- 4.21 Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 2 below.
- 4.22 Table 2: Non-Specified Investment Limits

	<b>Cash limit</b>
Total long-term investments *	£30m
Total investments without credit ratings or rated below A- *	£20m

Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£2m
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\* Includes investments in the LAMIT Pooled Property Fund and other Pooled Funds

- 4.23 Investment Limits: The Council's revenue reserves available to cover investment losses are forecast to be £16 million on 31st March 2017. In order to ensure only an acceptable level of these reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £3 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as shown in table 3 below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 3: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£3m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£3m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£5m per country
Registered Providers	£7.5m in total
Unsecured investments with Building Societies	£3m in total
Loans to unrated corporates	£3m in total
Money Market Funds	£12.5m in total

- 4.24 Liquidity management: The Council maintains a cash flow forecast on an Excel spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is used to minimise the risk that the Council is forced to borrow on unfavourable terms to meet its financial commitments.

## 5 Treasury Management Indicators

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

	<b>Target</b>
Portfolio average credit score	6.0

A credit score of '6' equates to a long-term rating of 'A' (Fitch and S&P) or A2 (Moody's).

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

	<b>Target</b>
Total cash available within 3 months	£3m

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

	<b>2017/18 Estimate %</b>	<b>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	(100%)	(100%)	(100%)
<b>Upper Limit for Variable Interest Rate Exposure</b>	(100%)	(100%)	(100%)

- 5.5 As the Council does not have outstanding borrowing, these calculations have resulted in a negative figure.

- 5.6 The purpose of the limit is to ensure that the Council is not exposed to interest rate rises on any borrowing which could adversely impact the revenue budget. Variable rate borrowing can be used to offset exposure to changes in short term rates on investments. However, the Council does not anticipate entering into borrowing (other than short-term borrowing for cash flow purposes) during the period of the Strategy. These limits therefore allow maximum flexibility for fixed or variable rate investments and investment decisions will ultimately be made on expectations of interest rate movements as set out in the Strategy. Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

5.7 **Maturity Structure of Fixed Rate borrowing:**

- 5.8 This indicator highlights the existence of any large concentrations of fixed rate borrowing needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

- 5.9 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The Council is

currently debt free and does not anticipate new borrowing in 2017/18 (other than for short periods for cash flow purposes). However, should the Council require to borrow for the long-term, the limits below provide the flexibility to borrow fixed rate loans in any of the maturity bands below.

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

5.10 As the Council has no external debt, the limits above allow flexibility to borrow new loans in the most appropriate maturity band.

5.11 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to limit exposure to the possibility of loss which may arise as a result of the Council having to seek early repayment of the sums invested. The limits on the longer-term principal sum invested to final maturities beyond the period end will be:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Limit on principal invested beyond year end	£30m	£30m	£28m

## **6 Policy on Use of Financial Derivatives**

6.1 The CIPFA Code requires authorities to clearly detail their policy on the use of financial derivatives in the annual strategy. These instruments are used to manage risks (such as interest rate swaps to manage interest rate risks), and can be embedded into loans and investments, or are standalone. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives.

6.2 The Council will only use standalone financial derivatives (such as interest rate swaps) where it can be clearly demonstrated that they reduce the overall level of financial risks that the Council is exposed to.

6.3 Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

## **7. Investment Training**

7.1 The needs of the Council's treasury management staff for training in investment management are assessed as part of the staff appraisal process. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

## **8. Treasury Management Advisors**

8.1 The Council employs a Treasury Management Advisor, Arlingclose Limited, to provide advice and information on counterparty creditworthiness, treasury strategy, economic updates and technical support on all treasury matters. The Treasury Advisory Service is periodically subject to tender to ensure the Council receives a quality service and Arlingclose successfully tendered for a new contract commencing 1 April 2011. The current contract expires on 31 March 2017 and officers are currently working on procuring a new contract.

## **9. Financial Implications and Risks**

9.1 The budget for investment income and loan interest in 2017/18 is £837,200 based on an average balance of £32.2 million at an interest rate of 2.6%. This rate assumes the Council's £5m investment in the Local Authorities Property Fund makes an income distribution of 5.75% (relative to the cost of the investment, rather than the current value); further investments in pooled funds provide an income return of 3%, and loans under the local investment strategy earn 3.7%. The rates which can be earned on other investments included in this Strategy are anticipated to remain low during 2017/18 and an average of 0.8% is assumed in the budget figure.

9.2 The effectiveness of the Treasury Strategy will have a significant impact on the budget and finances of the Council. Investment decisions will be made based on the Council's forecast of interest rate movements. If actual rate movements prove to be very different, or if the loans under the local investment strategy are not drawn down by the housing associations as currently anticipated, there will be implications for the investment return achieved and this will be tracked as part of the 2017/18 budget monitoring process.

9.3 It is not possible to predict with certainty the future movements in interest rates. The Strategy must therefore be flexible enough to allow the Council to respond to changing market conditions. It must also enable the Council to respond to future changes in legislation.

9.4 The Strategy represents an appropriate balance between risk management and cost effectiveness. An alternative strategy might be to invest in a narrower range of counterparties or for shorter periods. Interest income is likely to be lower as a consequence, with a reduced risk of losses from counterparty default, but any losses may be greater. Investing in a wider range of counterparties or for longer periods may increase interest income with an increased risk of loss from defaults, and any such losses may be smaller.

9.5 The security of the Council's investments is of prime concern, and the Strategy must ensure that, as far as possible, the Council's investments are repaid in full, with interest earned, on the due date. The wider diversification of funds in future years as discussed within the strategy will help to ensure that this is achieved as far as possible.

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

**11. Equality and Diversity** – None as a direct consequence of this report.

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



**Appendix A**

**Investment Position as at 30 November 2016**

	<b>Proportion of Portfolio %</b>	<b>Amount £</b>	<b>Current Interest Rate %</b>
<b>Managed in-house</b>			
Short-term Investments			
- Term Deposits	9	3,000,000	0.65
Long-term Investments			
- Covered Bonds with Banks & Building Societies	25	9,000,000	0.86
<b>Managed externally</b>			
- Money Market Funds	35	12,500,000	0.29
- LAMIT Pooled Property Fund	14	5,000,000	5.81
- Other Pooled Funds	17	6,000,000	0.76
<b>Total Investments</b>	100	35,500,000	1.32

**Appendix B**

**Balance Sheet Summary and Forecast**

	<b>31.3.16 Actual £m</b>	<b>31.3.17 Estimate £m</b>	<b>31.3.18 Budget £m</b>	<b>31.3.19 Forecast £m</b>	<b>31.3.20 Forecast £m</b>	<b>31.3.21 Forecast £m</b>
CFR	0.805	1.438	3.724	3.133	2.946	2.660
Less: Other debt liabilities *	-0.999	-0.688	-0.355	0	0	0
<b>Borrowing CFR</b>	<b>-0.194</b>	<b>0.750</b>	<b>3.369</b>	<b>3.133</b>	<b>2.946</b>	<b>2.660</b>
Less: External borrowing	0	0	0	0	0	0
<b>Internal (over) borrowing</b>	<b>-0.194</b>	<b>0.750</b>	<b>3.369</b>	<b>3.133</b>	<b>2.946</b>	<b>2.660</b>
Less: Usable reserves	-22.663	-23.736	-22.259	-22.076	-20.829	-20.105
Less: Working capital	-8.339	-8.339	-8.339	-8.339	-8.339	-8.339
<b>Investments</b>	<b>31.196</b>	<b>31.325</b>	<b>27.229</b>	<b>27.282</b>	<b>26.222</b>	<b>25.784</b>

\* Embedded Finance Lease

## **Community Housing Fund**

**Summary:** This report provides information on the funding awarded to North Norfolk District Council in 2016/17 through the Community Housing Fund. The fund has been established to support the delivery of community led affordable housing schemes in areas where the impact of second homes is particularly acute.

Whilst the Council has been awarded £2,436,942 in 2016/17, payment of the final 50% of this sum is dependent on the submission of a satisfactory delivery plan. This report shows how the fund will be targeted at those parishes where 10% or more of dwellings are second and holiday homes. It identifies a number of opportunities for how the fund could be spent and makes two recommendations which will support the development of a delivery plan to ensure the appropriate spend of the current allocation and ensure that the Council is able to take maximum advantage of future opportunities for funding from the Community Housing Fund.

**Conclusions:** The Council's allocation of £2,436,942 in 2016/17 from the Community Housing Fund recognises that North Norfolk is an area where there are significant numbers of second and holiday homes and that this has an impact on local communities. The Community Housing Fund therefore represents a significant opportunity for the Council to address this issue for the benefit of our local communities.

The first year of funding is designed to ensure that there is sufficient capacity and skills to deliver an ongoing and sustainable programme of community led housing schemes with funding from April 2017 focused on supporting the delivery of new homes. Further allocations will depend in part on whether the initial allocation is spent in accordance with the objectives of the fund. On this basis, in order to ensure the applications/bids to the fund from April 2017 are successful, the Council will need to develop and implement an effective ongoing delivery strategy. This will allow the fund to continue to be used to benefit local communities with high levels of

second and holiday homes through the provision of new affordable homes and the ability of the new housing schemes to provide wider community benefits.

Recommendations:

**It is recommended that:**

- 1. Cabinet approves the targeting of the Community Housing Fund monies on those parishes where the percentage of second homes and holiday homes represents 10% or more of dwellings.**
- 2. Cabinet delegates to the Corporate Director and Head of Paid Service (S Blatch) and Portfolio Holders for Housing and Community Liaison and Engagement:**
  - a) The production of a delivery plan for the spend of the 2016/17 Community Housing Fund allocation.**
  - b) Authority to negotiate and agree with the Borough Council of Kings Lynn and West Norfolk Council joint working or partnership arrangements through which the outcomes for the Community Housing Fund can be delivered**
  - c) Spend of the Community Housing Fund in accordance with the delivery plan.**

Reasons for Recommendations:

The recommendations will ensure that the opportunity presented by the Community Housing Fund to support rural and coastal communities where the impact of high levels of second and holiday homes is most acute will be fully realised and will ensure that the Council will be able to continue to support such communities by developing a strategic approach and delivery programme to support the funding opportunities available through the fund from 2017/18 onwards.

In addition the recommendations will support the Council's Corporate Plan priority of:

- Addressing the housing and infrastructure needs for local people whilst meeting the market demand for housing by supporting the delivery of new housing across the district.

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

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

None
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Cabinet Member(s) Cllr R Price Cllr B Palmer	Ward(s) affected All wards where there is at least one parish where second and holiday homes represent 10% or more of all dwellings.
Contact Officer, telephone number and email: Nicola Turner, 01263 516222, <a href="mailto:Nicola.Turner@north-norfolk.gov.uk">Nicola.Turner@north-norfolk.gov.uk</a>	

## 1. Introduction

- 1.1 Central Government announced through the 2016 Budget that £60m will be provided to support community led housing developments in rural and coastal areas where the impact of second homes is particularly acute. As a result the Community Housing Fund has been developed as an annual fund available to English authorities, funded from the increased Stamp Duty Land Tax rate which applies when an additional property is purchased – such as a second home or buy to let property.
- 1.2 On 23 December 2016 the Government formally announced the launch of the Community Housing Fund and the individual allocations to 148 local authorities for 2016/17. North Norfolk has been awarded £2,436,942 which represents the second largest award to any local authority and the highest for a district/borough council. The Council's large award recognises the number of second and holiday homes in the district and the affordability of housing for local people.

## 2. The Community Housing Fund

- 2.1 The Council's 2016/17 allocation from the Community Housing Fund will be paid in two tranches, the first tranche of 50% (£1,218,471) was paid in January, the remaining tranche will be paid in March subject to the Council satisfying the Department of Communities and Local Government (DCLG) that it has an appropriate delivery plan for spending the 2016/17 allocation in order to address the impact of second homes.
- 2.2 The fund is flexible in that it can be used to provide capital investment, technical support and revenue funding to make schemes more viable and significantly increase the delivery of community led affordable housing of all tenures. The news release shows that the funding in 2016/17 is intended to build capacity in local groups (including improving technical skills), setting up support hubs to provide advice and business planning and providing staff to review local needs. Subsequent discussion with the DCLG has identified that it is up to the Council to determine how to spend the monies it receives to deliver against the objective of the fund and therefore the 2016/17 monies can be used to fund additional staff resource and fund the provision of additional affordable housing.
- 2.3 Allocations from the Community Housing Fund from 2017/18 onwards will depend in part on how the 2016/17 allocation has been spent. It

is not clear at this time how the 2017/18 budget will be allocated and it is expected that there will be a bid round which will be limited to the 148 local authorities which received funding in 2016/17. The focus for future years funding will be on proposals which deliver new housing and future funding is likely therefore to depend on the establishment of a pipeline of suitable community led schemes.

- 2.4 A community led housing development scheme, in accordance with the guidance prepared for the Community Housing Fund will have:
- A requirement that the local community has been involved in key decisions throughout the process. The community is not required to have initiated the process or to manage the development or the homes but can choose to do so;
  - A presumption in favour of community groups that are taking a long term formal role in the management, ownership or stewardship of the homes; and
  - A requirement that the benefits to the local area/or specified community are clearly defined and legally protected in perpetuity.

The delivery of new homes can be through a number of routes which includes community led housing organisations, Community Land Trusts or partnerships with developers or Registered Providers.

- 2.5 Within North Norfolk there are a small number of existing community led housing organisations such as Blakeney Neighbourhood Housing Society and Holt and Neighbourhood Housing Society and one Community Land Trust (CLT), Homes for Wells. These organisations provide a pool of affordable housing prioritised for local people. The Community Housing Fund allows this legacy to be built upon and extended to other parishes which have high levels of second and holiday homes. The purpose of the Community Housing Fund is complimentary to the Council's existing programme of working with parish councils to ensure that all parishes are served by an Exception Housing Scheme providing affordable housing prioritised for people who have a local connection to the parish in which the scheme is located and the adjoining parishes. To date, 26 Exception Housing Schemes providing 266 affordable homes have been provided across the district.

- 2.6 The Community Housing Fund allocation to North Norfolk is a significant, if not unique, opportunity for the Council to address the issue of the impact of second homes to the benefit of our local communities. Whilst the focus of the fund is on providing affordable homes of all tenures, it is clear that the provision of such homes, when they are brought forward in partnership with local community groups and community led housing organisations can also be used to deliver wider community benefits which address community sustainability and resilience and the impact of second and holiday homes on local communities. In particular, new homes can be used to provide an income which supports facilities which are important to the community such as shops and pubs, allotments, local workspaces or play areas/open spaces.

### **3. Targeting of the Community Housing Fund**

- 3.1 It is clear that the size of the Community Housing Fund allocation for 2016/17 to North Norfolk recognises the fact that only three parishes in North Norfolk, currently, have no second or holiday homes and the significant impact this has on the housing market in terms of the availability of and cost of housing. Whilst across the district 10% of all dwellings are used as second or holiday homes, the percentage of second and holiday homes varies significantly from parish to parish. The parishes with the highest percentage of second and holiday homes are in the North West of the District along the coast with 47% of all dwellings in Salthouse, 43% of all dwellings in Morston and Cley-next-the-Sea and 42% of all dwellings in Blakeney second and holiday homes.
- 3.2 In order to ensure that the Community Housing Fund monies are used in accordance with the requirement of the fund to enable community led housing developments in rural and coastal communities where the impact of second homes is most acute it is proposed that the use of the fund is used in the parishes where 10% or more of dwellings are second and holiday homes. Such an approach would, currently, result in the fund being focused on 62 parishes which will ensure the effective use of the Community Housing Fund monies. A map showing the incidence of second and holiday homes is attached at Appendix H and a table of the 62 parishes with more than 10% second and holiday homes is attached at Appendix I. Analysis has shown that if those furnished dwellings where there is a planning condition which restricts occupation for at least 28 days per annum are included there are 66 parishes where there are more than 10% second and holiday homes as Little Barningham, Ludham, Potter Heigham and Stalham are then included. An annual review of Council Tax and Business Rates data on second home and holiday home ownership will be undertaken to ensure the ongoing appropriate targeting of activities in relation to the fund.

#### **4 Next Steps**

- 4.1 In order to ensure that the Council receives the second tranche of the 2016/17 Community Housing Fund allocation and that the fund remains an ongoing source of funding available to support community led housing developments it is imperative that the Council:
- Develops a robust and credible delivery plan showing how the 2016/17 Community Housing Fund allocation is being/will be spent and expected outcomes/deliverables.
  - Delivers a number of 'quick wins' showing how the fund is being be used to meet its objective across the district.
  - Develops an ongoing framework and delivery strategy which supports the development of community capacity to bring forward community led housing schemes.
  - Has sufficient in house and external capacity to support the implementation of the 2016/17 delivery plan and achieve full spend of the available funding and future allocations.
- 4.2 As a recipient of the Community Housing Fund, the Council will be required to assist the DCLG to carry out a review of the outcomes

achieved from the fund. This requirement will be built into the implementation of the delivery plan and delivery strategy to ensure that outcomes delivered by projects and schemes are evaluated and captured.

## **5 Potential Opportunities for the Community Housing Fund**

5.1 An initial review of potential options for projects and initiatives for the Community Housing Fund has identified the following opportunities for the 2016/17 funding:

- Review the existing programme of Exception Housing Schemes developed in partnership with local communities in the targeted area to identify schemes which could be prioritised for early delivery through the use of the fund.
- Establish a CLT resource for the district (potentially including the adjoining Borough Council of Kings Lynn and West Norfolk area recognising the similarities in their second homes market) to act as a central coordination/commissioning vehicle to support the development of CLTs or community led housing organisations in local communities, provide guidance on delivery models, governance, community engagement and potentially a business support service allowing sharing of costs.
- Seek to develop a model whereby some of the grant funding provided to support development of community led housing schemes is recycled to fund future schemes providing additional capacity and longevity for the fund.
- Carry out research to increase our understanding of the impacts (positive and negative) of second and holiday homes on communities and particularly how the strength of the market in second and holiday home hotspots affects the ability of younger people and those households on average North Norfolk earnings to meet their housing need and demand in these communities and consequential implications for the social wellbeing and sustainability of such communities.
- Carry out research into the impact that existing CLTs elsewhere have had on communities with high levels of second and holiday home ownership to identify best practice and key lessons.
- Seek to build upon the success of existing community led housing organisations such as Blakeney and Holt Housing Societies and Homes for Wells.
- Explore whether a joint approach with the Borough Council of Kings Lynn and West Norfolk could allow a partnership approach or structure to bring the required capacity including staff resources to support the above opportunities and future use of the fund.

## **6 Implications and Risks**

6.1 The potential risks and implications associated with the fund are discussed below:

- It is important that community expectations for the fund in terms of community support for the principals of the grant relative to the availability of funding and the impact of specific scheme proposals are managed.

- Whilst schemes will be developed with local communities and community led housing organisations there may be objections from some interests in the local community to the proposed housing development which could delay proposals being brought forward or the development of schemes.
- The Council has limited staff capacity to take forward the opportunities identified above alongside work already undertaken in relation to the achievement of Corporate Plan priorities. If discussions with the Borough Council of Kings Lynn and West Norfolk show that a shared staff resource would not allow the Council's aspirations for the fund to be fully met, an additional in house staff resource will be required. The costs of additional post(s) will be met from the 2016/17 Community Housing Fund allocation already received. It is noted that the Council has previously experienced challenges in recruiting professional staff and if this were to apply to the post(s) required to deliver the Community Housing Fund it could delay the implementation of some of the opportunities discussed above. If this was the case, additional capacity through the use of consultants or agency staff would be considered to ensure projects were not delayed.
- If the Council's delivery plan is not sufficiently robust to drawdown the second tranche of the 2016/17 funding or spend is not in accordance with the objectives of the fund, the Council will not be able to deliver a programme of schemes to address the impact on local communities of second and holiday homes. As a result the opportunity presented by the Community Housing Fund would not be fully realized and the expectations of local communities would not be met. The opportunities identified above provide a mixture of quick wins and projects and initiatives which will provide the required resources, information and capacity to support community engagement to minimize this risk and increase the chances of future applications/bids to the fund from April 2017 onwards being successful.

6.2 The Council will develop a communications strategy to ensure that the Council's proposals in relation to the use of the Community Housing Fund are communicated clearly and effectively to internal and external audiences, stakeholders and local communities with high levels of second and holiday home ownership. The communications strategy will ensure that ongoing information on the use of the fund to date and how local communities and community led housing organisations can be supported to develop schemes for future funding allocations is widely available and up to date.

## **7. Financial Implications and Risks**

7.1 The Community Housing Fund is additional funding over and above the Council's own existing capital and revenue resources. As there is uncertainty as to the full amount of funding which the Council will actually receive in terms of the 2016/17 allocation and from future applications/bids for funding from April 2017 onwards, it is recommended that a prudential approach is taken to the spend of the fund. This would ensure that the Council does not commit or spend any money above the amount which is already held by the Council or



for which formal notification has been received of a confirmed funding allocation. Such an approach will initially limit spend to £1,218,471 until confirmation is received as to whether the Council's delivery plan for the 2016/17 has been approved.

## **8. Conclusions**

- 8.1 The Council's allocation of £2,436,942 in 2016/17 from the Community Housing Fund recognises that North Norfolk is an area where there are significant numbers of second and holiday homes and that this has an impact on local communities. The Community Housing Fund therefore represents a significant opportunity for the Council to address this issue for the benefit of our local communities.
- 8.2 The first year of funding is designed to ensure that there is sufficient capacity and skills to deliver an ongoing and sustainable programme of community led housing schemes with funding from April 2017 focused on supporting the delivery of new homes. Further allocations will depend in part on whether the initial allocation is spent in accordance with the objectives of the fund. On this basis, in order to ensure the applications/bids to the fund from April 2017 are successful, the Council will need to develop and implement an effective ongoing delivery strategy. This will allow the fund to continue to be used to benefit local communities with high levels of second and holiday homes through the provision of new affordable homes and the ability of the new housing schemes to provide wider community benefits.

## **9. Sustainability**

- 9.1 This report does not in itself raise any issues of sustainability. However, the Community Housing Fund is designed to support communities to deliver new housing which will address the impact of second and holiday homes. Such schemes can support/include other projects which will deliver improved community resilience and sustainability.

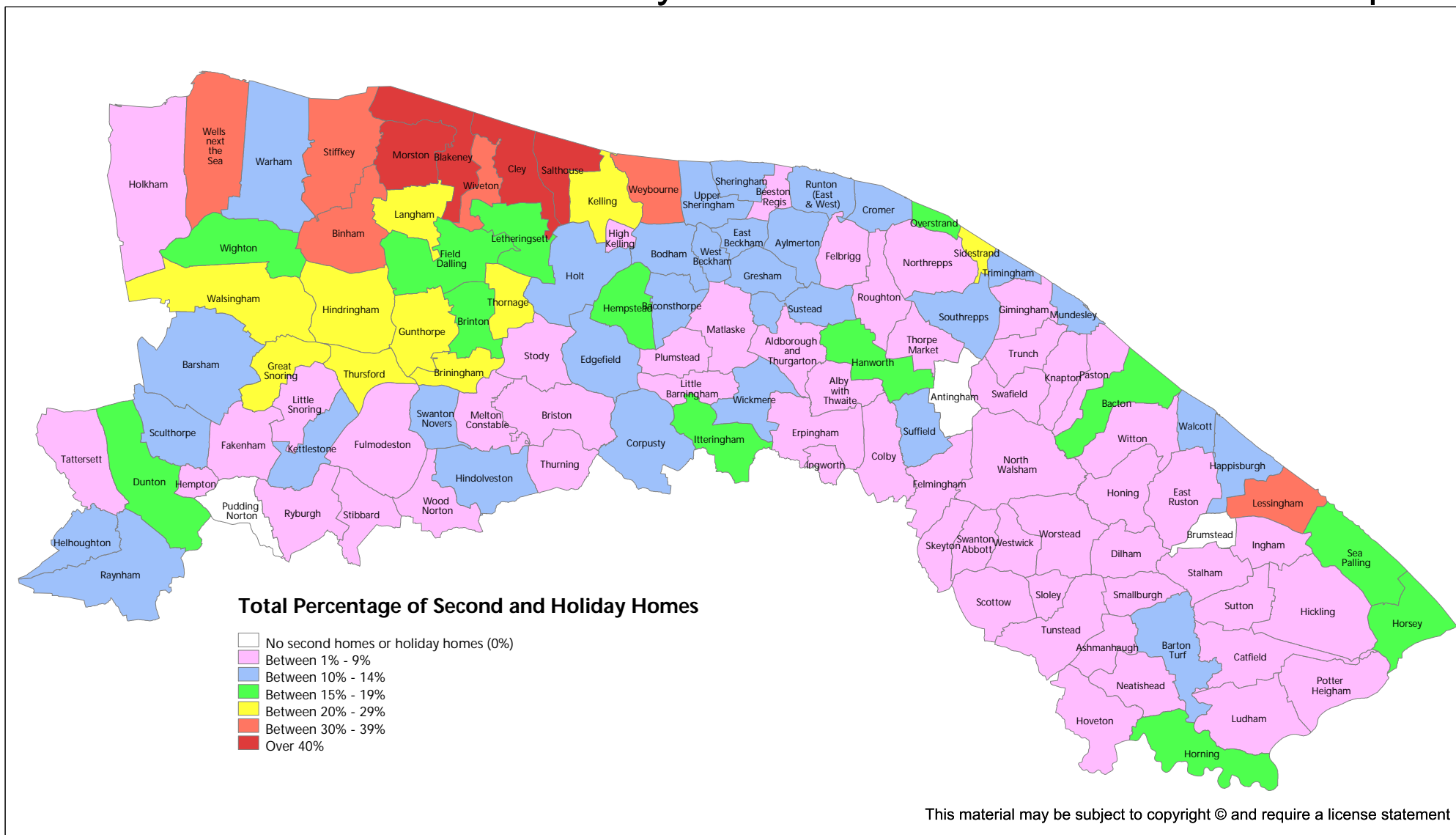
## **10. Equality and Diversity**

- 10.1 There are no equality and diversity implications directly associated with this report.

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

- 11.1 There are no Section 17 implications directly associated with this report.

# North Norfolk - Level of Holiday Home and Second Home Ownership



Sterling Court  
Norton Road  
Stevenage  
Herts SG1 2JY  
United Kingdom

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E-mail: info@cadcorp.com

Operator:	Name
Department:	Department
Drawing No:	1234-A
Date: 17/01/2017	Scale: 1:252138

Parish	Total Dwellings	Number of Second Home	Percentage of Second Homes	Number of Holiday Homes	Number of Second or Holiday Homes	Percentage of Second or Holiday Homes
Salthouse	130	47	36%	26	73	47%
Morston	56	19	34%	9	28	43%
Cley	326	113	35%	47	160	43%
Blakeney	579	174	30%	115	289	42%
Stiffkey	148	45	30%	21	66	39%
Binham	208	59	28%	19	78	34%
Wiveton	86	18	21%	17	35	34%
Lessingham	183	50	27%	14	64	32%
Weybourne	441	112	25%	38	150	31%
Wells-next-the-Sea	1488	334	22%	192	526	31%
Thornage	109	24	22%	7	31	27%
Langham	234	53	23%	11	64	26%
Thursford	112	17	15%	15	32	25%
Great Snoring	99	18	18%	8	26	24%
Gunthorpe	137	19	14%	15	34	22%
Sidestrand	54	10	19%	2	12	21%
Hindringham	252	41	16%	14	55	21%
Kelling	108	15	14%	9	24	21%
Walsingham	491	71	14%	33	104	20%
Briningham	69	12	17%	2	14	20%
Horning	658	68	10%	73	141	19%
Itteringham	73	6	8%	10	16	19%
Bacton	753	88	12%	70	158	19%
Wighton	140	25	18%	2	27	19%
Brinton	121	17	14%	7	24	19%
Letheringsett	137	20	15%	7	27	19%
Field Dalling	152	22	14%	7	29	18%
Sea Palling	313	46	15%	13	59	18%
Hanworth	104	17	16%	2	19	18%
Hempstead	88	11	13%	5	16	17%
Horsey	45	4	9%	4	8	16%
Overstrand	558	66	12%	27	93	16%
Dunton	58	3	5%	7	10	15%
Swanton Novers	104	14	13%	1	15	14%
Warham	95	11	12%	3	14	14%

Wickmere	67	3	4%	7	10	14%
Barsham	128	11	9%	7	18	13%
Sheringham	4075	444	11%	109	553	13%
Upper Sheringham	130	10	8%	8	18	13%
Happisburgh	425	36	8%	22	58	13%
Beckham East/West	135	7	5%	12	19	13%
Gresham	210	20	10%	8	28	13%
Runton (East & West)	899	85	9%	32	117	13%
Helhoughton	237	26	11%	4	30	12%
Suffield	65	7	11%	1	8	12%
Trimingham	191	16	8%	8	24	12%
Walcott	417	35	8%	17	52	12%
Mundesley	1727	144	8%	71	215	12%
Aylmerton	228	21	9%	7	28	12%
Bodham	230	15	7%	12	27	11%
Barton Turf	221	17	8%	8	25	11%
Raynham	194	18	9%	3	21	11%
Cromer	4615	407	9%	88	495	11%
Hindolveston	239	17	7%	9	26	10%
Corpusty	354	29	8%	9	38	10%
Southrepps	421	32	8%	13	45	10%
Kettlestone	103	7	7%	4	11	10%
Holt	2088	156	7%	60	216	10%
Sculthorpe	362	26	7%	11	37	10%
Edgefield	208	17	8%	4	21	10%
Sustead	103	9	9%	1	10	10%
Baconsthorpe	112	8	7%	3	11	10%
<b>Whole District Total</b>	<b>53506</b>	<b>3989</b>	<b>7.46%</b>	<b>1697</b>	<b>5686</b>	<b>10.30%</b>

**Strategic Property Development Partner and Work Programme**

**Summary:** This report outlines the Council's engagement of a Strategic Property Development Partner to provide advice to the authority in respect of the increased "commercialisation" of its asset portfolio, as a key strand of work outlined in the Council's Medium-Term Financial Strategy.

The Council has appointed a consortium led by Gleeds of Nottingham and supported by commercial property agents, Pygott and Crone and architects CPMG as our Strategic Property Development Partner, for an initial period of one year, with the option to extend this by up to a further two years.

The report details the initial consideration by the Gleeds team of four property assets held by the Council and makes recommendations as to how the Council might seek to realise the development of these assets in the future.

**Options considered:** The report details the options available to the Council in the development or disposal of a number of land and property assets owned by the authority and recommends a course of action in each case.

**Conclusions:** The report makes a number of recommendations concerning the disposal or development of a number of Council owned land and property assets based upon potential revenue generation or capital receipts by the authority.

**Recommendations:** **It is recommended that Cabinet:**

- 1. Notes the appointment of a consortium led by Gleeds of Nottingham to advise the Council with regards the commercialisation of its property portfolio.**
- 2. Agrees that the Council commissions detailed plans for a residential development scheme for the former depot site at Grove Lane, Holt, with options for the future delivery / development of such a scheme being the subject of a future report to Cabinet.**
- 3. Agrees that the Council has detailed plans prepared for a commercial development of the Beach Road public convenience site, Wells-next-the-Sea with the intention of the authority developing this site out for future lease as an investment proposal.**
- 4. Agrees that the Highfield Road car park site, Fakenham be advertised for sale or a joint venture / partnership development opportunity for an Over 55s apartment development.**

5. **Agrees to consider further the potential of the Cadogan Road car park in Cromer to accommodate a new hotel development on the terms advised by Pygott and Crone and to engage the company to represent the Council in the advertising and disposal of part of the site for such a development, based on the company’s experience of similar investment proposals elsewhere.**
  
6. **That the Cabinet agrees that the costs involved in preparing detailed designs for the Grove Lane, Holt and Beach Road, Wells schemes and in advice in the marketing and disposal of the Highfield, Fakenham and Cadogan Road, Cromer sites are funded through the Asset Management Reserve.**

Reasons for Recommendations:

To deliver some elements of the Medium-Term Financial Strategy through developing potential sources of ongoing revenue income and capital receipts to the authority which can be used to support future revenue budgets and further capital investment projects by the Council moving forward under the authority’s asset commercialisation strategy.

**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)

Tender specification for the appointment of a strategic property development partner

Confidential site options / appraisal analysis to inform decisions on individual sites. Such summaries are confidential / exempt documents on the basis that they contain professional advice to the authority which is commercially sensitive.

Cabinet Member(s) Cllr Judy Oliver	Ward(s) affected – All, but with detailed recommendations made in respect of assets in the following wards:-  Holt, Lancaster North, Priory, and Cromer Town,
---------------------------------------	---

Contact Officer, telephone number and email:

Steve Blatch - 01263 516232

steve.blatch@north-norfolk.gov.uk

**1. Background:-**

1.1 Following the District Council elections in May 2015, the Council adopted a new Corporate Plan and Medium-Term Financial Strategy. These documents identified that a key area of

work for the Council moving forward was the need for the authority to take a more commercial approach to the use of the Council's land and property assets - both from the perspective of the Council realising ongoing revenue streams and potentially capital receipts from its property assets and in supporting new investment and strengthening the social and economic well-being of local communities.

- 1.2 As the Council has limited capacity within its Asset Team beyond the management of the existing portfolio of assets, it was proposed to engage a Strategic Property Development partner who could advise the Council on increasing the commercial potential of its portfolio in the future. This report details the appointment of a Strategic Property Development partner and reports on the early programme of work carried out.

## **2.0 Appointment of a Strategic Development Partner:-**

- 2.1 The Council advertised a tender for the appointment of a Strategic Property Development partner at the beginning of 2016 and received detailed proposals from nine companies / consortia; four of which were invited for interview.
- 2.2 Following the scoring of the tender submissions and an interview process, the proposal made by Gleeds of Nottingham, supported by Lincolnshire commercial property agents Pygott & Crone and Nottingham architects, CPMG; was agreed to be the strongest proposal and the contract therefore awarded to this consortium.
- 2.3 The Gleeds proposal demonstrated significant commercial awareness of development trends and opportunities and presented a strong multi-disciplinary team able to work with the Council in considering the potential of our asset portfolio. Particular strengths were seen as the team's ability to creatively assess the potential of the Council's land and property portfolio through challenging our traditional expectations and assumptions with regards to our property assets and promoting alternative uses / developments through drawing on examples in other parts of the country. The team also demonstrated significant experience of commercial development costs, investment models, returns on investment and residential and commercial property markets, which were considered important in allowing the Council to adopt a more commercial approach in the management of its asset portfolio in the context of the Council's Medium-Term Financial Strategy.

## **3.0 Initial work programme:-**

- 3.1 The tender document inviting proposals from Strategic Property Development Partners required the successful tenderer to:-
  - Carry out a high level portfolio review leading to agreement over a core list of assets to be reviewed.
  - Prioritise the core list to identify a programme of projects/proposals to be worked on over the period of the contract.
- 3.2 The assets to be considered by the successful tenderer were identified as:-
  - Grove Lane, Holt - Advice in respect of NNDC owned redundant depot site comprising a two storey office block, two workshop/storage buildings and yard / parking areas. Review opportunities for alternative commercial use of the site /

buildings or its redevelopment potential with a change of use such as residential development.

- Beach Road, Wells – Review the commercial redevelopment opportunities of this prominent quayside site, currently accommodating a public conveniences block.
- Industrial Units - Advice on whether the Council should retain or dispose of its interest in two 1980s developments of small industrial units at Cornish Way, North Walsham (10 units) and Catfield Industrial Estate (6 units).
- North Walsham - Advice on development options and land assembly in the town centre, particularly focusing on the late 1960s St Nicholas Court precinct, in order to facilitate the redevelopment of this central site within the town.
- Melbourne Slope, Cromer – Review the commercial opportunities for this public conveniences block, which is located in a central location on the town's promenade.
- Holt Country Park, Holt and Pretty Corner Woods, Sheringham – Advice on the commercial opportunities which might exist for the Council at these two woodland sites.
- Discussion of our wider portfolio of assets with the Gleeds team also identified the development potential of the Cadogan Road car park site in Cromer.

3.3 Following an initial meeting with the Gleeds team it was agreed that early work would be progressed appraising the potential of the Grove Lane depot site, Holt; the Beach Road toilet site, Wells-next-the-Sea; Highfield Road car park site, Fakenham, and the Cadogan Road car park site, Cromer.

#### **4.0 Detailed site considerations to date:-**

##### **4.1 Grove Lane depot site, Holt:-**

4.1.1 Former Council depot facility, more recently leased to the County Council for office use, comprising two-storey office building, two workshop / storage buildings and a yard area. Property has been vacant for two years, with little serious interest expressed in the property during this period.

4.1.2 The Gleeds team have advised that the existing building / site would require significant investment to be re-let for business use and that the site would have a greater value through accommodating a residential development. Gleeds have therefore developed two proposals for the future development of the site (subject to planning approval) - one for five four-bedroom executive dwellings and a second for eight three-bedroom terraced properties. Indicative site layouts have been prepared and will be available for discussion at the Cabinet meeting, as will details of the anticipated capital costs in developing out the site for each of the two residential development schemes and the level of rental return / capital receipt which could be generated through such proposals.

4.1.3 Gleeds have also provided advice to the Council regarding its consideration of establishing a Property Company and a residential development scheme with units for market rent at Holt would almost certainly need to be taken forward by such a vehicle as a commercial proposition, rather than by the Council itself. A further report will therefore be prepared for a future meeting of Cabinet outlining the advantages / disadvantages of the Council developing a residential scheme for market lease at Grove Lane, Holt, as well as considering the potential of the site being developed for a housing scheme under the



Government's recently announced Community Housing Fund programme (subject to a separate report on this agenda).

- 4.1.4 Cabinet is therefore asked to indicate its agreement in principle to the redevelopment of the vacant Grove Lane depot site at Holt for a residential development and commission the design of a detailed scheme for up to eight dwellings, with the detailed delivery model being subject to a future report.

#### **4.2 Beach Road toilet site, Wells-next-the-Sea:-**

- 4.2.1 This small site at the southern end of Beach Road, Wells accommodates a dated public convenience block. The site is considered to occupy a prime position at the northern built edge of the town with views over Wells Harbour and saltmarshes to the east and across fields to the Holkham pinewoods to the north.
- 4.2.2 The Gleeds team have advised that the site has significant potential to accommodate commercial development (subject to the necessary planning consents being obtained) and have prepared plans for a three / four storey mixed use development comprising retail, restaurant and holiday apartment uses. An indicative site layout, floorplans and elevations have been prepared and will be available for discussion at the Cabinet meeting, as will details of the anticipated capital costs in developing out the site and the level of rental return which could be generated through such proposals.
- 4.2.3 Gleeds have advised that such a development proposal could be taken forward directly by the District Council and Cabinet is therefore asked to authorise officers to commission detailed plans for the commercial development of this site to be prepared and submitted for planning permission, following which a further report will be prepared for Cabinet authorising the release of capital funds to take forward such a development.
- 4.2.4 Development of this site would require re-provision of the public toilets and consideration is being given to how new facilities might be provided alongside the football club facilities which would serve existing demand and new pedestrian routes in this part of the town generated by the new visitor car park recently developed by the Holkham Estate on land to the west of the play park and football ground. Cabinet authority is therefore sought for officers to pursue discussions with the Holkham Estate about developing new and improved public convenience facilities, to include a fully accessible "Changing Places" facility, on the football ground site.

#### **4.3 Highfield Road car park, Fakenham:-**

- 4.3.1 An unsurfaced car park, with dated public convenience block, on a 0.36 hectare site to the north of Fakenham town centre, within the established development boundary of the town where proposals for residential development are acceptable in principle.
- 4.3.2 The Gleeds team have proposed redevelopment of the site (subject to planning approval) to provide a two / three storey residential development of one and two bedroom apartments with some communal / shared facilities i.e. lounge, laundry; for the Over 55s, for which there is increasing demand both nationally and locally. An indicative site layout and elevations have been prepared and will be available for discussion at the Cabinet meeting, as will details of the anticipated capital costs in developing out the site and the level of rental return which could be generated through such proposals.
- 4.3.3 The capital costs involved in developing out such a scheme itself are considered to represent a significant risk to the Council and / or any council owned property company and officers therefore believe that it would probably be in the Council's best interest to advertise the site for redevelopment by a specialist housing provider. Interest has previously been expressed in the site by such a company and there is therefore a degree

of confidence that commercial developer interest would be shown in the site if the Council was to advertise the site for disposal, with the Council then able to consider how any capital receipt generated might be deployed in support of the Council's wider corporate objectives. Cabinet is therefore asked to outline its position with regards how this proposed development might be taken forward

#### **4.4 Cadogan Road car park, Cromer:-**

- 4.4.1 This surfaced car and coach park facility with public convenience block occupies a prominent location within Cromer - set back from the seafront, midway between Cromer town centre and bus station and the railway station and Morrisons supermarket and easily accessible from the principal A148 Holt Road into the town.
- 4.4.2 The Gleeds team have advised that this site has significant potential to accommodate a development (subject to the necessary planning consents being obtained) by a national hotel chain, around which it is understood there has been interest for some time in Cromer by one or two operators, however identifying available sites in the town for such a development has been challenging to date.
- 4.4.3 The Gleeds team have prepared an indicative site layout, and elevations for a hotel development being accommodated on the site, including the retention of some public parking, and these will be available for discussion at the Cabinet meeting, as will details of the anticipated capital costs in developing out the site and the level of rental return or capital receipt which could be generated through such proposals.
- 4.4.4. Development of the Cadogan Road car park site to accommodate a hotel would recognise the continued and growing appeal of Cromer as year-round tourist destination and the potential demand for bed-spaces to increase further with increasing numbers of staycation holidays and short-breaks being taken in the UK as well as the wish to promote Cromer's facilities (such as the Pavilion Theatre) as a venue for conferences, weddings etc and visits by family and friends to the area in connection with the new crematorium which has recently been built on the edge of the town.
- 4.4.5 Any development of the Cadogan Road car park site would require alternative coach parking facilities to be provided, recognising the established use and demand for such facilities in town, and it is suggested that alternative parking facilities could be provided on part of the Runton Road car park site on the surfaced area to the north of the public convenience block.
- 4.4.6 Gleeds have advised that the preferred operating models of most national hotel companies are based upon freehold site development or freehold investment developments, although some chains are prepared to enter into joint venture / leasehold arrangements with local authority partners. Considering the potential risks to the authority in financing development of a hotel and level of return which might be realised from an investment and leasehold proposal, Pygott and Crone have recommended that the Council should be prepared to consider the freehold disposal of part of the Cadogan Road car park site for a freehold or freehold investment development. Pygott and Crone have experience in the sale of sites for such developments elsewhere in the UK and have provided the Council with a fee proposition and proposal for managing any marketing / disposal of the car park site for hotel development. This information can be reported verbally to the Cabinet meeting and a steer provided as to how Cabinet might wish to see this proposal taken forward.

**5.0 Financial Implications and Risks:-**

5.1 The financial opportunities, issues and risks to the Council associated with the sites detailed in the report are introduced within the body of the report and provided in some detail in the exempt appendices.

**6.0 Sustainability:-**

6.1 This report does not in itself raise any issues in respect of sustainability. Any proposals developed for specific property assets will be the subject of detailed planning applications in due course, at which time the sustainability of the proposed developments will be appraised.

**7.0 Equality and Diversity:-**

7.1 This report does not raise any direct issues relating to Equality and Diversity. Any proposals developed for specific property assets will be the subject of detailed planning applications in due course, at which time the equality and diversity implications of individual proposals will be appraised.

**8.0 Section 17 Crime and Disorder considerations:-**

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

**Digital Transformation  
Committee Management System – purchase of software  
Business Process Review staff – extension to temporary contracts**

Summary: This report seeks the release of funding from reserves allocated for Digital Transformation for

1. The purchase of software for a committee management system
2. A further 12 month extension for two temporary posts to support ongoing business process reviews

Options considered:

Not to implement a committee management system. Democratic Services could continue to produce agendas manually but this is resource intensive and electronic access to committee documents is limited.

Not to extend the two business process review posts. This would impact on the ongoing business process review and service redesign considerations in both Planning and Environmental Health, and other smaller scale reviews elsewhere across the organisation.

Conclusion:

The implementation of a committee management system would enable Democratic Services to manage the democratic processes of the Council in a streamlined, fully integrated way.

The extension of the two temporary posts will provide continued support for the ongoing reviews in both Planning and Environmental Health and enable further reviews across the wider authority.

Recommendations:

- 1. That Cabinet approves the release of £15,000 from the Digital Transformation Reserve for the purchase of committee management software.**
- 2. That Cabinet approves the release of £45,000 from the Digital Transformation Reserve to extend the contracts for Posts 11401 and 11403 by one year to 31 March 2018.**

Reasons for Recommendations:

1. There would be considerable savings in the amount of staff time spent on manually producing committee documents and compiling work programmes. This would ensure that the Council is always able to

achieve its statutory deadlines. Access to electronic documents for the public and Members would be improved.

2. To provide the capacity and skills to support the Digital Transformation Programme.

Cabinet Member(s) Cllr T FitzPatrick	Ward(s) affected All
Contact Officer, telephone number and email: Emma Denny, 01263 516010, emma.denny@north-norfolk.gov.uk Nick Baker, 01263 516221, nick.baker@north-norfolk.gov.uk	

## 1. Introduction

- 1.1 Members will recall that in the Digital Transformation Programme which Cabinet approved in 2013, it was identified that further reports would be brought to Cabinet as the work-streams within the programme were developed.

This report covers two such funding requests; a back office document management system for Democratic Services, and the extension of contracts for two temporary posts in the team that is supporting service change as a result of business process review.

- 1.2 The Council is committed to improving services and at the same time delivering savings and the Digital Transformation Programme was developed to provide digital change to enable this.

## 2. Committee Management System – background and current position

- 2.1 A key part of the Channel Shift of service access to the Council's website requires an improved system for the production and management of committee documents
- 2.2 There is currently no electronic committee management system in place. Committee agendas are produced manually and pdf versions of the document are created by the Democratic Services team.
- 2.3 Implementing an electronic committee management system would enable Democratic Services to manage the democratic processes of the Council in a streamlined, fully integrated way.
- 2.4 Members currently access committee documents via a tablet device and the lack of flexibility regarding the selection of relevant documents and annotation has led to a reduction in electronic access and an increase in demand for hard copies.

- 2.5 The Member Development Group indicated at their meeting on 22 November 2016 that members would embrace technology and reduce the use of paper copies of documents if they had access to a simple, tailored electronic system.
- 2.6 Modern.Gov is the system used by the majority of local authorities – including several neighbouring councils. In addition, training is provided by former Democratic Services Officers who have a good understanding of the needs and requirements of local authorities.

### **3 Benefits**

- 3.1 Key Benefits:
- Reduction in time in producing committee documents
  - Improved resilience for the Democratic Services Team
  - System to manage and administrate meetings and maintain Members' records
  - More robust decision-making process by reducing likelihood of error in committee documents
  - Ability to track decisions across all committees and decision-making bodies
  - Improved management of reports going to committee
  - Full compliance with all statutory processes
  - Up to date Register of Interests linked to Members profiles
  - Fully integrated parish council information including clerk contact details and mailing lists
  - App for members and the public to access documents – tailored to their interests and needs
  - Reduced printing costs as more Members use electronic agendas
  - Full integration with Express (Elections software) for publishing election results is possible if required
- 3.2 There will be considerable savings in the amount of staff time spent on manually producing committee documents and compiling work programmes. This would ensure that we are always able to achieve our statutory deadlines and would allow additional time for any amendments or changes if required.
- 3.3 Security around statutory processes would also be improved. An electronic committee system would be updated regularly to comply with any changes to legislation and statutory deadlines. Portfolio Holders and Management Team will be able to view reports that are within the workflow, ensuring improved oversight of all reports coming to committees.
- 3.4 Members of the public will be able to find committee documents and information about Members more quickly as it will be presented in a consistent and clear format. In addition there will be links within the committee documents to other agendas and relevant minutes. This will allow people to track decisions and quickly ascertain which committee was responsible for final approval.
- 3.5 Information relating to the parishes will be collated in one place. The public will also be able to register to receive alerts when any information relating to a specific committee, subject or ward is published.

#### 4. Financial Implications

##### 4.1 Cost and timescales

<b>Software &amp; Support</b>	<b>Cost</b>
Initial system delivery	£15,000
Configuration and training	Included in above cost: <i>Migration of information</i> <i>Set up of tablets</i> <i>5 training sessions</i> <i>Website 'look &amp; feel' – to include intranet and internet</i>
External Hosting	£3,000 pa
App for restricted documents (Members only) & to include an extranet	£3,000 pa
Public App	Free
<b>Annual support charge (from year 2 onwards)</b>	<b>£7,010</b>
<b>Total initial outlay (without hosting) or Members App</b>	<b>£15,000</b>
Total initial outlay with Members' App	£18,000
Total initial outlay with Members' App and external hosting	£21,000
Annual costs with Members' App	£10,010 pa

4.2 The project should take between 6 weeks and 3 months to fully implement. Training should take 4 half day sessions. A test-phase will then be run and this can continue for as long as necessary to ensure that Democratic Services feel confident to use it to produce documents. Typically this phase lasts about 6 weeks.

4.3 Funding for a committee management system can be accommodated within the previously identified, Digital Transformation funding provision contained within the Restructuring and Invest to Save Reserve.

#### 5. Risks

5.1 If there is a delay in implementing the project, service delivery will not be affected initially as we will continue to produce committee documents manually.

Specific risks include:

- Reliance on three service areas plus an external provider working together to ensure implementation runs to time
- Test-phase overrunning leading to a delay in implementation
- Staff training - staff who work annualised hours may not be available to undertake the scheduled training
- If internally hosted, reliance on IT to run updates quickly

## **6. Business Process Review – extension of temporary posts**

6.1 At the commencement of the Planning BPR implementation, Cabinet approved a number of temporary posts to support the process changes and other work required to make the necessary changes to the service.

As members will be aware, the implementation in Planning has taken longer than anticipated, not least due to the problems with recruiting Planners and IT staff. However, the Planning work is now progressing well, and at the same time, the Environmental Health BPR is now ongoing, with the procurement of new software well underway and much of the service review completed.

6.2 In order to support the Council's ongoing commitment to Service Redesign, there is a requirement to extend the temporary contracts of two existing employees in our business change team. This continued investment will enable us to:

- Translate business processes into digital workflow to enable more efficient working supported by effective performance monitoring.
- Introduce paperless working.
- Utilise our existing technology more effectively and ensure efficient configuration of new technology investments
- Channel shift areas of work from the back office to front-of-house staff.
- Enable the customers to self-serve reducing staff demand.
- Enable key groups of stakeholders to interact digitally with the authority.
- Streamline office processes and eliminate double handling.

6.3 The posts concerned, specifically work to translate physical business processes, identified as requiring change during the review, into digital processes that can then be configured onto the IT systems.

6.4 Financial implications

The two posts are currently due to end on 31 March and it is recommended that these are extended for a further year, until 31 March 2018, with the extension being funded from the Digital Transformation Programme budget, at a cost of £45,000.

6.5 Risks

If the posts are not extended, the ongoing work in Planning will suffer further significant delays and the work which has recently started in Environmental Health will be delayed indefinitely.



In turn, this will mean that the efficiencies expected across both services will not be delivered.

**7. Equality and Diversity**

There are no equality and diversity issues arising from this report.

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

There are no section 17 implications.

**8. Sustainability**

This report has no sustainability implications.

**9. Conclusions**

9.1 The implementation of a committee management system will streamline the democratic processes of the Council and enable easy access to documents electronically for officer, members and the public.

9.2 The extension of the two temporary post will provide continued support for the ongoing reviews in both Planning and Environmental Health and enable further reviews across the wider authority, with their resultant savings.

**Business Continuity Policy Review**

Summary: The attached revised Business Continuity Policy has been reviewed and updated to reflect the new management structure and the framework for those involved in the Business Continuity Programme within the Authority.

Options considered: Cabinet endorse the Business Continuity Policy and agree that it can be accepted as the overarching Business Continuity document for the Authority.

Cabinet rejects the need for a Business Continuity Policy.  
Given the Council’s designation as a Category 1 responder under the Civil Contingencies Act, this would not be considered appropriate.

Conclusions: The revised policy will build on the good foundations already in place and enable the authority to continue to meet its obligations for business continuity as detailed within the Civil Contingencies Act 2004

Recommendations: That members note the progress made and the plan to further improve business continuity within the council.  
That members agree to the adoption of the revised Business Continuity Policy.

Reasons for Recommendations: To provide positive corporate direction and governance to business continuity planning across the Council.

Cabinet Member(s)	Ward(s) affected All
Contact Officer, telephone number and email: Richard Cook 01263 516269 richard.cook@north-norfolk.gov.uk	

## **1. Introduction**

The Civil Contingencies Act 2004 places a duty on local authorities to ensure that they have made preparations, as far as reasonably practical, to continue to provide critical functions during any disruption to their business.

This report introduces a revised Business Continuity Policy for the Council, which seeks to provide a framework for provision of service continuity in the event of disruptive events, including the potential need to respond to wider emergencies.

## **2. Background**

This Business Continuity Policy provides the corporate framework for the delivery of an operational Plan to be implemented by the Council, in order to mobilise its response to any major disruptive events, In turn this will allow the Council to prevent, or mitigate the effects of, potential disruptions.

The Business Continuity Plan identifies the recovery objectives, the structure for implementation, mitigation measures and the communication process to keep staff, members, partners and the public informed.

Both ongoing work and recent incidents, across the Authority, have shown that the Council has a high level of understanding of Business Continuity and has embedded this across the organisation.

The attached Business Continuity Policy has been reviewed and updated to reflect the new management structure and the framework for those involved in the Business Continuity Programme within the Authority. The policy document will effectively be the authorising document that drives the delivery of Business Continuity at North Norfolk District Council.

## **3. Conclusion**

The revised policy will build on the good foundations already in place and enable the authority to continue to meet its obligations for business continuity as detailed within the Civil Contingencies Act 2004.

## **4. Recommendations**

That members note the progress made and the plan to further improve business continuity within the council.

That members agree to the adoption of the revised Business Continuity Policy.

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

Should the Council fail to continue to make progress on business continuity, there is a risk that, should a disruptive challenge or major incident occur, the council would find it difficult or impossible to carry out its statutory duties, giving rise to reputational and potentially financial risk.

Having effective business continuity arrangements in place is also a statutory duty placed on the council as a result of it being classed as a Category One Responder under the Civil Contingencies Act 2004

**6. Sustainability**

Nil

**7. Equality and Diversity**

Is covered with in text of the revised policy

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

Nil

**9. Attached electronic copy of the revised Business Continuity Policy**



# **Business Continuity Policy**

**December 2016**

**Version 2.4**

## Foreword

The residents and businesses of North Norfolk expect the services provided by the Council to be delivered effectively and efficiently as these are paid by their Council Tax and Business Rates and, in most cases, the Council is the sole provider. In the current climate of uncertainty and increasing reliance on technology, it is vital that procedures are in place to enable the Council to continue to provide these services in the event of a significant challenge to the Council's operation.

These procedures form the Business Continuity Plan and deal exclusively with the Council's response to internal events such as those that affect the Council's ability to continue to provide services.

This policy puts in place mechanisms and structures to enable a robust and effective Business Continuity Plan to be developed, implemented and reviewed.

Signed:



Nick Baker  
Corporate Director and Head of Paid Service  
North Norfolk District Council  
Council

Signed:



Tom Fitzpatrick  
Leader of the Council  
North Norfolk District

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## Context

The Civil Contingencies Act 2004 places a duty on local authorities to ensure that they have made preparations, as far as reasonably practical, to continue to provide critical functions during any disruption to their business.

This Business Continuity Policy provides the framework for the Plan to be implemented by the Council in order to mobilise its response and undertake work to prevent or mitigate the severity of potential disruptions.

The Business Continuity Plan will identify the recovery objectives, the structure for implementation, mitigation measures and the communication process to keep staff, members, partners and the public informed.

## Overview

The strategy adopted for development of the Business Continuity Plan can be summarised as follows:

- Following the preparation and adoption of the Business Continuity Plan the development and review will continue, with close links to the relevant risk management programmes.
- The Plan sets priorities and communications to ensure an appropriate response to any disruption.
- The Corporate Business Continuity Plan will provide a two way link into individual service plans, as well as other specific plans (e.g. elections) which will be developed where the risk assessment process indicates sufficient likelihood of occurrence and the impact is seen to be severe. It will address the full range of the Council's functions and departments, but will initially focus on headquarters based functions and buildings critical to these, rather than all locations where the business of the Council takes place.
- The whole Business Continuity Management process can be summarised as:





## Aims and Objectives

The aim of the policy is:

- To ensure the Council and partner agencies can continue to fulfil their critical functions in the event of disruption.

The objectives are:

- To identify the potential areas of vulnerability in Council services on an organisational and departmental basis and develop plans where necessary in order to protect the services and reputation of the Council.
- To determine overall priorities for recovery of functions if disruption occurs.
- To build on good work already in place for risk management, ensuring all existing processes are integrated into the overall business continuity framework.
- To ensure all Council departments are involved in the preparation of the Plan, so that there is an effective and consistent response to service continuity.
- To develop a process to review and update the overall Plan.
- To provide training and awareness programmes for staff, elected members, suppliers and partners.
- To carry out regular tests of the Plan to validate the arrangements.

## Policy Statement

This policy will take effect from August 2012.

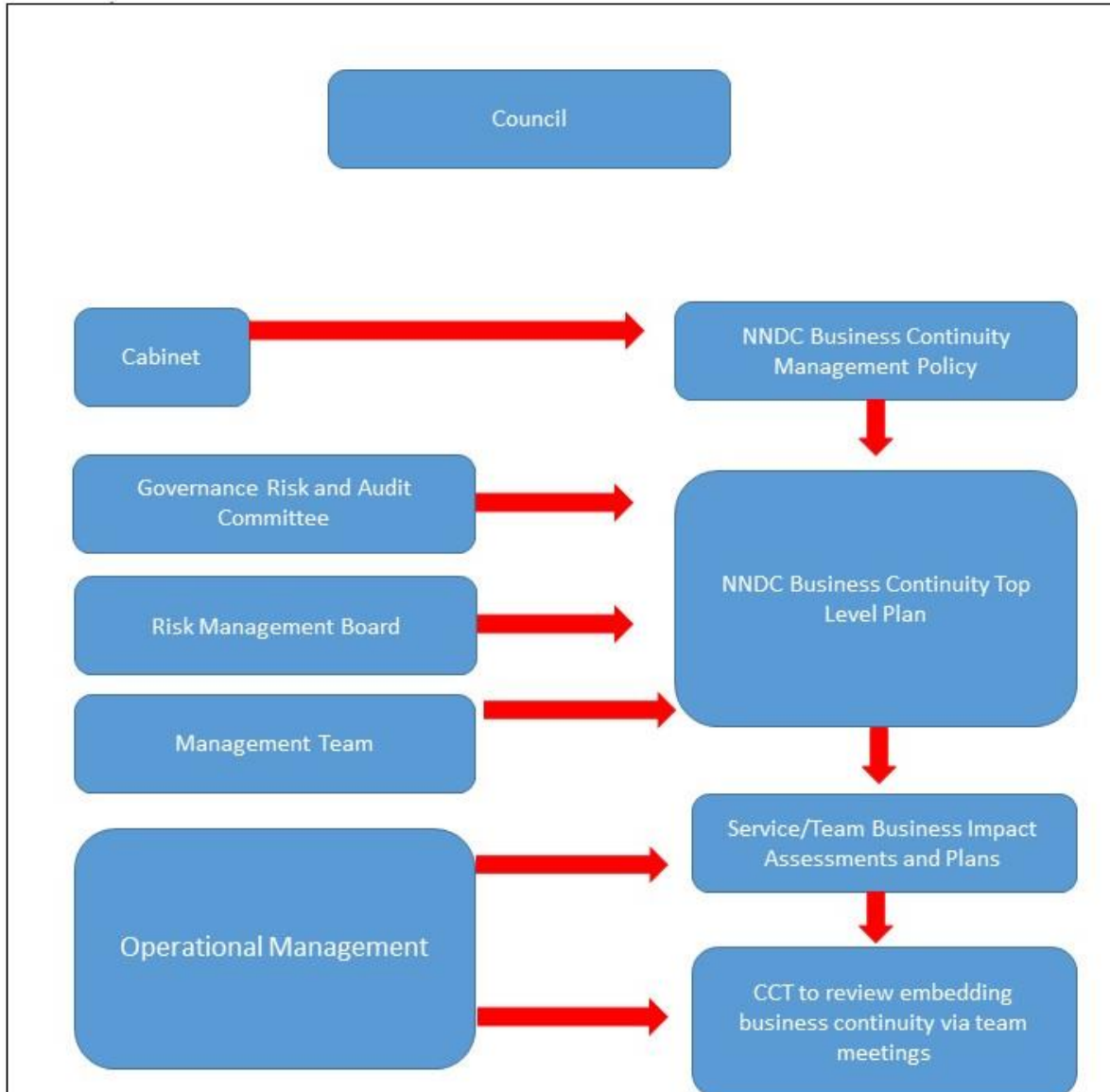
The master copy of this document, a record of review and decision making processes will be held by the Civil Contingencies Team (CCT). All documentation will be available for audit as necessary.

Departments are requested to notify the CCT of any changes that may impact on the contents or procedures outlined in this document.

The Policy supports the European Convention on Human Rights (ECHR). We will adhere to its principles namely, legality, legitimacy, proportionality, necessity and accountability. It also takes into account all current equality legislation.

# Strategic Framework

The diagram below identifies the framework for those involved in the Business Continuity Programme:



## Roles and Responsibilities

### **Cabinet**

Cabinet will:

- Set the overall strategic direction of Business Continuity across the Council and will sign off the Business Continuity Policy which does not form part of the Council's Policy Framework.

### **Risk Management Board (RMB) and Governance Risk and Audit Committee (GRAC)**

The RMB and GRAC will review the direction and compliance of Business Continuity across the council. It will also:

- Act as a point of overall leadership and support to the Business Continuity Plan and procedures
- Make decisions arising from the assessments and recommendations arising from update reports, incident de-briefs and exercise reports from the Civil Contingencies Manager.

### **Corporate Directors and Management Team**

The Corporate Directors and Management Team will:

- Act to ensure/monitor the overall strategic direction of Business Continuity across the Council
- Represent the Council's senior decision making / crisis management group in the event of any incident or situation that produces significant or potential disruption to the Council
- Ensure that this Policy and the Business Continuity Plan is implemented and resourced appropriately.

### **Embedding Business Continuity**

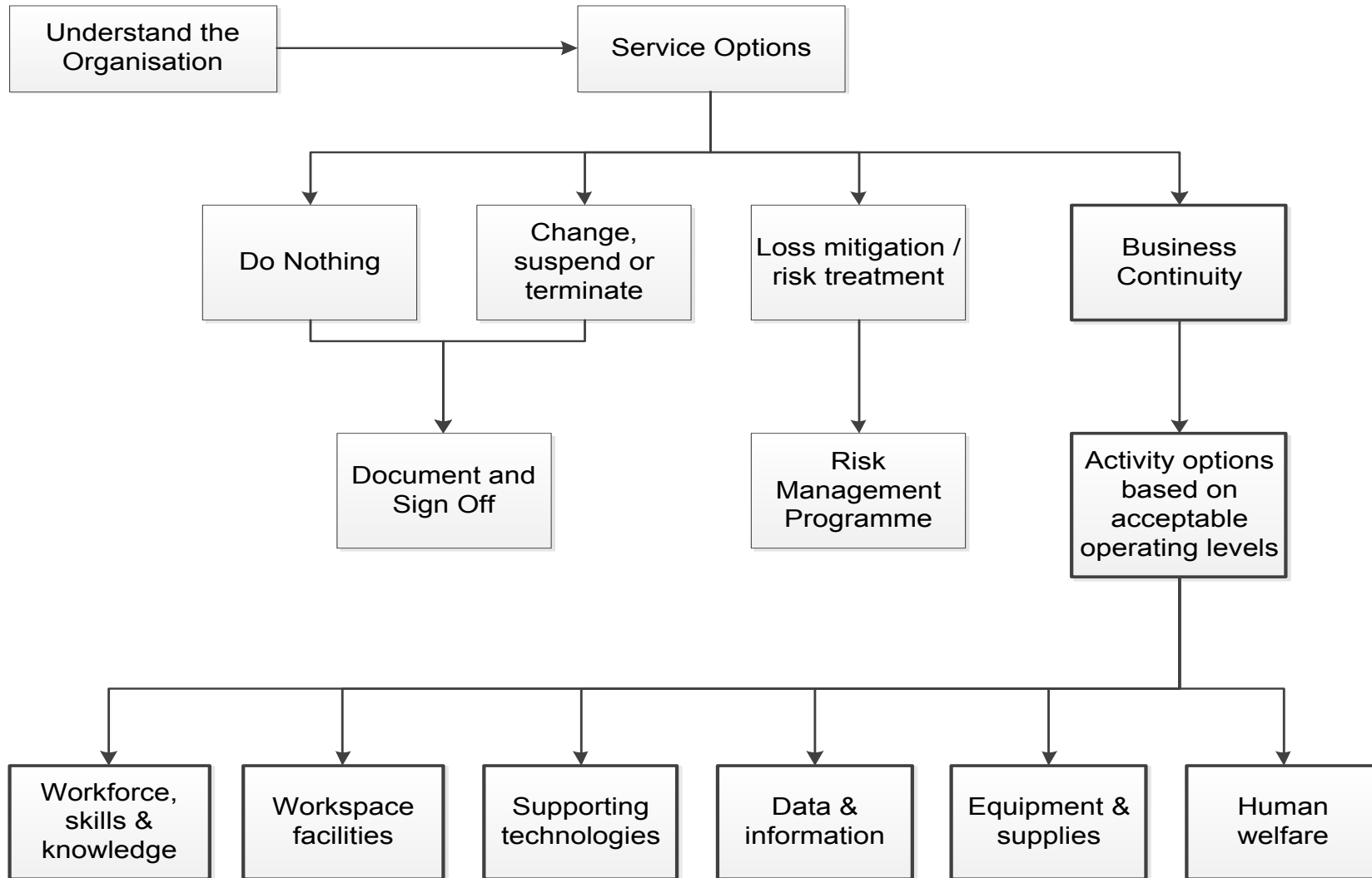
The Civil Contingencies Team will regularly attend team meetings within the authority. The purpose of these sessions will be to embed the Business Continuity culture into day to day working practices. This interaction will allow the CCT to monitor, support and progress the Business Continuity Management Programme by:

- Providing a forum for discussion of relevant business continuity issues that could affect the council
- Providing assistance to the Civil Contingencies Team in achieving the Business Continuity Plan

- Providing recommendations and assessments regarding business continuity to the RMB.
- Reporting on progress against the Plan to the RMB and GRAC
- Assisting departments to implement their own Business Continuity Plans

## Business Impact Analysis and Business Continuity Options Process

The outline process for developing the Business Continuity Plan can be seen as follows:



## **Review Process**

This Policy will be reviewed annually or sooner if there are any significant changes.

The Plan will be reviewed annually to ensure staff and contact details are correct. It is the responsibility of each department head to notify Civil Contingencies Team of any significant changes that occur between these review dates.

The outcomes of any training and exercising will be captured for inclusion in the Plan review process.

At the annual review, the Policy and Plan will be reviewed against the Community and Corporate Risk Registers to ensure the Business Continuity Plan accurately reflects the current assessment of the likelihood of adverse events.

## **Distribution and Amendment**

The Policy and Plan will be controlled documents. A distribution list of both documents will be included in the plan.

When amendments are issued, replacement plans will be sent to each plan holder. The Civil Contingencies Team will maintain a record centrally of all amendments.

The distribution list will be reviewed as part of the wider plan review or following any major restructuring of the council.

**Communications Strategy 2016 – 2019**

- Summary: This report presents a communications strategy for North Norfolk District Council Cabinet to consider.
- Options considered: To Not Have A Strategy – Given the need to communicate as a public sector organisation this option was discounted.
- Conclusions: The Communications Strategy suggests how the authority can ensure its communications is fit for purpose and meets the needs of our different stakeholders.
- Recommendations: **That the Cabinet adopts the Communications Strategy 2016-2019, setting out how the authority will communicate and engage with the community.**
- Reasons for Recommendations: The Council is a public sector organisation which has a duty to communicate with its customers, residents, businesses and visitors to North Norfolk.
- The Communications Strategy 2016-2019 sets out how the authority will seek to communicate and engage with the community.

**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 Tom FitzPatrick	Ward(s) affected ALL
Contact Officer, telephone number and email: Sue Lawson 01263 516344 sue.lawson@north-norfolk.gov.uk	

**1. Introduction**

- 1.1 This strategy was discussed at Overview and Scrutiny in December prior to it being considered by Cabinet.
- 1.2 It is designed to support the Council’s commitment to delivering excellent services to all of our customers and supports the Council’s Digital Transformation Programme.

- 1.3 It sets out how, as a public sector organisation, the Council will meet its duty to keep people informed and engaged in what the Council is doing. At the heart of the strategy is how the authority will seek to protect and maintain its reputation, while adopting best practice.

## **2. Summary**

- 2.1 How organisations communicate has undergone a fundamental transformation in the past 10 years with the take up of digital communications. New technology has made it possible for organisations to reach a mass audience without relying on third parties, while at the same time areas without broadband face digital isolation and a reliance on other communications methods.
- 2.2 External communications channels have grown in number; people are used to updating their Facebook pages, sharing the latest news and information with their neighbours via online channels. People are used to ordering shopping online, buying gifts online or talking to their relatives via Skype and other services.
- 2.3 This strategy therefore reflects that fundamental shift in communications methods while acknowledging that not all people are able to access broadband or online services.
- 2.4 This strategy explains how we are transforming our communications to customers and residents to deliver our corporate ambition for improved quality services at a time when demand is increasing and the resources available to the authority are reducing, but ensuring that customers can use the medium which best suits them.
- 2.5 We cannot continue to deliver services in the way we have done and we need to communicate to all our stakeholders – residents, businesses, visitors, partner organisations – how they can self-serve, how they can contact their councillor and what the authority is doing and how they can influence democratic decisions.
- 2.6 The strategy covers how the authority can deliver strategic integrated communications; the differing roles and responsibilities, communications planning; internal communications; external communications – media, social media, web, branding, engagement and consultation. It looks at our differing audiences, our key messages, risks and outcomes.
- 2.7 The appendix includes the Code of Recommended Practice on Local Authority Publicity; the Council's Media Protocol; an Evaluation Framework; a profile of the area; the arrangements for emergency communications and a summary of the key points.

## **3. Conclusion**

- 3.1 This communication strategy sets out how the authority can meet its public duty to inform and be informed by the community given the shift in communications technology being engaged by all age groups.



- 3.2 Views have been sought from Overview and Scrutiny on the general direction of the strategy, any potential problems arising from this approach and any key points which need to be included.
4. **Implications and Risks** – see strategy
5. **Financial Implications and Risks** – see strategy
6. **Sustainability** - None
7. **Equality and Diversity** – A full equality and diversity assessment has been carried out to ensure that the strategy supports fair and equitable outcomes for all our stakeholders.
8. **Section 17 Crime and Disorder considerations** - None



# COMMUNICATIONS STRATEGY

2016 - 2019

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# 1. Executive Summary

New technology is revolutionising how communications work at a personal and at an organisational level. People, businesses and councils can now reach mass audiences without relying on third parties to relay the messages for them.

As a public sector organisation we exist to provide services to the public. We have a legal and moral duty to provide services to residents, businesses and visitors; to speak up for our area and to represent their concerns at a regional and national level.

How the organisation communicates is governed by [The Code of Recommended Practice on Local Authority Publicity in England \(2011\)](#).

Given the need to communicate and the changes in communications technology it makes sense to bring forward a new communications strategy for the organisation.

Direct communications channels are enabling people to generate their own followers and be in control of their own messages, to say what they want, when they want, 24 hours a day seven days a week.

While the traditional power of print journalism is diminishing the power of authoritative independent news is growing. People will tend to believe what they are told in the absence of any other information, and to believe information from people they can relate to and understand e.g. Facebook community groups, neighbours or colleagues.

The same technology changes are enabling new ways to collaborate and engage with other people, from working on documents at the same time to virtual telephone video calls or webchat.

This Communications Strategy sets out how the authority can meet its public duty to inform and be informed by the community given the fundamental shift in communications technology. It seeks to enable people to engage in the democratic process, and to enhance the organisation's reputation.



## 2. Introduction

This strategy sets out a framework for communications at North Norfolk District Council (NNDC). It sets out why it's important to communicate, what our key messages are and how we will engage with our customers and our communities. It sets out how we will monitor and measure our effectiveness and how we will take advantage of cost-effective communications methods to enhance the Council's and the area's reputation.

As a public authority we have a duty to communicate with and be informed by our community and others' points of view; we have a duty to be transparent and cost-effective and abide by the [Code of Recommended Practice on Local Authority Publicity](#). Communications has to be two-way to build engagement and understanding with stakeholders. This strategy sets out how we as an authority will seek to involve and engage with others in the community to inform both what we do and how we do it.

This strategy sets out why we want to communicate, what we want to communicate, who we will communicate with and how we will reach people and be informed by people and how we will know if we have been successful.

- Overall aim for communications
- Key messages
- Our audiences – internal and external
- Key communication channels
- Evaluation & Performance measures

## 3. Overall Aim

We want North Norfolk District Council to communicate with confidence efficiently and effectively; to involve and engage with others; to be a strong voice for the area and our residents and businesses; to be clear about our brand and what we stand for; to build consensus and enhance the area. As a public sector organisation our central purpose is to deliver excellent services and speak up for our area. It is important to ensure the Council communicates well, enabling people to be informed and involved, to be aware of and use Council services.

This strategy builds on the Council's core values and a determination to represent and be informed by our residents, businesses and wider community while operating within the climate of ongoing financial pressures. As an authority we need to do more with less and be more agile and strategic with our communications.

This strategy sets out a vision and direction to show how the Council can take advantage of new technology and digital transformation to communicate better and deliver better services to all our stakeholders. It sets out how we will listen to all sectors of the community to ensure the Council's reputation is enhanced. Communications should be an asset to decision making, offering a 360-degree view and intelligence on how the Council, its services, plans and policies are perceived<sup>1</sup>. It should ensure that everyone in the community has the opportunity to be informed and engaged in the work of the authority.

The Council has adopted a four-year Corporate Plan 2015 – 2019 which is supported by a range of corporate strategies, fundamental to this is ensuring the Council is communicating and engaging with all its audiences to achieve its goals.

Democracy has many voices and it is essential that people are aware of the myriad of views and voices within a local authority, as such the Code of Recommended Practice on Local Authority Publicity in England (2011) states:

“Where local authority publicity addresses matters of political controversy it should seek to present the positions in relation to the issue in question in a fair manner. It is acceptable for local authorities to publicise the work done by individual members of the authority, and to present the views of those individuals on local issues.”

## 4. Strategic Integrated Communications

The following diagram sets out the four core areas needed to deliver a communications strategy for the Council, it is based on the Modern Communications Operating Model<sup>2</sup> used by Government Civil Service.

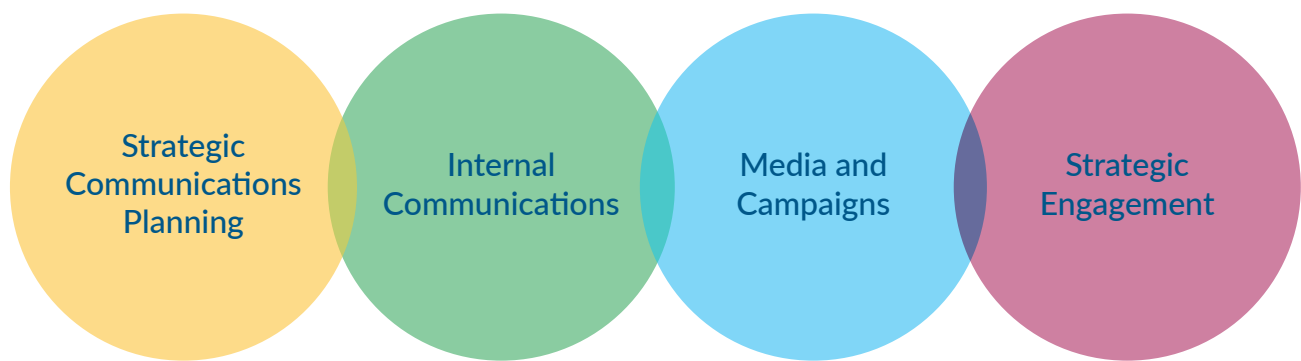


Figure 2: Modern Communications Operating Model

- **Strategic Communications Planning**  
Using insight to shape messages, planning, horizon-scanning and evaluation to tightly target and assess activity
- **Internal Communications**  
Working in partnership with leaders and managers to engage staff and Elected Members to help deliver priorities and support organisational and cultural change.
- **Media & Campaigns**  
Producing compelling integrated content to support proactive promotion of messages and reactive media relations and news management
- **Strategic Engagement**  
Building alliances with third parties to listen effectively, share content and amplify messages to enhance understanding, support and reputation

### Roles and Responsibilities

Everyone has a role to play in ensuring the Council communicates efficiently and effectively. People’s perception of the Council and its reputation is informed by what we do, what we say we will do, and how we do it. The impression of the Council is formed from the interactions people have with us, and the perception of the authority as reported via the media, online and by word of

<sup>2</sup> The Modern Communications Operating Model, Government Communications Service

mouth.

Communication is a key competence for every Elected Member and member of staff and therefore staff and Elected Members should be aware of how their actions impact on the authority. For Elected Members to fulfil their role they should be fully aware of all issues affecting their ward and be told first to ensure they are aware of the issues before it is discussed externally.

Staff and Elected Members can only be successful in fulfilling this 'ambassadorial' role if they are fully informed of the Council's priorities and actions and if they see their contribution and ideas are valued.

- Internal communications is as important as external communications – information should be relayed internally either before or at the same time as it is made public
- Staff communications should be timely, relevant and useful – linking what the organisation wants to achieve to what people are doing and the behaviours we want to encourage
- Elected member communications is essential – councillors have a public duty to represent their wards and it's essential for Elected Members to have credible, timely information
- Communications underpins the Council's core competencies and while it is everyone's responsibility, the Council's communications team is a professional resource to support the organisation
- How staff and Elected Members conduct themselves in person and on social media has an impact on the Council's reputation

## Communications incorporated into business planning

Communications should be incorporated into service planning processes. It should be at the heart of every Council project, programme and service if we are to achieve our key objective of ensuring the Council is better understood internally and externally.

How we communicate supports and facilitates the Council's Corporate Plan and subsequent council strategies and plans. Communications planning has to be aligned to the Council's wider business planning processes and is a key consideration when introducing new projects, processes and procedures.

Where the Council is seeking to influence behaviour we should identify council campaigns then use our understanding of the audience to ensure our messages are easy to understand, attract attention, are delivered at the right time and are supported and informed by the community.

This means:

- A forward calendar of communications activity linked to committee agendas, service plans and projects
- Pro-actively engaging the Council's communications team early-on
- Planning communications activity e.g. national awareness days and weeks
- Management team and councillor involvement in the Communication team's forward plan
- Campaigns linked to the Council's corporate priorities, e.g. channel shift, reduction of dog fouling, direct debit sign up for Revenues and Benefits customers

## Internal Communications

The Council has recently achieved Investor in People Gold Award. In part this is down to the authority's good practice in internal communications – recognising the value of communicating and engaging with its staff.

There are a variety of internal communications channels, namely:

- Staff intranet
- Staff Bulletin
- Face to Face Quarterly Staff Briefings
- Team Meetings
- Extended Manager Group Meetings
- Staff Focus Group meetings and representatives
- Weekly Members' Bulletin

We know that improvements are required to the Council's intranet following a survey in 2015/16 and that best practice guidelines are being adopted for team meetings following a review by the Staff Focus Group. Feedback from staff has also indicated that the new more frequent emailed staff bulletin is appreciated and valued.

This means:

- A refresh of the Council's intranet in 2017
- Promotion of the Council's core values
- Regular updates from the Corporate Leadership Team
- An annual survey of staff and elected Members on communications
- Communication of the Council's digital transformation programme and other initiatives
- Staff briefings by CLT for all staff, when appropriate
- A review of Member communications

## External Communications

External communications is undergoing a revolution. Technology changes mean we can be our own news agency meaning we can reach people and work with others to amplify our messages. Given the changes in technology we have an opportunity to reach our audiences and engage with them directly.



We want people to understand the Council's overall aim for the area, its priorities and plans and be engaged with them. We want people to be involved in shaping the future of the district and be able to contribute to improving the area. As a public sector organisation we deal directly with customers, residents, businesses and visitors. This requires the Council to understand its audience, to be clear about its messages and use the right mix of channels and methods to reach the maximum audience and ensure our message is welcome, useful and resonates with people.

This means:

- Understanding where people get their information from
- Understanding what they need or would like to know
- Understanding how our message will be received – the language we use, the beliefs and biases people have
- Understanding how social media is an integral part of how people get information and engage with organisations
- Enabling two-way communication channels to encourage engagement and dialogue
- Ensuring information is focused on key audiences and enabling interactions e.g. e-magazine and email magazine updates focused on planning agents or business e-magazines for employers
- The ability to create bespoke subscription channels for holiday visitors, commercial outlets etc. providing them with the information they need when they need it e.g. an app for North Norfolk or apps for our tourism towns, e:comms bulletins for businesses or e:bulletins for parish and town councils
- Optimising the use of all available channels and scanning for new channels to utilise to reach our audience, provided there's capacity to fully support those emerging channels

We currently use a range of external communication channels to respond to queries and proactively send updates either direct to the public or via the media.

## Media



Local newspaper print readership is falling. Archant is looking to adopt a new approach to news management with a focus on content for use across all channels (platform neutral) and less of a focus on newspaper production and newspapers being a compendium of all community events.

This means understanding how we can provide media content that local newspapers will want to use; content which is relevant and useful to our audiences. Practically this will mean providing media rich news releases that include photos, video or audio.

At the same time we need to continue to provide news items to the town and village publications which often have a longer shelf life than the weekly newspaper. These village and town publications are recognised and valued by the community and well-read because they are seen to be independent and a 'valued publication'.

The popularity of local radio, especially for residents in the area and holiday makers, means this is a valuable channel for North Norfolk District Council and one which should also be developed and enhanced. Media changes are though affecting radio too with independent radio owners Anglian Radio merging five stations into two bases, with three stations - North Norfolk Radio, The Beach and Radio Norwich – merging into one production base.

Nationally BBC has looked at the **future of news**, the impact of the internet and the importance of journalism to provide an authoritative voice. Regionally there is a commitment to maintaining the local regional news centres. BBC Radio Norfolk and BBC Look East share the same editorial offices, so there is an opportunity to provide compelling content that would appeal across the different formats.

Given the revolution in the news format we have to adapt or risk losing out on media coverage. Instead of providing just a press release we should look to provide news copy supplemented with audio clips for local radio to use direct. We need to be our own news agency generating content and sharing across different channels, using our network of partners to amplify our message and reach new audiences.

Wherever possible the Council should work with the media to co-sponsor and organise events which will benefit the community – e.g. Greenbuild and an awards evening. This will help to build the Council's relationship with the media and demonstrate that we are working with and for the community.

Current media:

- Local weekly media (Fakenham and Wells Times, North Norfolk News all editions, Lynn News)
- Local free papers/Magazines (North Walsham Times, Fakenham Sun, Just Series, Your Local Paper, Holt Chronicle etc)
- Local daily paper (Eastern Daily Press)
- Local radio (BBC Radio Norfolk, North Norfolk Radio, KLFM)
- Regional Radio (Heart FM, Smooth Radio)
- Regional TV (ITV Anglia, BBC Look East)
- National TV and Newspapers (The Times, Financial Times, Daily Mail, BBC/ITV)
- Regional magazines (Norfolk, Royal Coast etc.)
- National magazines (Coast, Local Government Chronicle, Municipal Journal)
- Huffington Post, MSN News
- BBC Online

This means:

- Adding video, photos or voice clips to news releases
- Providing copy which can be used straight by local media
- Providing media training to councillors so they feel more confident speaking to camera or to the microphone
- Writing up discussions and decisions from council meetings (Cabinet, Overview and Scrutiny meetings) to local media as they are less likely to be covering the meetings; highlighting issues and discussions Council wide including the varying views of Members
- Identifying at the start of the year the events which can be co-sponsored by the media which are likely to attract holidaymakers and satisfy residents
- Identifying the unique selling points of north Norfolk (of which there are many) and promoting the region to national and international media
- Monitoring the coverage of the Council and reporting this back to Elected Members

## Social Media

The Council currently uses a range of social media and web channels to communicate and engage with our audiences. The Council has only recently adopted social media as a means of communication – with the council formally adopting a Facebook Account and Twitter Account in 2013. Since the original adoption of the accounts our Council Facebook page has 1,377 Likes, reaching an average of 5,000 people in the space of a week, while our Corporate Twitter account has 3,289 followers; these figures compare favourably to other councils in the area. In addition some council services have opened their own Council accounts e.g. the Dual Use Community Sports Centres at North Walsham, Cromer and Stalham.

The Council's social media profile includes:

- Facebook – NNDC page, dual use community sports centres, Holt Country Park group, Clubs and Hubs page
- YouTube – NNDC video account
- LinkedIn – NNDC corporate page
- Twitter – NNDC account, individual professional accounts for economic growth, sports centre accounts, Councillor accounts
- Mumsnet account
- Streetlife account
- NNDC website
- Visit North Norfolk

In addition to the list above there are a range of other direct communication channels which the Council could be utilising e.g. WhatsApp, Snapchat, Instagram, Pinterest all of which could help the organisation to reach out to people and connect with them.

In deciding how to use the channels to reach out and engage with our audiences it is important to understand which combination of social media and other external communications channels can be used to amplify our messages.

This means:

- An understanding of each channel's audience e.g. if you use the Council's Facebook page you are three times more likely to be communicating with women than men;
- Social Media and web protocols setting out how these channels should be used consistently
- Understanding how tone of voice is crucial in being received as an authentic organisation
- Understanding the importance of community groups and pages within north Norfolk e.g. town and community pages within the region
- Responding to queries quickly and effectively on social media
- Using social media during emergencies to communicate directly with our stakeholders

With the changes to the way people get their news and form opinions it is essential to keep a clear view of the Council's social media profile, understanding how our messages are being received, identifying who is relaying our messages and how we can step in to correct inaccuracies and misinformation.

Extending our direct communication channels will be essential to the Council's communications strategy, and we need to be alert to the messages and tweets about the authority. Our audiences are getting their information not only from the media but from anecdote and online communities of interest.

This means:

- Training on social media for Elected Members and staff
- Generating our own social media content
- Attracting more people to like the Council's corporate social media accounts
- Listening to the voices of our community on social media and responding with accurate, helpful content where appropriate
- Reviewing the effectiveness of social media channels and identifying whether new social media channels should be invested in
- Monitoring how the Council is perceived on social media and our reputation
- Integrating our social media content with our media content

During times of emergency e.g. Flood Warning social media has a vital role to play in warning and informing our residents, businesses and visitors both in terms of making people aware of the potential emergency, informing people during the emergency and supporting people during the recovery phase.

## Web

The website has traditionally been seen as a place to put our information and explain our processes. With the adoption of our Digital Transformation Strategy and Customer Services Strategy the Council's website is now our shop – a place where people can get what they need from the authority quickly, efficiently and easily 24 hours a day.

The website has gone from being an information depository to being a place where people can do business with the authority. Instead of dropping in or phoning up they now expect to be able to transact with us online, e.g. instead of reading about how to submit a planning application people now expect to be able to transact with the Council online, whether that be to comment on other people's applications, submit their own planning application, pay for car park passes or report an incident of dog fouling.

This means:

- Making the website work on tablets and mobile devices by completing the move to the new content management system (Umbraco)
- Enabling people to pay for services online by ensuring web development and tools work for our customers
- Enabling people to report matters online (without printing off a form and filling it in)
- Streamlining content to support actions people want to do online and removing any unnecessary content
- Re-ordering content so it is intuitive, and ensuring this is a continual process
- Ensuring content is written in Plain English
- Removing forms that need printing off and posting back and replacing with online forms
- Checking links within and external to the site
- Identifying out of date information and removing it
- Ensuring the search works effectively

## Telephone

Please note how the authority communicates via the telephone is covered in the Council's Customer Services strategy.

## Branding

*“We must never pretend to be something we are not, but we must never present ourselves as anything less than we actually are”*

We need to big up our branding and be clear about what services we provide to the public. All our assets and land should be clearly branded and easily recognised so that people know what the Council provides. There should be a single, approved, known and understood brand.

Everything we do should carry the Council’s branding and logo. Local authorities are too often the target of unjustified criticism, because of the complexities of local government the Council can be blamed for things we are not responsible for and not given the credit for the often excellent services and facilities we provide.

Clear branding helps the public understand what we as a local authority do for them and where our responsibility starts and ends. A highly visible public profile encourages other key partners to treat us with respect. Consistent use of our logo is therefore crucial to making people aware of the wide range of services we provide and to maintaining a credible corporate reputation.

We have a duty to be transparent and clear with the public and this means ensuring our brand is clearly displayed on all the channels we use and there is clarity about the Council’s involvement. Work carried out in the community by our services also strengthens our corporate reputation when our branding is consistently applied.

It is vital that all communications collateral from publications through to clothing is branded with the Council’s logo.

The Council has a brand logo and house style and this is applied across our assets; the Communications Service will control the use of our brand to ensure it adheres to our branding guidelines.

We need to adopt a clear branding strategy on all assets to help people identify what we provide on behalf of the community. This is especially important where contractors are working on behalf of the authority e.g. Cromer Sea Defence Works, West Promenade Project etc.

This means:

- Updating the brand style guide
- Ensuring our brand is used consistently on all activities and assets
- Replacing materials where the branding is not consistent
- Adapting the brand for digital use
- Adopting a house style for corporate documents, letters, plans, emails
- Applying our brand to all our assets
- Applying our brand where suppliers are delivering services on our behalf
- All publications destined for the general public must be produced with the involvement of the communications team

## Engagement, Consultation and Listening

The Council needs to build alliances with third parties to listen effectively to communities and share our message effectively. We need to enhance understanding and nurture support in order to ensure the Council is addressing the concerns of its stakeholders reflecting the concerns of the community.

We have a legal and moral duty to engage with community groups, chambers of commerce, parish and town councils, partners and other statutory providers.

At the moment engagement with town and parish councils is carried out mainly at service level e.g. planning or democratic services; we should look to identify how service events and engagement can be used by other services to gain insight and understanding of people's views and concerns. One area which should be explored would be the provision of a Parish and Town Council Service Bulletin or Briefing to assist with queries concerning governance or planning, or other areas of interest.

Essential to engagement and consultation is the role of local Elected Members and their ability to champion and represent their areas. The ability to listen to people, to foster engagement with residents and voters is vital. Citizen engagement is vital to local democracy and in order for people to be engaged they need to be informed.

Consultations: The Government has recently issued revised consultation principles for the way in which public bodies should consult – the 2016 principles<sup>3</sup> are:

- Consultations should be clear and concise
- Consultations should have a purpose
- Consultations should be informative
- Consultations are only part of a process of engagement
- Consultations should last for a proportionate amount of time
- Consultations should be targeted
- Consultations should take account of the groups being consulted (e.g. consult stakeholders in a way that suits them)
- Consultations should be agreed before publication
- Consultation should facilitate scrutiny
- Responses to consultations should be timely
- Consultations should not generally be launched during local and national elections

Elected Members should have access to all council reports and services affecting their ward; they should be able to effectively brief town and parish councils and provide a democratic link between the Council and its communities.

<sup>3</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/492132/20160111\\_Consultation\\_principles\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/492132/20160111_Consultation_principles_final.pdf)

This means:

- Discussion with Elected Members about the way to improve community engagement
- Member training on using social media platforms to encourage engagement
- Elected Member Facebook or other social media accounts to enable councillors to easily inform residents about activities and issues within their wards
- Corporate calendar of events and engagement opportunities e.g. business events, parish council events
- Sharing the insights gained from service events with other Council teams and Members
- Member training on emergency communications protocols and plans
- Ensuring NNDC consultation follows the 2016 Government principles.

## Committee Reports and Meetings

As well as media and social media the Council communicates day in day out through our committee reports and meetings. Council reports should say clearly why the council is considering the actions that it is and what the alternatives are.

Committee reports should be written in Plain English and provide a clear understanding of the issues. They should help to aid understanding and awareness.

Likewise discussions at Council meetings should help to build understanding and demonstrate the value of democratic debate.

Looking ahead it is highly likely that the Full Council meetings will be able to be web-cast (shown online) with people being able to watch the Council meetings on their laptops, tablets, mobile phones or desktop computers.

This means:

- Ensuring officers are trained in report writing and presentation
- Providing public speaking training for Elected Members and Officers
- Coverage of the Executive Cabinet meetings and agendas
- Coverage of Overview and Scrutiny functions and agendas



## Events and Festivals

Events and festivals provide the Council with an opportunity to meet members of the public, residents, businesses and holiday makers, to showcase what we do and how we do it; to listen to and engage with our audiences directly.

Currently the Council runs Greenbuild once a year to showcase sustainable living and recycling; this is a great opportunity to demonstrate the value of what we do, and to build a good reputation for caring for our natural environment. Around 6,000 people took part in Greenbuild in 2016 and this is a great opportunity to showcase all our services.

This means:

- The Council should consider how to extend the number of events or look to co-support festivals, building alliances with others to celebrate the area and attract attention of national and international media.
- The Council should use these opportunities to encourage the public to interact with us via our Website and/or social media

## 5. Our Audiences

The Council has a number of key audience categories:

**Residents:** Demographically there were 103,300 people living in north Norfolk in 2015, of which 50,200 were male and 53,100 female. Statistics for 2011 show that there were 16,874 young people aged 0 -17 (17% of the population) – this compares to 29,197 people aged more than 65 or more (29% of the population) with just over half 55,428 (55% of the population) aged 18 to 64.

In addition to identifying residents through age it is possible to understand the perspectives of different groups of people be they people who are retired, working from home or looking to start a new family. A MOSAIC profile of the area is included in Appendix 4.

**Businesses:** In North Norfolk there are 6,674 businesses (as at 1 April 2016). For October 2016 the broad business sectors are as follows:

Tourism	1911
Retail	1778
Entertainment	1244
Industry	631
Transport	432
Community	336
Education	102

In addition to the businesses themselves the authority also communicates with Chambers of Commerce and other business groups. Statistically there are 4,985 VAT registered business premises in North Norfolk 2015/16; 10 businesses employing more than 250 people; and there were 44,200 economically active people (either employed or self-employed) at June 2016.

**Visitors:** North Norfolk is one of the UK's top holiday destinations, in 2015 nearly eight million people visited the area. We provide services to those visitors, be they day-trippers, or people

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<sup>3</sup> UKBADP1 Enterprise/Local Units by Employment Size Band 2015

staying in the area at holiday parks and cottages. The image of North Norfolk therefore needs to be treasured and valued by the Council.

**Partners:** The Council works with a range of partner organisations to deliver its organisational objectives. How we communicate and engage with those organisations can help to build alliances and understanding.

The range of partner organisations includes: Local Enterprise Partnership, Local Authorities in the Region, Destination Marketing Organisations - Visit North Norfolk and Visit Norfolk, Town and Parish Councils, NHS Organisations, Police, Fire, Norfolk County Council, Government Departments, The Crown Estate, International Companies – Shell, Perenco etc. Contractors e.g. Kier, Millennium Pest Control, Openwide International.

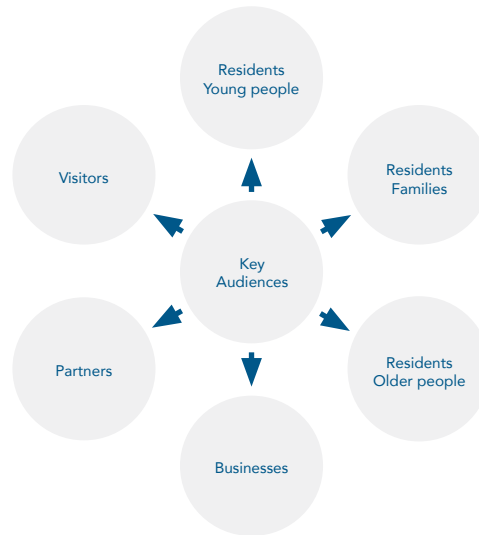


Figure 3: Key Audience Categories

## 6. Key Messages

The Council's key messages are based on the Council's Corporate Four Year Plan and our statutory responsibilities. Our overriding message is that we are a democratic, public sector organisation working on behalf of the people of North Norfolk. Helping people to understand the power of local democracy to shape their neighbourhoods and communities is vital; we need to build awareness of how people can vote in elections and have their say in between the four year voting cycle.

The Council's priorities are to support jobs and the economy; to improve housing and infrastructure; to maintain the coast and our countryside and to encourage people to be healthy while providing services as efficiently and effectively as possible.

The Council's narrative around these key priority areas needs to appeal to our stakeholders; people need to understand what we are doing to support the area and the community.

This means:

- Linking all activity to the appropriate corporate priority;
- Writing key messages in a way that people understand;
- Using infographics and pictures where necessary to inform debate and communications

## 7. Risks

Risk	Mitigation
Misunderstanding by the public about the Council services and activities	Adoption of the Communications Strategy – pro-active communications, and media monitoring
Lack of awareness of Council services and activities e.g. people not claiming benefits or missing out on services they are entitled to	Adoption of Communications Strategy – service campaigns
Lack of community engagement leads to a ‘democratic gap’ between the Council and the community	Adoption of the Communications Strategy
Reputational damage – misunderstanding of the Council damages the trust people have in the authority; lack of engagement with the community	Adoption of Communications Strategy
Local democracy is seen as irrelevant – e.g. lower numbers of people voting or standing for election	Adoption of Communications Strategy – to demonstrate the value of democracy
Inappropriate use of social media by employees calls the Council’s reputation into question	Policy and procedure for work-related social media accounts; IT Security Policy signed by employees which includes a statement on responsible use of social media; Code of conduct for officers and Members and a duty to protect the reputation of the authority.
Criticism arising from an inability to meet the demands of people on social media to join conversations/answer enquiries	Manage expectations with clear, published social media policy; Communications Strategy
Inappropriate content being published in error, e.g. an embargoed press release, social media posting	Communications Strategy Access to the Council’s social media accounts held by the Communications Team; Communications policies and procedures; Social media guidance issued to any employee with a work related account;
Technical security of social media accounts and potential for hacking and vandalism of content	IT Security Policy
Internal audiences left out of the loop when major events or activities occur	Communications Strategy.

## **8. Outcomes**

The key communications outcomes are linked to the Council's Corporate Priority to ensure people can get the information they need quickly and efficiently, that people are aware that the authority is working with and for the people of North Norfolk and is dedicated to providing efficient and effective services. To speak up for and represent the area effectively, lobbying for our residents and helping to support the district's economy, tourist industry and communities.

## **9. Monitoring and Evaluation**

See Appendix 3.

## Appendix 1 The Code of Recommended Practice on Local Authority Publicity in England (2011)

As a public sector organisation the Council has a duty to follow the Code of Recommended Practice on Local Authority Publicity in England (2011). This revised code applies to all unitary, county and district councils in England and Wales.

The Code sets out the principles for publicity by local authorities, namely that publicity should:

- Be lawful
- Be cost effective
- Be objective
- Be even-handed
- Be appropriate
- Have regard to equality and diversity
- Be issued with care during periods of heightened sensitivity

In addition to our legal duty outlined above the Council will follow the principles of best practice, namely:

- Truthfulness
- Openness
- Transparency

Please follow this link to the full code: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5670/1878324.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5670/1878324.pdf)

## Appendix 2 Council's Media Protocol

1. All Council media responses and news releases will have regard to the Code of Conduct on Local Government Publicity under the Local Government Act.
2. All news releases on behalf of the Council will be issued through the Communications team in consultation with the Cabinet Portfolio-holder for Communications.
3. All media enquiries to the Council will be directed, at least in the first instance, to the Communications team. (Councillors may be contacted directly by the media and they will respond as they think fit in their particular capacity as a Member of NNDC, in their role as a Cabinet Member or as a Local member as appropriate, either directly or through the Communications team) NB: This protocol will be amended by the specific protocol applying during the pre-election period.
4. When a member of staff receives a media enquiry and the details and deadline for returning a response will be sought from the journalist and, where possible, every effort will be made to return a response within this deadline. In all cases the Communications team will be made aware as soon as an enquiry is received and be provided with details of the request. The Communications team will immediately notify the Cabinet Portfolio-holder for Communications of the enquiry and agree a timescale for responding to the enquiry.
5. In all cases other than a request for simple verification of fact or unless approval has been granted beforehand, all enquiries will be discussed with the Communications team, the Cabinet Portfolio-holder for Communications and/or the Leader prior to response.
6. In most cases the response will include an attributed quote, unless the answer is purely factual and for information only.
7. All quotes and interviews, unless otherwise approved by the Cabinet Portfolio-holder for Communications, should be from a Cabinet Member (or other Councillor whose official role allows them to speak on behalf of the Council). Just who should be the spokesperson will be advised by the Cabinet Portfolio-holder for Communications and/or Council Leader, or in their absence the appropriate Cabinet Portfolio-holder). If this is not possible, advice will be sought from a member of CLT or the Communications Manager.
8. All Council Media Releases will be in accordance with the updated Council Constitution. See extract below:

*A primary intention of the Government in introducing executive arrangements was to raise the public and media profile of Portfolio Holders and to make the Cabinet directly accountable for decisions taken. It follows that media presentation and media support will reflect this. Advice to the Cabinet and Portfolio Holders in relation to the media will be provided on a confidential basis if requested.*

*Overview and Scrutiny Chairmen shall ensure that all media statements relating to the scrutiny function have the support of the relevant Overview & Scrutiny Committee. Any such statements must be consistent with the Council's intent that the scrutiny function shall help to achieve a culture of continuous improvement throughout the Council.*

*The media officer and other officers will also assist non-Cabinet Members in their media relations (on a confidential basis if requested).*

*Any officer assisting a Member with media relations must act at all times in the interests of the whole Council and in a politically impartial manner. Other than factual statements Members should not seek assistance from an officer with the preparation or issue of any media statement that will adversely affect the reputation of the Council.*

*Where a news release specifically relates to an issue affecting a particular ward or geographical area the local Members(s) will be advised by email or telephone as appropriate and sent a copy of the proposed release prior to distribution to the local media*

*The local member's name will always be added to the contacts list on the press release and the Communications team will offer advice and guidance in the usual way, seeking a quote from the local member if appropriate.*

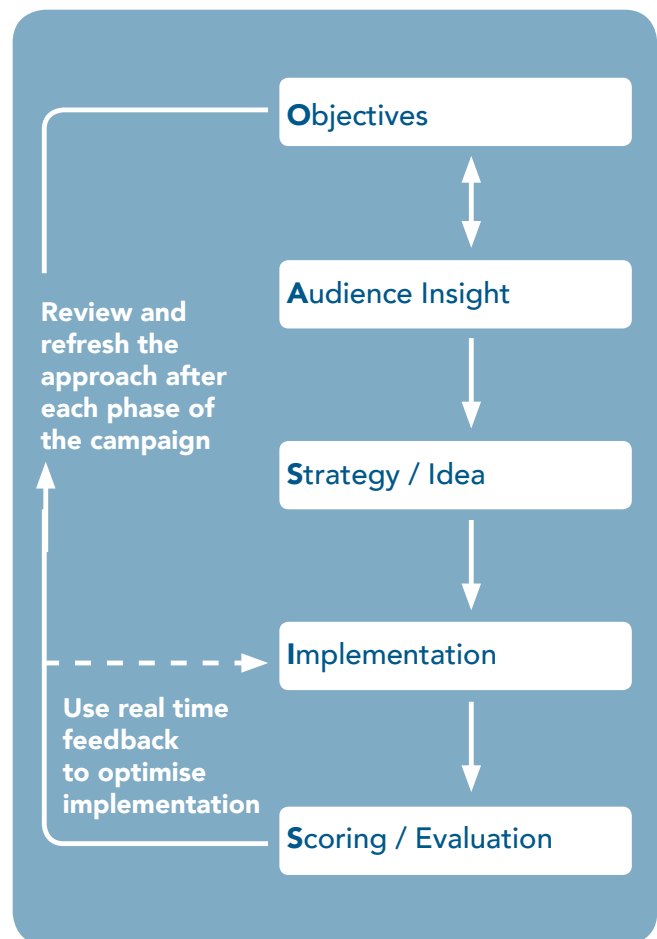
## Appendix 3 Evaluation Framework

The following Evaluation Framework will help to demonstrate the impact of communications for the organisation. In the words of Alex Aiken, Executive Director of Government Communications “It has never been more important to showcase the difference our communications make and demonstrate the value of our work”.

The framework proposed is informed by latest industry best practice. It is a reference guide to be used when planning an activity and setting out metrics to track our success delivering against communication objectives and organisational goals.

The eight golden rules of evaluation are:

1. Set SMART objectives well before the start of your activity
2. Think carefully about who your target audience is when selecting relevant metrics from each of the five areas
3. Ensure you adopt an integrated channel approach when evaluating your communications activity
4. Collect baselines and benchmarks where possible
5. Include a mix of qualitative and quantitative evidence
6. Regularly review performance
7. Act on any insight to drive continuous improvement and inform future planning
8. Make the link between your activity and its impact on your organisational goals or Key Performance Indicators.



<b>Media</b>				
Inputs	Outputs	Outtakes	Outcomes	Organisational Impact
Objectives, Audience, Strategy, Implementation Scorecard (OASIS) key steps Costs Content creation Media events/ briefings Pre-engagement activities	Target audience reach Key message penetration No of articles or broadcasts Media events successfully delivered or attendance Share of voice	Awareness of issue Sentiment Audience engagement Responses or Feedback Net favourability rating	Advocacy – recommendations, endorsements, Attitude change Behaviour change Return On Investment	Contribution to organisational goals: Behavioural Attitudinal – perception levels Experiential – customer experience Financial – increase revenue or cost reduction Reputation

<b>Digital</b>				
Inputs	Outputs	Outtakes	Outcomes	Organisational Impact
OASIS key steps Content development Content schedule Channel/ platform Pre-engagement activities Costs	Multi-media publishing (blog posts, tweets, impressions, video, graphic, pics, page, audio reach) Digital channels (e.g. internet, micro sites, mobile, intranet) Reach (e.g. message penetration, share of voice) Unique people reached for Facebook; Average reach per each organic post; Average actual impressions per tweet (or sum of followers)	Follows/Likes/ Shares or Retweets Click-throughs, repeat visits, engagement rates Bookmarks, votes, Pins, @ mentions or hashtag use Message sentiment, favourability Comments Downloads/ subscriptions Bounce rates, completion rates Time on site	Advocacy – endorsements, reviews, hashtag reuse, organic posts Response e.g. online forms Co-operation/ Support e.g. earned channel pro-active content use Referral traffic e.g. unique visitors from other sites Attitude/ Behaviour change Satisfaction rating Return On Investment	Contribution to organisational goals: Behavioural Attitudinal – perception levels Experiential – customer experience Financial – increase revenue or cost reduction Reputation



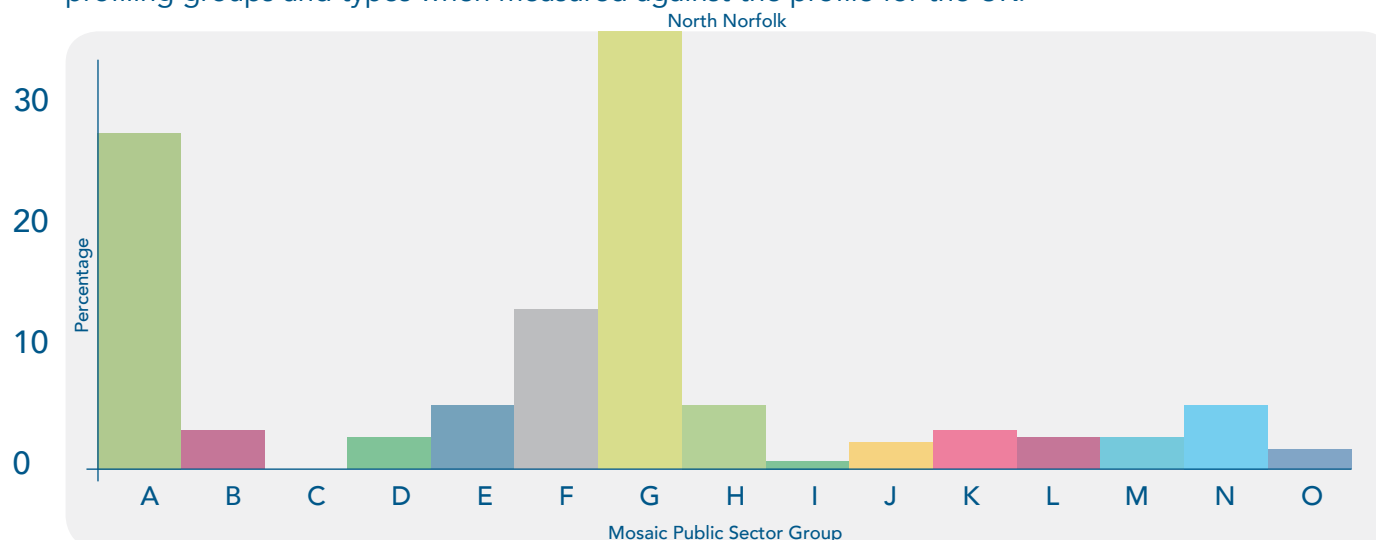
<b>Marketing</b>				
Inputs	Outputs	Outtakes	Outcomes	Organisational Impact
OASIS key steps Costs Campaign plan/ design Pre-engagement activities	Channels used e.g. owned, earned, paid or shared  Campaign target audience reach e.g. by channel, message, region  Partnerships secured  Reach through partnerships  Marketing events delivered  Attendance	Campaign awareness  Message recall/ recognition  Intended behaviour  Audience engagement e.g. enquiry calls, click-throughs, downloads, subscriptions  Responses/ Feedback e.g. sentiment of comments,  letters	Advocacy e.g. endorsements, comments, advocates  Message calls to action e.g. take up, registrations, calls/leads/ conversion  Attitude change  Actual behaviour change  Campaign Return On Investment	Contribution to organisational goals:  Behavioural  Attitudinal – perception levels  Experiential – customer experience  Financial – in- crease revenue or cost reduction  Reputation

<b>Stakeholder Engagement</b>				
Inputs	Outputs	Outtakes	Outcomes	Organisational Impact
OASIS key steps Costs Content creation Events organised Pre-engagement activities	Item of stakeholder communications delivered e.g. letters, newsletters  Target audience reached i.e. directly or via stakeholder comms channels  Events successfully delivered and attendance  Partners/ priority stakeholders secured  Channels used	Awareness  Sentiment/tone  Message recall  Purpose recognition  Audience engagement e.g. enquiry calls, click- throughs, shares, likes, retweets, downloads  Responses/ Feedback e.g. comments, letters	Stakeholder satisfaction rating  Reputation rating  Favourable responses e.g. votes, supportive quotes  Advocacy e.g. recommendations, endorsements  Behaviour change e.g. subversions, perception, com- plying actions Productive partnerships  Return On Investment Investment	Contribution to organisational goals:  Behavioural  Attitudinal – perception levels  Experiential – customer experience  Financial – in- crease revenue or cost reduction  Reputation

<b>Internal Communications</b>				
Inputs	Outputs	Outtakes	Outcomes	Organisational Impact
<p>OASIS key steps</p> <p>Theme based content i.e. employee voice, strategic narrative, organisational integrity and engaging managers</p> <p>Events organised</p> <p>Internal Communications initiatives</p> <p>Pre-engagement activities</p> <p>Costs</p>	<p>Theme based communications via print or on-line</p> <p>Target audience reached</p> <p>Events successfully delivered and attendance</p> <p>Initiatives delivered</p>	<p>Awareness levels</p> <p>Message recall and recognition</p> <p>Sentiment/tone of staff feedback</p> <p>Audience engagement e.g. readership</p> <p>Click-throughs/downloads staff postings/blogs</p> <p>Followers/likes/shares or retweets</p> <p>Satisfaction</p>	<p>Staff survey scores</p> <p>Survey response rates</p> <p>Advocacy</p> <p>Behaviours/attitudes e.g. organisation initiatives delivered, volunteering, registration</p> <p>Return On Investment</p> <p>Investment</p>	<p>Contribution to organisational goals:</p> <p>Behavioural</p> <p>Attitudinal – perception levels</p> <p>Experiential – customer experience</p> <p>Financial – increase revenue or cost reduction</p> <p>Reputation</p>

## Appendix 4 Mosaic Profile Information

The following indicates the profile of North Norfolk's community according to Mosaic Public Sector profiling groups and types when measured against the profile for the UK.



According to the profile data for our area we have a predominance of people from Mosaic Groups G, A, F, E, H and N – this translates into the following Mosaic groups:

### Rural Reality (Group G)

- Outlying seniors – pensioners living in inexpensive housing in out of the way locations
- Local focus – rural families in affordable village homes who are reliant on the local economy for jobs
- Satellite settlers – mature households living in expanding developments around larger villages with good transport links

### Country Living (Group A)

- Rural vogue – country loving families pursuing a rural idyll in comfortable village homes while commuting some distance to work
- Scattered homesteads – older households appreciating rural calm in stand-alone houses within agricultural landscapes
- Village retirement – retirees enjoying pleasant village locations with amenities to service their social and practical needs

### Senior security (Group F)

- Bungalow Haven – seniors appreciating the calm of bungalow estates designed for their age group

The detailed profiling of different groups includes information on Age, Household Income, Household Composition, Number of Children, Tenure, Property Type; Technology adoption, Channel Preference – e.g. phone, email, online, post, shopping and smart phone.

## Appendix 5 Emergency Communications Protocol

The Council works with other public sector agencies as part of the Norfolk Resilience Forum's Warning and Informing Group to ensure that there is a collaborative multi-agency response in place to deal with an emergency in Norfolk. Elected Members have a key role to play in supporting the organisation's emergency response and in supporting the community following an emergency.

The communications procedures and responsibilities are set out in:

- NRF Multi-Agency Major Incident Communications Plan
- NNDC Emergency Response Plan

## Appendix 6: Key Points

### Strategic Communications Planning

- A forward calendar of communications activity linked to committee agendas, service plans and projects, or national awareness days
- Pro-actively engaging the Council's communications team early-on
- Management team and councillor involvement in the Communication team's forward plan
- Campaigns linked to the Council's corporate priorities, e.g. channel shift, reduction of dog fouling, direct debit sign up for Revenues and Benefits customers

### External Communications

- Understanding where people get their information from
- Understanding what they need or would like to know
- Understanding how our message will be received – the language we use, the beliefs and biases people have
- Understanding how social media is an integral part of how people get information and engage with organisations
- Enabling two-way communication channels to encourage engagement and dialogue
- Ensuring information is focused on key audiences and enabling interactions e.g. e-magazine and email magazine updates focused on planning agents or business e-magazines for employers
- The ability to create bespoke subscription channels for holiday visitors, commercial outlets etc. providing them with the information they need when they need it e.g. an app for North Norfolk or apps for our tourism towns, e:comms bulletins for businesses or e:bulletins for parish and town councils
- Optimising the use of all available channels and scanning for new channels to utilise to reach our audience , provided there's capacity to fully support those emerging channels

## Media

- Adding video, photos or voice clips to news releases
- Providing copy which can be used straight by local media
- Providing media training to councillors so they feel more confident speaking to camera or to the microphone
- Writing up discussions and decisions from Council meetings (Cabinet, Overview and Scrutiny meetings) to local media as they are less likely to be covering the meetings; highlighting issues and discussions Council wide including the varying views of Members
- Identifying at the start of the year the events which can be co-sponsored by the media which are likely to attract holidaymakers and satisfy residents
- Identifying the unique selling points of north Norfolk (of which there are many) and promoting the region to national and international media
- Monitoring the coverage of the Council and reporting this back to Elected Members at least once a year

## Social Media

- Understanding the profile of social media audiences e.g. if you use the Council's Facebook page you are three times more likely to be communicating with women than men;
- Social Media and web protocols setting out how these channels should be used consistently
- Understanding how tone of voice is crucial in being received as an authentic organisation
- Understanding the importance of community groups and pages within north Norfolk e.g. town and community pages within the region
- Responding to queries quickly and effectively on social media
- Generating our own social media content
- Attracting more people to the Corporate and other social media accounts on Facebook
- Attracting more Twitter followers
- Listening to the voices of our community on social media and responding with accurate, helpful content where appropriate
- Reviewing the effectiveness of social media channels and identifying whether new social media channels should be invested in
- Monitoring how the Council is perceived on social media and our reputation e.g. sentiment
- Integrating our social media content with our media content
- Using social media during emergencies to communicate directly with the public

## Web

- Making the website work on tablets and mobile devices by completing the move to the new content management system (Umbraco)
- Enabling people to pay for services online by ensuring web development and tools work for our customers
- Enabling people to report matters online (without printing off a form and filling it in)
- Streamlining content to support actions people want to do online and removing any unnecessary content
- Re-ordering content so it is intuitive, and ensuring this is a continual process
- Ensuring content is written in Plain English
- Removing forms that need printing off and posting back and replacing with online forms
- Checking links within and external to the site
- Identifying out of date information and removing it
- Ensuring the search works effectively

## Marketing and Branding & Events and Festivals

- Updating the brand style guide
- Ensuring our brand is used consistently on all activities and assets
- Replacing materials where the branding is not consistent
- Adapting the brand for digital use
- Adopting a house style for corporate documents, letters, plans, emails
- Applying our brand to all our assets
- Applying our brand where suppliers are delivering services on our behalf
- All publications destined for the general public must be produced with the involvement of the communications team

## Roles and Responsibilities

- Internal communications is as important as external communications – information should be relayed internally either before or at the same time as it is made public
- Staff communications should be timely, relevant and useful – linking what the organisation wants to achieve to what people are doing and the behaviours we want to create
- Elected member communications is essential – councillors have a public duty to represent their wards and it's essential for Elected Members to have credible, timely information
- Communications underpins the Council's core competencies and while it is everyone's responsibility, the Council's communications team is a professional resource to support the organisation
- How staff and Elected Members conduct themselves in person and on social media has an impact on the Council's reputation.

## Internal Communications

- A refresh of the Council's intranet in 2017
- Promotion of the Council's core values
- Regular updates from the Corporate Leadership Team
- An annual survey of staff and elected Members on communications
- Communication of the Council's digital transformation programme and other initiatives
- A review of Member communications

## Committee Reports and Meetings

- Ensuring officers are trained in report writing and presentation
- Providing public speaking training for Elected Members and Officers
- Coverage of the Executive Cabinet meetings and agendas
- Coverage of Overview and Scrutiny functions and agendas

## Engagement

- Discussion with Elected Members about the way to improve community engagement
- Member training on using social media platforms to encourage engagement
- Elected Member Facebook or other social media accounts to enable councillors to easily inform residents about activities and issues within their wards
- Corporate calendar of events and engagement opportunities e.g. business events, parish council events
- Sharing the insights gained from service events with other council teams and Members
- Member training on emergency communications protocols and plans
- Ensuring NNDC consultation follows the 2016 Government principles.

## Events and Festivals

- The Council should consider how to extend the number of events or look to co-support festivals, building alliances with others to celebrate the area and attract attention of national and international media.
- The Council should use these opportunities to encourage the public to interact with us via our Website and/or social media

## Key Messages

- Linking all activity to the appropriate corporate priority;
- Writing key messages in a way that people understand;
- Using infographics and pictures where necessary to inform debate and communications



## COMMUNICATIONS STRATEGY

2016 - 2019



North Norfolk District Council  
Holt Road, Cromer  
Norfolk NR27 9EN

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[www.north-norfolk.gov.uk](http://www.north-norfolk.gov.uk)

### **Compulsory Purchase of 4 Sculthorpe Lodge, Breck Lane, West Barsham**

Summary: This report makes the case for compulsory purchase of the above property, which has been empty in excess of 18 years.

Options This property has been empty for a considerable period and is in a poor state of repair. Considerable time and effort has gone in to attempts to work with the owner to encourage him to take the steps necessary to return the property to a habitable condition but these efforts have failed to achieve a positive outcome for the property..

The property first came to the Enforcement Board's attention in September 2014 amid concerns that the property could be hazardous and dangerous due significant and prominent cracking to the property exterior.

Initially, the Council was looking to take action under Building Act legislation as a dangerous structure but evidence from the owner's surveyor indicated that the property was not in imminent danger the council agreed to give the owner time to address the long term erosion in October 2015.

As no works have been carried it is felt that the property will not be returned to use without direct intervention by the Council and due to long-term empty status of this property this report proposes that the Council applies to the Secretary of State for a Compulsory Purchase Order as the most likely way to ensure the property is returned to use.

Prior to seeking an order, the Council would be expected to have attempted to reach a voluntary agreement for sale with the current owners, which would be based on an independent market valuation.

It may be possible to enter into an arrangement with a purchaser for a back to back sale following compulsory purchase. If not, then once acquired, the property would be sold on the open market by the method likely to attract greatest interest from potential developers.

Recommendations: **1. That officers are authorised to seek a voluntary agreement from the owner of 4 Breck Lane, West Barsham, to sell the property to the Council stating clear timescales for the owners**

to respond and to complete the sale.

2. If no such agreement is reached, that officers are authorised to proceed with a Compulsory Purchase Order on the property from the Secretary of State.
3. That officers are authorised to take necessary steps for the acquired property to be sold on at the earliest opportunity with binding conditions that will make clear the Council's expectation for the property be returned to use as soon as realistically achievable.
4. That the purchase will be funded from capital resources from which virement of the necessary funds is authorised.
5. To cap the CPO on costs at the upper limit identified in the accompanying briefing paper.

Reasons for  
Recommendations:

1. There is an expectation by the Secretary of State that Councils will seek to reach voluntary agreement on purchase prior to a Compulsory Purchase being authorised.
2. To enable the property to be brought back into use, thus reducing the number of long-term empty properties in the area and increasing housing provision.
3. As for 2 above.
4. To make the necessary financial provision for purchase
5. To ensure CPO remains a cost effective option.

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

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

<i>North Norfolk Empty Homes Policy Enforcement Board Briefing Note (Appendix A) Section 17 Housing Act 1985</i>
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Cabinet Member(s)
-------------------

Ward(s) affected: Walsingham
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Contact Officer, telephone number and email: Will Abë, 01263 516080, <a href="mailto:william.abe@north-norfolk.gov.uk">william.abe@north-norfolk.gov.uk</a>
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#### **1. Introduction**

- 1.1 The Council's Empty Homes Policy states that effective use of existing housing stock is key to achieving the stated ambition that 'Everyone in North Norfolk should have the opportunity to buy or rent a decent home at a price they can afford, in a community where they want to live and work.'
- 1.2 There are currently 500 long-term empty properties within North Norfolk. Long-term empty properties are defined as those empty for 6 months or more.
- 1.3 The owner Purchased the property in 1994 and it has never been occupied since that time.
- 1.4 In accordance with the Empty Homes Policy, the Council has considered various actions and made repeated attempts to engage the owner but although promises have been made no action has been taken to return this property to use. .
- 1.5 The options considered have been outlined above.
- 1.6 The property has been valued by an independent property valuer and any voluntary offer should be made on this basis prior to seeking a Compulsory Purchase Order.

## **2. The Case for Compulsory Purchase (CPO)**

- 2.1 Section 17 of the 1985 Housing Act states:

A local authority can acquire:

- A house, or houses, for the provision of improvement of housing accommodation (whether by itself or someone else), but,
- action must achieve a quantitative or qualitative housing gain

- 2.2 There is an obvious quantitative gain in compulsorily acquiring this property in North Norfolk, where it is widely accepted that there is a shortage of housing.
- 2.3 The long-term nature of the property's empty status, along with the reticent nature of the owner and a lack of viable cost alternatives, mean a Compulsory Purchase Order is the approach most likely to deliver the Council's preferred outcome.
- 2.4 Compulsory Purchase Orders can take a significant amount of time to progress to approval stage by the Secretary of State but if approved give Council a greater influence on the outcome than other approaches.

## **3 Financial Implications and Risks**

There will be costs attributable to a CPO (see Appendix A). However, based on the independent valuation and equity in the property, it is likely that most, if not all, of the costs attributable to a CPO in this case could be recovered by the resale of the property.

The level of costs will depend on relevant objections to the Secretary of State once we have submitted our CPO and obviously, any Public Inquiry

would make CPO more expensive and extend the process. The costs in the accompanying briefing are indicative of a worst-case scenario.

The law states that owners whose properties are the subject of a CPO are entitled to a Basic Home loss payment which is typically 7.5% of the sale value. In the case of the owners accepting a voluntary offer, the Council will only incur the normal costs of purchase.

Compulsory purchase of this property will see the property being sold on the open market to replace the capital resources used for this scheme. The return to use of the property will also accrue New Homes Bonus to the Council.

The resale of the property will be dependent on the housing market and the timescale for such will have cost liability implications should there be any delays.

#### **4 Sustainability**

Bringing back empty properties represents a sustainable use of resources and land.

This property occupies a prominent location on a main thoroughfare and taking action that will lead to the property being refurbished and reoccupied it will make a significant regeneration contribution to the town.

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

The Courts recognise that English CPO law and procedure complies with the European Convention on Human Rights. The Council, in pursuing this course of action, has considered the balance to be struck between individual rights and the wider public interest. Interference with human rights, if any, is justified in terms of the benefits that the action would have for the community as a whole.

Empty homes are a wasted resource and have the potential to adversely affect local housing markets. This proposed course of action will bring on to the market, a property that has been empty for many years and will create a housing opportunity that has been denied to households seeking housing.

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

Empty homes have a detrimental effect on the visual amenity of the neighbourhood and can attract vandalism; fly tipping and other forms of anti-social behaviour as well as reducing the value of the adjoining properties. This proposed course of action will reduce the possibility of unauthorised entry, the risk of injury and criminal damage and the general unsightliness issues which have been raised to various departments of the Council.

#### **7 Conclusions**

The Council has made significant efforts along the way to engage the owners and encourage them to take action to bring this property back into use. Efforts to engage the owners have proved unsuccessful and after considering and discounting all other legislative options officers believe Compulsory Purchase Order is the most likely way to ensure this long-term empty property is returned to use.