



GREAT YARMOUTH
BOROUGH COUNCIL

Council

Date: Tuesday, 21 February 2017
Time: 19:00
Venue: Council Chamber
Address: Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

AGENDA

Open to Public and Press

1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

MR CHRIS SKINNER - MONITORING OFFICER

Details

APPOINTMENT OF MONITORING OFFICER

Details

2 **DECLARATIONS OF INTEREST**

You have a Disclosable Pecuniary Interest in a matter to be discussed if it relates to something on your Register of Interests form. You must declare the interest and leave the room while the matter is dealt with.

You have a Personal Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

You must declare a personal interest but can speak and vote on the

matter.

Whenever you declare an interest you must say why the interest arises, so that it can be included in the minutes.

3 PUBLIC QUESTION TIME

To consider any questions from Members of the Public. No questions received for this meeting.

4 PETITION - RETROSKATE ARTISTIC CLUB - MARINA CENTRE

Members are advised that a petition has been received with over 1000 signatures concerning the Retroskate Artistic Club who operate from the Marina Centre.

Article 45 of the Council's Constitution relating to the Petition Scheme states that " If a petition contains more than 900 signatures it will be debated by the full Council". It also states that " The petition organiser will be given 10 minutes to present the petition at the meeting and the petition will then be discussed by Councillors for a maximum of 20 minutes".

The petition calls upon the Council to support the continuation of the Retroskate Artistic Club and reject proposals to demolish its venue.

5 COUNCIL MINUTES

6 - 16

To confirm the Council minutes of the 22 December 2016 and 17 January 2017.

6 SERVICE COMMITTEE MINUTES

17 - 43

To receive the following minutes :-

(a) Economic Development Committee - 21 November 2016

(b) Environment Committee - 23 November 2016

(c) Policy and Resources Committee - 29 November 2016

(d) Housing and Neighbourhoods Committee - 8 December 2016

7	<u>HOUSING REVENUE ACCOUNT BUDGET SETTING 2017/18</u>	44 - 67
	Report attached.	
8	<u>TREASURY MANAGEMENT STRATEGY 2017/18</u>	68 - 96
	Report attached.	
9	<u>2017-18 BUDGET REPORT</u>	97 - 143
	Report attached.	
10	<u>REVENUE BUDGET AND COUNCIL TAX SETTING 2017/18</u>	144 - 160
	Report attached.	
11	<u>ORGANISATIONAL DEVELOPMENT</u>	161 - 161

On reference from the Policy and Resources Committee of the 7 February Council is recommended to agree the following changes in relation to the Senior Management arrangements of the Council as follows :

Recommendation 1

Reduce the size of the management cohort to create a management team which is slightly smaller and more agile with strengthened strategic capacity.

To recruit a management team comprising CEO, two Strategic Directors, Finance Director and eight Heads of Service. Revised job descriptions to be prepared for strategic Directors and Heads of Service.

Recommendation 2

To appoint a Development Director who will be responsible for driving forward the Council's ambitions in respect of regeneration, commercialisation and asset management with an initial focus on Beacon Park and the Town Centre Initiatives (3 year appointment).

Recommendation 3

To review the current MO arrangements with NPLaw to further strengthen internal governance and contract management arrangements.

A copy of the proposed Management Structure is attached.

PLEASE NOTE : Full Organisational Development Report can be found at the foot of the CMIS agenda page

12 REVIEW OF COMMITTEE FORM OF GOVERNANCE AND THE COUNCIL'S CONSTITUTION 162 - 223

Report attached.

13 APPOINTMENTS TO OUTSIDE BODIES

a) St George's Trust - Councillor K Grey to replace Councillor Walch

b) Great Yarmouth Preservation Trust - Councillor Stenhouse to replace Councillor A Grey

c) Great Yarmouth Transport and Infrastructure Steering Group - Councillor K Grey to replace Councillor A Grey

14 DECISIONS TO EVICT COUNCIL TENANTS WHERE A POSSESSION ORDER HAS BEEN GRANTED 224 - 228

Report attached.

15 PAY POLICY STATEMENT 2017/18 229 - 237

Report attached.

16 COMMITTEE TIMETABLE

Report to follow.

17 ANY OTHER BUSINESS

To consider any other business as may be determined by the Chairman of the meeting as being of sufficient urgency to warrant consideration.

18 EXCLUSION OF PUBLIC

In the event of the Committee wishing to exclude the public from the

meeting, the following resolution will be moved:-

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."

19 CONFIDENTIAL MINUTES

Details

Council

Minutes

Thursday, 22 December 2016 at 19:00

PRESENT :

His Worship the Mayor Councillor Bird (in the Chair); Councillors Annison, Bensly, Borg, Carpenter, B Coleman, Connell, Fairhead, Flaxman-Taylor, Grant, A Grey, K Grey, Hammond, Hanton, Jeal, Lawn, Myers, Plant, Pratt, Robinson-Payne, Smith, Thirtle, Wainwright, Walker, Waters-Bunn, Weymouth and Wright.

Also in attendance were :-

Mrs S Oxtoby (Chief Executive Officer), Mr C Skinner (Monitoring Officer), Ms K Sly (Section 151 Officer), Mrs K Watts (Transformation Programme Manager), Mr R Hodds (Corporate Governance Manager), and Mr D Wiles (Communications and Press Officer).

1 TERRORIST ATROCITY IN GERMANY

His Worship the Mayor referred to the recent terrorist atrocity in Germany and Members stood in one minute's silence as a tribute to those that had lost their lives in this incident.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Andrews, M Coleman, Cutting, Davis, Hacon, Jones, Mavroudis, Reynolds, Rodwell, Stenhouse and Williamson.

3 DECLARATIONS OF INTEREST

Councillor Hammond declared a Personal Interest in the item relating to the Market Place Fees and Charges review.

4 PUBLIC QUESTION TIME

a) Question from Great Yarmouth and District Trades Union Council as follows :-

" In view of the current Universal Credit crisis, would the Council agree to hold a public meeting where agencies and those affected are encouraged to voice their own experience of this new benefit? That Mr Brandon Lewis, our MP is invited to that meeting, to hear first hand the problems faced by residents. Furthermore, will the Council implement a policy where those eligible, who present themselves to the Council, having been evicted because of sanctions or rent arrears triggered by Universal Credit system, are not considered to have intentionally made themselves homeless? In adopting such a policy, the Council commits to supporting the victims of the Universal Credit system find housing."

In response the Leader of the Council reported that the Council are currently engaged in regular meetings with DWP and supporting agencies to discuss the operational impact of Universal Credit in Great Yarmouth. At a local level we discuss the impact on residents, landlords and ourselves as a Council. Any concerns and suggestions of improvements are fed back to the Universal Credit National Programme Office. We have attended Universal Credit local authority engagement sessions with the DWP in London and discussed the impact of the full service of Universal Credit in Great Yarmouth. These discussions are ongoing and we continue to work with voluntary agencies to secure funding in order to provide impartial advice. We are also working to secure additional resource, targeted at those most vulnerable and least able to manage their claims online from the DWP to improve services further.

We currently have a number of locations across the borough, including the Council, where residents can access the universal credit online and find advice and assistance in managing their Universal Credit claim. As these facilities are in place we do not see the necessity of holding a public meeting at this time which may impact on personal data implications.

In line with legislation and national guidance the Council does not operate any blanket policies when assessing homelessness applications. Each case is decided on the particular facts and circumstances of the household who make application. This will include whether the property that they previously lived in was affordable.

The question of whether we will evict will depend on the individual circumstances of the case. As an example, we have had cases where the tenant has claimed and possibly received Universal Credit and is also in large rent arrears. In addition there have been substantial issues with anti social

behaviour e.g. drugs, violence etc. In those cases we will continue the process and have evicted. We have had other cases where we believe the tenant is not in occupation and again we would proceed. The finer categories where tenants have claimed Universal Credit at the end of the eviction process where arrears are already very high, up to £3000 plus, are responsibilities as a Council will depend if the household meets the five tests of homelessness i.e they are eligible, homeless, in priority need, not intentionally homeless and have local connection. In brief, single people with no medical issues would not qualify for assistance but households with children and/or with disabilities probably would unless they caused their own homelessness.

The current state of play is that the process of the claiming appears to be smoother, we are not experiencing the issues around lost forms etc, however, rent arrears are increasing purely due to the increased number of our tenants transferring to Universal Credit.

In accordance with the Constitution Mr Cannell was then entitled to ask one supplementary question as follows :-

" Does the Leader believe that Brandon Lewis MP should get away from the shirt tails of the Prime Minister and take a more active role with regard to Universal Credit issues ?"

In response the Leader reported that he was aware that the MP had been in contact with the relevant Minister for Universal Credit and was fully aware of all issues relating to this matter. The Leader commented that he felt that for the majority of people the process of Universal Credit was working well.

5 COUNCIL MINUTES

The Mayor presented the Council minutes of the 3 November 2016.

Councillor Wainwright referred to the item relating to Motions on Notice in respect of the matter concerning the letter that had been sent to the Secretary of State for Works and Pensions Damian Green MP regarding Universal Credit and referred to the effect this was having on a significant number of households.

For clarification, the Monitoring Officer reminded Members that Council minutes were included on the agenda for clarification and accuracy comments and that if Members wished to hold a debate on any items contained within Council minutes then Members should submit a Motion on Notice in order for this matter to be fully discussed by the Council.

Both Councillors Wainwright and Jeal commented that it had always been the practice of Great Yarmouth Borough Council to make comments and raise issues as a result of the Council minutes.

Councillor Wainwright also commented on the issue of food banks and the

percentage numbers of referrals that had been made. He also commented that he felt that it was a disgrace that the Leader had indicated in the Public Question Item that the Council would not be willing to hold a public meeting to discuss this issue. Councillor Myers also commented on his disappointment at the response received from the Secretary of State on this issue.

Councillor Walker expressed his concern with regard to the process of dealing with Council minutes and felt that a debate by Members was being stifled.

The Chief Executive Officer made the point that a Motion on Notice included on a agenda would make all Members aware of an item to be discussed at a Council meeting. A comment was made that the procedure for dealing with Council minutes could be discussed by the Constitutional Working Party.

PROPOSER : Councillor Plant

Seconder : Councillor K Grey

That the Council minutes of the 3 November 2016 be approved.

CARRIED

6 SERVICE COMMITTEE MINUTES - OCTOBER 2016

Proposer : Councillor Plant

Seconder : Councillor B Coleman

That the minutes of the October 2016 meetings of the Policy and Resources, Economic Development, Environment and Housing and Neighbourhoods Committees be received.

CARRIED

7 MEDIUM TERM FINANCIAL STRATEGY 2017-18 TO 2020-21

Council considered the Section 151 Officer's report which presented an updated Medium Term Financial Strategy 2017/18 to 2020/21. The Strategy had been updated to support the current Plan and will be used to inform the detailed budget for 2017/18.

Proposer : Councillor Plant

Seconder : Councillor Carpenter

(1) That the current financial forecast for the period 2017/18 to 2020/21 be noted.

(2) That the revised reserve statement as included at Appendix A of the Section 151 Officer's report to the financial strategy be noted.

CARRIED

8 FEES AND CHARGES 2017-18

Council considered the Section 151 Officer's report which outlined for approval the schedule of Fees and Charges for the 2017-18 financial year.

Proposer : Councillor Plant

Seconder : Councillor Carpenter

That the schedule of Fees and Charges for 2017-18 as detailed in Appendix A of the Section 151 Officer's report be approved.

CARRIED

9 MARKET PLACE FEES AND CHARGES REVIEW

Council considered the Transformation Programme Manager's report with regard to the Market Place Fees and Charges review. Council was reminded that this report had been considered and approved by the Economic Development Committee at its meeting on the 21 November 2016.

Councillor B Coleman reported that over the last year the Council had undertaken a significant review of its market and had made some substantial changes to improve the market in terms of its management and the physical market area, alongside the enhancement of a programme of events to boost footfall.

Councillor Wainwright commented that not all Members of the Economic Development Committee had agreed with the proposed recommendations and he reminded Council that the current policy with regard to fees and charges was RPI +2% and he felt that this policy should apply to the market place fees and charges.

Councillor Jeal also commented that if Council was minded to agree to the recommendations this could give rise to other requests for similar reduction in fees and charges.

Councillor Plant reminded Council that the recommendations for the market place fees and charges had been agreed by the Economic Development Committee. He stated that there was a general decline year on year with regard to the operation of the market and measures were now proposed to try and strengthen the market place operation which would hopefully result in an increase to usage and footfall in this area.

Councillor K Grey stated that the Council should support the proposed Town Centre Initiative and commented that she supported the recommendations as now proposed.

Councillor Walker stated that the Market Place will be receiving funds to improve the town centre through the Town Centre Initiative. He also felt that the Council should not go against the current Council policy on rent increases.

Proposer : Councillor Walker

Seconded : Councillor Wainwright

That no action be taken with regard to the proposed Market Place fees and charges and that this issue be referred for consideration to the Town Centre Initiative.

LOST

Proposer : Councillor B Coleman

Seconded : Councillor Plant

(1) That option 3 with regard to the two day fees and charges for a 2.5% decrease for the 2016/17 fees be agreed, and that in future years this fee is changed in line with the Council's fees and charges policy

CARRIED

(2) That option 1 for the Friday market fees and charges of no increase from the 2016/17 fees be agreed, and that this fee structure be applied to any additional markets that are held during the year, for example a Sunday market as part of a Town Centre event.

CARRIED

(3) That the charity barrow charges be continued and that no change be applied for the use of this barrow by a registered charity.

CARRIED

(4) That a second barrow scheme be put in place for craft traders and that they pay a daily fee of £10

CARRIED

(5) That option 3 in respect of the six day fees and charges for a 2.5% decrease be agreed, and that in future years this fee be changed in line with the Council's fees and charges policy.

CARRIED

10 COUNCIL TAX – TAX BASE - 2017-18

Council considered the Revenue Manager's report which asked Members to approve the calculation of the 2017/18 Tax Base totalling 27,342.

Proposer : Councillor Plant

Seconder : Councillor Smith

That approval be given to the calculation of the 2017/18 Tax Base totalling 27,342, and the estimated tax bases for the Borough and for each Parish as detailed in Appendix A of the Revenue Manager's report.

CARRIED

11 ADDITIONAL COUNCIL MEETING

His Worship the Mayor reported that an additional meeting of the Council will be held on Thursday 12 January 2017 at 8pm and that prior to that would be a Members briefing on the options for the Marina Centre and this would take place between 6pm and 8pm.

12 ANY OTHER BUSINESS

His Worship the Mayor concluded the meeting and wished all Members and Officers a very Merry Christmas and a Happy and Prosperous New Year.

The meeting ended at: 20:10

Council

Minutes

Tuesday, 17 January 2017 at 19:00

PRESENT :

His Worship the Mayor Councillor Bird (in the Chair), Councillors Annison, Bensly, Borg, Carpenter, B Coleman, M Coleman, Cutting, Fairhead, Flaxman-Taylor, Grant, A Grey, K Grey, Hacon, Hammond, Hanton, Jeal, Lawn, Mavroudis, Myers, Plant, Pratt, Reynolds, Robinson-Payne, Thirtle, Wainwright, Walch, Walker, Waters-Bunn, Weymouth, Williamson and Wright.

Also in attendance were :-

Mrs S Oxtoby (Chief Executive Officer), Mrs J Beck (Director of Customer Services), Mr R Read (Director of Housing and Neighbourhoods), Mrs K Watts (Transformation Programme Manager), Ms K Sly (Section 151 Officer), Mr D Johnson (Deputy Monitoring Officer) and Mr R Hodds (Corporate Governance Manager).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Andrews, Connell, Davis, Jones, Rodwell, Smith and Stenhouse.

2 DECLARATIONS OF INTEREST

In respect of the item relating to Item 5 Venetian Waterways, Councillor Waters-Bunn declared a Personal Interest in her capacity as Chairman of PONY, and Councillors B Coleman, M Coleman and Williamson declared their Personal Interest in respect of their positions as Trustees of the Great Yarmouth Preservation Trust.

3 ELECTORAL CYCLE

Council considered the Licensing and Election Manager's report which asked Members if they wished to consider the change in the Electoral Cycle for Great Yarmouth and to authorise consultation with interested Parties on a proposal to change the Council's Electoral Cycle from elections by thirds to whole Council Elections.

Councillor Walker suggested that as the Norfolk County Council Elections were being held in May this year it would seem appropriate to hold a Referendum coinciding with the date of the County Council Elections in order to gage the public's views on the proposal to change the Electoral Cycle. The point was made that the Borough Council could still undertake the consultation process on this issue prior to any Referendum being held in May 2017.

The Deputy Monitoring Officer reported that it was open to any Local Authority to hold a non binding Referendum / Local Poll.

PROPOSER : Councillor Walker

SECONDER : Councillor Jeal

That approval be given to the holding of a non binding Referendum with regard to the Electoral Cycle to be held on the same date as the Norfolk County Council Elections in May 2017.

CARRIED

4 EMPLOYMENT COMMITTEE

Council considered the Deputy Monitoring Officer's report with regard to the establishment of a Employment Committee. In respect of appointments the Deputy Monitoring Officer reported that the Constitution requires a political balance, however Council may consider it more appropriate for such Committee to include all Group Leaders for cross party representation. This would require a unanimous decision by the Council.

PROPOSER : Councillor Plant

SECONDER : Councillor Wainwright

That the political balance rule be waived and that the Group Leaders be appointed as the members of the Employment Committee.

LOST

PROPOSER : Councillor Plant

SECONDER : Councillor Wainwright

(1) That the political balance rules should apply to the Membership of the Employment Committee and that the Members of this Committee will be Councillors Carpenter, K Grey, Hacon, Plant and Wainwright.

(2) That the Terms of Reference for the Employment Committee as detailed in the Deputy Monitoring Officer's report be approved.

CARRIED

5 VENETIAN WATERWAYS

Council considered the Group Manager Neighbourhoods and Communities report with regard to the Venetian Waterways and Boating Lake Restoration Scheme. Members were advised that the Heritage Lottery Fund had recently announced that they had approved the Council's application for funding for the restoration of the Waterways and Boating Lake in the sum of 1.77 Million Pounds. The report outlined the scheme which will bring about the restoration the plan for making the attraction sustainable and the implications for the Council if the Heritage Lottery Fund was approved. The report recommended that the Council makes an allowance in the Capital Programme to fund the difference between the Heritage Lottery funds award and the full cost of the scheme.

In discussing the report, the following issues were discussed :-

- The Offers of Help that had been received from organisations to assist with the Project
- Details with regard to potential running costs
- The details of the deduction of a Business Plan for this Project.

PROPOSER : Councillor B Coleman

SECONDER : Councillor Plant

(1) That approval be given to the creation of budget provision within the Capital Programme for expenditure on the Waterways Project.

(2) The creation of a Member Working Party to consult and advise on the Waterways Project, such Working Party to comprise Councillors Bensly, B Coleman, Hammond, Walch and Williamson.

(3) To delegate to the Chief Executive Officer, in consultation with the Section 151 Officer and the Member Working Party the power to take all steps required to progress the Waterways project including the commitment of expenditure.

CARRIED

6 MOTIONS ON NOTICE

In accordance with Paragraph 26.11 (Motions on Notice) Council were asked to consider the following motions :-

(a) Motion on Notice from Councillors Jeal, Pratt, Wainwright, Walker and Wright :-

" In view of the current Universal Credit crisis, we call upon this Council to write to Brandon Lewis MP and request that he attends a public meeting (to be arranged) where agencies and those affected are encouraged to voice their own experience of this new benefit."

PROPOSER : Councillor Wainwright

SECONDER : Councillor Jeal

That the following Motion on Notice be agreed :-

" In view of the current Universal Credit crisis, we call upon this Council to write to Brandon Lewis MP and request that he attends a public meeting (to be arranged) where agencies and those affected are encouraged to voice their own experience of this new benefit."

CARRIED

In discussing this Motion a Member asked whether it would be possible to hold a Members briefing on the details of the Tax Credit System. The Chief Executive Officer confirmed that she would arrange for this briefing to be held for Members.

(b) Councillor Jeal reported that the proposed Motion on Notice from Councillors Fairhead, Jeal, Pratt, Wainwright and Walker regarding Voluntary Sector Grants had been withdrawn.

The meeting ended at: 19:45

Economic Development Committee

Minutes

Monday, 21 November 2016 at 18:30

Present :

Councillor B Coleman (in the Chair); Councillors Grant, K Grey, Hammond, Hanton, Jeal, Reynolds, Pratt, Stenhouse, Wainwright, Walch, Walker.

Also in attendance :-

Mrs S Oxtoby (Chief Executive Officer), Mrs K Watts (Transformation Programme Manager), Mrs K Colby (Senior Business Advisor), Mr D Glason (Group Manager, Growth), Mr P Wright (Economic Development Officer), Mr J Clements (Principal Strategic Planner) Mr D Wiles (Communications and Press Officer) and Mrs S Wintle (Member Services Officer).

1 APOLOGIES FOR ABSENCE

There were no apologies for absence received.

2 DECLARATIONS OF INTEREST

Councillor Reynolds declared a Non Pecuniary interest in the item relating to the Market Place Bus Trail, and in line with the Constitution was allowed to speak and vote on this matter.

Councillor Hammond declared a Non Pecuniary interest in the item relating to Housing Delivery in the Borough and a Personal Interest in the item relating to Market Fees and Charges, and in line with the Constitution was allowed to speak and vote on these matters.

3 MINUTES

The minutes of the meeting held on the 10 October 2016 were confirmed subject to the following amendments :-

- i) The addition of Councillor Walch to those present
- ii) That it be noted apologies for absence had been received from Councillor Reynolds

4 MATTERS ARISING

There were no matters arising.

5 FORWARD PLAN

The Committee received and noted the items contained within the Forward Plan for the Economic Development Committee.

6 ECONOMIC GROWTH STRATEGY 2016-21

The Committee received and considered the Economic Development Officers report which set out to advise Members of the Draft Economic Growth Strategy for 2016-21.

The Economic Development Officer reported that the strategy aimed to address the Borough's challenges and meet new opportunities through further growth in the Borough's key sectors and by putting a new emphasis on Place.

Members were advised that the Action Plan will deliver the needed improvement. The individual actions are grouped under the four broad aims that encompass the strategy's aims on Place, Key Sectors, Workforce Development and Infrastructure as follows :-

- A destination in which to invest, work, visit and live
- Key sector development and sustainability
- Developing communities, entrepreneurship and the workforce
- A prosperous physical environment and improved infrastructure

The Economic Development Officer reported that the strategy provided a framework for the Council and it's partners to address the economic challenges faced by the Borough.

RESOLVED :

That the Committee approve the draft strategy for consultation.

7 OFFSHORE WIND/ENERGY BRIEFING

The Committee received and considered the Economic Development Officer's report which summarised the opportunities presented by offshore wind developments in the UK, more specifically off the East Coast of England and the efforts that are being made to bring this work to Great Yarmouth.

The Economic Development Officer summarised the contents of the report to Members and provided the Committee with a audio presentation on the Dudgeon Wind Farm.

Councillor Jeal sought clarification as to the relevance of the colours used within the concentration of potential development map, this matter was clarified by the Economic Development Officer.

Councillor Grant asked in relation to a completion deadline for the clearing of the Dene sites and he was advised that this matter was ongoing. Councillor Jeal pointed out the issues surrounding the leases on this site. The Chief Executive Officer advised that the Great Yarmouth Development Company Board were working with business owners and that this work would be continuing.

RESOLVED :

That the Committee note the contents of the Economic Development Officers report.

8 GREAT YARMOUTH MARKET PLACE BUS TRIAL

The Committee received and considered the Group Manager Growth's report concerning the current status of the Great Yarmouth Market Place Bus Trial Initiative.

The Group Manager Growth advised Members that the report sought to brief the Committee on the scope for investigating the location of a potential bus trial through Great Yarmouth Market Place, for a period of at least 12 months, as endorsed by the Great Yarmouth Town Centre Members Working Group on the 5 October 2016. He reported that as part of the emerging Great Yarmouth masterplanning work, Carter Jonas had identified running some bus services through the Market Place as being potentially beneficial to increasing footfall and improving the vitality of Great Yarmouth Town Centre.

Councillor Reynolds pointed out that there had been a considerable decline in businesses within the Town Centre, and stated that he felt the trial would be a

positive welcome step for the Town Centre.

Councillor Thirtle raised concern in relation to the need for the trial and made reference to the short distance between the bus station and the proposed Market Place drop off, he stated that he felt the drop off point would cause a negative effect to the nearby school. Councillor K Grey also raised her concern in relation to the proposals. Councillor Jeal also stated that he agreed with the concerns raised.

Councillor Grant asked if the proposals were successful would they be subject to the tender process, the Group Manager Growth confirmed this.

Councillor Hammond suggested an alternative route to those proposed, although it was pointed out that buses currently service the route suggested.

Councillor Walker stated that at the meeting of the Town Centre Initiative, Members were advised that the trial would be of no cost to the Council, therefore asked why the proposals brought to the Economic Committee stated that the cost to the Council would be £25,000, the Chief Executive Officer advised that at the Members meeting of the Town Centre Initiative no costings had been formulated.

Councillor Wainwright stated the need for increased signage in and around the bus station in order to direct members of the public to the market without the need of a market place drop off.

The Chair stated that he felt there were a number of issues that needed to be resolved by the contractors and he requested that Officers contact Carter Jonas.

RESOLVED :

That the scope and current status of the Great Yarmouth Market Place Bus Trial be noted but that no further action be taken on this Bus Trial.

9 HOUSING DELIVERY IN THE BOROUGH

The Committee received and considered the Principal Strategic Planner's report which set out to advise Members of the continuing serious shortfall in housing delivery, and its implications.

The Principal Strategic Planner reported that the chronic shortfall in housing delivery in the Borough is now approaching a critical point, and that although a range of measures are in place to support delivery, these measures were unlikely to fundamentally change the situation.

It was reported that there has been a chronic under delivery of housing against local needs and targets. Despite active endeavours to support delivery, and a 5 year land supply being demonstrated to date it is unlikely that there will be a

sufficient increase in completed dwellings in time to avoid the eventual loss of a five year supply of deliverable housing land. In that event it will become difficult to give much weight to Local Plan policies affecting such development, or resist housing development proposals that are not seriously problematic in terms of national policy.

The Chairman raised concern to the current unsatisfactory position, and he was advised that the Borough Council was not alone on a national scale in the current position.

Councillor Reynolds also raised his concerns in relation to the current position and asked when the last Local Plan had been reviewed, and he was advised that the Strategic Housing Land Availability Assessment is undertaken annually and that processes that the processes have changed dramatically.

Councillor K Grey asked who set the targets for the housing delivery, the Principal Strategic Planner advised that the methodology was set nationally, Councillor Grey questioned who had identified the housing need and she was advised that the objectively assessed housing need was undertaken by nationally respected independent consultants and that this had been agreed by the Local Plan Working Party and by Full Council.

Councillor Thirtle stated that with the intervention of the newly formed Local Authority Trading Company it was hoped that new developments would be sought to maximise housing delivery. The Chief Executive Officer stated that there were a number of options that could be undertaken by the Council. Councillor Wainwright stated that there was a need for more rental accommodation to be made available.

Councillor Hammond raised concern in relation to the targets that had been set and stated that he felt this number should be brought down to a deliverable amount.

Councillor Wainwright suggested that a letter be written to the local MP to outline concerns raised and state the need for a change in the formula for Housing.

RESOLVED :

That the Committee notes the current adverse position regarding housing delivery, and the likely implications of this.

10 LOCAL PLAN DOCUMENT PREPARATION PROGRAMME

The Committee received and considered the Principal Strategic Planner's report which set out to advise Members of the future programme and timetable for the preparation of Local Plan Documents, the Local Development Scheme.

The Principal Strategic Planner reported that there is a need for the Council to

agree a new Local Development Scheme, setting out the plan documents it tends to prepare and the timescales for these. These have been changed since the previous Scheme was adopted in 2014.

RESOLVED :

That the Committee agree to adopt the replacement Local Development Scheme on behalf of the Council.

11 TOWN CENTRE SHOP FRONT IMPROVEMENT SCHEME

The Committee received and considered the Transformation Programme Manager's report which sought to advise Members on the shop front improvement scheme which aims to enhance the image of the Town Centre through using grants to cover shop front renovation, decoration, new signage and or replacement of historical features including lighting.

The Transformation Programme Manager reported that Economic Development Committee at its meeting on the 7 September 2016 approved an outline proposal for a Town Centre shop front improvement scheme alongside funding of £60,000 from the Town Centre Initiative reserve, the objectives of the scheme were summarised to Members as follows :-

- To improve business frontages including shops, commercial businesses and social enterprises
- To enhance the appearance and appeal of the town to visitors, customers and the local population
- To preserve and enhance the special characters of the Conservation area its listed buildings and other buildings of public importance
- To assist towards encouraging further inward investments and simulate business and consumer confidence.

Members were advised that it is proposed that the shop front scheme be launched from the 1st December and will run until the 31 March 2018, or sooner if funding is spent prior to this date.

The Transformation Programme Manager reported that applications for the scheme will be reviewed by Officers for competences before being presented to a Sub Committee of the Economic Development Committee, it was recommended that the Sub Committee created be made up of one representative from each political party.

RESOLVED :

i) That the Committee note the content of the Transformation Programme Manager's report.

ii) That the Committee agree to the formal launch of the Town Centre shop front improvement scheme from the 1 December 2016 to run until the 31 March 2018, or sooner if funding is spent prior to this date.

iii) That a Sub Committee be established consisting of Councillors B Coleman, K Grey and Jeal

12 MARKET PLACE FEES AND CHARGES REVIEW

The Committee received and considered the Transformation Programme Manager's report which set out a number of Officer recommendations to be considered by the Committee with a view to making a number of recommendations to Policy and Resources Committee as part of the budget setting process.

Councillor Grey asked why Market Traders were charged different rates, and she was advised that the Council provides two different fee structures, the 2 day market fees were based on the square yardish and the 6 day market fees were based on fixed pitches.

Councillor Walch asked for verification in relation to how rates are calculated by another Local Authority and he stated that he felt the rates charged by the Borough Council seemed high in comparison to other Authorities.

Councillor Wainwright raised his concerns in relation to the costings to the Council and stated that it had been agreed previously that fees would increase 2.5% plus RPI, the Transformation Manager drew the Committees attention to the Financial implications section of the report.

Councillor Jeal sought clarification in relation to the proposed 2.5% reduction, the Transformation Programme Manager advised that the Officers recommendation for the two day fees and charges would include a 2.5% decrease for 16/17 fees but that it is recommended that in future years the fee be changed in line with the Council's fees and charges policy. The Chief Executive Officer stated that in comparison to other authorities the Borough Council's fees were high therefore the Officers recommendation if agreed would give market traders a slight reprieve while adjustments are made.

RESOLVED :

1) Two Day Fees and Charges

i) That the Committee agree to recommend Option 3 to the Policy and Resources Committee as part of the budget setting process.

2) Friday Market Fees and Charges

i) That Committee agree to recommend Option 1 to the Policy and Resources Committee as part of the budget setting process.

3) Charity Barrow Charges

i) That the Committee agree to the continuation of the scheme and that no charge be applied for the use of the barrow by a registered charity.

4) Craft Barrow Scheme

i) That the Committee agree to a second barrow scheme for Craft Traders at a daily fee of £10.00.

5) Six Day Fees and Charges

i) That the Committee agree to recommend Option 3 to the Policy and Resources Committee as part of the budget setting process.

13 QUARTER 2 PERFORMANCE REPORT 2016/17

The Committee received and considered the Group Manager Growth's report which provided Members with an update on current performance for second quarter of 2016/17 of the Economic Development Committee.

The Committee's attention was drawn to the increased numbers within ED10 and ED11 measures for Quarter 2, the Group Manager Growth also pointed out the significant increase in the number of new business start ups (ED15).

The Group Manager Growth advised that the noticeable decrease in percentage for ED17 - (% of increased footfall in Town Centre) was to be addressed by the Town Centre Initiative.

Resolved :

That the Committee note the contents of the Group Manager Growths report and agree to the monitoring of all measures during the next quarter.

The meeting ended at: 20:30

Environment Committee

Minutes

Wednesday, 23 November 2016 at 18:30

PRESENT :-

Councillor Smith (in the Chair); Councillors Annison, Bensly, Fairhead, Grant, Hammond, Hanton, Walch, Weymouth and Wright

Councillor K Grey attended as substitute for Councillor Hacon

Councillor A Grey attended as substitute for Councillor Jones

Councillor Walker attended as substitute for Councillor Pratt

Also in attendance :-

Mrs J Beck (Director of Customer Services, Mr G Buck (Group Manager, Environmental Services), Mr P Shucksmith (Senior Environmental Ranger), Mrs S Brown (Environmental Services Policy & Reporting Officer) Mr D Wiles (Press and Communications Officer) and Mrs S Wintle (Member Services Officer).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hacon, Jones and Pratt.

2 DECLARATIONS OF INTEREST

Councillors K Grey, A Grey, Waters-Bunn and Weymouth declared a Personal Interest in the item relating to Dog controls within the Borough, but in line with the Constitution were allowed to both speak and vote on this matter.

3 MINUTES

The minutes of the meeting held on the 12 October 2016 were confirmed.

4 FORWARD PLAN - ENVIRONMENT COMMITTEE

The Committee considered a request from Councillor Walch to include the Boardwalk of Yarmouth North onto the Forward Plan.

RESOLVED :

i) The Committee note the contents within the Environment Committee's Forward Plan.

ii) The Committee agree to include the Boardwalk at Yarmouth North on future Forward Plans.

5 QUARTER 2 PERFORMANCE REPORT 2016/17

The Committee received and considered the Group Manager, Customer Services report which provided Members with an update on current performance for the second quarter of 2016/17.

The Committee's attention was drawn to EN05 (% of contamination of recyclates as a % of all recyclates) within the report which showed an increase in percentage since the previous quarter. Councillor K Grey asked what measures had been put in place for contamination, and she was advised that both Norfolk Waste and the Borough Council were undertaking measures to address this issue.

The Chairman pointed out the significant increases recorded for EN06 (Garden Waste Service).

RESOLVED :

That all measures be monitored during the next quarter.

6 REVIEW OF DOG CONTROLS WITHIN THE BOROUGH

The Committee received and considered the Senior Environmental Rangers report which provided the Committee with details about a review carried out of dog control measures within the Borough.

The Senior Environmental Ranger drew the Committees attention to Appendix 1 within the report which provided Members with a summary of the Public Spaces Protection Order (PSPO). He advised that the Order would come into force on the 1 April 2017 and would be valid for a period of 3 years unless extended under Section 60 of the Act.

It was reported that the public consultation opened on the 13 September 2016 and closed on the 17 October 2016 and that in excess of 800 responses were received. Members attention was drawn to Appendix 2 where a breakdown of responses received were summarised. The Senior Environmental Ranger advised that Appendix 3 contained local press articles and letters.

The Senior Environmental Ranger reported that the Council's proposals had generated a wide range of responses, in the main most of the proposal's had received support particularly around the Borough wide proposals around dog fouling and request to leash dogs. It was pointed out that a number of responses had been received which had taken issue with the Council's proposals for a dogs on lead requirement in particular for areas covering the North Denes Special Protection Area, Burgh Castle Roman Fort and for the extension of the dog bans on Great Yarmouth Central and Gorleston Beaches from the 1 May (at present) to commence on April 1st or Easter whichever comes first.

The Chairman summarised each of the proposals detailed in Appendix 4 to the Committee, and he read a statement to Members which had been received from the Parish Councils in relation to the proposals.

The Chairman thanked Officers for the work undertaken in relation to the PSPO.

RESOLVED :

That the Committee agree to the Public Space Protection Order (PSPO) as set out in Appendix 4 subject to the following amendments :-

i) The removal of the request for a dogs on lead requirement on the Special Protection Area covering the beach from Salisbury Road, North Denes, Great Yarmouth to Tan Lane, Caister-on-Sea.

ii) That the current dates (1 May to 30 September) for dogs on lead requirement be continued at the following sites :-

- Promenade adjacent to the beach between Wellington Pier and Britannia Pier, Great Yarmouth

- Promenade adjacent to the beach between the Breakwater and Ravine, Gorleston

iii) That the current dates (1 May to 30 September) for dogs being banned be continued at the following sites

- The beach between Wellington Pier and Britannia Pier, Great Yarmouth
- The beach between the breakwater and Ravine, Gorleston

iv) That any proposal for a dogs ban or dogs on lead requirement relating to any Parish or privately owned land remain as the Parish Council or landowners responsibility and not included in the PSPO (excluding any fenced playgrounds managed by the Borough Council)

v) The Committee agreed not to include within the PSPO the proposal that the following sites are covered by a dogs on lead requirement during sports :-

- Beaconsfield Recreation Ground, Beaconsfield Road, Great Yarmouth
- Cobholm Recreation Ground, Mill Road, Cobholm
- Gorleston Recreation Ground, Church Lane, Gorleston
- Magdalen Recreation Ground, Edinburgh Avenue, Gorleston
- Mill Lane Recreation Ground, Mill Lane, Bradwell
- Southtown Common, Suffolk Road, Gorleston

7 DATE AND TIME OF NEXT MEETING

RESOLVED :

That the next meeting of the Environment Committee be held on the 25 January 2017 at 6.30pm.

8 EXCLUSION OF PUBLIC

RESOLVED :

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."

9 CONFIDENTIAL MINUTES

(Confidential Minute on this Item)

The meeting ended at: 19:25

Policy and Resources Committee

Minutes

Tuesday, 29 November 2016 at 18:30

Present:

Councillor Plant (in the Chair), Councillors Annison, Carpenter, B Coleman, A Grey, K Grey, Jeal, Thirtle, Wainwright, Walker and Williamson.

Councillor Hammond attended as substitute for Councillor Hacon.

Mrs S Oxtoby (Chief Executive Officer), Mrs J Beck (Director of Customer Services), Mr R Read (Director of Housing and Neighbourhoods) Mrs K Watts (Transformation Programme Manager), Ms K Sly (Section 151 Officer), Mrs M Lee (Group Manager Customer Services), Mr A Carr (Group Manager Tourism and Communications), Mr R Hodds (Corporate Governance Manager), Mr J Clements (Principal Strategic Planner), Mrs L Snow (Capital Projects and Senior Accountant), Mr C Rowland (Corporate Performance and Policy Officer) and Mr D Wiles (Press and Communications Officer).

1 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Hacon.

2 DECLARATIONS OF INTEREST

Councillors B Coleman, Hammond and Jeal declared a personal interest in the item relating to the Great Yarmouth Air Show 2017, Councillors B Coleman, Hammond and Jeal declared their personal interest in the item relating to the Bid Levy Collection Arrangements and Councillor Thirtle declared his personal interest in the item relating to the Broads Management Plan 2017 Consultation.

3 MINUTES

The minutes of the meeting held on 18 October 2016 were confirmed.

4 FORWARD PLAN POLICY AND RESOURCES

The Committee received and noted the items contained within the forward plan for the Policy and Resources Committee.

5 BROADS (MANAGEMENT) PLAN 2017 CONSULTATION

The Committee considered the Principal Strategic Planner's report which detailed the proposed responses to the Broads Management Plan 2017 Consultation.

RESOLVED:

That the Committee approve the recommended response as set out in section 4 of the Principal Strategic Planner's report to the Consultation to the Broads Management Plan 2017 (revised draft).

6 PERFORMANCE REPORT QUARTER 2

The Committee considered the Transformation Programme Managers report which gave an update on the current performance of the 2nd quarter of 2016-2017 (July to September) where progress had been assessed against targets which had been set at the start of the financial year. The report also gave an update on the position of key projects that are linked to the corporate priorities from "The Plan 2015-2020". The summary report highlighted performance measures that had not achieved the target for this period and measures that have a target and are moving in the wrong direction. The report also highlighted a number of measures that are showing exceptional performance against targets.

With regard to project KP02, Enforcement Board Programme, Members were advised that a report on this Programme would be presented to the next Policy and Resources meeting.

With regard to the Performance Indicator ED02 and 03, Planning Applications, the Chief Executive Officer reported that a more detailed report on this particular indicator would be considered at a future meeting of the Committee. The Chief Executive Officer reported that it was proposed to have a detailed improvement plan in place to meet the targets.

With regard to project KP12 Leisure Programme, Councillor Williamson recorded his congratulations with regard to the work that had been carried out in respect of the redevelopment of the Phoenix Pool.

RESOLVED:

That the the Transformation Programme Manager's report be noted and that all measure will be monitored in the next quarter.

(Councillor Jeal here left the meeting for the discussion of the following item).

7 GREAT YARMOUTH AIR SHOW 2017

The Committee considered the Transformation Programme Manger's report which set out the proposals of the Great Yarmouth Tourism Business Improvement Area to establish a charity village during the Airshow on land owned by the Borough Council.

RESOLVED:

That approval be given for use of Trafalgar Green by the Great Yarmouth Tourism Business Improvement Area for a Charity Village during the 4 days of the 2017 Great Yarmouth Air Show.

8 BOROUGH NEWS

The Committee considered the Transformation Programme Manager's report which detailed options for consideration for the Borough News.

Members were reminded that the Borough Council has a pro-active approach to communicating with its residents and as part of this the Tourism and Communication Group produces the Borough News the Stakeholder Magazine for residents. It remains the main way that the Council communicates with its core stakeholders namely residents, tax payers and voters of the Borough. The Press and Communications Officer reported in detail on the following options:-

1. Make no changes (3 paper additions annually)
2. Reduce the number of annual additions from 3 to 2
3. Stop producing the Borough News
4. Stop producing the Borough News and enhance on line communications

Members were recommended to agree to option 2 alongside exploring advertising opportunities and a change in the paper used to print the Borough News making an initial saving to the Council of £7,000 and enable officers to further enhance social media communications.

Councillor B Coleman commented that there was a need to keep the public informed and that he felt that the Borough News was valued by the public. Councillors Jeal, Walker and Annison agreed that the Borough News should continue to be produced but with the recommended reduction from three to two editions. With regard to the possibility of producing an on-line edition the

comment was expressed that there are a significant amount of people in the Borough who do not have access to social media.

RESOLVED:

That approval be given to option 2, as detailed in the Transformation Programme Manager's report, alongside committing officers to exploring advertising opportunities and changing the paper used to print the Borough News .

9 BUSINESS IMPROVEMENT DISTRICT LEVY COLLECTION ARRANGEMENTS

The Committee considered the Transformation Programme Manager's report which had been prepared as a response to a planned recent audit into Great Yarmouth Tourism and Business Improvement Area.

The Transformation Programme Manager asked the committee to consider the following two recommendations:-

1. The completion of a comprehensive review and risk assessment of the responsibilities, expectations and fees charged for Bid Levy collection, management and reporting , as stated within the BID Levy Operating Agreement is to be undertaken by the Council.
2. Approval for signing of the BID Levy Operating Agreement through an officer delegation to the Director of Customer Services.

RESOLVED:

(i) That the contents of the Transformation Programme Manager's Report be noted.

(ii) That it be accepted that robust procedures are in place to minimise the risk to the Council in connection with the collection and management of the BID Levy collected on behalf of the Great Yarmouth Business Improvement Area.

(iii) That the BID Levy Operating Agreement be approved and that the signing of the agreement be delegated to the Director of Customer Services.

10 MID-YEAR TREASURY MANAGEMENT REVIEW 2016-17

The Committee considered the Group Manager Resource's Mid Year Treasury Management Review 2016-2017. Members were advised that the report provided the Committee with a monitoring position of the treasury activity in the year in accordance with the Treasury Management Strategy for 2016-2017 that was approved in February 2016.

The report highlighted the following:-

- The Council continues to be underborrowed compared to the position projected for the year mainly due to the slippage of schemes within the capital programme which are assumed to be funded by borrowing.
- The financial impact of this will have been reflected in the revenue account
- Despite having debt, the Council still maintains daily cash balances which will be investigated short term for liquidity purposes. The investment balance as at 30 September was just over £12m and recently reached £17m achieving an average return in the region of 0.34%.

RESOLVED:

That the Mid Year Treasury Review 2016-2017 be noted.

11 2016-17 PERIOD 6 BUDGET MONITORING REPORT

The Capital Projects Accountant reported that the period 6 Budget Monitoring Report provided members with a position on the expenditure and income actually incurred and received at the end of September compared to the level budgeted. It also provides an update of the year end position based on forecasting spending and the current capital programme spend. Overall the report was forecast a net underspend compared to the budgeted position for the general fund revenue account of £176,459.00.

Members were advised that this position takes account of both service and non service variances. The non service variances will include interest payments and general income for example from the business rates retention scheme.

The report highlighted and provided commentary on a number of the more significant variances against the profiled budget at the end of period 6, along with those anticipated to deliver a full year variance, whether it is an over or underspend.

Councillor Wainwright asked for clarity with regard to the sum included for agency staff at Beacon Park. A response to this query would be sent direct to Councillor Wainwright. Councillor Carpenter sought clarity with regard to the overspend in connection with the purchase of new refuse bins and it was agreed that Officers would look into this issue.

The Chief Executive Officer reported that there should not be such significant variances, and that work was currently underway to improve the situation.

RESOLVED:

That 2016-17 Period 6 Budget Monitoring Report be noted.

12 MEDIUM TERM FINANCIAL STRATEGY 2017-18 TO 2020-21

The Committee considered the Section 151 Officer's report which presented an updated Medium Term Financial Strategy for the period 2017/18 to

2020/21. The strategy had been updated to support the current Plan and will be used to inform the detailed budget for 2017/18.

The Section 151 Officer reported that the detail within the strategy document has highlighted the financial challenges that continue to face the Council in terms of the forecast funding reductions and the removal of revenue support grant in 2020/21. The strategy also provides an update to the funding forecast for the period 2017/18 to 2020/21 which will be revised over the coming months as the full detail of the budget for 2017/18 and forward projections are finalised to be considered by Members in February as part of setting the budget for the forthcoming financial year. The outcome of the Autumn statement announcements will be used to inform the budget for 2017/18 and future financial forecasts.

The Section 151 Officer reported that the projections are currently forecasting a deficit of just over £500,000 for 2017/18 and work is ongoing on the detailed budget to present to Members for approval in February 2017. The Medium Term Financial Strategy identifies the key themes and priorities for the Council in seeking to reduce the forecast budget gap.

RESOLVED :

- 1) That the current financial forecast for the period 2017/18 to 2020/21 be noted.
- 2) That the revised reserve statement as included at Appendix A of the Section 151 Officer's report to the financial strategy be noted.

13 FEES AND CHARGES 2017-18

The Committee considered the Section 151 Officer's report which outlined for approval the schedule of fees and charges for the 2017/18 financial year.

The Section 151 Officer reminded Members that the Council had approved a fees and charges policy in December 2014. The policy sets out some criteria and rationale for the annual changes to fees and charges which largely covered an annual RPI +2% for the period until 2020. Members were advised that the financial implications for the proposed changes will be factored into the detail service budgets for 2017/18 and used to inform the future financial projections.

The Section 151 Officer reported that the proposed fees and charges for 2017/18 had been calculated based on the current fees and charges policy and where there are opportunities to deliver additional income to help reduce the future financial gap that the Council is facing.

The Committee also considered the details of a report by the Transformation Programme Manager on the Market Place fees and charges review that was considered by the Economic Development Committee at its meeting on the 21

November 2016. Members were advised that the proposed market place fees and charges would be factored into the overall fees and charges report that would be considered at Budget Council at its meeting in February 2017. Members discussed whether, under the terms of the Constitution, the Economic Development Committee could in fact recommend the proposed market place fees and charges direct to Council or whether these should be considered by the Policy and Resources prior to their submission to Full Council. It was agreed that the Monitoring Officers advice would be sought on this issue.

In response to a question, the Section 151 Officer confirmed that all fees and charges at the crematorium were accrued by the Borough Council. Councillor Hammond raised the issue of the fees and charges for pest control and felt that in his opinion some areas of the Borough this service should be free of charge. Councillor Wainwright reminded Members at the recent Policy and Resources budget away day Members had agreed to adhere to the current policy to increase the fees and charges by RPI +2%.

RESOLVED :

That Council be recommended to agree to the schedule of fees and charges for 2017/18 as detailed in Appendix A of the Section 151 Officers report.

14 COUNCIL TAX – TAX BASE - 2017-18

The Committee considered the Revenue Manager's report which asked Members to approve the calculation of the 2017/18 tax base totalling 27,342.

RESOLVED :

That Council be recommended to approve the calculation of the 2017/18 tax base totalling 27,342 and the estimated tax bases for the Borough and for each parish as detailed in Appendix A of the Revenue Managers report.

15 ICT STRATEGY 2017-2022

The Committee considered the Director of Customer Service's report which requested approval for the adoption of the Business ICT Strategy 2017-2022.

RESOLVED :

1) That the Business ICT Strategy 2017-2022 be approved.

2) That the capital and revenue implications relating to the 5 year strategic programme be considered as part of the 2017/18 budget proposals.

16 PARLIAMENTARY BOUNDARY REVIEW

The Committee considered the Licensing and Election Manager's report with regard to the Boundary Commission for England's initial proposals for new parliamentary constituency boundaries. Members were advised that the initial proposals for the Great Yarmouth constituency included the area of Thurlton which is currently part of South Norfolk District Council area. It was noted that each of the political groups would be making their own separate recommendations to the Boundary Commission for England with regard to the parliamentary constituency boundaries.

The Director of Customer Services asked Members whether they wished to respond to the initial proposals of the Boundary Commission from a practical or administrative point of view.

RESOLVED :

That the Licensing and Elections Managers report be noted.

The meeting ended at: 20:00

Housing and Neighbourhoods Committee

Minutes

Thursday, 08 December 2016 at 18:30

PRESENT:

Councillor Grant (in the Chair); Councillors Borg, M Coleman, Flaxman-Taylor, K Grey, Robinson-Payne, Rodwell, Walch, Waters-Bunn & Wiliamson.

Councillor Bensly attended as a substitute for Councillor Carpenter.

Councillor Hammond attended as a substitute for Councillor Hacon.

Councillor Jeal attended as a substitute for Councillor Robinson-Payne.

Mr R Read (Director of Housing & Neighbourhoods), Mr T Chaplin (Group Manager, Housing Services), Mrs V George (Group Manager, Housing Health & Wellbeing), Mr R Gregory (Group Manager, Neighbourhoods & Communities), Ms H Notcutt (Community Development Manager), Mr C Rowland (Corporate Policy & Performance Officer) & Mrs C Webb (Member Services Officer).

1 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Carpenter, Hacon & Robinson-Payne.

2 DECLARATIONS OF INTEREST

Councillor Jeal declared a Personal Interest in Item 6, Assets of Community Value, as he was a member of CAMRA.

3 MINUTES

The minutes of the meeting held on 27 October 2017 were confirmed with the following amendment. With regard to Item 7, Councillor Jeal proposed that the Chairman and one other Councillor from the Committee, but not the Councillor who represented the tenant(s) ward, should be involved in the eviction process.

4 MATTERS ARISING

There were no matters arising from the above minutes.

5 DECISIONS TO EVICT COUNCIL TENANTS WHERE A POSSESSION ORDER HAS BEEN GRANTED

Members received and considered the report from the Monitoring Officer which followed on from a discussion at the last Committee meeting where Members queried the decision making process for evictions.

The Director of Housing & Neighbourhoods reported that under the delegation scheme approved by Council and contained in the Constitution, possession and eviction decisions were delegated to Officers. This has been in operation for the last fourteen years and was the position in nearly all other housing authorities.

The Group Manager, Housing Services reported that Officers took into account the Council's general policies including the GYCH Rent Income & Arrears Policy, GYCH Introductory Tenancy Policy & the GYCH Anti-Social Behaviour Policy. The individual circumstances of tenants and their families, and the decisions made in other cases were also considered which ensured consistency of decision making.

The Director of Housing & Neighbourhoods reported that the Court also had a wide discretion in whether to grant a suspended possession order and whether to suspend a warrant of possession which provided an independent

review of the decisions made by officers.

In discussing the Monitoring Officer's report the following issues were raised :-

- Whether the advice from the Monitoring Officer should be agreed
- The option of this Committee to reinstate the Housing Appeals Committee after six months of operation of the new Committee System of Governance.
- The question of whether evictions should be delegated to Officers to determine

RESOLVED:

That the Committee recommend to Council that the Housing Appeals Committee be re-instated and that decisions on evictions are referred to Members.

6 ASSETS OF COMMUNITY VALUE

The Committee received and considered the report from the Corporate Policy and Performance Officer.

Members agreed that the former public house would no longer be viable and as there were other public houses in the near vicinity, there was no need to list the property as an Asset of Community Value.

The Committee had been asked to consider a nomination by CAMRA, which asked the Council to list the Ferry Boat Inn, 5 Ferry Hill, Gorleston as an Asset of Community Value.

RESOLVED:

That the property not be listed as an Asset of Community Value as the property, as it was unlikely and unrealistic to consider that the property would further the social wellbeing or social interests of the local community in the next five years or the foreseeable future.

7 NORFOLK COUNTY COUNCIL CONSULTATIONS - INFORMATION & ADVICE SERVICES AND BUILDING RESILIENT LIVES

The Committee received and considered the report from the Group Manager,

Housing Health & Wellbeing which summarised the two consultations which were currently being undertaken by Norfolk County Council and the potential impact on the residents of the Borough. The impact of these proposals was going to be significant for both service users and organisations delivering service to vulnerable people in the Borough.

Councillor Williamson reported that he accepted that County had to make cuts but he was extremely concerned that Health and Social Care should be joined up and not considered as separate funding streams within the Sustainable Transformation Plan in order to deliver a coherent service. Councillor Williamson also felt that the recommendations were not robust enough and that Norfolk should be urged to conduct a thorough systems wide review.

Councillor Waters-Bunn reported that the warden service was a lifeline to many sheltered housing tenants.

The Director of Housing & Neighbourhoods reported that the report highlighted that a prevention service was being pitted against a crisis service and that he would liaise with the Group Manager, Housing Health & Wellbeing regarding strengthening the resolutions.

RESOLVED:

- (i) That the Committee respond to the consultation documents to express their concern in terms of both the level of savings proposed and the timeframe within which they were expected to be delivered
- (ii) That the Committee highlight that the proposals did not take account of the impact on the wider system and did not address the issue of increasing demand on acute services, therefore, these proposals were unlikely to deliver any real savings; and
- (iii) That the Committee recommend a thorough, systems wide review, as part of the development of the Sustainable Transformation Plan.

8 NEIGHBOURHOODS THAT WORK - 12 MONTH PERFORMANCE REPORT

The Committee received and considered the report from the Community Development Manager. The Community Development Manager updated the Committee with progress and outcomes of the first year of delivery from the Big Lottery funded Neighbourhoods that Work project.

The Community Development Manager reported that an Annual Study visit was held in October 2016 to mark the end of year one which was well supported with over 90 delegates in attendance. Neighbourhoods that Work had had a successful Year 1 and had met or over-achieved most targets. The Big Lottery Fund were learning from our unique model and were looking to replicate the model in other coastal towns across the country.

Councillor K Grey commended the Neighbourhood Teams for delivering much needed support services which made a difference to the quality of life for many local residents.

RESOLVED:

That the Committee note the report.

9 HOMELESSNESS PREVENTION BIDS - TRAILBLAZER AND ROUGH SLEEPING

The Committee received and considered the report from the Group Manager, Housing Services.

The Group Manager, Housing Services reported that the Government was aiming to put prevention at the heart of their approach to reduce the number of people who faced a homelessness crisis in the first place. As part of this, the Government was making available £40m to prevent and tackle homelessness and rough sleeping.

The Group Manager, Housing Services outlined the bids which would be submitted by the Council for Homelessness Prevention Trailblazers and Rough Sleeping programmes.

RESOLVED:

That the Committee note the report.

10 HOUSING & PLANNING ACT AND AUTUMN STATEMENT UPDATE

The Committee received and considered the report from the Group Manager, Housing Services which gave an update on the impact of the Housing & Planning Act 2016 to Housing Services.

RESOLVED:

That the Committee note the report.

11 QUARTER 2 HOUSING REVENUE ACCOUNT MONITORING REPORT

The Committee received and considered the report from the Housing Business & Finance Manager.

RESOLVED:

(i) That the Committee consider the 2016/17 Housing Revenue Budget monitoring position - Period 1 to 6 (April - September 2016) and the full forecast budgets for 2016/17

(ii) That the Committee agree an increase to the existing HRA capital programme of £100k (£759k approved in Quater 1) to finance a planned increase in planned maintenance works. (as detailed in Table 4 of the agenda report)

(iii) That the Committee approve a virement of £100k (£455k approved in Quater 1) from revenue repairs & maintenance budget to the HRA capital programme (as detailed in Table 5 of the agenda report)

(iv) That the Committee agree an increase in to the revenue supervision & management budget of £110k to cover extra costs such as maternity pay, NI contributions and Leaseholder services; and

(v) That the Committee approve an additional virement of £22k (£347k was approved in quarter 1) from HRA reserves to finance the increase to the HRA year-end deficit of £369k (as detailed in Table 3 of the agenda report).

12 MEDIUM TERM FINANCIAL STRATEGY AND THE HOUSING REVENUE ACCOUNT (2)

The Committee received and considered the report from the Housing Business & Finance Manager which presented the Council's Medium Term Financial Strategy as it related to the Housing Revenue Account and which set the scene for the forthcoming Housing Revenue Account Budget.

RESOLVED:

That the Committee note the report.

13 APPLICATION TO THE DWP'S FLEXIBLE SUPPORT FUND

The Committee received and considered the report from the Employment & Skills Co-Ordinator.

The Director of Housing & Neighbourhoods reported that in response to rising demand on services run by the Council and the voluntary sector as a result of the introduction of Universal Credit, the Council had approached the East Anglia District DWP to consider the allocation of additional resources into the area. This had opened up the opportunity for the Council to make an application to the DWP's Flexible Support Fund, providing that outcomes to achieving job readiness and job entry outcomes could be achieved.

RESOLVED:

That the Committee approve the submission of an application and in the event of a successful submission; it captures interim impact as part of a strategy of sustaining the arrangement with the DWP beyond the initial 12 month funding period and that it agrees with the DWP to share learning with other district's across the new Anglia LEP area and beyond, as a blueprint for making Universal Credit work more efficiently.

14 ANY OTHER BUSINESS

Councillor Walch asked if the Group Manager, Neighbourhoods & Communities could resend the account to Great Yarmouth FC, to include a breakdown of outstanding charges, and also if details could be provided regarding issues of the maintenance of the football pitch on the Wellesley Recreation Ground.

RESOLVED:

That the Group Manager, Neighbourhoods & Communities to provide a report for the Committee to consider at the next meeting.

15 EXCLUSION OF PUBLIC

RESOLVED :

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12(A) of the said Act."

16 DISPOSAL OF VOID HRA PROPERTIES

(Confidential Minute on this Item)

The meeting ended at: 20:30

Subject: **Housing Revenue Account Budget setting 2017/18.**

Report to: H&N Committee 19/01/17
Full Council 21/02/17

Report by: Housing Business & Finance Manager
Director of Housing & Neighborhoods

SUBJECT MATTER

This report sets out the Housing Revenue Account (HRA) budget 2017/18 – 2021/22, HRA Capital Programme 2017/18 – 2021/22, HRA Rent and Service Charge proposal 2017-18 and the revised HRA revenue and capital forecasts for 2016-17.

RECOMMENDATIONS

- To note the reduction in rents of 1%, as set out in the Welfare Reform and Work Act 2016.
- Review and recommend revenue and capital budget estimates 2017-18 to 2021-2022.
- Recommend the proposed Fees and Charges for 2017-18.
- Review the revised forecast for 2016-17
- Review government proposals as set by the Welfare reform and work act 2015 & Housing planning act 2016 impacting on the HRA in the future.

1. Introduction

- 1.1 The Housing Revenue Account (HRA) is the ring-fenced rent account that funds the Council's activity as a landlord. The HRA records all the income and expenditure associated with the provision and management of Council owned homes in the borough. This account funds a significant range of services to approx. 5900 homes for Great Yarmouth Borough tenants and their families and to 347 homes for leaseholders. This includes housing management, repairs and improvements, welfare advice, supported housing

services and capital investment on housing.

- 1.2 The Council is required by law to avoid budgeting for a deficit on the HRA (Local Government & Housing Act 1989, section 76). This means that the budget must not be based on total HRA revenue reserves falling below zero. In practice the Council is expected to maintain a reasonable balance of reserves and this provides a contingency against unforeseen events and known risks. Great Yarmouth Borough Council maintains a minimum balance of £2m with the HRA reserves.
- 1.3 In December 2010 the Government published the Localism Bill which included plans to abolish the then current subsidy system supporting the HRA and move to a model known as “self-financing”. Under Government guidelines, the objectives of the change are to give local authorities the incentives and flexibility to manage stock more efficiently over a longer term, as well as seeking to provide greater transparency for tenants in the relationship between the rent a landlord collects and the services it provides.
- 1.4 This self-financing model is now in place and has moved the arrangements for managing debt for the current housing stock from being held nationally and charged on a nominal basis to the local HRA managed by the Council. This is based on a calculation of the level of debt that the landlord/Council can support based on a valuation of the current housing stock, along with assumptions regarding total rental income to be generated and expenditure required to support this housing stock.
- 1.5 A key feature of the self-financing model is that landlords can borrow against the value of the housing stock in order to invest in improvements to that stock. This borrowing must be financed from HRA income and so introduces risks and opportunities for managing resources in this area. As local authority borrowing is included in the national Public Sector Borrowing Requirement, it must be affordable both nationally and locally. A total borrowing limit has therefore been set for each landlord, which for Great Yarmouth Borough Council is £89m.
- 1.6 The self-financing arrangements have led to the development of a 30-year business plan supporting the delivery of the HRA under the new arrangements. This makes assumptions regarding the level of income available based on the expected levels of rent and the key risks facing

housing service delivery within this timeframe. The main areas of this are the management and timing of debt use, affordability and the impact of changes as Government policies are enacted. The council's updated HRA 30 year business plan summary graph can be seen in Appendix D.

- 1.7 The HRA capital and revenue 2017-18 estimates and Great Yarmouth Borough Council 30 year Business Plan, have been prepared using the self-financing arrangements for the HRA. The national self-financing regime for the Housing Revenue Account (HRA) was introduced in April 2012. The budgets in this report have been prepared using these arrangements, which include a requirement to prepare and publish a rolling 30 year HRA Business Plan covering both capital and revenue expenditure projections.

2. Rent setting policy changes – 1% reduction over 4 years

- 2.1 Each year local housing landlords must set rents and budgets for the forthcoming financial year and provide each individual tenant with statutory notice of any proposed rent change. This report sets out proposals regarding the budget, rents, service charges and other charges to tenants for the 2017-18 rental year.
- 2.2 The self-financing HRA remains governed by guidelines on rent setting for tenants. The council no longer has flexibility on the approach to rent setting due to the policy announced as part of the Welfare Reform and Work Act 2016. Rents will reduce annually by 1% over the four year period 2016/17 – 2019/20. This means that the average rent for 2017/18 will be £75.44 per week (50 wk).
- 2.3 The impact of the rent decrease is to further reduce the amount of money available to manage, maintain and improve the housing stock. The modelled reduction in resources amounts to a further reduction of approx. £9.6m over four years and approx. £142m over the course of the 30-year business plan.
- 2.4 The rent setting for 2017/18 will therefore be 1% reduction to all social housing rents within the HRA. Supported housing rents were exempted from this requirement in 2016; however the government has not extended this exception for the 2017/18 rent setting process.

- 2.5 The government has said that 1% reduction will ‘reset the levels of rents in the social housing sector, which over the recent years have become out of kilter with private rents’.

2.6 **Estimated rent charges for 2017/18 on average:**

Property Type	Average Rent £ (50 wk.)
Bedsit	59.49
1 Bedroom	68.43
2 Bedroom	75.69
3 Bedroom	81.91
4 Bedroom	90.63
5 Bedroom	98.67
Average for all properties	75.44

3. **Proposed Service and agreement charges 2017/18**

- 3.1 Our proposals in relation to service and agreement charges are set out in Appendix A. The increases proposed are summarised in the table below and follow the corporate formula adopted by the Council of being set at least at RPI + 2%, to close the gap in terms of recovery of costs:

HRA Service Charge	Proposal 2017/18
Garden Maintenance	RPI + 2%
Garages	RPI + 2%
Caretaking Services	RPI + 2%
Communal Heating	Frozen at 2016/17 charge
Communal Water	RPI + 2%
Digital TV Aerials	RPI + 2%
Sewerage Charges	RPI + 2%
Alarm Charge	RPI + 2%
Supporting People Charge	RPI + 2%

4. Housing Revenue Account Budget 2017/18 – 2021/22 and Revised Forecast 2016/17

- 4.1 The approach to HRA budget setting focuses on three separate areas for 2017/18:
- expected income and proposals on rent and service charge levels;
 - expenditure plans that reflect local priorities and the impact of the self-financing business model on service delivery; and,
 - The reserves and provisions needed to ensure that the HRA is delivering strong financial performance over a longer period of time.
- 4.2 The HRA receives income from tenant rents and service charges levied on tenants and leaseholders. The self-financing HRA remains governed by guidelines on rent setting for tenants. Income from rents is a key driver of the total income available to the HRA, making up approximately 90% of the total income. The approach and policy for rent therefore affects the resources available to re-invest in expenditure plans across the HRA to deliver the outcomes outlined in the HRA business plan for all tenants.
- 4.3 Expectations for income, and therefore the rent budget, are driven by three key elements:
- Expected stock levels for 2017/18;
 - The 1% reduction on the 2016/17 actual rents charged; and,
 - The resourcing needs outlined in the HRA Business Plan.
- 4.4 For 2017/18, the average stock level across Great Yarmouth Borough Council is expected to be 5874 properties. This is based on known changes to the current stock profile of 5903 (as at 1 April 2016) including adjustments for projected Right to buy sales, disposals and acquisitions.
- 4.5 The reduction in rents will mean that, on an ongoing basis, the HRA would be reliant on reserves to balance the budget, which is not sustainable. Further action is therefore required to reduce expenditure by identifying efficiencies within existing budgets and where possible, minimizing the impact on services delivered to tenants and leaseholders.
- 4.6 HRA business planning has always been based on building up reserves to a level that will support the delivery of the repairs & maintenance programme

- and the ongoing investment in the stock beyond that, as well as protecting tenants from unexpected changes of circumstances in the future.
- 4.7 The repairs & maintenance budget funds the work of the joint venture company, GYN, who undertake repairs and maintenance to council properties, planned cyclical maintenance, upkeep to the specific areas of lighting, lifts, smoke alarms, car parks, garden maintenance, minor neighborhood planned works and the refurbishment of empty properties. GYN also manage all other R&M and cyclical contracts including the gas servicing maintenance contract as well as the HRA capital programme. The R&M budget also fund all minor disabled adaptations work for tenants.
- 4.8 Tenant service charges are not affected by the rent setting policy. There is now an expectation that service charges to tenants will reflect costs incurred. In 2016/17, it was agreed that a corporate increase of RPI plus 2% will be added to service charges across the council where income recovery is below costs. A summary of changes to service charges is shown in Appendix A.
- 4.9 Leasehold service charges are required to be transparent and reflect the actual cost of the services incurred. It is recommended to set leaseholder service charges in line with actual expenditure plans as per the approach in previous years. This means that service charges will be based on 2016/17 expenditure levels and final charges for 2016/17 being confirmed by approx. September 2017.
- 4.10 It is not proposed to do any significant budget modelling from the original 2017/18 budget agreed at the 2016/17 budget setting round, until we have the completion of the Stock condition Survey in early 2017. An in-depth review of the Housing Investment capital programme will be undertaken from the results of the stock condition survey, with the intention of remodeling the investment side of the 30 year business plan to best deliver its outcomes within the reduced financial envelope in the medium to long term.
- 4.11 The HRA currently holds a larger reserve balance than would normally be expected - £9.3m. This is partly due to adjustments in the scheduling of planned R&M and capital programmes, including putting some programmes on hold. We have deliberately increased reserves to ensure that we are able to manage the financial impact of new government policies set out

elsewhere in this report and in anticipation of the revision to business planning required by the new stock condition survey, currently close to completion.

- 4.12 The HRA 30 year business plan shows that reserves are reduced and managed over the next 5 years by additional contributions being required to the Housing Capital works programme. This management of reserves will include a planned increase in the capital investment programme in 2021/22 with just over £2m being committed from reserves. This is due in part to a new cyclical programme of replacement boilers as well as increase in the volume of bathroom renewals. Investment plans will be reviewed however following completion of the 16/17 Stock condition survey, which may result in some programmes being brought forward. Appendix D shows the managed reduction in reserves over a thirty year period.
- 4.13 The HRA will continue to borrow specifically for new affordable housing programme, so the HRA reserves balances can be used on investment to our current stock. We have current headroom availability of £12m, allowing us to contribute 70% of costs to invest and develop new housing opportunities within the council alongside 30% retained receipts contributions from Right to buy sales.
- 4.14 The Right to buy discount has increased since the introduction of Self Financing, the maximum discount increases each year based on the consumer price index (CPI). The business model has been amended to incorporate this change.
- 4.15 The Housing Revenue Account (HRA) is still part of a retention agreement, where the HRA can retain receipts, to support up to 30% of the cost of replacement homes if incurred in a 3 year period. If retained receipts are not used, the Council is liable to repayment of the receipt plus interest, so it is important to monitor and project RTB sales and RTB receipts in order to plan for their appropriate use.
- 4.16 The HRA has plans for new affordable housing which covers the spending of the RTB retained receipts. This includes looking at options for new build sites, including 6 properties on the Beacon Park development and an in-fill site in Gorleston.

- 4.17 By the end of Quarter 3, the Council was on track to spend the relevant amount required in this period. However, circumstances changed at the last hurdle on a house purchase in December and we are now liable to pay back to the government a small portion of receipts – approx. £30k, or less than 5% the funding available for 2016/17.
- 4.18 The HRA proposes to increase the availability of affordable housing with a combination of direct new build, grant contributions to Housing Association developments; purchasing appropriate empty homes on the open market; and purchasing of a limited number of suitable properties on the open market to ensure all receipts are spent in the future.
- 4.19 Right to buy estimations for 2016-17 have exceeded our original budgeted suggestion of 20 sales, we currently have sold 30 properties to date at the end of quarter 3. This has increased the availability of RTB receipts to use to finance the Capital programme in 2016/17 and RTB retained receipts (30% of the receipts only) to finance new affordable homes programme in the future.
- 4.20 For 2017/18 we have estimated 35 sales in the year, in line with revised 2016/17 predictions as we believe there is still a high interest in tenants wanting to purchase their own homes.
- 4.21 **Revised 2016-17 position**
- 4.22 Quarter 2 monitoring reported a requirement to increase the HRA budget deficit by £369k to £1,515m. Quarter 3 monitoring, has found that this needs to be revised, resulting in a decrease to the original 2016/17 deficit by £207k, to predict a £0.939m deficit at year end.
- 4.23 Details of the changes are summarised below:

Budget Quarter 3	Revised budget 2016-17	Variance	Reason	Financed from
Rental Income	(23,777)	93	Reduced HRA rental income based on reduced stock data.	n/a

Capital Expenditure financed from revenue	4,509	1,977	Capital programme has increased in year (detailed further in the report)	Revenue Income
Depreciation	3,304	265	Due to an increase in the value of HRA dwelling stock, depreciation is higher.	Revenue Income
Interest payable	2,659	(241)	Overestimated budgets for interest payable in year.	n/a
Rents & Rates, other charges	321	23	Revised estimates to some Insurance budgets	Revenue Income
Repairs & Maintenance	9,105	(2,330)	Revenue budgets moved to Capital programme in year	n/a
General Management	4,818	6	Payroll, consultancy savings and pension contributions revised.	Revenue income
Total	939	(207)		

4.24 **Proposed growth/savings in HRA Revenue 2017-18 budget**

(Compared to original 2017/18 budget)

Income/ Expenditure	2017/18 Revised Budgets	2017/18 Growth (Saving)	Details	Financed from
	£000	£000		
Rents income	(21,827)	177	Revised rental income estimates have fallen due to increase in anticipated RTB sales in 2016/17 & 2017/18.	n/a

Non Dwelling income	(1,630)	47	Increase in service charge income; however a decrease in grant income for outreach services has reduced this budget.	n/a
Revenue contrib. to capital	4,088	2,490	The revised HRA capital programme has increased by £2.9m from the original 2017-18 budget set in 2016-17. As a result of this capital expenditure funded by revenue has increased by £2.5m	Revenue Income & HRA reserves
Depreciation	3,337	213	In 2015/16 Housing stock valuations increased by 8.5%, therefore depreciation of the housing stock and non-dwelling stock has been reviewed and budgets have been increased by £213k.	Revenue Income
Interest	2,667	(355)	Original budget estimates too high, savings in budget on interest payments.	n/a
Repairs & Maintenance	9,453	(2,228)	Neighborhood plans budget £1.75m, £100k Adaptations budget, £471k Asbestos budget moved to Capital programme. £90k has been added for electrical remedial works to council HRA buildings and other inflationary increases have been applied on continued maintenance contracts.	n/a
Supervision, Management internal recharges & Pensions	4,996	440	£393k growth in payroll, pensions & Internal recharges. £10k growth in legal & decant costs. £78k increase in IT software & TV Licenses for supported housing services plus £40k consultancy savings cost.	Revenue income
Rents, rates & Other Charges	312	7	Inflationary increases applied.	Revenue Income
Total	1,396	791		

4.25 The next table summarises the revised forecast for 2016/17 and the draft 2017/18 budget for the Housing Revenue Account. (Appendix B).

	2016-17 Original Budget	2016-17 Revised Budget	Variance	2017-18 Draft Budget (Rent -1%)
	£000	£000	£000	£000
Income:				
Dwellings Rents	(22,228)	(22,090)	138	(21,827)
Other Income	(1,643)	(1,687)	(45)	(1,630)
Total Income	(23,871)	(23,777)	93	(23,457)
Expenditure				
Repairs & Maintenance	11,435	9,105	(2,330)	9,453
General Management	4,812	4,818	6	4,996
Interest & Repayment of borrowing	2,901	2,660	(241)	2,667
Revenue contribution to Capital	2,532	4,509	1,977	4,087
Depreciation	3,039	3,304	265	3,337
Other expenditure	298	321	23	312
Total Expenditure	25,017	24,717	(300)	24,852
Net (surplus)/Deficit for the year	1,146	939	(207)	1,396
HRA Reserves Balance B/Fwd.	9,337	9,337		8,398
Deficit/(Surplus) in year	1,146	939		1,396
HRA Reserves Balance cfwd	8,191	8,398		7,002

5. Housing Major works Capital programme (HMWCP) 2017/18 – 2021/22

- 5.1 This report sets out the new Housing capital investment requests for the 5 year period covering 2017/18 to 2021/22.
- 5.2 Local authorities' housing capital expenditure programme cover both Housing Revenue Account (HRA) related expenditure (which is largely stock related) and non HRA (support for private sector housing) expenditure. The focus is mainly in relation to the authority's own stock but the programme should reflect the specific needs and priorities of the area as set out in the housing strategy.
- 5.3 The size of an authority's housing capital expenditure programme is a matter for it to determine in the light of its assessment of the resources available to finance capital expenditure for the authority as a whole and the proportion of that which is to be spent on housing.
- 5.4 The local government capital finance system, introduced in Part 1 of the Local Government Act 2003 together with the various regulations made under that Part, applies to all local authority capital expenditure with no specific reference to housing. There is no ring fence arrangement applicable to capital but the GYCH capital programme as it relates to the HRA is separately monitored.
- 5.5 The HMWCP is subject to ongoing review and continues to be refined to take into account the priorities and objectives which have been derived from our understanding of the stock; the needs of current and future tenants; the opportunities presented by funding streams and; options for procurement and delivery of our investment plans.
- 5.6 There are two key strands to our investment plans:
- Maintaining and improving our housing stock;
 - New Affordable Council housing, including new housing to replace sales under RTB in line with Government guidance.
- 5.7 Our plans are prepared over the medium term and are reviewed and updated annually. Future investment decisions will be based on local decision making and local knowledge of the condition of the stock and the components within

the stock.

- 5.8 Drawing upon information derived from past stock condition surveys a programme has been drawn together which addresses known replacement issues of components from the stock condition data.
- 5.9 The programme includes the continuation of the kitchen and bathroom programme, an enhancement to the boiler and heating replacement schemes, investment into empty homes, delivery of external wall insulation, Roofing and insulation works.
- 5.10 These schemes offer both the opportunity to modernise properties, sustain them for the future and increase the thermal comfort of tenants. They also bring about potential savings from future revenue repairs budgets.
- 5.11 The Housing Major Works capital programme is subject to ongoing review following the conclusion of the Stock condition survey currently underway in 2016/17.

5.12 Revised 2016-17 position for HRA Major works Capital Programme.

Period 9	Revised Budget	Variance to original budget	Reason	Financed from
	£000	£000		
Kitchens & Bathrooms	2,081	347	£347k is needed to accelerate 1617 programme.	Revenue income
Windows & Doors	185	0	n/a	n/a
Planned Maint.	3,393	1,850	£1.75 Neighbourhood plans work & £100k Adaptations budgets moved to Capital	Revenue income
Energy & Efficiency	1,173	(217)	Heating programmes accelerated by £183k, in total. £400k external wall insulation works cfwd into 17/18	n/a
Specific projects	739	250	Whole house refurbishment budget increased due to 3 extra properties. £100k Stock condition survey budget bfwd	

			from 1516.	
Estate Improvements	455	(165)	Off street parking reduced to one scheme in year and installation of sewerage schemes delayed until 1718.	n/a
Empty Properties	1,003	503	Asbestos revenue budgets added plus an increase in works to void properties.	Revenue income
New Affordable Housing	2,100	0	n/a	n/a
Total	11,129	2,568		

5.13 Proposed growth/savings in HRA Capital programme 2017-18

(compared to original 2017/18 budget)

	2017/18 Revised Budgets	2017/18 Growth/ (Saving)	Details	Financed from
	£000	£000		£000
Kitchen & Bathroom	1,934	200	Increase in Kitchen voids budget	Revenue income
Windows & Doors	225	100	Increase to windows Budget	Revenue income
Planned Maintenance	3,270	1,850	£1.75m Neighborhood plans & £100k adaptation budgets moved from Revenue	Revenue income
Energy & Efficiency	1,348	33	Last remaining open flue boilers to be replaced.	Revenue income
Specific Projects	465	150	Whole house refurbishment budget increased by an additional 3 properties.	Revenue income
Estate Improvements	410	20	Sewerage schemes budget cfwd from 1617 & reduction to off St. Car parking prog.	Revenue income
Empty properties	850	550	Increase in major voids & Long term voids works.	Revenue income

New Affordable Housing	2,052	0	n/a	n/a
Total Expenditure	10,554	2,903		

5.14 The table below summarises the revised forecast for 2016/17 and the draft 2017/18 Capital programme for the Housing Revenue Account. Further detail is shown in Appendix C.

HRA Capital programme	Original Budget 16/17	Revised Forecast 16/17	Revised Draft Budget 17/18
Expenditure	£000	£000	£000
Kitchens & Bathrooms	1,734	2,081	1,934
Windows & Doors	185	185	225
Planned Maintenance	1,543	3,393	3,270
Energy Efficiency Improvements	1,390	1,173	1,348
Specific Planned Projects	489	739	465
Estate Improvements	620	455	410
Empty Properties	500	1,003	850
New Affordable Housing	2,100	2,100	2,052
Total Expenditure	8,561	11,129	10,554
Financing			
Borrowing	2,100	2,100	2,052
Capital Receipts	890	1,216	1,078
Revenue	2,532	4,509	4,087
Depreciation	3,039	3,304	3,337
Total Financing	8,561	11,129	10,554

6. Housing and planning Act 2016 – update from autumn statement November 2016 – Impacts to the Housing Revenue Account.

- 6.1 Since the introduction of self-financing in 2012, the 30 year HRA business plan has been challenged by a number of changes. Right to buy discounts have increased, rent setting policy has altered and other future new proposals affecting the HRA had been announced such as ‘Disposal of higher value properties’ and ‘Pay to Stay’ in order to fund the Right to Buy of Housing Association properties.
- 6.2 In response to these changes, the Council has, in the short term, kept the HRA reserves levels high in order to mitigate this loss of revenue. The Council still needs to prepare for further reductions in resources available to manage, maintain, improve and add to its housing stock. In addition, additional costs may be incurred through administration of the new regulations.
- 6.3 Community Housing continues to review of all of its revenue spending to look at where savings can be made. The Capital programme, which is funded in large part by contributions from revenue, is also under continuous review and certain areas of work have had to be reduced or slowed down. Careful consideration has been made not to reduce capital spend where this would have an overly detrimental impact on revenue costs.
- 6.4 **Disposal of ‘higher value’ properties**
- 6.5 The Housing and Planning Bill makes provision for grants to be made to private registered providers in respect of Right to Buy (RTB) discounts. The grants may be made by the Secretary of the State, the Homes and Communities Agency (HCA) and, in relation to dwellings in London, the Greater London Authority.
- 6.6 To meet the costs of providing discounts, a determination may be made requiring a local authority in England with an HRA to make a payment to the Government for a financial year reflecting the market value of high value housing likely to become vacant during the year, less costs, whether or not receipts are realised. Regulations will determine ‘higher value’ as applicable

to different areas. The detail of how this will work in practice is still to be finalised and the regulations have not been published. Recently the Government has announced a delay to the full implementation of RTB for Housing Association tenants and to these regulations. Without the full detail, it is not possible to model the financial impact. However, the Government has recently said that it acknowledges that Councils will need a considerable lead in period in which to prepare.

- 6.7 It is understood, however, that when enacted, the local authority must consider selling its interest (Freehold or leasehold) in high value housing but it is assumed that it could fund the payment by other means. It is likely that stock retaining authorities will have the option to retain some receipts to facilitate provision of replacement homes. The details of this part of the scheme are not known and may form part of a revised scheme on the use of Right to Buy funds.
- 6.8 All the payments will be based on assumptions about receipts from voids Sales; it may be the case that actual receipts fall short of the payments due. In this case local authorities will need to fund the payments from other sources or face interest charges on late payments.
- 6.9 As a result of this policy, the Council will lose rental streams from any high value properties that are sold, along with any marginal costs of managing and maintaining those units. It would be equitable for authorities to receive some form of compensation for the loss of net rent income.
- 6.10 In the autumn statement, it was announced a regional pilot scheme will allow over 3,000 tenants to purchase their own homes with Right to buy discounts, to test demand and aspects of the scheme not previously covered by smaller scale pilots. The government will fund this pilot, so the council will not see any impact from 'Higher Value Asset' payments in 2017/18.
- 6.11 **Pay to Stay**
- 6.12 The Government took powers in the Housing and Planning act 2016 to require local authorities to set higher rents for higher income council tenants (households earning over £40,000 a year in London and £31,000 a year in the rest of the country).

6.13 However, after listening to views from tenants, local authorities and others, on 22nd November 2016, The Government announced that it no longer intends to make 'Pay to Stay' compulsory for Council tenants.

6.14 **Supported Housing consultation**

6.15 The government has published a consultation paper on a new funding model for supporting housing. Supported housing supports hundreds of thousands of the most vulnerable people across the country.

6.16 The consultation seeks views on the design of the government's new housing costs funding model, as well as views on funding for emergency and short term placements should work. The new model will mean that core rent and service charges will be funded through universal credit. Local Authorities are best placed to make decision about how to support vulnerable people in their areas and to commission the supported housing services that are needed locally. The new model will devolve funding to local authorities in England to provide a 'top up' where necessary.

6.17 The consultation will run for 12 weeks from 21st November to 13th February 2017. There will be a Green Paper on the detailed arrangements for local top up model and approach to short term accommodation in the spring. A final Package will be announced in autumn 2017 to allow time for transitional arrangements and any necessary legislation to be made ahead of the new model commencing on 1st April 2019. Shadow arrangements will be made on the detail and allocation of funding in place from April 2018 to allow full transition to the new model.

7. **FINANCIAL IMPLICATIONS**

7.1 The detail within the report highlights the significant variances for the current year to date, including a full year impact to the HRA revenue and Capital budgets for future years.

7.2 The income and expenditure will continue to be monitored in detail during the current year, including additional reviews of the HRA 30 year business plan.

- 7.3 The HRA is dependent mainly on the rental income stream of the social housing rents, and we have a dedicated team monitoring tenant arrears on a regular basis.
- 7.4 The Council is required by law to avoid budgeting for a deficit on the HRA (Local Government & Housing Act 1989, section 76). The Council therefore manages a reasonable balance of reserves and this provides a contingency against unforeseen events and known risks. We currently have a high level of reserves at £9m; however we have a managed process to reduce this level over the next 5 years.

8. RISK IMPLICATIONS

- 8.1 It is recognised that there is a reduction of resources in 2017/18 and the budget will be adjusted to take account of that. The process must also recognise known risks for the HRA and ensure that adequate balances are in place to manage these as they materialise.
- 8.2 Where service delivery plans have changed, the budget setting process must reflect the subsequent impact on resources and also recognise known risks for the HRA and ensure there are adequate balances in place.

9. RECOMMENDATIONS

- 9.1 To note the reduction in rents of 1%, as set out in the Welfare Reform and Work Act 2016.
- 9.2 Review and recommend revenue and capital budget estimates 2017- 18 to 2021-2022.
- 9.3 Recommend the proposed Fees and Charges for 2017-18.
- 9.4 Review the revised forecast for 2016-17
- 9.5 Review government proposals as set by the Welfare reform and work act 2016 & Housing planning act 2016 impacting on the HRA in the future.

10. BACKGROUND PAPERS

<G:\HRA\2016-2017\Budget 2017-18\Budget 17-18 v8 - updated recharges.xlsx>

<G:\HRA\2016-2017\Budget 2017-18\GYN Budgets V4 RO.xlsx>

<G:\HRA\2016-2017\Budget 2017-18\HRA Revenue and Capital Budget 2017-18 090117.docx>

<G:\HRA\2016-2017\Budget 2017-18\Letter re Autumn Statement - 161124.pdf>

<HRA - MTFS 161116.docx>

<Rent, service charges and fees\Fees and charges - Yare Care.xlsx>

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Sent for Review
Existing Council Policies:	
Financial Implications:	Considered
Legal Implications (including human rights):	
Risk Implications:	Considered
Equality Issues/EQIA assessment:	n/a
Crime & Disorder:	n/a
Every Child Matters:	n/a

Appendix A

Housing Revenue Account 2017/18 Service Charges				
2017/18 Rent increase and Service Charges	2016/17	2017/18	2017/18	2017/18
	Average Charge	Average Charge	% Average Increase/ decrease	% Average Increase/ decrease
	50wks	50 wks	per wk	per wk
Rent Decrease (-1%)	£76.20	£75.44	-£0.76	-1%
Garages Basic - Tenants	£9.47	£9.84	£0.38	4%
Garages Premium - Tenants plus Town Centre Surcharge	£12.63	£13.13	£0.51	4%
Town Centre Surcharge	£3.16	£3.29	£0.13	4%
Caretaking charge - Basic	£0.84	£0.88	£0.03	4%
Caretaking charge - Enhanced	£0.84	£0.88	£0.03	4%
Maintenance of Aged Persons gardens	£4.28	£4.45	£0.17	4%
Communal Heating	£9.49	£9.49	£0.00	0%
Communal Water	£3.75	£3.90	£0.15	4%
Digital Communal TV Aerials	£0.66	£0.69	£0.03	4.5%
Sewerage charge	£5.86	£6.09	£0.23	4%
Sheltered Housing Support Charges 2017/18	2016/17	2017/18	2017/18	2017/18
	Average Charge	Average Charge	Average Increase	% Average Increase
	50wks	50wks	per wk	per wk
Protected tenancies (pre 01/04/03) plus Alarm Charge	£8.47	£8.80	£0.34	4%
Protected tenancies (pre 01/04/03)	£1.25	£1.30	£0.05	4%
Protected tenancies (pre 01/04/03)	£9.72	£10.10	£0.39	
Standard Tenancies (starting from 01/04/03) plus Alarm Charge	£11.85	£12.32	£0.47	4%
Standard Tenancies (starting from 01/04/03)	£1.25	£1.30	£0.05	4%
Standard Tenancies (starting from 01/04/03)	£12.21	£13.62	£0.52	
Alarm Charge only	£1.25	£1.30	£0.05	4%
Alarm Unit Rental (plus VAT)	£2.87	£3.00	£0.13	4.5%
From 01 April 2012 - Yare Care Installation Charge	£30.00	£31.50	£1.50	5.0%
Alarm Unit - purchase (plus VAT) - One -off payment	£135.00	£140.27	£0.00	0%
YARE CARE CHARGES	Weekly Charge			
	2017/18 Exc VAT	2017/18 Inc VAT		
<i>52 Week Calculation for Private users</i>				
Private - Rental + Monitoring	£2.92	£3.50		
Private - Monitoring	£1.25	£1.50		
<i>50 week calculation for Community Housing Tenants</i>				
Council - Rental + Monitoring	£3.00	£3.60		
Council - Monitoring	£1.35	£1.62		

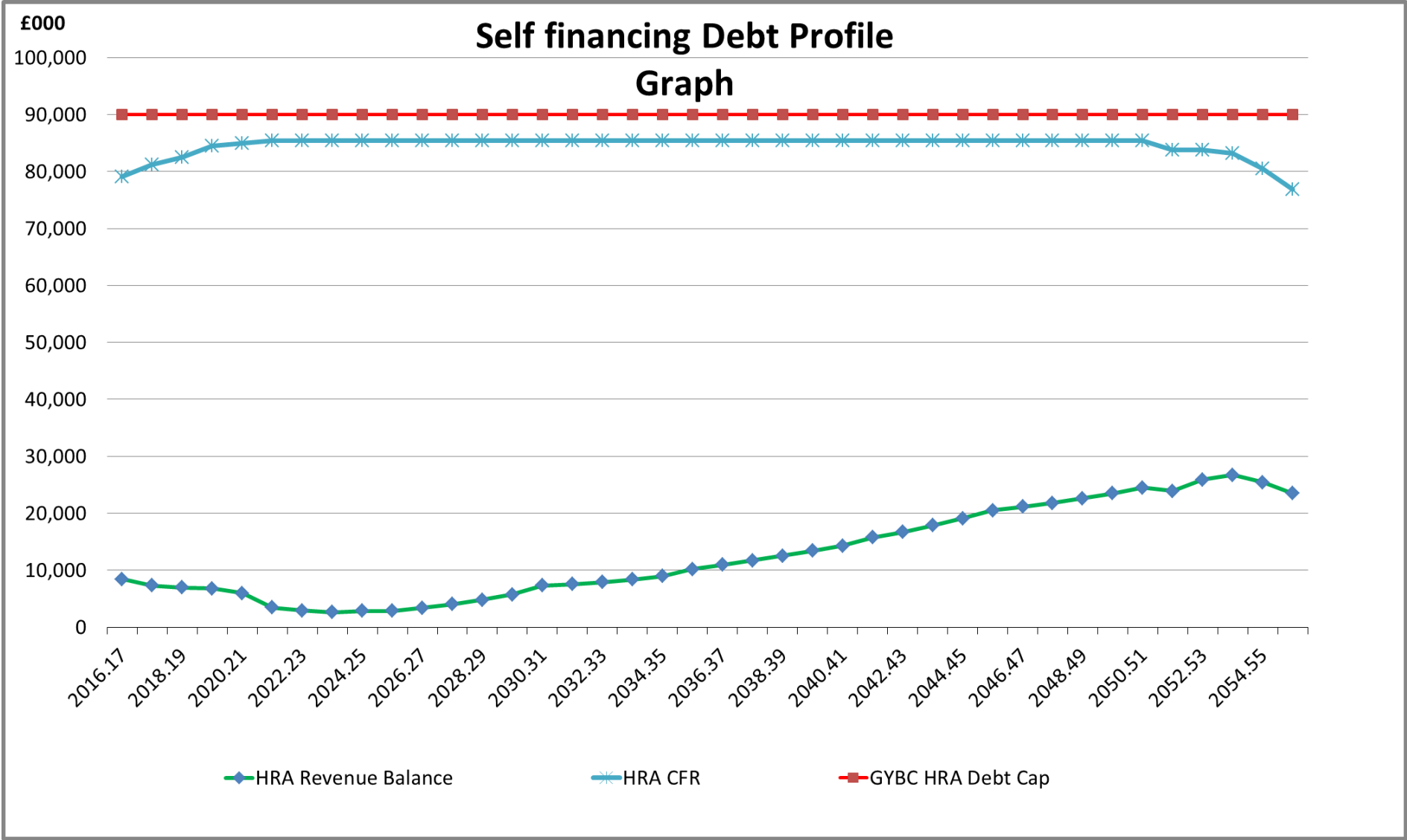
Appendix B

Housing Revenue Account Budget 2017/18 - 2020/21 & Revised 2016/17 Budget.								
Income / Expenditure		Original Budget	Revised	Budget	Budget	Budget	Budget	Budget
		2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Income	Charges for Services and Facilities	(1,261,545)	(1,300,718)	(1,301,886)	(1,320,956)	(1,342,787)	(1,365,115)	(1,368,464)
	Contributions towards Expenditure	(148,948)	(149,153)	(83,768)	(15,714)	(15,603)	(15,495)	(15,495)
	Dwelling Rents	(22,228,000)	(22,090,000)	(21,827,000)	(21,599,000)	(21,807,000)	(21,811,000)	(22,232,000)
	Interest and Investment Income	(5,000)	(5,000)	(5,140)	(5,284)	(5,432)	(5,584)	(5,584)
	Non Dwelling Rents	(227,154)	(232,503)	(238,907)	(243,986)	(249,174)	(254,475)	(258,749)
Income Total		(23,870,647)	(23,777,374)	(23,456,702)	(23,184,939)	(23,419,997)	(23,451,670)	(23,880,292)
Expenditure	Capital Expenditure funded by the HRA	2,532,414	4,509,241	4,087,923	2,694,655	2,581,554	2,365,555	4,298,617
	Depreciation and Impairment of Fixed Assets: Dwellings	2,920,098	3,169,896	3,201,595	3,233,611	3,265,947	3,298,607	3,331,593
	Depreciation and Impairment of Fixed Assets: Non - Dwellings	118,948	134,323	135,563	136,815	138,080	139,357	140,647
	Impairment of Fixed Assets	0	0	0	0	0	0	0
	Interest Payable and Similar Charges	2,901,216	2,659,979	2,666,534	2,751,578	2,813,231	2,890,467	2,908,214
	Provision for bad and doubtful debts	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Rents, Rates, Taxes & Other charges	147,256	170,579	162,274	155,618	159,975	164,454	164,454
	Repairs and Maintenance	11,434,495	9,104,720	9,453,049	9,537,241	9,781,922	10,033,031	10,178,303
	Supervision and Management	4,682,040	4,727,329	4,896,225	4,808,947	4,880,366	4,812,013	4,838,565
Expenditure Total		24,886,467	24,626,068	24,753,163	23,468,465	23,771,075	23,853,483	26,010,393
Below The Line	(Gain) / Loss on Sale of HRA non-current Assets	0	0	0	0	0	0	0
	Employer's Contributions Payable to or from Norfolk County.	555,475	716,039	787,643	795,520	875,072	962,579	962,579
	Impairment of Fixed Assets	0	0	0	0	0	0	0
	Net Charges made for Retirement Benefits in accordance with IAS 19	(425,000)	(625,495)	(688,044)	(688,044)	(756,849)	(832,534)	(832,534)
Below The Line Total		130,475	90,545	99,599	107,475	118,223	130,045	130,045
Grand Total		1,146,295	939,239	1,396,060	391,001	469,301	531,858	2,260,146
Housing Revenue Account Reserves summary		Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
		Bwfd	9,337,000	8,397,761	7,001,701	6,610,700	6,141,399	5,609,541
		In year	939,239	1,396,060	391,001	469,301	531,858	2,260,146
		Cfwd	8,397,761	7,001,701	6,610,700	6,141,399	5,609,541	3,349,394

Appendix C – HRA Major Works Capital Programme 2017-2022.

	Original budget 1617	Revised budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22
Kitchen & Bathrooms Improvements							
Kitchens planned	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000	904,938	1,400,000
Bathrooms planned	284,000	380,000	284,000	284,000	284,000	284,000	720,000
Kitchen Voids	250,000	451,000	450,000	250,000	250,000	250,000	250,000
Bathroom Voids	40,000	90,000	40,000	40,000	40,000	40,000	40,000
Windows & Doors Improvements							
Doors	75,000	75,000	75,000	75,000	150,000	150,000	150,000
Windows	110,000	110,000	150,000	50,000	200,000	300,000	300,000
Planned Maintenance							
Firewalls in roof space	18,000	18,000	-	-	-	-	-
Flat Roofs	218,000	218,000	300,000	300,000	300,000	200,000	200,000
Flat Roofs	132,000	132,000	-	-	-	-	-
Major R&M	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Neighbourhood Plans	250,000	2,000,000	2,000,000	1,600,000	1,600,000	1,600,000	1,600,000
Reline Finlock Gutters	50,000	50,000	50,000	50,000	50,000	50,000	-
Rewiring Dwellings	320,000	320,000	320,000	320,000	320,000	320,000	320,000
Major Adaptations	50,000	150,000	150,000	150,000	150,000	150,000	150,000
Roofing	455,000	455,000	400,000	400,000	400,000	300,000	300,000
Energy & Efficiency Improvements							
Loft Insulation -	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Communal Heating	117,000	160,000	-	-	-	-	-
Coved Ceilings	-	-	-	-	-	-	-
Dodds Heating Boiler - Replacement VOKERA	200,000	300,000	200,000	100,000	-	-	1,300,000
Dodds Heating one offs - Maintenance Contract	315,000	315,000	315,000	315,000	315,000	315,000	315,000
External Wall Insulation - Northern Parishes	400,000	-	400,000	400,000	400,000	400,000	400,000
Renewables (Air Source Heat Pumps)	-	40,000	100,000	100,000	100,000	100,000	100,000
Replace Inefficient and Partial Heating Systems	225,000	225,000	200,000	200,000	-	-	-
Replace Open Flue Boilers - Dodds	33,000	33,000	33,000	-	-	-	-
Specific Planned Projects							
Oil Tanks	16,000	16,000	-	-	-	-	-
GYN Management	73,460	73,460	65,080	63,080	54,580	54,580	54,580
Stock Condition Survey	150,000	250,000	-	-	-	-	-
Whole House	250,000	400,000	400,000	250,000	250,000	100,000	-
Estate Improvements							
Concrete improvement works	100,000	100,000	100,000	100,000	100,000	100,000	100,000
First Time Installation Sewerage Schemes	80,000	5,000	80,000	-	-	-	-
Off Street Parking - MCE	140,000	50,000	80,000	140,000	140,000	140,000	-
Upgrade Stair Enclosures	300,000	300,000	150,000	150,000	100,000	100,000	100,000
Empty Properties							
Long Term Void Refurbish	-	-	150,000	-	-	-	-
Major Voids	500,000	1,003,000	700,000	300,000	300,000	300,000	300,000
New Affordable Housing							
Affordable Housing	2,100,000	2,100,000	2,052,000	1,360,000	1,995,000	406,000	476,000
Total							
	8,561,460	11,129,460	10,554,080	8,307,080	8,808,580	6,714,518	8,725,580

Appendix D – Housing Revenue Account 40 Year Business Plan Summary.



Subject: **Treasury Management Strategy 2017/18**

Report to: Policy and Resources Committee – 7 February 2017

Report by: Group Manager Resources

SUBJECT MATTER/RECOMMENDATIONS

To consider and recommend to Council the 2017/18 Treasury Management Strategy, including the Prudential Indicators, Minimum Revenue Provision Policy Statement and the Annual Investment Strategy.

1. INTRODUCTION/BACKGROUND

- 1.1 The Council is required to determine annually its Treasury Management Strategy (TMS). The TMS for the 2017/18 financial year is attached at Appendix A and includes the following:
 - the Prudential Indicators,
 - Minimum Revenue Provision Policy Statement and
 - The Annual Investment Strategy.
- 1.2 The Council continues to maintain an under-borrowed position which means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high. An under borrowing position is forecast to continue.
- 1.3 The Council is required to operate a balanced budget, whereby cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.4 The second main function of the treasury management service is the funding of the Council's planned capital plans. These capital plans provide a guide to the borrowing need of the Council, informing the longer term cash flow planning, to ensure the Council can meet its capital spending obligations.
- 1.5 The management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt

previously drawn may be restructured to meet the Council risk or cost objectives.

- 1.6 The treasury strategy has been informed by the current capital programme and updates to the programme as included within the budget report which is being recommended elsewhere on the agenda.
- 1.7 The revenue implications of the strategy have been included in the General Fund and HRA budgets for 2017/18.

2. **FINANCIAL IMPLICATIONS**

Detailed within the Strategy Document

3. **RISK IMPLICATIONS**

Detailed within the Strategy Document

4. **CONCLUSIONS**

The Council is required to determine annually its TMS, as covered within the attached reports Treasury Management Strategy, the Prudential Indicators, Minimum Revenue Provision Policy Statement and the Annual Investment Strategy.

5. **RECOMMENDATIONS**

It is recommended that Cabinet agree and recommend to Council:

- a) The TMS for 2017/18;
- b) The Prudential Indicators and Limits for the three year period 2017/18 to 2019/20 as contained (Section 2.3 of the TMS document);
- c) The Minimum Revenue Provision Statement (Section 2.3 of the TMS document)
- d) The Annual Investment Strategy (Section 4.1 of the TMS document)

6. BACKGROUND PAPERS

The Council is required to determine annually its Treasury Management Strategy.

Area for consideration	Comment
Monitoring Officer Consultation:	No
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Yes
Financial Implications:	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	No
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement
and Annual Investment Strategy

2017/18

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1 INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid-year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to Council, Policy and Resources Committee undertake this role.

1.3 Treasury Management Strategy for 2017/18

The strategy for 2017/18 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny and recommendation of the TMS. The following training from Chris Scott, Director, Capita was provided to members on 3rd November 2016 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

1.5 Treasury management advisors

The Council uses Capita Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remain with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2017/18 – 2019/20 AND MRP STATEMENT

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Housing & Neighbourhoods	3,468	17,515	2,282	403
Customer Services	1,280	601	700	240
Resources, Governance & Growth	1,856	10,555	0	0
Transformation Team	292	0	0	0
Non-HRA (GF) Total	6,896	28,671	2,982	643
HRA	11,129	10,554	8,307	8,809
Total	18,025	39,225	11,289	9,452

Other long term liabilities. The above financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non-HRA (GF)Total	£6,896	£28,671	£2,982	£643
HRA	£11,129	£10,554	£8,307	£8,809
Total	£18,025	£39,225	£11,289	£9,452
Financed by:				
Capital receipts	£1,386	£1,197	£882	£828
Capital grants	£1,418	£3,607	£1,877	£363
Capital reserves	-	-	-	-
Revenue	£7,813	£7,425	£6,065	£5,986
Net financing need for the year	£7,408	£26,996	£2,465	£2,275

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital

expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £0.978m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Capital Financing Requirement				
CFR – non housing	£ 48,398	£ 62,294	£ 61,392	£ 59,536
CFR – housing	£ 79,651	£ 81,703	£ 83,063	£ 85,058
Total CFR	£128,049	£143,998	£144,455	£144,594
Movement in CFR	£ 5,855	£ 15,948	£0,458	£0,139

Net financing need for the year (above)	£7,428	£17,750	£2,530	£2,276
Less MRP/VRP and other financing movements	-£1,573	-£1,802	-£2,072	-£2,137
Movement in CFR	£ 5,855	£ 15,948	£0,458	£0,139

2.3 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although is also allowed to undertake additional voluntary payments if required (voluntary revenue provisions – VRP).

Community of Local Government regulations have been issued which require the full Council to approve **an MRP Statement** in advance each year. The Council is recommended to approve the following MRP Statement.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing Practice** – MRP will follow the existing practice outlined in former CLG regulations (option 1);

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3)

These options provide for a reduction in the borrowing need over approximately the asset's life.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

Repayments included in finance leases are applied as MRP.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Fund balances / reserves	£19,847	£17,849	£17,582	£17,301
Capital receipts	£0,642	£0,642	£0,642	£0,642
Provisions	£5,232	£0	£0	£0
Other	£0	£0	£0	£0
Total core funds	£25,722	£18,491	£18,224	£17,943
Working capital*	-£4,226	-£4,728	£2,661	£5,219
Under/over borrowing**	£29,948	£23,219	£15,563	£12,724
Expected investments	£0	£0	£0	£0

*Working capital balances shown are estimated year end; these may be higher mid-year

2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

a. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non-HRA	15.44%	18.85%	23.24%	28.76%
HRA	10.94%	10.93%	11.12%	11.61%

The estimates of financing costs include current commitments and the proposals in this budget report.

b. Incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of funding and service delivered which are not certain over the three year period.

Incremental impact of capital investment decisions on the band D council tax

£	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Council tax band D	£8.83	£14.34	£10.13	£2.42

c. Estimates of the incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

d. Incremental impact of capital investment decisions on housing rent levels

£	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Weekly housing rent levels	£25.69	£24.56	£20.16	£19.99

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

e. HRA ratios

£	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
HRA debt £m	£77.610	£79.662	£81.022	£83.017
Number of HRA dwellings	5873	5838	5808	5783
Debt per dwelling £	£13.215	£13.645	£13.950	£14.355

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is managed in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the management of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

The Council's treasury portfolio position at 1 April 2016, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
External Debt				
Debt at 1 April	£96.198	£98.101	£120.779	£128.892
Expected change in Debt	£1.000	£21.850	£7.360	£2.300
Other long-term liabilities (OLTL)	£0.978	£0.903	£0.828	£0.753
Expected change in OLTL	-£0.075	-£0.075	-£0.075	-£0.075
Actual gross debt at 31 March	£98.101	£120.779	£128.892	£131.870
The Capital Financing Requirement	£128.409	£143.998	£144.455	£144.594
Under / (over) borrowing	£29.948	£23.219	£15.563	£12.724

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Finance Director reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Full details of the capital programme can be found as an appendix to the budget report for 2017-18 included within the Policy and Resources Committee February 2017 agenda. Initially to fund the projects short term loans will be used to maximize on very low interest rates. However, longer term borrowing will be required and the timing of this will be critical, to ensure that we secure affordable long term rates for the future.

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Head of Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt	£130.000	£146.000	£146.000	£147.000
Other long term liabilities	£2.000	£2.000	£2.000	£2.000
Total	£132.000	£148.000	£148.000	£149.000

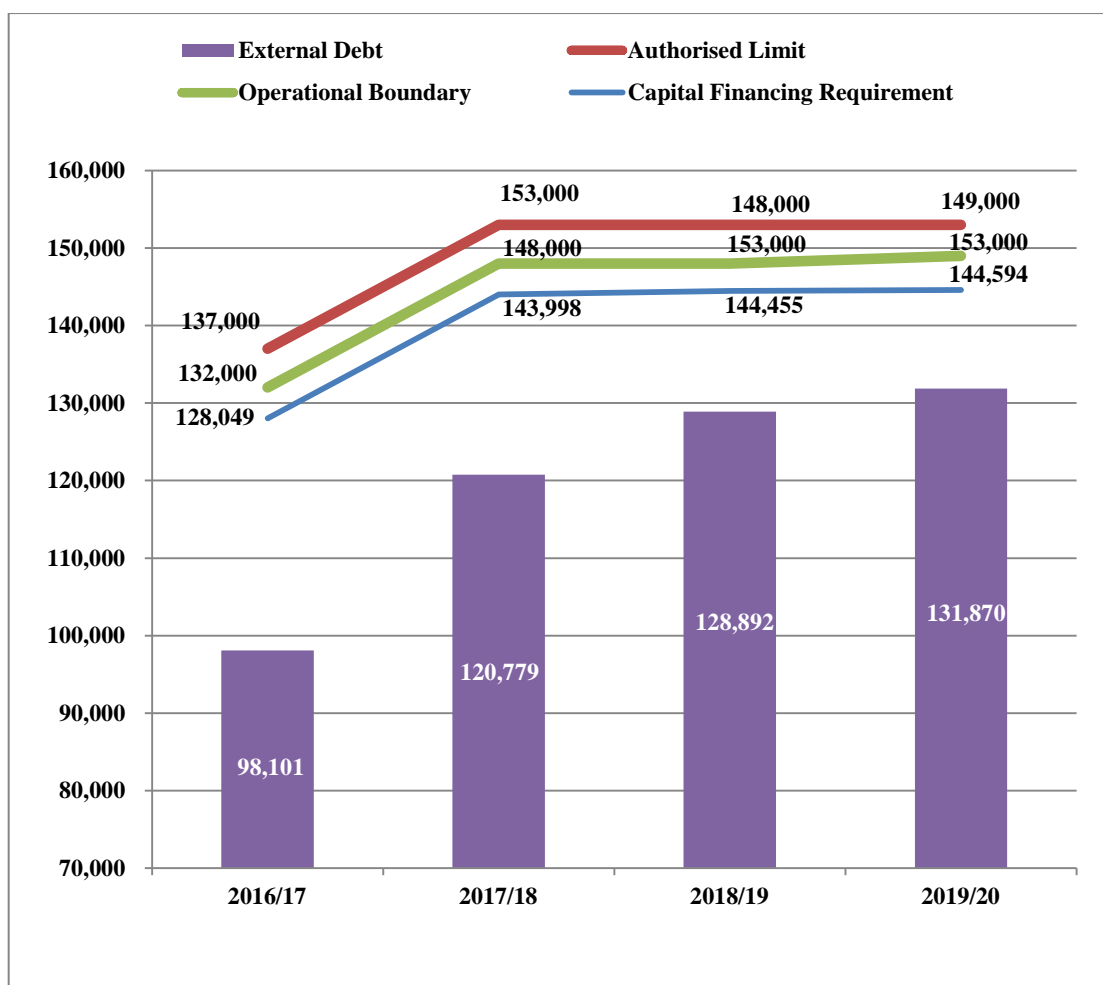
The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt	£135.000	£151.000	£151.000	£152.000
Other long term liabilities	£2.000	£2.000	£2.000	£2.000
Total	£137.000	£153.000	£153.000	£154.000

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
HRA debt cap	89.998	89.998	89.998	89.998
HRA CFR	79.651	81.705	83.065	85.058
HRA headroom	10.347	8.293	6.933	4.94



3.3 Prospects for interest rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view.

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.60%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%
50yr PWLB rate	2.70%	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%

External and International Factors

The Monetary Policy Committee, (MPC), cut Bank Rate from 0.50% to 0.25% on 4th August 2016 in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. It also gave a strong steer that it was

likely to cut Bank Rate again by the end of the year. However, economic data since August has indicated much stronger growth in the second half 2016 than that forecast; also, inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling since early August. Consequently, Bank Rate was not cut again in November or December and, on current trends, it now appears unlikely that there will be another cut, although that cannot be completely ruled out if there was a significant dip downwards in economic growth. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected that at some point, there would be a start to a switch back from bonds to equities after a historic long term trend over about the last twenty five years of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial quantitative easing purchases of bonds, added further impetus to this downward trend in bond yields and rising prices of bonds. The opposite side of this coin has been a rise in equity values as investors searched for higher returns and took on riskier assets.

The sharp rise in bond yields since the US Presidential election, has called into question whether, or when, this trend has, or may, reverse, especially when America is likely to lead the way in reversing monetary policy. Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as strong economic growth becomes more firmly established. The expected substantial rise in the federal rate over the next few years may make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US would be likely to exert some upward pressure on bond yields in other developed countries but the degree of that upward pressure is likely to be dampened by how strong, or weak, the prospects for economic growth and rising inflation are in each country, and on the degree of progress in the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

PWLB rates and gilt yields have been experiencing exceptional levels of volatility that have been highly correlated to geo-political, sovereign debt crisis and emerging market developments. It is likely that these exceptional levels of volatility could continue to occur for the foreseeable future.

The overall balance of risks to economic recovery in the UK is to the downside, particularly in view of the current uncertainty over the final terms of Brexit and the timetable for its implementation.

Apart from the above uncertainties, **downside risks to current forecasts** for UK gilt yields and PWLB rates currently include:

- Monetary policy action by the central banks of major economies reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some countries, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Major national polls:
 - Italian constitutional referendum December 2016 resulted in a 'No' vote which led to the resignation of Prime Minister Renzi. This means that Italy needs to appoint a new government.
 - Spain has a minority government with only 137 seats out of 350 after already having had two inconclusive general elections in 2015 and 2016. This is potentially highly unstable.
 - Dutch general election March 2017;
 - French presidential election April/May 2017;
 - French National Assembly election June 2017;
 - German Federal election August – October 2017.
- A resurgence of the Eurozone sovereign debt crisis, with Greece being a particular problem, and stress arising from disagreement between EU countries on free movement of people and how to handle a huge influx of immigrants and terrorist threats
- Weak capitalisation of some European banks, especially Italian.
- Geopolitical risks in Europe, the Middle East and Asia, causing a significant increase in safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

The potential for **upside risks to current forecasts** for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include: -

- UK inflation rising to significantly higher levels than in the wider EU and in the US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Fed. funds rate increases and rising inflation expectations in the USA, dragging UK gilt yields upwards.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).

Investment and borrowing rates

- Investment returns are likely to remain low during 2017/18 and beyond;
- Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid-August; they fell sharply to historically phenomenally low levels after the referendum and then even further after the MPC meeting of 4th August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a 'hard Brexit', the fall in the value of sterling, and an increase in inflation expectations. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when authorities will not be able to avoid new borrowing to finance capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2017/18 treasury operations. The Finance Director will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast*, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

3.5 Treasury indicators for debt

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;

- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

£m	2015/16	2016/17	2017/18
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	100%	100%	100%
Maturity structure of fixed interest rate borrowing 2015/16			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	40%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	80%	
10 years to 20 years	0%	100%	
20 years to 30 years	0%	100%	
30 years to 40 years	0%	100%	
40 years to 50 years	0%	100%	
Maturity structure of variable interest rate borrowing 2015/16			
	Lower	Upper	
Under 12 months	0%	20%	
12 months to 2 years	0%	40%	
2 years to 5 years	0%	60%	
5 years to 10 years	0%	80%	
10 years to 20 years	0%	100%	
20 years to 30 years	0%	100%	
30 years to 40 years	0%	100%	
40 years to 50 years	0%	100%	

3.6 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.7 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Council, at the earliest meeting following its action.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendix 5.1 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with

adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Finance Director will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Capita Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AAA

and have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i. Short Term – *F1, P1*
 - ii. Long Term – *A-, A3*
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
- Banks 3 – The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested.
- Building societies the Council will use all societies which:
 - i. Meet the ratings for banks outlined above;
 - ii. Have assets in excess of £2bn;;
 or meet both criteria.
- Money market funds (MMFs) – AAA
- Enhanced money market funds (EMMFs) - AAA
- UK Government (including gilts and the DMADF)

- Local authorities, parish councils etc
- Supranational institutions

A limit of 30% will be applied to the use of non-specified investments.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long term Rating (or equivalent)	Money and/or % Limit	Time Limit
Banks 1 higher quality	AA	£4m	3 yrs
Banks 1 medium quality	AA	£4m	1 yr
Banks 1 lower quality	A-	£3m	1 yr
Banks 2 – part nationalised	N/A	£4m per group	1 yr
Limit 3 category – Council's banker (not meeting Banks 1)	XXX	£3m	3 months
DMADF	AAA	unlimited	6 months
Local authorities	N/A	£3m	2 yrs
	Fund rating	Money and/or % Limit	Time Limit
Money market funds	AAA	£3m per fund	liquid
Enhanced money market funds	AAA	£3m per fund	liquid

The proposed criteria for specified and non-specified investments are shown in Appendix 5.1 for approval.

4.3 Country and sector limits

Due care will be taken to consider the country, group and sector exposure of the Council's investments.

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AAA. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.2. This list will be

added to, or deducted from, by officers should ratings change in accordance with this policy.

In addition:

- no more than 10% will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations. Bank Rate is forecast to stay flat at 0.25% until quarter 2 2019 and not to rise above 0.75% by quarter 1 2020. Bank Rate forecasts for financial year ends (March) are:

- 2016/17 0.25%
- 2017/18 0.25%
- 2018/19 0.25%
- 2019/20 0.50%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year are as follows:

	Now
2016/17	0.25%
2017/18	0.25%
2018/19	0.25%
2019/20	0.50%
2020/21	0.75%
2021/22	1.00%
2022/23	1.50%
2023/24	1.75%
Later years	2.75%

The overall balance of risks to these forecasts is currently probably slightly skewed to the downside in view of the uncertainty over the final terms of Brexit. If growth expectations disappoint and inflationary pressures are minimal, the start of increases in Bank Rate could be pushed back. On the other hand, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace.

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days
--

£m	2017/18	2018/19	2019/20
Principal sums invested > 364 days	£2m	£2m	£2m

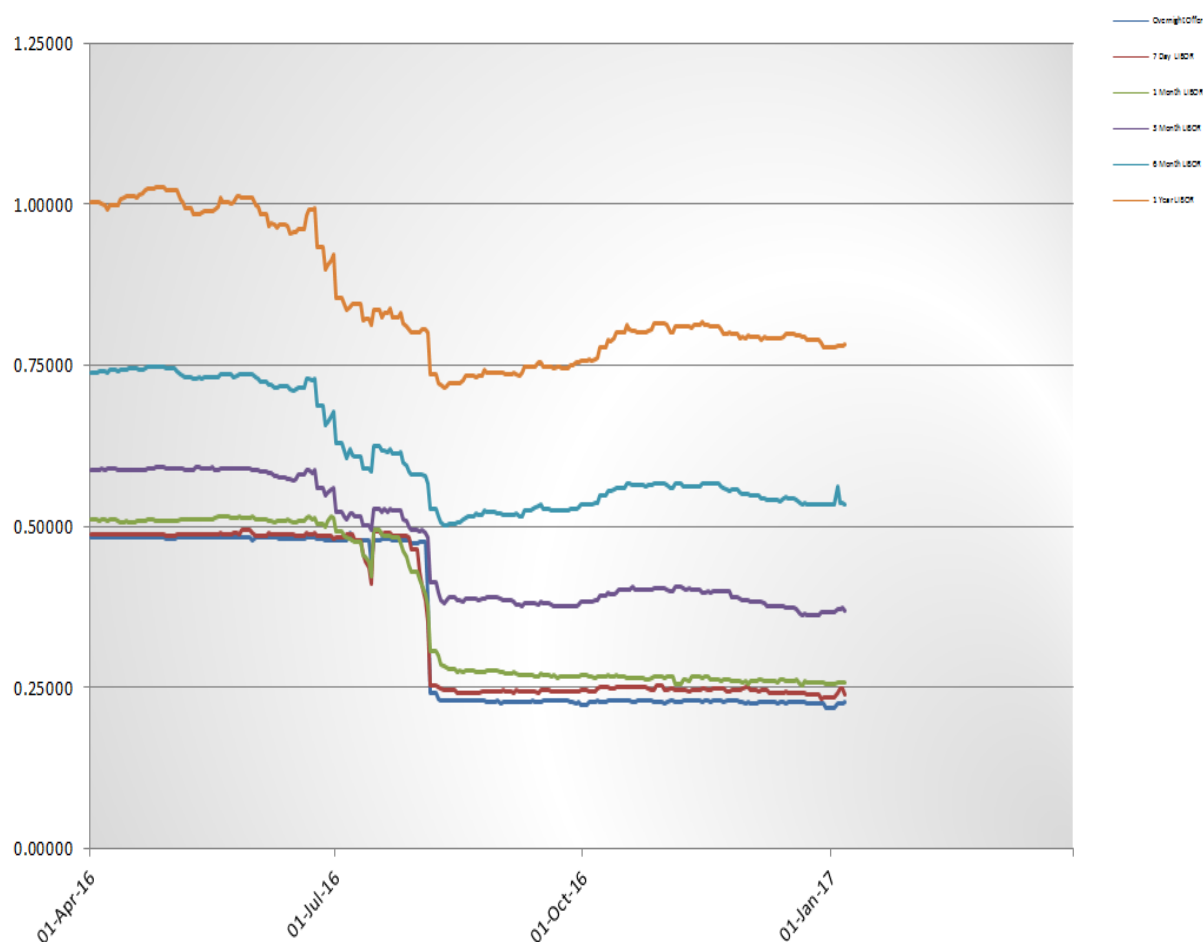
Against this view the Treasury officers expect £25k.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

4.5 Investment risk benchmarking

This Council will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day LIBID compounded / uncompounded.

Libor rates 2016-17



4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.7 Icelandic bank investments

Icelandic Bank Defaults - In October 2008, the Landsbanki, Kaupthing and Guiltinir collapsed and the UK subsidiaries of the banks, Heritable and Kaupthing Singer and Friedlander went into administration. The authority had £2m deposited with Heritable, with a maturity date of 15 October 2008 and interest rate as follows:

Amount Invested £'000	Interest Rate	Carrying Amount	Received to Date £'000 £'000	Impairment £'000	Principal Default %
2,000	5.87%	2,027	1,905	94	5%

All monies within these institutions are currently subject to the respective administration and receivership processes. The amounts and timing of payments to depositors such as the authority will be determined by the administrators/receivers.

The current situation with regards to recovery of the sums deposited varies between each institution. A payment was received in August 2015 for £80,729. The Authority has exceeded the 95% expected recovery of the original deposit, having now recovered over 98%. It is unlikely any further payments will be received.

5 APPENDICES

1. Treasury management practice 1 – credit and counterparty risk management
2. Approved countries for investments
3. Treasury management scheme of delegation
4. The treasury management role of the Head of Finance officer

5.1 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 25/05/2004 and will apply its principles to all investment activity. In accordance with the Code, the Finance Director has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's and / or Fitch rating agencies.

5. A body that is considered of a high credit quality (such as a bank or building society). For category 5 this covers bodies with a minimum Short Term rating of F1,P1 (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

	Fitch Long term Rating (or equivalent)	Money Limit	Time Limit
Banks 1 higher quality	AA	£4m	3 yrs
Banks 1 medium quality	AA	£4m	364 days
Banks 1 lower quality	A+	£3m	364 days yr
Banks 2 – part nationalised	N/A	£4m per group	364 days
Limit 3 category – Council's banker (not meeting Banks 1)	A-	£3m	1 day
DMADF	AAA	unlimited	6 months
Local authorities	N/A	£3m	1 yrs
Money market funds	AAA	£3m per fund	liquid
Enhanced money market funds	AAA	£3m per fund	liquid

Non-specified investments –are any other type of investment (i.e. not defined as specified above). At present the Council does not have the resources to consider Non-Specified investments.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Capita Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Finance Director, and if required new counterparties which meet the criteria will be added to the list.

5.2 APPROVED COUNTRIES FOR INVESTMENTS

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

5.3 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.4 The treasury management role of the Head of Finance officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

Subject: 2017/18 BUDGET REPORT

Report to: Policy and Resources Committee - 7 February 2017
Full Council - 22 February 2017

Report by: Finance Director

SUBJECT MATTER/RECOMMENDATIONS

This report presents for approval by Full Council the 2017/18 budget along with the latest financial projections for the following three years to 2020/21. The report includes details of the provisional finance settlement along with the key assumptions that have been made within the budget.

Overall the position shows a deficit of £188,240 for 2017/18 which is recommended to be funded from the general reserve.

The financial forecast for the period 2018/19 to 2020/21 currently showing an increasing deficit of £693k for 2018/19 increasing to £1.5million by 2019/20. This position does not allow for the use of reserves over the medium term period to fund ongoing spending pressures but does allow for the delivery of savings and additional income that will be delivered over the short to medium term.

The Council's budget is set for approval each year; it is presented to Policy and Resources Committee for recommendation to Full Council alongside the setting of the Council Tax for the forthcoming year.

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 final settlement is due to be announced early February and any amendments to the figures included in the report will be updated at the meeting as applicable and reflected in the Council Tax setting report to Full Council in February 2017.

The report also recommends an updated capital programme after allowing for slippage of schemes between financial years and approval for new capital bids and projects.

The report also outlines the risks facing the Council in setting the budget and forecasting future spending plans and resources.

Recommendations:

A) It is recommended that Policy and Resources Committee agree and recommend to Full Council:

- 1) The 2017/18 General Fund revenue budget as outlined at Appendix A;**
- 2) The fees and charges as detailed at Appendix D ;**
- 3) The Council Tax for 2017/18 for the Borough Council tax be £151.48 (for an average Band D);**
- 4) That the demand on the Collection Fund for 2017/18 be:**
 - a. £4,141,766 for the Borough Council purposes;**
 - b. £352,989 for Parish Precepts;**
- 5) The statement of and movement on the reserves as detailed at Appendix F;**
- 6) The Policy framework for reserves as detailed at Appendix G;**

- 7) The updated Capital Programme and financing for 2017/18 to 2019/20 as detailed at Appendix H;
- 8) That members note the current financial projections for the period 2018/19 to 2020/21;
- B) It is recommended that the Policy and Resources Committee agree the use of earmarked reserves to fund one-off and up-front costs that are required to deliver future savings and additional income as detailed within the reserves statement.

1. Introduction and Background

- 1.1 This report presents for recommendation 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, which takes account of slippage of schemes between financial years. Details of new capital schemes are included within the report and appendices for approval. Recommendations from this report will be made to Full Council on 22 February 2017 as part of the annual Budget and Council Tax setting.
- 1.3 The financial projections for the period 2017/18 to 2019/20 were presented to Members in February 2016 alongside consideration of the budget for 2016/17. These provided indicative forecasts for the future taking into account the multi-year settlement figures covering the four year period 2016/17 to 2019/20. An update to the Medium Term Financial Strategy (MTFS) covering the period 2017/18 to 2019/20 was presented to Members in November 2016. Table 1 below provides a summary of the forecast surplus/budget gap presented at those times.

Table 1 - Background - Funding Gaps			
	2017/18	2018/19	2019/20
	£000	£000	£000
February 2016	885	1,753	2,209
November 2016*	511	339	1,101

* Nov 2016 Figures included in the MTFS assumed targets for savings and additional income would be delivered.

- 1.4 The forecast in November reflected in-yea budget monitoring variances and also allowed for a reduction in funding from the New Homes Bonus which was mitigated by a revised forecast on the business rates retention informed by the in-year monitoring and previous years outturn.
- 1.5 The projections as summarised above were based on a number of assumptions around future spending plans, income and delivery of new and ongoing savings and efficiencies. They were also informed by the budget monitoring positions.
- 1.6 The budget for 2017/18 and future financial projections as included in this report and accompanying appendices is the culmination of work carried out by finance and service areas along with Executive Management Team and the Policy Resources Committee. The position has been informed by the confirmation of year two of the

multi-year settlement and provisional allocations of new homes bonus funding for 2017/18 as announced on 15 December 2016. The final settlement is expected early February and the final budget presented for approval on 22 February 2017 will be updated to reflect the final figures as applicable. Appendix A provides a general fund summary for the 2017/18 and future financial projections with more detailed within the detailed Appendices B.

2. Provisional Local Government Finance Settlement

- 2.1 The provisional finance settlement (year two of the multi-year settlement which the Council accepted) was announced by the Secretary of State for Local Government on Thursday 15 December 2016. The final settlement figures are due to be announced in late January/ 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.
- 2.2 Some of the key messages from the settlement statement and the subsequent analysis are as follows:
- a) Social Care Precept – greater flexibility over the social care precept allowing a rise from 2% to 3% on the condition that the total increase does not exceed 6% by 2019/20 (this does not apply to Great Yarmouth Borough Council);
 - b) New Homes Bonus reforms are planned to deliver £241 million to be allocated to social care authorities. This would be a redistribution of existing funding as opposed ‘new funding’. The reforms include a reduction to a five year allocation in 2017/18 and to a four year scheme from 2018/19. In addition a 0.4 % threshold below which no bonus would be payable has been introduced;
 - c) Core Spending Power - Overall there are reductions in core spending power in 2017/18 of 1.1%, although the actual changes compared to 2016/17 differ between tiers of local government;
 - d) Multi-year settlements – 97% of Local Authorities accepted the four year settlement (2016/17 to 2019/20) providing confirmation of Revenue Support Grant for the period;
 - e) Council Tax – The referendum principles for 2017/18 are expected to remain at 2% with the exception of the lowest 10 Police and Crime Commissioners and all shire district authorities for which the limit would be the higher of 2% or £5 on a band D. (For GYBC this would equate to a maximum increase of £5 per annum equating to 3.4%).
- 2.3 The settlement includes a measure referred to as ‘Core Spending Power’, this is essentially the Government’s measure of core revenue funding components for local government consisting of the following (*applicable sources for GYBC):
- Revenue Support Grant*
 - Retained Business Rates*
 - New Homes Bonus*
 - Improved Better Care Fund Income
 - Rural Services Delivery Grant
 - Transition Grant

- 2017/18 Adult Social Care Support Grant
- Assumed income from Council Tax – allowing for tax base growth*
- Assumed income from Council Tax – allowing for annual increases to the council tax to the referendum limits, i.e. higher of 2% or £5*.

2.4 Table 2 provides a summary of the Core Spending Power (CSP) for GYBC as included in the provisional settlement announcement.

Table 2 - Core Spending Power (as per the provisional settlement)					
	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
Settlement Funding Assessment	8,135	7,255	6,593	6,247	5,863
Council Tax:	3,831	3,914	4,122	4,337	4,557
Council Tax Requirement excluding parish precepts (including base growth and levels increasing by CPI)	3,831	3,914	4,066	4,223	4,387
Potential additional council tax from £5 referendum principle for all districts	0	0	56	113	170
New Homes Bonus	1,168	1,385	1,072	813	780
Core Spending Power (as per announcement)	13,134	12,554	11,788	11,397	11,200
Reduction £		(580)	(766)	(391)	(196)
Reduction %		-4.4%	-6.1%	-3.3%	-1.7%
					(1,934)
					-14.7%

2.5 The Core Spending power assumes that the resources will continue to reduce over the next four years (period of the spending review) by 14.7% equating to approximately £1.9 million, although this is based on the assumption that the Council will increase its band D council tax annually over the period of the settlement by £5 and that there will be continued growth in delivery of properties that impact on the Council tax requirement and new Homes Bonus income.

2.6 Table 3 below provides a breakdown of the Settlement Funding Assessment which consists of RSG and Business Rates Baseline funding. The baseline funding level reflects the baseline level of business rates assumed to be retained locally, this has been updated to reflect the impact of the 2017 property rating list as a result of the business rates revaluations which come into force from April 2017.

Table 3 Settlement Funding Assessment

	2015/16 Adjusted £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
Settlement Funding Assessment:					
Revenue Support Grant		3,740	3,007	2,545	2,029
Baseline Funding Level		3,515	3,587	3,702	3,834
Total Settlement Funding Assessment	8,135	7,255	6,593	6,247	5,863
Movement - Year on Year					
Revenue Support Grant £ (Reduction)		3,740	(733)	(462)	(516)
Revenue Support Grant % Reduction			-19.6%	-15.4%	-20.3%
Baseline Funding Level £ Increase		3,515	72	115	132
Baseline Funding Level % Increase			2.0%	3.2%	3.6%
Total Settlement Funding Assessment (Reduction) £		(880)	(661)	(346)	(384)
Total Settlement Funding Assessment (Reduction) %		-10.8%	-9.1%	-5.3%	-6.1%
					(2,272)
					-28%

3. New Homes Bonus

- 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 is paid as an un-ring fenced grant and was until 2016/17 paid for six years based on the net additional homes (net of new homes and changes in long term empty properties) plus an additional supplement of £350 per affordable dwelling. The payment is then split between local authority tiers: 80% to the lower tier (GYBC) and 20% to the upper tier (Norfolk County Council).
- 3.2 In December 2015 the Government launched a technical consultation "New Homes Bonus: Sharpening the Incentive". The consultation closed in March 2016 and the outcomes were published in December 2016 as part of the 2017/18 Local Government Finance Settlement announcements. The main changes to the system are outlined below:
- Reduction in the number of years the bonus will be paid from six to five years in 2017/18 and reducing to four years in 2018/19 and thereafter;
 - Introduction of a growth baseline of 0.4% for NHB payments, this essentially means that a Local Authority will need to achieve growth of higher than 0.4%¹ to receive a payment of NHB. In addition the government announced that the threshold payment may change in future years if there is significant increase in housing growth.
- 3.3 The consultation paper also referred to changes to the scheme to provide closer linkages to the planning system. These changes to the scheme are expected to be implemented from 2018/19 and will include imposing penalties for those Local Authorities that do not have a local plan and withholding payments for residential development that has been allowed on appeal.

¹ The Consultation paper mentioned a baseline of 0.25%.

- 3.4 The total provisional allocation of NHB for 2017/18 for GYBC is £194,204. The allocation is based on the council tax data return submitted in October 2016 and represents additions of 322 and an increase in empty properties of 33 resulting in a net movement of 355 as total eligible units for reward. However due to the baseline threshold of 0.4% the reward numbers have been scaled back to 153 units. The bonus also includes an affordable homes premium of £7,280 for 26 properties. After allowing for the previous years allocations, the total amount payable for 2017/18 is £1,063,416. The Medium Term financial Strategy as reported to Members in November had flagged the risk around future funding from the NHB and scaled back the assumptions on funding assumed from this source in 2017/18 by £290,000, the actual allocation for 2017/18 was a further reduction of £40,000.
- 3.5 Table 4 provides details of the Council's allocations of NHB for 2017/18 including previous year's payments.

Table 4 – New Homes Bonus – Allocations to date							
Allocation	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000	£000
2011/12	274	274	274	274	274	274	
2012/13		234	234	234	234	234	
2013/14			321	321	321	321	321
2014/15				119	119	119	119
2015/16					208	208	208
2016/17						220	220
2017/18							194
Total	274	508	829	949	1,157	1,377	1,063

- 3.6 Future funding from the scheme will be subject to further changes as mentioned at paragraph 3.3 in particular those around the links to planning and non-payment of the bonus for residential developments approved on appeal.
- 4. Business Rates**
- 4.1 The current scheme of Business Rates retention came into operation in April 2013. The percentage shares are 50% central government; 40% GYBC and 10% Norfolk County Council.
- 4.2 The provisional settlement announcement reflects the impact of the 2017 Business Rates Revaluation which comes into operation from April 2017. The impact of the revaluation on the overall rateable values (RV) for the Borough of Great Yarmouth is an increase of 1.8% compared to the 2010 Rating List.
- 4.3 The Government has recalculated top-ups and tariffs for 2017/18 to mitigate the impact of the revaluation and to ensure as far as possible, there are no windfall gains or losses due to the 2017 revaluation. The impact of the recalculation of the tariff for GYBC has resulted in a reduction in tariff payable for 2017/18 of £957k compared to the figures previously announced in the 2016/17 settlement.
- 4.4 The Valuation Office Agency (VOA) normally review and update the RVs every five years. The current RVs have been in place since April 2010, although RVs can change in between revaluation dates as a result of appeals. The revaluation process will redistribute the rates burden and will be cost neutral nationally. As part of the

revaluation a system of transitional relief mitigates the impact of large increases and decreases in the rates bills payable, for example those seeing significant increases in the rates bill will have annual increases capped, the converse would apply to those seeing significant reductions in the rates bill.

- 4.5 As mentioned above the overall increase in 2017 Rating List for the borough is 1.8%, this reflects all properties within different sectors and takes account of significant movements within the listing where there have been increases and decreases in RV's. The most significant being a reduction in the RV of the power station from the 2010 list. The revaluation has also impacted on the RV of the Council's own properties, for example car parks and markets have generally seen an increase in RV, overall there is anticipated to be an increase compared to the 2016/17 budget of £70,000. Overall compared to the position factored into the forecasts as reported in the medium term financial strategy in November, there is a reduction of £140,000 retained business rates.
- 4.6 As part of the 2015 Spending Review the Government announced that the current system of rates retention would move to a 100% retention of business rates by the end of the current parliament as a move towards self-sufficiency at a local level with funding for local government being generated from council tax and business rates. Under the new system there would still need to be mechanism to redistribute business rates collected between authorities in two tier areas and to address local economic and demographic differences to recognise an element of needs against the local ability to generate income from business rates and grow the business rates base outside of enterprise zones.
- 4.7 The new system will see a number of grants previously funded separately being transferred to the 100% rates retention system, for example Revenue Support Grant, Local Council Tax Support, Benefit Administration subsidy. Further details are yet to be made available of the new scheme and how it will operate.

5. Savings and Additional Income

- 5.1 The 2017/18 budget assumes the continuation of savings and additional income identified and approved as part of previous budget setting processes which are now included in the base budget. The Medium Term Financial Strategy included indicative targets for a number of savings and additional income to be delivered across the following themes:
- a) **Strategic Asset Management** - To review all of the Council's asset holdings to ensure that income streams are being maximised and costs minimised. Identify development opportunities, new investment or assets which are under performing for potential disposal; Adding value to strategic assets; the key aim is to identify the most efficient way to utilise the Council's assets and maximise the return that the Council receives from them
 - b) **Economic Growth** – To enhance and protect the funding from business rates and identify opportunities to encourage new growth in the Borough, including the enterprise zones and other areas and to support new housing growth.
 - c) **Housing Growth** – To maximise income from the New Homes Bonus and collection of Council Tax, increasing the Council Tax Base and ensuring a strategy to support housing development in line with planning policy, whilst minimising empty homes across the Borough.

- d) **Property Investment and Commercialisation** - Identify opportunities for investment in properties whether direct or indirect to achieve an income stream or improved returns on investment.
 - e) **Technological Investment** - Enhancement and development of IT including the website to aid flexible working and access to services, ensuring linkages to the digital by design work that is ongoing.
 - f) **Shared Services, Selling Services and Partnership** - Identifying opportunities for sharing service at a local level to allow a strengthened approach to working with communities and partners in the voluntary sector to drive better outcomes for local residents, reduce avoidable demand on council services and secure investment to drive new partnerships with partners and communities to deliver corporate ambitions.
 - g) **GYBC Operating Model** - Making sure the Council operates as effectively and efficiently as possible through:
 - Digital by Design - Provision of on-line services for residents, businesses and visitors, allowing the ability to work remotely using a range of devices which automate processes and support joined-up working, and mobile solutions.
 - Procurement and Contract Management - To review current contracts in place and the arrangements for managing these contracts i.e. through a joint venture or formal contract management.
 - Enforcement Strategy - Co-ordinated approach to issues such as tackling homes and properties which blight areas and may contribute to anti-social behaviour, including a programme of work to bring empty homes back into use and to deliver new housing developments to grow the Council's tax base.
 - Efficiencies – ensuring the council operates in an efficient and effective manner, reviewing provision of services in a proactive way.
- 5.2 Table 5 below provides a summary of the savings totalling £427,882 for 2017/18, further details are included at Appendix C which have now been included within the budget for 2017/18. These have been considered by EMT and members of the Policy and Resources Committee as part of the preparatory work on the budget for 2017/18. In addition Full Council in December approved the Fees and Charges for 2017/18 the majority of which have been set in line with the current policy which essentially recommends annual increases of RPI (1.9%) plus 2%.
- 5.3 At the time of recommending the fees and charges for 2017/18 in December 2016 further review of the crematorium fees for the coming year was being carried out. This report is now recommending a new fee structure for these fees as outlined at Appendix D which introduces different charges for the time of days and length of services. In addition the report is recommending the approval of fees in relation to the operation of fayres within the borough which are detailed within Appendix D also. The Council runs an annual Easter Fayre and last year officers were asked to review the costs associated with this Fayre by the Council's Economic Development Committee. As a result some reductions in cost for the event have been made. Alongside these reductions officers are recommending an increase in the fees set for this Fayre above the Council's fees and charges policy. The recommended increase is a 5% increase from last year's fees rather than the 2% plus RPI detailed in the policy. This additional increase will help to further reduce the cost of this Fayre to the Council.

Table 5 Savings and Income Proposals	2017/18	2018/19	2019/20	2020/21
Property Investment and Commercialisation	2,500	2,500	2,500	2,500
GYBC Operating Model - Digital by Design	51,300	95,600	121,056	126,056
GYBC Operating Model - Other	173,174	410,940	448,927	466,458
GYBC Operating Model - Procurement and Contract Management	80,563	134,063	161,563	164,063
Selling Services & Charges	120,345	205,338	232,657	242,488
Total	427,882	848,441	966,703	1,001,565

6. Revenue Account Base Budget – 2017/18

- 6.1 The detail of the general fund revenue account budget now presented for approval is included within Appendices A and B to the report. Appendix A shows the overall position in the form of a General Fund Summary and further details on the individual service budgets is included at Appendix B which shows the movement of the 2017/18 base budget compared to the base budget for 2016/17 as set in February 2016 along with comments of the more significant variances.
- 6.2 The capital programme is presented in more detail at section 8 which includes both an update to the current capital programme along with new capital schemes and the financing of the programme. The revenue implications of the capital programme have been allowed for within the budget now presented for approval.
- 6.3 The revenue budget for 2017/18 makes a number of assumptions, the more significant ones are as follows:
- Council Tax** – The budget assumes an increase in the Borough element of Council Tax in 2017/18 of £5, based on the tax base of 27,342 (an increase of 620 compared to 2016/17) as approved in December 2016. This means that the borough element for a band D Council Tax for 2017/18 would be £151.48 (an increase of £5, 3.4% compared to 2016/17). Further details on the profile and level of council tax for the individual bandings is included at section 6. Overall this will deliver in the region of £227,500 additional funding compared to 2016/17.
 - 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 £45k per annum. An allowance has been made to reflect vacancy/turnover savings of £180,000 which equates to turnover of approximately 1.5%. Where annual increments are due these have continued to be factored into the budget.

The employer pension contribution rates are based upon the results of the triennial valuation of the pension fund as at 31 March 2016. For 2017/18 the budget assumes the monetary contribution charged to the general fund will increase from £1,092,000 to £1,306,000, an increase of £214,000. For 2018/19 it will increase to £1,401,000 an increase of £95,000 and for 2019/20 it will

increase to £1,498,000 an increase of £97,000.

The forward projections include an allowance for apprenticeship levy which will come into effect in April 2017. The levy was announced as part of the chancellors Autumn statement in November 2015 to raise £3 billion nationally to fund 3 million apprenticeships. The levy is payable at a rate of 0.5% by all employer's where the pay bill is over £3 million. From 2017/18 onwards £36,000 has been factored into the budget.

- c) **Fees and Charges** – The fees and charges for 2017/18 were approved by Full Council on 22 December 2016. In the main the fees and charges for 2017/18 were increased in line with the policy as previously agreed by the Council. The policy allows for annual increases to those fees and charges which are set locally of RPI plus 2% to 2020, for 2017/18 this equates to 3.9%. At the time of reporting to Policy and Resources and Full Council in December 2016 further work was still required in respect of the Crematorium fees. Following on from the reduction of income experienced in the current year the current fee structure has been reviewed and this report is now recommending a new structure for 2017/18 as outlined at Appendix D.
 - d) **Contract inflation** – Where applicable contract inflation has been factored into the budget and forecasts.
 - e) **Interest and Minimum Revenue Provision (MRP)** – A total of £611,000 interest payable is included in the budget for 2017/18 which reflects the current long-term debt portfolio. The MRP budget of £1.802 million reflects the current programme of capital budgets along with planned expenditure in the current year. The new schemes that have been put forward for 2017/18 for approval have been allowed for within the future MRP forecasts. Where applicable assumptions have been regarding the future delivery of capital schemes and the timing of projects and the related revenue implications of MRP and interest.
- 6.4 The General Fund Summary presented at Appendix A shows a budget for 2017/18 which is reliant on the transfer of £188,240 from the general reserve, this is summarised in Table 5 with the equivalent figures from the 2016/17 base budget.

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

	2016/17 Base Budget	2017/18 Base Budget	Variance
	£000	£000	£000
Net cost of services (incl. Parishes)	12,432	13,030	598
Non service expenditure/ income	360	(183)	(543)
Net budget requirement	12,793	12,848	55
Funded by:			
Local Taxpayers - Parishes	(354)	(353)	1
Local Taxpayers - District Council	(3,914)	(4,142)	(228)
Revenue Support Grant & Retained Business Rates	(7,255)	(7,101)	153
New Homes Bonus	(1,377)	(1,063)	314
Council Tax Freeze Grant one off (14/15)	0	0	0
Total Income	(12,900)	(12,659)	241
(Surplus)/ Deficit	(107)	188	295

7. Council Tax

- 7.1 As detailed in section 2, the core spending figures as included in the provisional finance settlement reflects increases to council tax annually by the higher of 2% or £5 per annum. The budget for 2017/18 assumes a band D council tax increase of £5 per annum for 2017/18.
- 7.2 Table 7 below summarises how the budget for 2017/18 will be financed and the District's net call on the Collection Fund for 2017/18. The Council tax summary is included at Appendix C.

Table 7– Council Tax Summary 2017/18

	£
Total District amount to be met from Government Grant & Local Taxation	12,494,665
Less:	
Revenue Support Grant	(3,006,673)
Business Rates Retained	(4,094,570)
New Homes Bonus	(1,063,416)
District call on Collection Fund – excluding Parish Precepts	(4,141,766)
Deficit (to be funded from reserves)	188,240

- 7.3 The Council Tax Base of 27,342 Band D equivalent properties for 2017/18 (26,722 for 2016/17) was approved by Full Council in December 2016. The summary below shows the equivalent charge for the council tax bandings for the 2017/18 charge compared to the current charges for the Borough Council element only. The profile of property bandings across the borough is weighted towards the lower property banding, approximately 68% of properties are within bands A and B.

Council Tax Per Annum	A	B	C	D	E	F	G	H
2016/17	£ 97.65	£113.93	£130.20	£146.48	£179.03	£211.58	£244.13	£292.96
2017/18	£100.99	£117.82	£134.65	£151.48	£185.14	£218.80	£252.47	£302.96
Increase	£ 3.33	£ 3.89	£ 4.44	£ 5.00	£ 6.11	£ 7.22	£ 8.33	£ 10.00

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.

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 – 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 the balance in the general and earmarked reserves should be taken into account. The level of reserves and unallocated balances provide a cushion as referred to above and also to mitigate against unforeseen fluctuations in income and where for example savings do not come into fruition as planned

8.4 The current recommended balance on the general reserve is £2 million although further review of the elements of the general reserve has been carried out and an updated policy framework has been included at Appendix G to this report. The framework takes into account a number of factors and sensitivities to budgets included in the base budget for 2017/18. The culmination of this review is that it is recommended that the minimum general reserve be set at £2.5million for 2017/18.

8.5 The balance on the general reserve at 1 April 2016 was £6,350,408 million. Current year movements from the general reserve are expected to be £33,000 this also allows for the allocation of £50,000 as approved by the Policy and Resources Committee in January 2017 for enforcement works and the budgeted movement in the current year. As part of the review of the budget and general reserve balance it is recommended that £2.7million million be transferred from the general reserve to the following in the current financial year to be used for future commitments and projects as outlined below:

- a) **Invest to Save** – An invest to save reserve of £1 million was established as part of the 2016/17 budget process, this reserve provides a source of funding to fund one-off costs on an invest to save basis that will deliver future efficiencies and savings to the Council. It is recommended that a further £900,000 now be allocated to this already established reserve to be used for both revenue and capital albeit the revenue impact of capital decision that will deliver future savings.

- b) **Collection Fund (Business Rates)** – As mentioned earlier in the report the level of funding that is received from retained business rates is subject to fluctuations between years and also influenced by factors outside of the direct control of the Council. Whilst there is an element within the general reserve to cushion the impact of funding fluctuations it is recommended that £800,000 be allocated to the collection fund reserve to mitigate the significant variations between years and to reduce the impact of appeals from previous years and also as funding that can be directed to increase the Council's business rate base in preparation for the implementation of 100% retention of business rates from 2020.
 - c) **Projects** – There are a number of significant projects that the Council is involved with which will have future financial implications to the Council's overall financial position including those that are currently planned to deliver financial benefits and reduce costs. Establishing of an earmarked reserve for projects provides one-off funding that can be used as matched funding or funding revenue implications of capital projects. It is therefore recommended that £1,000,000 be reallocated from the general reserve to this earmarked reserve.
- 8.6 The reserve statement at appendix F shows the current position after allowing for the recommended movements as detailed above, in addition it allows for a transfer of £188,240 in the current year to fund the deficit. It should be recognised that funding the budget from the use of reserves is not a long term sustainable position. Part of the reason for the need to use reserves in 2017/18 was due to the late notice of changes to the New Homes Bonus Funding Scheme and reduction in business rates income compared to the forecast. Whilst the MTFS as approved in November 2016 did allow for a reduction in funding from the NHB, the actual reduction was greater due to the increase in the baseline for growth to 0.4%.
- 8.7 The budget for 2017/18 does not allow for the use of the general reserve to fund costs associated with the Tidal Surge that occurred in January 2017, for example the proactive/ preparatory work to protect individuals and property. Whilst there is a government scheme – the Bellwin scheme that provides financial assistance to Local Authorities that have incurred expenditure in relation to emergency events there is a threshold under which the costs are met by the Council, for 2016/17, the threshold for GYBC is £23,420. The impact of this will be included in the current years financial position and reported in the outturn report to Members later in the year.
- 8.8 The Council continues to hold a number of earmarked reserves for specific purposes for which the timing of their use has not yet been identified. The current virement rules allow for the use of reserves to be approved within the overall virement limits, and as allocations are made the overall reserves position and financial position will be updated as part of the in-year budget monitoring reports.
- 8.9 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 A revised capital programme for the current year is included at Appendix H to the report. The capital programme has been updated to take into consideration those changes identified within the current financial year and where timing of projects has not been as planned the budgets have slipped between financial years.

9.2 **Capital Scheme Slippage**

- 9.3 With regard to the Capital Programme, the only other changes to the budgets have been made in relation to the profiling of expenditure between financial years for the following schemes. This is to reflect more accurately when expenditure is anticipated to be incurred, although it should be noted that neither the scheme budgets, nor the sources of financing for any of these schemes have been changed.
- 9.4 The detail of the slippage of the capital programme is included in the Appendix H. In total the updated capital budget will see a reprofiling of £23,217,975 capital spend from 2016/17 to 2017/18. £20,748,434 of the reprofiled capital expenditure is to be financed from unsupported borrowing.
- 9.5 There are also a number of approved 2017/18 capital projects approved as part of prior year budgets with a capital spend of £3,687,162 with £3,565,000 of this being financed from unsupported borrowing.

New Capital Schemes

- 9.6 In addition to the existing capital programme amendments, approval is also being sought for a number of new capital projects as identified within the Capital Appendix H.
- 9.7 The total of the estimated project costs associated with these capital bids is £12,319,436 of which £9,572,398 has identified funding sources with the balance needing to be funded from unsupported borrowing.
- 9.8 Where the current and future capital programmes are being funded by capital receipts, the certainty of new capital receipts will be monitored as part of the on-going budget monitoring process, and where applicable recommendations will be made to amend the capital programme and its financing.

9.9 **Capital Programme Funding**

- 9.10 There are a number of sources of funding available to fund the capital expenditure. The following outlines those which are available to the Council:
- a) External Contributions or Grants – e.g. from third party organisations.
 - b) Reserves – Available capital and revenue reserves can be used to fund capital expenditure,
 - c) Capital Receipts – Capital receipts are generated from asset disposals and can only be used to fund capital expenditure or repay debt. The latter is not applicable at the moment, as the Council is currently debt free.
 - d) Borrowing – Under the Prudential Framework, the Council is able to fund expenditure from borrowing provided that they can demonstrate affordability and need. Borrowing (internal or external) to finance capital spend will attract charges to the revenue account in the form of interest and Minimum Revenue Provision (MRP) charges.

Table 8 Summary Capital Spend & Financing:

	2016/17 Forecast £000	2017/18 £000	2018/19 £000	2019/20 £000
Current approved Capital Programme				
General Fund Projects	29,931	3,687	1,000	0
HRA Projects (separate report)	11,129	10,554	8,307	8,809
Forecast Slippage from 2016/17	(23,218)	23,218	0	0
Revised Capital Programme	17,842	37,459	9,307	8,809
Recommended Bids				
General Fund Projects	0	1,765	1,982	644
	17,842	39,225	11,289	9,452
Financing:				
Unsupported Borrowing				
General Fund Projects	5,387	25,008	1,170	280
HRA Projects	2,100	2,052	1,360	1,995
Capital Receipts				
General Fund Projects	50	120	0	0
HRA Projects	1,216	1,077	882	828
Revenue				
General Fund Projects	0	0	0	0
HRA Projects	7,813	7,425	6,065	5,986
External Funding				
General Fund Projects	0	0	0	0
HRA Projects	1,276	3,542	1,812	363
	17,842	39,225	11,289	9,452

10. Future Financial Forecasts

- 10.1 The future financial projections reflect the multi-year settlement which was confirmed in November 2016. The settlement confirms the allocation of Revenue Support Grant until 2019/20 after which funding for Local authorities will be through Council Tax and the Business Rates retention system. As mentioned earlier in the report the detail of the latter is yet to be published, although work is currently ongoing nationally on the new scheme and the links to the needs of local authorities to ensure that the new scheme has mechanisms in place to guard against significant 'winners' and 'losers' from the 100% rates retention system recognising the differing needs and ability to grow business rates across the country.
- 10.2 As per of the annual budget setting process indicative future year budgets are produced alongside the forthcoming budget. These are presented within the general fund summary at appendix A.
- 10.3 The forecast financial projections included at Appendix A for the period 2018/19 to 2020/21 make assumptions around spending forecasts and currently include the RSG as per the multi-year settlement figures for these periods, funding from the New Homes Bonus from 2018/19 has been scaled back compared to the figures assumed in the core spending power and the funding from council tax assume increases in

line with the CSP assumptions, i.e. annual increases of £5 plus local council tax base growth of 450 per annum². Business rates baseline funding has assumed to increase each year and the tariff's increased in line with RPI annually.

- 10.4 After allowing for these assumptions the overall position shows a current forecast budget gap of £250k in 2018/19, increasing to £1.06million in 2019/20 and £3 million in 2020/21. The last year of the projections is largely due to the removal of ESG from 2020/21 although it would be expected that the needs element of this funding is received through the rates retention system from 2020/21 onwards, although the detail and operation of this is not yet known therefore no assumptions of additional funding have been factored into the future forecasts at this time.
- 10.5 The report (section 4) details a number of workstreams and projects that are being delivered over the short to medium term that will help to deliver future savings and additional income to reduce the forecast funding gap. These work streams will be continuing and monitoring of the savings and income will be factored into the regular budget monitoring reports during 2017/18. Further savings and income opportunities will need to be considered as part of the 2018/19 budget setting process for which work will commence early in the new financial year to allow for planning and implementation as necessary. Other detailed budget review work will be carried out during the year in particular on some of the significant budget headings including non-service expenditure and income such as the Minimum Revenue Provision and other opportunities for growth for example property numbers to inform New Homes Bonus funding and Council tax income.

11. Financial Implications and Risks

- 11.1 The overall budget for the general fund as presented within this report shows a balanced position, although this is after allowing for an allocation from the general reserve of £188,240 in the year. The actual general fund reserve balance is forecast to be £3.4 million at the end of 2017/18 which is above the revised recommended balance of £2.5 million for the year. The budget as presented allows for the use of reserves to fund upfront costs which will enable the delivery of ongoing savings. Use of reserves is not a long term solution for setting a sustainable budget.
- 11.2 The Council faces and will continue to face significant financial challenges with increased risks around funding streams. The planned shift from centrally funded to a more localised approach from 2020 when the Revenue Support Grant ends and the implementation of 100% business rates retention remains a risk for local authority funding.
- 11.3 The following outlines the more significant risks face by the Council in the short to medium term and in particular those that could have an impact on delivery of the 2017/18 budget.
- 11.4 **Future Funding** – As mentioned previously Local Government as a sector continue to face funding reductions and this has been confirmed by the provisional Local Government Finance Settlement and the changes to the New Homes Bonus scheme (see later comments also). Whilst the settlement has confirmed the allocations for year two of the multi-year settlement the future reductions of revenue support grant and central government assumptions around housing growth and the direct impact to local funding from new homes bonus and council tax still remain ambitious. The

² Note: Tax base growth does not just reflect property growth but also collection rates, changes in council tax discounts and movements in the numbers eligible for the discounts.

overall reduction in RSG between financial years covered by the settlement period is just over £1.7m. The financial planning process has taken account of this change, however the future funding gaps still remain a risk with the significant reduction in 2020/21 when there will be no RSG and funding will be from 100% business rates and council tax. The future forecasts have assumed the removal of RSG in full from 2020/21 which will mean a reduction of over £2 million in funding from 2019/20 to 2020/21.

- 11.5 **New Homes Bonus** – The provisional settlement has confirmed the allocation of NHB for 2017/18 which has been reduced from previous years as a result of the shift to a four year scheme by 2018/19 and also the implementation of the 0.4% baseline threshold. The baseline of 0.4% significantly reduces the ability of the Council to benefit from the scheme to access funding for the delivery of new homes in the borough. Furthermore there is very likely to be additional reductions to the scheme from 2018/19 from the planned changes to the scheme which will mean that the bonus is not payable upon development schemes that are approved on appeal. How this will operate in practice is not yet clear, but this still remains a significant risk in terms of future funding for the Borough.
- 11.6 **Business Rates** - 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 this applies to current appeals and new appeals. Whilst the risk is shared between Borough/Districts, County and Central Government in the proportionate shares of rates retention 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. In addition the impact of the 2017 revaluation will have an impact on the level of funding retained, although an element of this will have been mitigated by changes to the calculation of the tariff for 2017/18 to limit the impact of windfall gains and losses.
- 11.7 Other factors that will lead to reductions in income include for example, business closures, successful rateable value appeals (which reduce the RV and consequently the rates payable), 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 also the risk around hospital and NHS trust properties. The NNDR provision within the system only reflects the potential impact of appeals currently in the appeals system.
- 11.8 A further risk in relation to the income retained from the business rates retention system is the ongoing review of the 100% rates retention system that is due to come into operation at the end of the current parliament. Further technical consultations on how this will operate are expected in 2017. Assurances will be needed that the new system has mechanisms in place to balance needs alongside growth ability, to ensure that those areas where there is limited growth in business rates are not financially disadvantaged in terms of the need to spend.
- 11.9 **Savings and Additional Income** – The Council has continued to deliver savings and efficiencies from a number of projects within the transformation programme, for example, digital by design, flexible working, fees and charges. Savings and additional income from these projects have been included in the base budgets in previous years and are now part of the overall base budget position. New savings and income from services totalling £432,000 have been factored into the 2017/18 budget increasing to £852,000 from 2018/19. It is critical that the delivery of these savings is closely monitored by Officers and Members, for example through the various monitoring reports.

- 11.10 **Interest Payable and MRP** - The budget reflects the revenue costs of the planned borrowing and financing of the current and future capital programmes. Slippage of capital schemes will impact on the level of borrowing required along with the associated financing costs. In addition as new schemes and projects are approved outside of the budget this too will have an impact on the associated financing costs and will need to be considered as part of the options appraisal and business cases presented for approval.
- 11.11 **Budgeted Income** – The budget includes a number of significant service income areas which are reliant on external demand. These include car parking, planning and building control, crematorium and property rentals from council assets. Whilst budgets have been based on previous actuals and knowledge of the service delivery, income levels need to be closely monitored. Therefore delivery of service income still remains a financial risk that cannot be fully influenced by the Council. It is for reasons such as this that a factor in determining the recommended general reserve balance includes an amount for the sensitivity in delivery of the more significant demand led income budgets
- 11.12 **Reserves** - The Council currently holds a number of earmarked reserves for which some are allocated for specific purposes, although the profile of spend is not yet agreed and commitments not currently made. As mentioned earlier in the report reserves provide a short term solution to mitigate the forecast deficits and can also be used to mitigate the impact if for example savings and income are not achieved as budgeted, but reserves do not provide a long term solution for a sustainable budget. As part of the budget process it is recommended that re-allocations are made from the general reserve for earmarking for projects and also to mitigate future funding fluctuations in relation to the business rates retention.
- 11.13 **Universal Credit and Housing Benefit Subsidy** – The budget reflects the reducing funding from the Department for Work and Pensions for housing benefit administration. The Council is responsible for paying out in the region of £41million of housing benefit and rent rebates which the budget assumes is recoverable through the subsidy system. The subsidy returns are audited annually at which point any under or over recovery will be determined and adjusted for. Any under recovery that is not eligible for subsidy would result in a financial implication to the Council. As a significant expenditure and income line in the budget this area is closely monitored.
- 11.14 **Partnerships and Outsourced Service Provision** – The Council has some significant partnership/joint ventures that are essential for the delivery of services internally and externally, namely GYBS and provision of ICT services by Norfolk County Council. It is essential that these arrangements are closely monitored to support the delivery of services and also to ensure that the impact of local decisions on these arrangements are considered as part of the decision making process.

12. Conclusions

- 12.1 The budget is set for approval each year; it is being presented for consideration by the Policy and Resources Committee for recommendation to Full Council as part of the budget and council tax setting process. The reports presents the detailed budget for 2017/18 along with high level financial forecast for the following three financial years. The budget has been informed by the multi-year settlement and a number of assumptions around future savings and income which are detailed in the report and appendices.
- 12.2 The report provides an overview of the risks that are facing the Council in the short to medium term, the most significant being the future funding for local government and the 100% rates retention from 2020.

13. Background Papers

13.1 The budget report has been informed in the main by the following:

- a) 2015/16 Outturn Report
- b) In year budget monitoring reports
- c) Medium Term Financial Strategy
- d) National Non Domestic Rates returns
- e) Provisional Local Government Finance Settlement.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	
Existing Council Policies:	
Financial Implications:	
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime & Disorder:	
Every Child Matters:	

Appendices:

A – General Fund Summary

B – Detailed Service Appendices

C – Savings

D – Fees and Charges (additions)

E – Council tax Summary

F – Reserves Statement

G – Policy Framework for Reserves

H – Capital Programme

General Fund Summary	2016/17 Base	2016/17	2017/18 Base	2018/19	2019/20	2020/21
	Budget	Forecast	Budget	Forecast	Forecast	Forecast
	LOCAL GOVERNMENT FINANCE SETTLEMENT PERIOD					
	£		£	£	£	£
Services:						
Executive	489,562	865,815	542,195	557,324	563,385	569,522
Resources Growth and Governance	1,439,829	1,701,178	1,510,172	1,054,615	1,009,391	981,182
Customer Services	7,437,849	7,874,931	7,728,709	7,742,220	7,735,397	7,600,120
Housing and Neighbourhoods	2,711,094	2,917,487	2,925,325	2,744,506	2,694,170	2,698,167
Net Cost of Service	12,078,334	13,359,411	12,706,401	12,098,665	12,002,343	11,848,991
Non Service Exp/(Income) :						
Recharges to HRA	(1,215,998)	(1,215,998)	(1,486,260)	(1,486,260)	(1,486,260)	(1,486,260)
Parish Precepts	354,143	354,143	352,989	352,989	352,989	352,989
Parish CTSS Grant	41,289	47,100	46,070	46,070	46,070	46,070
Capital Charges	(1,564,720)	(1,564,720)	(1,861,586)	(1,861,586)	(1,861,586)	(1,861,586)
Interest Receivable	(25,000)	(25,000)	(72,000)	(119,000)	(288,000)	(288,000)
Interest Payable	703,998	538,306	610,795	739,252	1,328,604	1,328,604
Minimum Revenue Provision	1,649,720	1,572,580	1,802,342	1,972,262	2,036,598	1,936,598
IAS19 Pension Adjustment	1,092,000	1,340,578	1,306,407	1,400,692	1,498,173	1,498,173
Second Homes Council Tax Grant		(41,219)	(62,397)	0	0	0
Vacancy Management	(100,000)	0	(180,000)	(180,000)	(180,000)	(180,000)
Ward Budgets	39,000	0	0	0	0	0
Apprenticeship Levy	0	0	36,000	36,000	36,000	36,000
Sub total - Non Service Exp/Inc	1,074,432	1,005,770	492,361	900,419	1,482,588	1,382,588
Net Operating Expenditure	13,152,766	14,365,181	13,198,762	12,999,084	13,484,932	13,231,579
Contributions to/(from) Reserves:						
Planning Delivery Grant	(43,000)	(43,000)	0	0	0	0
Town Centre	0	(44,236)	(25,000)	0	0	0
Neighbourhood Management	0	(128,876)	0	0	0	0
Enforcement		50,000	0	0	0	0
Restricted Use Grant	(37,290)	(124,721)	0	0	0	0
Efficiency Support Grant	0	(241,135)	0	0	0	0
Specific Budget	0	(7,180)	0	0	0	0
LEGI	0	0	(57,000)	0	0	0
Repairs and Maintenance	0	(16,476)	0	0	0	0
Second Homes Council Tax	(76,676)	(77,000)	0	0	0	0
Waste Management	(110,000)	(110,000)	(25,170)	0	0	0
Invest To Save	1,000,000	853,089	(119,558)	(39,495)	0	0
General Reserve	(1,089,000)	(2,732,777)	0	0	0	0
Collection Fund Reserve		468,081	0	0	0	0
Special Project Reserve		1,000,000	(105,250)	(25,503)	(25,758)	0
Other Reserves	(4,000)	(120,200)	(19,130)	(4,000)	0	0
Sub Total Reserves	(359,966)	(1,274,432)	(351,108)	(68,998)	(25,758)	0
Amount to be met from Government Grant and Local Taxpayers	12,792,800	13,090,749	12,847,654	12,930,087	13,459,174	13,231,579
Collection Fund - Parishes	(354,143)	(354,143)	(352,989)	(352,989)	(352,989)	(352,989)
Collection Fund - Borough	(3,914,239)	(3,914,239)	(4,141,766)	(4,348,892)	(4,560,518)	(4,776,644)
Retained Business Rates (net)	(3,514,927)	(3,814,043)	(4,094,570)	(4,217,407)	(4,343,929)	(4,474,247)
Revenue Support Grant	(3,739,670)	(3,739,670)	(3,006,673)	(2,544,905)	(2,029,123)	0
New Homes Bonus	(1,377,044)	(1,377,044)	(1,063,416)	(772,660)	(664,601)	(544,204)
Income from Grant and Taxpayers	(12,900,023)	(13,199,139)	(12,659,414)	(12,236,853)	(11,951,160)	(10,148,084)
(Surplus)/Deficit (before general reserve transfer)	(107,223)	(108,390)	188,240	693,234	1,508,014	3,083,495
Transfer from the general reserve 2017/18			(188,240)			
Surplus/Deficit after use of reserves			(0)			

	Budget 2016-17	Budget 2017-18	Variance	Comments
	£	£	£	
Executive Team				
EXEG ESG				
Gross Direct Costs	37,540	0	(37,540)	Efficiency Support Grant funding fully utilised in 2016/17 so no further spend against this in 2017/18.
Gross Direct Income	0	0	0	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
Total	37,540	0	(37,540)	
EXTE Executive Team				
Gross Direct Costs	452,022	542,195	90,173	Increase in 2017/18 costs due to £77.5k transfer of staff from Governance department now reported under this cost heading New procurement software licencing costs increase costs expected in 2017/18 by £7.4k.
Gross Direct Income	0	0	0	
Internal Recharges	(452,010)	(542,190)	(90,180)	Reflects increase in cost of service, as per above, as Executive team is fully recharged.
Capital Charges	0	0	0	
Total	12	5	(7)	
Total Executive Team:	37,552	5	(37,547)	
Resources, Governance & Growth				
Governance				
ROCS Corporate Strategy				
Gross Direct Costs	154,395	81,436	(72,959)	Decrease in 2017/18 costs due to £77.5k transfer of staff from Governance department now included under Executive Team heading
Gross Direct Income	0	0	0	
Internal Recharges	(154,400)	(81,450)	72,950	Reflects decrease in cost of service, as per above, as corporate strategy is fully recharged.
Capital Charges	0	0	0	
Total	(5)	(14)	(9)	
ROLE Legal (Client)				
Gross Direct Costs	229,887	229,887	0	
Gross Direct Income	(20,000)	(25,000)	(5,000)	NP Law profit share for 2017/18 increased by £5k based on previous 3 years outturn.
Internal Recharges	(209,890)	(204,880)	5,010	
Capital Charges	0	0	0	
Total	(3)	7	10	
ROMS Member Services				
Gross Direct Costs	512,644	467,262	(45,382)	£28k increase in members expenses allowance from the 2016/17 budget. Licensing & computer contract costs incurred by this area are expected to be reduced in 2017/18 by £15.7k. Reduction of £39k for Ward Budgets from the 2016/17 budget. Cost of £18.6k for parish council concurrent function grants transferred to other services.
Gross Direct Income	0	0	0	
Internal Recharges	(356,500)	(364,640)	(8,140)	
Capital Charges	0	0	0	
Total	156,144	102,622	(53,522)	
Total Governance:	156,136	102,615	(53,521)	

	Budget 2016-17	Budget 2017-18	Variance	Comments
	£	£	£	
Growth				
RGED Economic Development				
Gross Direct Costs	219,867	222,710	2,843	
Gross Direct Income	(1,500)	(1,500)	0	
Internal Recharges	139,423	140,903	1,480	
Capital Charges	0	0	0	
Total	357,790	362,113	4,323	No major variances.
RGEG Enterprise GY				
Gross Direct Costs	275,000	57,000	(218,000)	Reduction in spend offset by external project funding no longer receivable.
Gross Direct Income	(275,000)	0	275,000	End of current funding programme from Coastal Communities Fund
Internal Recharges	130,803	33,333	(97,470)	To reflect the reduction in the programme only the recharge for a proportion of the Group Manager costs has been included in the 2017/18 budget.
Capital Charges	0	0	0	
Total	130,803	90,333	(40,470)	
RGEZ Enterprise Zone				
Gross Direct Costs	0	0	0	
Gross Direct Income	0	0	0	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
Total	0	0	0	
RGSP Strategic Planning				
Gross Direct Costs	489,347	466,463	(22,885)	Due to 2 year cycle for Planning Inspectorate costs for service specialists in 2017/18 expected to £40k lower than in 2016/17. In 2017/18 costs of professional training for Strategic Planners expected to increase by £15k. The additional training cost will be funded by a transfer from earmarked reserves.
Gross Direct Income	(9,345)	(9,345)	0	
Internal Recharges	36,514	43,864	7,350	
Capital Charges	2,620	0	(2,620)	
Total	519,136	500,982	(18,155)	
Total Growth:	1,007,729	953,428	(54,302)	
Property & Construction				
CGDC Churchill Depot				
Gross Direct Costs	15,680	0	(15,680)	2017/18 electricity costs are reduced by £15.7k as this depot cost will be paid direct by GYBS in 2017/18.
Gross Direct Income	(15,680)	0	15,680	Cost recovery from GYBS for electricity costs no longer required in 2017/18, as per above GYBS will be paying these directly.
Internal Recharges	0	410	410	
Capital Charges	0	600	600	
Total	0	1,010	1,010	
RPCC Community Centres				
Gross Direct Costs	8,525	8,633	108	
Gross Direct Income	(2,844)	(2,152)	692	
Internal Recharges	1,150	1,600	450	
Capital Charges	0	18,974	18,974	2017/18 budget reflects depreciation on community centres.
Total	6,831	27,055	20,224	

		Budget 2016-17	Budget 2017-18	Variance	Comments
		£	£	£	
RPCS	Construction Services				
	Gross Direct Costs	582,259	541,256	(41,003)	2017/18 includes a £26k cost reduction in relation to a savings proposal. Reallocation of premises business rates of £20k to Corporate Estates to reflect where other cost & income for GYBC offices are aligned.
	Gross Direct Income	(56,350)	(850)	55,500	As above £55k income relating to GYBC offices transferred to Corporate Estates service.
	Internal Recharges	(635,880)	(595,120)	40,760	
	Capital Charges	109,965	54,716	(55,249)	
	Total	(6)	2	8	
RPFA	Fayres				
	Gross Direct Costs	0	22,000	22,000	New service area in 2017/18 which was previously incorporated within markets, as noted below.
	Gross Direct Income	0	(15,265)	(15,265)	New service area in 2017/18 which was previously incorporated within markets, as noted below.
	Internal Recharges	0	0	0	
	Capital Charges	0	0	0	
	Total	0	6,735	6,735	
RPMA	Markets				
	Gross Direct Costs	299,533	273,758	(25,775)	Overtime costs are expected to reduce by £15.7k in 2017/18. Also separate service line created in 2017/18 for capturing Fayres income & expenditure therefore transfer of Fayres costs base budget from Markets of £15.3k.
	Gross Direct Income	(398,921)	(355,542)	43,379	Separate service line created in 2017/18 for capturing Fayres income & expenditure therefore £14.7k of the Markets income budget relating to fayres transferred to new service line. Reduction in market fees for 2017/18, as approved by Council in December 2016, is expected to reduce market income by £26.7k (2.5%).
	Internal Recharges	156,430	143,380	(13,050)	
	Capital Charges	4,495	4,494	(1)	
	Total	61,537	66,090	4,553	
RPMT	Modernisation Team				
	Gross Direct Costs	80,041	75,243	(4,798)	
	Gross Direct Income	0	0	0	
	Internal Recharges	17,520	23,700	6,180	
	Capital Charges	0	0	0	
	Total	97,561	98,943	1,382	No major variances.
RPPB	Bretts				
	Gross Direct Costs	28,305	28,707	402	
	Gross Direct Income	(45,853)	(43,482)	2,371	
	Internal Recharges	950	1,160	210	
	Capital Charges	0	0	0	
	Total	(16,598)	(13,615)	2,983	No major variances.

		Budget 2016-17	Budget 2017-18	Variance	Comments
		£	£	£	
RPPC	Courts				
	Gross Direct Costs	10,871	11,203	332	
	Gross Direct Income	(18,419)	(18,419)	0	
	Internal Recharges	2,600	3,540	940	
	Capital Charges	0	0	0	
	Total	(4,948)	(3,676)	1,272	No major variances.
RPPF	Factory Units				
	Gross Direct Costs	57,558	58,527	969	
	Gross Direct Income	(144,765)	(100,905)	43,860	£40.9k reduction in property rents expected in 2017/18.
	Internal Recharges	9,710	9,190	(520)	
	Capital Charges	0	0	0	
	Total	(77,497)	(33,188)	44,309	
RPPG	Corporate Estates				
	Gross Direct Costs	181,834	191,975	10,141	Costs reduced as Met Office services no longer required providing a saving of £11.9k. An increase in business rates costs of £20k for GYBC offices reallocated from construction services to reflect where other cost & income for GYBC offices are recorded.
	Gross Direct Income	(2,459,722)	(2,395,661)	64,061	£55k income relating to GYBC offices transferred from construction services is offset by a £119k reduction in expected rental income from the 2016/17 budget figures.
	Internal Recharges	318,600	282,610	(35,990)	
	Capital Charges	22,920	6,524	(16,396)	
	Total	(1,936,368)	(1,914,552)	21,816	
RPPM	Minerva House				
	Gross Direct Costs	74,464	75,121	657	
	Gross Direct Income	(32,017)	(36,600)	(4,583)	
	Internal Recharges	12,310	12,380	70	
	Capital Charges	0	0	0	
	Total	54,757	50,901	(3,856)	No major variances.
RPPO	Onians				
	Gross Direct Costs	2,817	2,817	0	
	Gross Direct Income	(18,760)	(18,760)	0	
	Internal Recharges	0	0	0	
	Capital Charges	0	0	0	
	Total	(15,943)	(15,943)	0	No major variances.
RPPP	Property Services				
	Gross Direct Costs	370,446	345,884	(24,562)	2017/18 includes a £49.5k cost reduction in relation to a savings proposal. 75% re-apportionment of staff costs from this service to the development control service resulting in a £19k decrease in costs to this service.
	Gross Direct Income	0	0	0	
	Internal Recharges	(370,450)	(345,890)	24,560	
	Capital Charges	0	0	0	
	Total	(4)	(6)	(2)	

	Budget 2016-17	Budget 2017-18	Variance	Comments
	£	£	£	
RPPS Beacon Park				
Gross Direct Costs	269,756	178,459	(91,297)	2017/18 includes a £40k cost reduction in relation to a savings proposal. A reduction in service charges of £56.5K expected in 2017/18. A review of the income for Beacon Park suggests a £107.5k reduction in income from the 2016/17 budget.
Gross Direct Income	(472,894)	(365,344)	107,550	
Internal Recharges	19,420	17,400	(2,020)	
Capital Charges	0	119,563	119,563	
Total	(183,718)	(49,922)	133,796	
RPPW Waterways				
Gross Direct Costs	0	0	0	No major variances.
Gross Direct Income	0	0	0	
Internal Recharges	0	0	0	
Capital Charges	0	0	0	
Total	0	0	0	
Total Property & Construction:	(2,014,396)	(1,786,901)	227,495	
RRFI Finance (exc BIDS & SUMX)				
Gross Direct Costs	948,823	943,178	(5,645)	Adjustment for insurance policies recovery.
Gross Direct Income	(80,000)	(35,531)	44,469	
Internal Recharges	(896,596)	(1,016,096)	(119,500)	
Capital Charges	27,784	31,785	4,001	
Total Finance:	11	(76,664)	(76,675)	
RRHR HR				
Gross Direct Costs	350,258	391,353	41,095	Transfer of previous vacant Group Manager role now included under HR. Review of the "Organisation Development" program as part of the 2017/18 identified a cost reduction of £35.5k.
Gross Direct Income	0	0	0	
Internal Recharges	(350,247)	(358,017)	(7,770)	
Capital Charges	0	0	0	
Total Human Resources:	11	33,336	33,325	
Total Resources, Governance & Growth	(850,509)	(774,186)	76,323	
Total Resources, Growth & Governance				
Gross Direct Costs	5,404,219	5,215,067	(189,152)	
Gross Direct Income	(3,648,681)	(3,424,356)	224,325	
Internal Recharges	(2,224,153)	(2,794,813)	(570,660)	
Capital Charges	167,782	236,656	68,874	
	(300,833)	(767,446)	(466,613)	

Note:

All figures exclude IAS19 Adjustments (Subjective 10280000)

Customer Services Directorate

		Budget 2016-17	Budget 2017-18	Variance	Comments
		£	£	£	
Customer Services					
CCBE	Benefits				
	Gross Direct Costs	43,542,116	41,362,782	(2,179,334)	Reduction in the level of housing benefit claims processed by the Council due to the introduction of Universal Credit has resulted in an expenditure £2.1m reduction in the 2017/18 budget.
	Gross Direct Income	(44,126,000)	(41,769,274)	2,356,726	As above as the expectation is that the housing benefit claims expenditure would fall by £2.1m the subsidy income from DWP to cover this cost incurred by the Council would fall by the same amount. Further as a result of the Government expecting a fall housing benefit claims processed by the Council they have reduction the housing benefit subsidy administration grant paid to GYBC by £196k from that received in 2016/17.
	Internal Recharges	742,110	496,658	(245,452)	
	Capital Charges	0	0	0	
	Total	158,226	90,166	- 68,060	
CCCG/L/N/C Car Parks					
	Gross Direct Costs	1,694,255	1,696,456	2,201	No Major variances
	Gross Direct Income	(2,831,281)	(2,969,826)	(138,545)	Increase in Fees and charges in 2017/18 as approved by the Council in December 2016.
	Internal Recharges	266,320	308,350	42,030	Revised basis for reallocation of Executive recharges basis from prior year has resulted in an increase of £36k in the charge to this service.
	Capital Charges	7,286	25,324	18,038	Capital works completed on car parks as part of the 2016/17 capital programme will incur depreciation charges in 2017/18.
	Total	- 863,420	- 939,696	- 76,276	
CCCE/R	Cemeteries and Crematorium				
	Gross Direct Costs	985,364	969,625	(15,739)	Reduction in energy costs from new cremators.
	Gross Direct Income	(1,769,667)	(1,617,005)	152,662	Reduction in the crematorium income recognised in the 2017/18 budget mainly reflecting a reduction in demand for the service.
	Internal Recharges	109,010	198,680	89,670	
	Capital Charges	44,849	68,070	23,221	
	Total	(630,444)	(380,630)	249,814	
CCCS	Customer Services				
	Gross Direct Costs	544,657	553,042	8,385	
	Gross Direct Income	0	0	0	
	Internal Recharges	(524,200)	(536,350)	(12,150)	
	Capital Charges	0	0	0	
	Total	20,457	16,692	(3,765)	No major variances.
CCSS	Support Services				
	Gross Direct Costs	248,997	235,649	(13,348)	Restructuring of service removed vacant post & therefore these costs were removed from the 2017/18 budget.
	Gross Direct Income	0	0	0	
	Internal Recharges	(252,710)	(222,660)	30,050	
	Capital Charges	3,715	3,714	(1)	
	Total	2	16,703	16,701	

		Budget 2016-17	Budget 2017-18	Variance	Comments
		£	£	£	
CCIC	IT				
	Gross Direct Costs	1,128,773	1,252,048	123,275	£80k increase in costs for resource to enable savings proposals in future years. £46k increase from 2016/17 budget for computer contract costs.
	Gross Direct Income	0	0	0	
	Internal Recharges	(1,128,780)	(1,285,350)	(156,570)	
	Capital Charges	0	50,000	50,000	New IT equipment purchased in 2016/17 as part of the new ICT contract so depreciation charge required for the first time in 2017/18 budget.
	Total	(7)	16,698	16,705	
RRRE	Revenues				
	Gross Direct Costs	704,513	710,930	6,417	
	Gross Direct Income	(484,000)	(534,000)	(50,000)	Norfolk County Council one-off funding granted in 2017/18 for implementation of Council Tax Discount changes.
	Internal Recharges	500,503	507,793	7,290	
	Capital Charges	0	0	0	
	Total	721,016	684,723	(36,293)	
Total Customer Services		(594,170)	(495,344)	98,826	
Environmental Services					
CPCP	Coast Protection				
	Gross Direct Costs	59,548	127,999	68,451	New Coastal Protection Partnership operating in 2017/18 resulting in increased costs of £25k. Realignment of £42k costs relating to repairs & maintenance to coastal protection services.
	Gross Direct Income	(550)	(550)	0	
	Internal Recharges	19,500	22,140	2,640	
	Capital Charges	307,949	331,787	23,838	
	Total	386,447	481,376	94,929	
CGGM	Grounds Maintenance				
	Gross Direct Costs	290,752	277,238	(13,514)	Staff costs transferred from Environmental Health.
	Gross Direct Income	(22,075)	(22,075)	0	
	Internal Recharges	30,590	17,850	(12,740)	
	Capital Charges	107,598	125,790	18,192	Revised capital budget for depreciation in 2017/18.
	Total	406,865	398,803	(8,062)	
CGPC	Public Toilets				
	Gross Direct Costs	301,853	307,791	5,938	
	Gross Direct Income	(4,000)	(4,000)	0	
	Internal Recharges	20,940	23,680	2,740	
	Capital Charges	61,891	85,850	23,959	Capital works completed on public toilets as part of the 2016/17 capital programme will incur depreciation charges in 2017/18.
	Total	380,684	413,321	32,637	
CGRM	Repairs and Maintenance				
	Gross Direct Costs	1,029,157	1,003,050	(26,107)	Realignment of £42k costs relating to repairs & maintenance to coastal protection services.
	Gross Direct Income	(249,000)	(249,000)	0	
	Internal Recharges	11,240	15,410	4,170	
	Capital Charges	90,537	209,080	118,543	Revised capital budget for depreciation in 2017/18.
	Total	881,934	978,540	96,606	

		Budget 2016-17	Budget 2017-18	Variance	Comments
		£	£	£	
CGSC	Street Cleansing				
	Gross Direct Costs	920,202	929,486	9,284	
	Gross Direct Income	0	0	0	
	Internal Recharges	11,220	11,750	530	
	Capital Charges	0	0	0	
	Total	931,422	941,236	9,814	No major variances.
CGSF	Footway Lighting				
	Gross Direct Costs	450,533	438,896	(11,637)	2017/18 includes a £20k cost reduction in relation to a savings proposal.
	Gross Direct Income	0	0	0	
	Internal Recharges	14,980	15,680	700	
	Capital Charges	110,078	59,232	(50,846)	Revised capital budget for depreciation in 2017/18 to reflect capital works completed on footway lighting as part of the 2016/17 and recent years capital programmes has increased depreciation charges in 2017/18.
	Total	575,591	513,808	(61,783)	
CGWA	Waste				
	Gross Direct Costs	2,157,612	2,284,852	127,240	2017/18 includes a £136k cost reduction in relation to a savings proposal. Reduction of £30k in the cost of recycling services.
	Gross Direct Income	(1,067,170)	(1,272,881)	(205,711)	2017/18 includes a £182k cost reduction in relation to a savings proposal.
	Internal Recharges	76,030	42,830	(33,200)	
	Capital Charges	236,198	135,898	(100,300)	
	Total	1,402,670	1,190,699	(211,971)	
CEEH	Environmental Health				
	Gross Direct Costs	1,450,588	1,503,109	52,521	Staff costs transferred to Grounds Maintenance service.
	Gross Direct Income	(94,051)	(103,024)	(8,973)	
	Internal Recharges	302,150	317,620	15,470	
	Capital Charges	0	4,497	4,497	
	Total	1,658,687	1,722,202	63,515	
Total Environmental Services		6,624,300	6,639,984	227,655	
<u>Licensing and Elections</u>					
ROEL	Elections				
	Gross Direct Costs	421,489	285,179	(136,310)	One election in 2017/18 rather than two, as in 2016/17 resulting in a £120k reduction in costs relating to elections (e.g. station costs, casual staff, postage, printing & stationery).
	Gross Direct Income	(212,700)	(106,700)	106,000	One election in 2017/18 rather than two, as in 2016/17 resulting in a £106k reduction in funding for elections provided from Government.
	Internal Recharges	28,950	312,510	283,560	
	Capital Charges	0	0	0	
	Total	237,739	490,989	253,250	

		Budget 2016-17	Budget 2017-18	Variance	Comments
		£	£	£	
ROLI	Licensing				
	Gross Direct Costs	98,051	93,806	(4,245)	CRM checks for taxi drivers not required in 2017/18 therefore the cost of this, £12k, removed from the 2017/18 budget. The checks are required every 3 years.
	Gross Direct Income	(286,703)	(276,013)	10,690	As the cost of the CRB checks, as per above, are recharged to the taxi drivers, the income expected for 2017/18 is also reduced by £12k.
	Internal Recharges	47,730	46,270	(1,460)	
	Capital Charges	0	0	0	
	Total	(140,922)	(135,937)	4,985	
Total Licensing and Elections		96,817	355,052	(62,596)	
Planning					
CPBC	Building Control				
	Gross Direct Costs	243,445	247,525	4,080	
	Gross Direct Income	(231,700)	(247,700)	(16,000)	Building control income expected to increase by £15k in 2017/18 for implementing charges for services previously not charged for.
	Internal Recharges	157,300	106,980	(50,320)	
	Capital Charges	0	0	0	
	Total	169,045	106,805	(62,240)	
CPDC	Development Control				
	Gross Direct Costs	444,013	533,540	89,527	Additional post created in 2017/18 resulting in increased costs of £54k to be funded from additional income. 75% re-apportionment of staff costs to this service from property services resulting in a £19k increase in costs to this service.
	Gross Direct Income	(381,100)	(461,100)	(80,000)	£50k increase in planning fee income. 2017/18 includes a £30k cost reduction in relation to a savings proposal.
	Internal Recharges	124,210	99,440	(24,770)	Revised basis for reallocation of Executive recharges basis from prior year has resulted in reduction of £26k in the charge to this service.
	Capital Charges	0	0	0	
	Total	187,123	171,880	(15,243)	
CPLC	Land Charges				
	Gross Direct Costs	118,024	118,023	(2)	
	Gross Direct Income	(180,000)	(188,100)	(8,100)	Increase in fees & charges, as approved by Council in December 2016, expected to result in increased income of £8.1k in 2017/18.
	Internal Recharges	74,100	88,460	14,360	
	Capital Charges	40,009	1,747	(38,262)	Revised capital budget for depreciation in 2017/18.
	Total	52,133	20,130	(32,004)	
Total Planning		408,301	298,815	(109,486)	
Tourism and Marketing					
CTCP	Civic and Portering				
	Gross Direct Costs	152,006	138,460	(13,546)	2017/18 includes a £2.5k cost reduction in relation to a savings proposal. £11k reduction in civic program costs due to fewer events planned for 2017/18 compared to 2016/17.
	Gross Direct Income	0	0	0	
	Internal Recharges	(152,010)	(108,450)	43,560	
	Capital Charges	0	0	0	
	Total	(4)	30,010	30,014	

		Budget 2016-17	Budget 2017-18	Variance	Comments
		£	£	£	
CTCO	Communications				
	Gross Direct Costs	71,953	70,397	(1,556)	
	Gross Direct Income	0	0	0	
	Internal Recharges	(66,880)	(60,390)	6,490	
	Capital Charges	0	0	0	
	Total	5,073	10,007	4,934	No major variances.
CTRE	Print and Design				
	Gross Direct Costs	139,013	134,868	(4,145)	2017/18 includes a £5k cost reduction in relation to a savings proposal.
	Gross Direct Income	(16,698)	(16,698)	0	
	Internal Recharges	(122,310)	(103,170)	19,140	
	Capital Charges	0	0	0	
	Total	5	15,000	14,995	
CTTO	Tourism				
	Gross Direct Costs	730,593	730,542	(51)	
	Gross Direct Income	(295,843)	(275,962)	19,881	Based on continuing decline in ticket sales and commissions made by the tourism office £22k reduction made to the 2017/18 budget.
	Internal Recharges	196,260	235,930	39,670	Increased cost of £25k for recharges from revenue services in 2017/18.
	Capital Charges	6,600	0	(6,600)	
	Total	637,610	690,510	52,900	
CTVE	Events				
	Gross Direct Costs	67,543	3,024	(64,519)	Reduction in costs due to outsourcing of wedding & functions in 2017/18, offset by the removal of the income budget.
	Gross Direct Income	(70,524)	(10,000)	60,524	Income from outsourcing wedding & functions in 2017/18.
	Internal Recharges	151,610	49,100	(102,510)	Reduction in work required by GYBC staff following outsourcing in 2017/18.
	Capital Charges	0	0	0	
	Total	148,629	42,124	(106,505)	
Total Tourism and Marketing		791,313	787,651	(3,662)	
		7,326,561	7,586,158	150,737	
Total Customer Services					
	Gross Direct Costs	57,995,050	56,008,316	(1,986,734)	
	Gross Direct Income	(52,323,062)	(50,123,909)	2,199,153	
	Internal Recharges	637,863	600,761	(37,102)	
	Capital Charges	1,016,710	1,100,989	84,279	
	Total	7,326,561	7,586,158	259,597	

Housing & Neighbourhoods Directorate

		Budget 2016-17	Budget 2017-18	Variance	Variance Explanation
		£	£	£	
RPCO	Conservation				
	Gross Direct Costs	233,892	233,998	106	
	Gross Direct Income	(35,000)	(30,000)	5,000	
	Internal Recharges	98,820	109,100	10,280	
	Capital Charges	24,633	26,129	1,496	
	Total	322,345	339,227	16,882	No major variances.
CGGP	Parks				
	Gross Direct Costs	528,313	526,072	(2,241)	
	Gross Direct Income	(10,100)	0	10,100	Reduction of £10k in income due to park concession ceasing in 2017/18.
	Internal Recharges	990	5,740	4,750	
	Capital Charges	0	2,224	2,224	
	Total	519,203	534,036	14,833	
CGOS	Outdoor Sports				
	Gross Direct Costs	296,544	289,223	(7,321)	Fire risk assessments costs removed from 2017/18 budget as no charge has been incurred in previous years. To be funded as a one-off if required.
	Gross Direct Income	(107,156)	(107,363)	(207)	
	Internal Recharges	8,650	14,280	5,630	
	Capital Charges	39,820	33,157	(6,663)	
	Total	237,858	229,297	(8,561)	
GNCL	Leisure & Culture				
	Gross Direct Costs	204,231	203,876	(355)	
	Gross Direct Income	(11,825)	(11,825)	0	
	Internal Recharges	33,200	38,820	5,620	
	Capital Charges	42,882	192	(42,690)	Revised capital budget for depreciation in 2017/18.
	Total	268,488	231,063	(37,425)	
GNMP	Marina & Phoenix				
	Gross Direct Costs	529,640	433,523	(96,117)	Marina & Phoenix Management Fees are expected to be £81k less in 2017/18 therefore the budget has been reduced. Under the new management arrangement of Marina & Phoenix Centres £11k kiosk rental costs were transferred to the the new operator.
	Gross Direct Income	(11,375)	0	11,375	As above, as the costs of the kiosks have transferred to the new operator so have the kiosk rental income, therefore 2017/18 budget income reduced by £11k.
	Internal Recharges	24,750	21,890	(2,860)	
	Capital Charges	266,851	417,339	150,488	Increased depreciation costs in 2017/18 of £127k following refurbishment of the Phoenix Leisure Centre & leasing of gym equipment for the new gym at the site.
	Total	809,866	872,752	62,886	
GNCC	CCTV				
	Gross Direct Costs	137,153	137,153	0	
	Gross Direct Income	(4,000)	(4,000)	0	
	Internal Recharges	21,620	20,880	(740)	
	Capital Charges	6,040	0	(6,040)	
	Total	160,813	154,033	(6,780)	No major variances.

		Budget 2016-17	Budget 2017-18	Variance	Variance Explanation
		£	£	£	
GNNM	Neighbourhood Management				
	Gross Direct Costs	1,171,984	1,222,458	50,474	Neighbourhoods that Work scheme costs expected to increase by £30k in 2017/18. Annual increase in staff costs of £11k recognised in 2017/18 budget.
	Gross Direct Income	(797,320)	(782,804)	14,516	Reduction in neighbourhood management grant funding in 2017/18 of £14.5k.
	Internal Recharges	(47,050)	(143,110)	(96,060)	
	Capital Charges	0	0	0	
	Total	327,614	296,544	(31,070)	
GNGV	Partnerships				
	Gross Direct Costs	197,856	182,856	(15,000)	2017/18 includes a £15k cost reduction in relation to a savings proposal.
	Gross Direct Income	(36,000)	(36,000)	0	
	Internal Recharges	20,820	20,440	(380)	
	Capital Charges	0	0	0	
	Total	182,676	167,296	(15,380)	
Neighbourhood & Communities		2,828,863	2,824,248	(4,615)	
Housing Needs					
GHHN	Housing Needs				
	Gross Direct Costs	775,190	778,406	3,216	
	Gross Direct Income	(224,983)	(225,128)	(145)	
	Internal Recharges	315,720	292,760	(22,960)	
	Capital Charges	0	19,178	19,178	Revised capital budget for depreciation in 2017/18.
	Total	865,927	865,216	(711)	
GHHS	Housing Options & Strategy				
	Gross Direct Costs	123,637	125,910	2,273	
	Gross Direct Income	0	0	0	
	Internal Recharges	43,710	54,020	10,310	
	Capital Charges	0	25,723	25,723	Revised capital budget for depreciation in 2017/18.
	Total	167,347	205,653	38,306	
Housing Needs		1,033,274	1,070,869	37,595	
DFGs & HIA Homes for Health					
GWPS	Private Sector Housing				
	Gross Direct Costs	137,386	173,680	36,294	5 yearly stock condition survey costing £30k required in 2017/18. Additional cost in 2017/18 for £4.5k provision of security devices for lone workers.
	Gross Direct Income	(37,400)	(37,400)	0	
	Internal Recharges	147,436	97,886	(49,550)	Revised basis for reallocation of Executive recharges basis from prior year has resulted in reduction of £47k in the charge to this service.
	Capital Charges	0	0	0	
	Total	247,422	234,166	(13,256)	

		Budget 2016-17	Budget 2017-18	Variance	Variance Explanation
		£	£	£	
GWSH	Safe At Home				
	Gross Direct Costs	213,122	244,955	31,833	Additional staff costs of £27k required to increase capacity within the team to completed Better Care Fund work. 2017/18 includes a £60k cost reduction in relation to a savings proposal.
	Gross Direct Income	(145,500)	(172,894)	(27,394)	Partner funding of £34k no longer going to be received in 2017/18.
	Internal Recharges	58,016	125,086	67,070	Revised basis for reallocation of Executive recharges basis from prior year has resulted in an increase in the charge to this service of £25k. Increase of ICT budget in 2017/18 has increased the recharge to this service by £10k. Inclusion of recharge for constriction services has increased recharges to this services by a further £30k.
	Capital Charges	0	0	0	
	Total	125,638	197,147	71,509	
DFGs & HIA Homes for Health		373,060	431,313	58,253	
Total Housing & Neighbourhoods		4,235,197	4,326,430	91,233	
	Gross Direct Costs	4,548,948	4,552,110	3,162	
	Gross Direct Income	(1,420,659)	(1,407,414)	13,245	
	Internal Recharges	726,682	657,792	(68,890)	
	Capital Charges	380,226	523,942	143,716	
	Total	4,235,197	4,326,430	91,233	

2017/18 Budget Process - Additional income and savings proposals

Ref.	Description	Savings/ Income	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Governance						
CG2-2	Savings within the Governance budget	Savings	0	25,000	40,000	40,000
Customer Services						
CS1	Review of structures and change in duties to role.	Savings	15,000	15,000	15,000	15,000
CS2	Year on year increase of cremation fees and burial/ash internment fees and efficiency saving	Savings	25,000	25,000	25,000	25,000
CS4	Resource savings through administrative efficiencies and online self serve	Savings	0	8,200	8,200	8,200
CS5	Introduction of E billing and SMS usage	Savings	6,300	12,400	32,856	32,856
CS5	Introduction of E billing and SMS usage	Income	0	0	0	0
CS6	Cost efficient use of MFDs	Savings	5,000	5,000	5,000	5,000
CS7	Work already underway to identify and plan reduction in IT systems, licences and servers, looking at opportunities of managed services or alternative hosted solutions.	Savings	25,000	30,000	35,000	40,000
CS8	Continued changes in services delivery/ customers accessing services online	Savings	15,000	40,000	40,000	40,000
Environmental Health						
ENV1	Increasing the take up of the garden waste collection service	Income	36,085	142,056	145,640	149,350
ENV6	A second officer will greatly improve our service delivery around education, promoting behavioural change and improve our capacity to look at other perhaps more innovative proactive ways to improve our recycling performance and reduce the high levels of contamination in our recycling. Invest to save proposal to deliver additional income.	Income	(7,937)	27,063	27,063	27,063
GYB Services						
GY8	Review of overheads as a result of changes to service delivery model	Savings	0	0	40,000	40,000
GY9	Completion of energy reduction programme arising from energy efficiency audit, some upfront costs required as an invest to save.	Savings	20,000	20,000	20,000	20,000

Ref.	Description	Savings/ Income	2017/18	2018/19	2019/20	2020/21
Neighbourhood and Communities						
NC2	Freeze the current Town Centre CCTV contribution amount	Savings	2,652	5,360	8,124	10,945
NC4	Progress partnership working to build stronger communities and reduce demand on public sector services	Income	15,000	15,000	15,000	0
NC6	Review of service resource to reduce service to operational delivery	Savings	0	51,000	51,000	51,000
NC1	Opportunities for rationalisation and investment/opportunities for external funding including removal of annual increases.	Savings	2,036	4,123	6,262	6,262
Property and Construction						
PC1	New fee structure for valuation work/ end of year/ RTB buy backs	Income	3,500	7,000	7,000	7,000
PC2	Proposing business transfer of service for seafront concession tenants	Savings	2,500	2,500	2,500	2,500
PC3	Internal review of team resource and roles.	Savings	45,401	75,401	75,401	75,401
PC4	Professional advice to be procured/funded from the capital budget on a per project basis approach.	Savings	40,000	40,000	20,000	20,000
Tourism						
TC1	External contract allows for additional income if functions exceed an agreed level	Income	10,000	10,000	12,500	15,000
TC2	Review and reduction in the budgets/ spend within a number of the seafront related budgets.	Savings	3,500	7,000	10,500	34,000
TC3	Reduction in costs for New Equipment/Anticipated reduction in use of paper	Savings	5,000	7,000	10,000	12,000
TC4	Review of a number of smaller civic related budgets.	Savings	3,500	4,000	4,500	5,000
TC5	Identify potential seafront advertising spaces to generate income, some invest to save required.	Income	0	5,000	7,500	7,500
TC7	Opportunity to consider a commission-only resource to increase sponsorship and advertising revenue	Income	5,000	10,000	15,000	15,000
Finance						
FIN2	Review and reduction of the annual Internal Audit plan and where additional works/reviews are requested these are funded as one-offs.	Savings	10,000	20,000	25,000	25,000
FIN1	Review provision of procurement services internally	Savings	10,000	20,000	20,000	20,000
Housing						
HN1	Adopted revised procedures for assessing medical needs through central Occupational Therapist teams	Savings	10,000	10,000	10,000	10,000
Total			307,537	643,103	734,046	759,077

2017/18 Budget Process - Additional income and savings proposals

Ref.	Description	Savings/ Income	2017/18	2018/19	2019/20	2020/21
PLAN1	Charge for re-opening old building regulation applications/Review Prescribed Charges *	Income	15,000	17,000	19,000	21,000
PLAN2	Charging for pre application discussions/advice and general planning enquiries *	Income	30,000	45,000	55,000	60,000
ENV3	Introduction of an Administration Charge for Replacement or Extra Bins *	Income	16,980	16,980	16,980	16,980
ENV4	Introduction of An Administration Fee For the Provision of First Time Residual Waste and Recycling Bins (New Build Properties) *	Income	6,797	9,790	10,109	12,940
ENV5	Reinstatement of the full cost of collecting/detaining stray passed to dog owner *	Income	13,000	13,000	13,000	13,000
EXEC1	Identify charges as Special Expenses (charge to Parish/Town Council for services)	Savings	-	65,000	80,000	80,000
HHW1	Increase fees to 19.1% and 21.6% *	Income	38,568	38,568	38,568	38,568
Total			120,345	205,338	232,657	242,488

* Fees and charges agreed by Full Council, December 2016

2016/17 Charges VAT @ 20% (where applicable)	2017/18 Charges VAT @ 20% (where applicable)
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CREMATION CHARGES

NB: From 01 April 2017 the Medical Referee Fee of £25 is included in the Cremation Fee.

The fee also includes an Environmental Charge of £60

The use of the Wesley Music System is included.

The following charges relate to cremation:

	Non-viable foetus or stillborn child	No Charge	No Charge
	The body of a child not exceeding four years of age at time of death	No Charge	No Charge
	The body of a child of four years, but not exceeding twelve years at the time of death	No Charge	No Charge
	The body of a person whose age at the time of death exceeded twelve years	698.00	See below
	New charging structure from 1 April 2017:		
	The body of a person whose age at the time of death exceeded twelve years:		
	For Service times: 08:20, 08:50 and 16:00, 16:30 (30 minutes)	n/a	720.00
	For Service times 09:20, 10:10, 11:00, 11:50, 12:40, 13:30, 14:20, 15:10 (50 minutes)	n/a	760.00
	New Charges for 2017/18:		
New	Funeral Director No Attendance (arrangements required, no service)	n/a	480.00
New	Administration charge for permission to erect memorial on ash interment plots and full burial plots applies	n/a	62.00

FAIR FEES AND CHARGES

Costs based on square metres

Category	Attractions Description:		
A	Roundabouts over 25ft (7.62m) in diameter or any other machinery or apparatus, whether operated by electricity, steam, hand or other means	2.50	2.65
B	Roundabouts less than 25ft (7.62m) in diameter, power operated Hoopla's, Spinners and games of a similar nature	4.50	4.75
C	Non-mechanical operated Hoopla's, Swinging Boats, Booths, Shows and Exhibitions and Refreshments Kiosks	3.00	3.15
D	Dart Stalls, Coconut-Shy, Shooting Galleries and other Shooting Games	1.50	1.60
	Minimum Charge	30.00	31.50

Council Tax Summary 2017/18

	2016/17 Actual	Actual 2017/18 £5 Council Tax Increase		
			Movement £	Movement %
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 3,914,239	£ 4,141,766	£227,527	5.81%
Borough Council Tax Level at Band D	£ 146.48	£ 151.48	£5.00	3.41%
Net Borough Council Tax at Band D	£ 146.48	£ 151.48	£ 5.00	3.41%
Value of Precepts	£ 354,143	£352,989	(£1,154.00)	-0.33%
Effect of Parish/Town Precepts	£ 13.25	12.91	(£0.34)	-2.57%
Billed Borough Council Tax at Band D	£ 159.73	£ 164.39	£ 4.66	2.92%

Tax Base	26,722	27,342
Tax Base Movement		620

Note: The Tax Base for 2017/18 is 27,342 (2016/17 26,722) so each £27,342 change in net expenditure has £1.00 effect on Council Tax at Band D.

General Fund Reserves Schedule - 2017/18 Budget		Opening Balance 01/04/16	Movement 2016/17	Closing Balance 31/03/17	Budgeted Movement 2017/18	Closing Balance 31/03/18	Budgeted Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.	62,360	(43,000)	19,360	0	19,360	0	19,360	0	19,360
Insurance Fund	The Council budgets for a level of excess being charged to the Service Accounts annually. Any under provision is met from the Insurance Fund, and any surplus is transferred to the fund.	131,769	0	131,769	0	131,769	0	131,769	0	131,769
Town Centre Initiative	Earmarked for spend in relation to the town centre project.	594,262	(44,236)	550,026	(25,000)	525,026	0	525,026	0	525,026
SHARP Funding	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	493,039	0	493,039	0	493,039	0	493,039	0	493,039
Restricted use grant	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these reserves in future years.	906,756	(124,721)	782,035	0	782,035	0	782,035	0	782,035
Efficiency Support grant	Balance of funding from the ESG released for project spend as approved within the budget.	241,135	(241,135)	0	0	0	0	0	0	0
Invest to Save	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including costs associated with restructures.	1,000,000	853,089	1,853,089	(119,558)	1,733,531	(39,495)	1,694,036	0	1,694,036
Specific budget	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	63,241	(7,180)	56,061	0	56,061	0	56,061	0	56,061
LEGI	As costs are incurred, these are offset by the Reserve.	523,671	0	523,671	(57,000)	466,671	0	466,671	0	466,671
Repairs and Maintenance	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	343,827	(16,476)	327,351	0	327,351	0	327,351	0	327,351

General Fund Reserves Schedule - 2017/18 Budget		Opening Balance 01/04/16	Movement 2016/17	Closing Balance 31/03/17	Budgeted Movement 2017/18	Closing Balance 31/03/18	Budgeted Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
Second Homes Council Tax	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	97,039	(77,000)	20,039	0	20,039	0	20,039	0	20,039
Waste Management	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	135,170	(110,000)	25,170	(25,170)	(0)	0	(0)	0	(0)
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years,	1,197,010	468,081	1,665,091	0	1,665,091	0	1,665,091	0	1,665,091
Neighbourhoods	Earmarked from previous grants for neighbourhood projects	128,876	(128,876)	0	0	0	0	0	0	0
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	0	50,000	50,000	0	50,000	0	50,000	0	50,000
Strategic Planning Training	Earmarking of underspends for training and development.	0	15,130	15,130	(15,130)	0	0	0	0	0
Special Project Reserve	Earmarked as per the 2017/18 budget report for project spend and also for matched funding as appropriate.	0	1,000,000	1,000,000	(105,250)	894,750	(25,503)	869,248	(25,758)	843,490
Other Reserves	These Reserves are utilised as expenditure is incurred.	205,676	(135,330)	70,346	(4,000)	66,346	(4,000)	62,346	0	62,346
Total GF Earmarked Reserves		6,123,831	1,458,345	7,582,176	(351,108)	7,231,068	(68,998)	7,162,070	(25,758)	7,136,313
General Fund Reserve	Current recommended balance of £2.5 million	6,350,408	(2,732,777)	3,617,631	(188,240)	3,429,391	0	3,429,391	0	3,429,391
Total GF Reserves		12,474,239	(1,274,432)	11,199,807	(539,348)	10,660,459	(68,998)	10,591,461	(25,758)	10,565,704
Note: 2017/18 transfers allows for the use of £188,240 from the general reserve.										

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2017/18 to 2020/21

1 Background

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

2 Earmarked Reserves

2.1 Purpose

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

2.2 Earmarked Reserves Protocol

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

2.3 Review of Earmarked Reserves

- 2.3.1 The Reserves Statement is included as part of the Budget Report to Policy and Resources Committee and gives full details of the earmarked reserves and current planned use.
- 2.3.2 It is considered that sufficient provision for the Council's capital programme (as recommended) has been included in the capital estimates and capital reserves, and that nothing further is required.
- 2.3.3 Where in-year expenditure is being funded by earmarked reserves and general reserves, the relevant transfers from the reserves have been allowed for within the reserves balances and revenue account budgets as detailed in the budget report.

3 The General Reserve

3.1 Purpose

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

3.2 The Optimum Level of the General Reserve

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

3.3 Assessment Framework

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

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

3.3.2 All of these issues interlink and any one incident is likely to span across many of the issues and might not be contained within one financial year. Risks change over time and the general reserve needs to be considered across the medium term financial plan. What might be an adequate level of reserves now may not be reflective of what would be deemed to be adequate in years two to four. Therefore the framework should be reviewed as part of the budget setting process.

3.4 The Assessment of the General Fund Reserve

- 3.4.1 When undertaking the assessment it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.
- 3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2017/18:

Item	2017/18	2018/19	2019/20	2020/21
1 Pay and Price Inflation (0.5% sensitivity to budget assumption)	110,000	110,000	110,000	110,000
2 Interest Rates & MRP (0.5% sensitivity to short term borrowing and profiling of capital spend and MRP impact)	140,000	150,000	150,000	150,000
3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (to ensure core services are maintained)	150,000	130,000	130,000	130,000
4 Major Litigation and Legal Claims (to provide additional comfort above earmarked reserves)	100,000	100,000	100,000	100,000

Appendix G

Item	2017/18	2018/19	2019/20	2020/21
5 Emergencies and Other Unknowns (to recognise the risks associated with unpredictable events)	500,000	500,000	500,000	500,000
6 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	510,000	540,000	540,000	550,000
7 Project Risks (To recognise the risks the Authority is facing in terms of partnership work and significant projects)	100,000	100,000	100,000	100,000
8 Cash Flow (the impact of timing of cash flow, including the profiling of expenditure)	50,000	50,000	50,000	50,000
9 Future Funding Fluctuations (an allowance to reflect the increased risk around local funding, ie business rates and new homes bonus, to mitigate the impact within and between financial years)	850,000	830,00	830,000	830,000
Total Indicated General Fund Reserve Recommended	2,510,000	2,510,000	2,510,000	2,520,000
% of Net Budgeted Operating Expenditure (excluding parish precepts)	20%	20%	19%	20%

4 Chief Financial Officer's Opinion

- 4.1 The Earmarked Reserves detailed within the reserves statement are proper and appropriate with regard to purpose, level and proposed use, although the future timing of their use will be reported within the budget monitoring reports and the statement updated accordingly.
- 4.2 Based on the assessment detailed above the recommended level of the general reserve for 2017/18 should be £2.510 million. This is above the current recommended general reserve of £2 million and reflects a greater reliance on external resources and income from a number of demand led services and therefore it is recommended that the minimum level of the general reserve be **increased to £2.5 million** for 2017/18. The budgeted General Fund Reserve has been reviewed as part of the 2017/18 budget and the recommendations within the report include reallocations from the general reserve to current and new earmarked reserves to support the delivery of the corporate plan and also to mitigate future fluctuations in funding.

Capital Programme Forward Budget 2017-2018

Directorate	Project Title	Rolled forward slippage 2016/17	Prior Year Approved 17/18 projects	Recommended 2017/18 Bids	2017/18 Capital Programme	BORROWING	GRANTS & CONTRIBUTIONS				CAPITAL RECEIPTS		REVENUE
						Unsupported Borrowing	DFG	SHIP/SHARP/ N&WELS	NCC	Other Grants/3rd Party Contributions	Capital Receipt - Housing	Capital Receipts - other	Revenue Funding
HRA	Housing Capital Programme	£0	£0	£10,554,080	£10,554,080	£2,052,000					£1,077,000		£7,425,080
Customer Services	Replacement of the Council's Air Quality Monitoring Station	£0	£0	£50,000	£50,000	£50,000							
Customer Services	ICT Investment to deliver GYBC ICT Strategy	£0	£0	£222,500	£222,500	£222,500							
Customer Services	Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt Yarmouth Cemetery Wall	£0	£0	£75,000	£75,000	£75,000							
Customer Services	St Nicholas Minster West Boundary Wall	£0	£0	£50,000	£50,000	£50,000							
Customer Services	Marine Parade car park Gorleston Surfacing	£0	£0	£22,000	£22,000	£22,000							
Customer Services	Public Toilet Refurbishment Programme	£0	£0	£160,000	£160,000	£160,000							
Customer Services	Rialto Civil enforcement	£0	£0	£21,050	£21,050	£7,518			£13,532				
Housing & Neighbourhoods	Disabled Facilities Grant	£0	£0	£941,786	£941,786	£0	£941,786						
Housing & Neighbourhoods	Childrens Playground Refurbishment 2017/18 - 2019/20	£0	£0	£151,370	£151,370	£36,370				£115,000			
Housing & Neighbourhoods	Children's Playground Resurfacing	£0	£0	£37,650	£37,650	£37,650							
Housing & Neighbourhoods	Priory Gardens Footpath Gorleston	£0	£0	£19,000	£19,000	£19,000							
Housing & Neighbourhoods	Wellesley CCTV	£0	£0	£15,000	£15,000	£15,000							
Housing & Neighbourhoods	New Marina Centre Refurbishment	£4,127,435	£1,600,000	£0	£5,727,435	£5,727,435							
Housing & Neighbourhoods	Mill Lane Hot Water Vessels	£31,000	£0	£0	£31,000	£31,000							
Housing & Neighbourhoods	The Waterways (revised HLF bid)	£0	£262,162	£0	£262,162	£140,000				£122,162			
Housing & Neighbourhoods	Empty Homes	£650,000	£0	£0	£650,000	£650,000							
Housing & Neighbourhoods	Homes 4 Health	£300,000	£0	£0	£300,000	£50,000		£250,000					
Housing & Neighbourhoods	Beacon Park LATC - Phase 1/ Equinox	£9,260,000	£0	£0	£9,260,000	£9,260,000							
Housing & Neighbourhoods	Runham Vauxhall	£119,541	£0	£0	£119,541	£0						£119,541	
Customer Services	Footway Lighting	£0	£100,000	£0	£100,000	£100,000							
Customer Services	Esplande Resurfacing	£91,440	£100,000	£0	£191,440	£191,440							
Resource, Governance & Growth	Beacon Park projects	£2,600,000	£1,625,000	£0	£4,225,000	£4,225,000							
Resource, Governance & Growth	Beacon Park - Site 12a	£3,300,000	£0	£0	£3,300,000	£3,300,000							
Resource, Governance & Growth	South Denes	£2,738,559	£0	£0	£2,738,559	£638,559			£2,100,000				
TOTAL		£23,217,975	£3,687,162	£12,319,436	£39,224,579	£27,060,472	£941,786	£250,000	£2,113,532	£237,162	£1,077,000	£119,541	£7,425,080

Capital Programme Forward Budget 2018-2019

Directorate	Project Title	Prior Year approved 18/19 projects	17/18 Recommended Bid 18/19	2018/19 Capital Programme	BORROWING	GRANTS & CONTRIBUTIONS		CAPITAL RECEIPTS		REVENUE
					Unsupported Borrowing	DFG	Other Grants/3rd Party Contributions	Capital Receipt - Housing	Capital Receipts - other	Revenue Funding
HRA	Housing Capital Programme	£0	£8,307,080	£8,307,080	£1,360,000			£882,000		£6,065,080
Customer Services	ICT Investment to deliver GYBC ICT Strategy	£0	£290,500	£290,500	£290,500					
Customer Services	St Nicholas Minster West Boundary Wall	£0	£50,000	£50,000	£50,000					
Customer Services	Public Toilet Refurbishment Programme	£0	£160,000	£160,000	£160,000					
Housing & Neighbourhoods	Childrens Playground Refurbishment 2017/18 - 2019/20	£0	£46,595	£46,595	£46,595					
Housing & Neighbourhoods	Disabled facilities Grant	£800,000	£0	£800,000	£233,000	£567,000				
Housing & Neighbourhoods	The Waterways (revised HLF bid)	£0	£1,435,311	£1,435,311	£190,000		£1,245,311			
Customer Services	Footway Lighting	£100,000	£0	£100,000	£100,000					
Customer Services	Esplande Resurfacing	£100,000	£0	£100,000	£100,000					
		£1,000,000	£10,289,486	£11,289,486	£2,530,095	£567,000	£1,245,311	£882,000	£0	£6,065,080

Capital Programme Forward Budget 2019-2020

Directorate	Project Title	17/18 Recommended Bid 19/20	BORROWING GRANTS & CONTRIBUTIONS			CAPITAL RECEIPTS		REVENUE
			Unsupported Borrowing	NCC	Other Grants/3rd Party Contributions	Capital Receipt - Housing	Capital Receipts - other	Revenue Funding
HRA	Housing Capital Programme	£8,808,580	£1,995,000			£828,000		£5,985,580
Customer Services	ICT Investment to deliver GYBC ICT Strategy	£240,500	£240,500					
Housing & Neighbourhoods	Childrens Playground Refurbishment 2017/18 - 2019/20	£39,945	£39,945					
Housing & Neighbourhoods	The Waterways (revised HLF bid)	£363,260	£0		£363,260			
		£9,452,285	£2,275,445	£0	£363,260	£828,000	£0	£5,985,580

Subject: REVENUE BUDGET AND COUNCIL TAX SETTING 2017/18

Report to: Full Council 21 February 2017

Report by: Finance Director

SUBJECT MATTER

This report presents for approval the budget for 2017/18 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2017/18. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves. This report should be considered alongside the budget report as presented to Policy and Resources Committee on 7 February 2017 which the recommendations are included on the agenda.

RECOMMENDATIONS:

It is recommended that having considered the Chief Financial Officer's report of the robustness of the estimates and the adequacy of the proposed financial reserves, the following is approved:

1. That the budget for 2017/18 as detailed in the budget report to Policy and resources Committee and outlined at Appendix A is approved;
2. That the statement of and movement on reserves as detailed in Appendix B be approved;
3. That Members undertake the Council Tax and statutory calculations as set out in section 4 of the report and set the Council Tax for 2017/18;
4. The demand on the Collection Fund for 2017/18 be:
 - a. £4,141,766 for the Borough Council purposes;
 - b. £354,487 for Parish Precepts.

1. Introduction and Background

- 1.1 This report presents for approval the 2017/18 revenue budget along with undertaking the statutory calculations for the determination of the Council Tax for 2017/18 This report should be considered alongside the budget report that was presented to the Policy & Resources Committee on 7 February 2017.
- 1.2 The budget for 2017/18, along with detailed projections for the following three financial years, were recommended to Full Council by the Policy & Resources Committee on 7 February 2017. The appendices to this report have been updated to reflect decisions by Policy and Resources Committee made on 7 February in respect of the use of reserves and also for a final parish precept confirmed after the report to Policy and Resources was produced.

- 1.3 The Committee report included the provisional finance settlement for 2017/18, at the time of production of this report the final settlement was still to be announced any changes will be updated verbally at the meeting of Full Council on 21 February.

2. 2017/18 Budget

- 2.1 The budget report as presented to the Policy and Resources Committee has been updated to reflect the recent approval of the allocations from the invest to save reserve of £38,000 for the Marina options appraisal and £29,750 for the postal vote costs in respect of the referendum proposals for four yearly elections. In addition there has been a revision to a precept thereby changing the demand on the collection fund for parish precepts to £354,487. Revised appendices for the general fund summary, reserves statement and Council Tax summary are attached at appendices A, B and C respectively.
- 2.2 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the following matters:
- the robustness of the estimates made for the purpose of the budget calculations and
 - the adequacy of the proposed financial reserves.
- 2.3 This is provided in section three of the report.

3. Chief Financial Officer's Report

The Robustness of the Estimates

- 3.1 This section of the report provides a commentary on the robustness of the estimates now presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2017/18.
- 3.2 The framework within which the budget for 2017/18 has been constructed takes into account the following factors:
- The previous financial years out-turn position (2015/16) (3.3);
 - The in-year budget monitoring and associated reports (3.4 - 3.7);
 - The Medium Term Financial Strategy (3.8);
 - The 2017/18 finance settlement (3.9);
 - Consideration of risks (3.10).
- 3.3 **Previous Year Outturn** - The outturn position for 2015/16 was reported to Members in July 2016, the position was then subject to external audit review and reported to Members in September 2016. The outturn position is used to update the financial planning process and establishes the baseline for the current estimates by reflecting significant movements against the current position and those which will have an on-going impact on the future financial position of the Council.
- 3.4 **In Year Budget Monitoring and Financial Control** - Best practice suggests that regular financial monitoring reports are presented to officers and members

- periodically during the year for review and scrutiny and also to ensure transparency of decision making and financial control. The budget monitoring process is carried out throughout the year between finance and service areas and the process is fundamental to ensuring strong financial control and governance to inform decision making and to support the longer term delivery of local services. The budget monitoring also ensures that update information can be used to inform budget and future projections to reflect local budget and spending pressures in order the overall financial position of the Council can be managed.
- 3.5 During the year budget monitoring reports have been presented to the Policy and Resources Committee in September 2016 for period four, November 2016 for period six and February 2017 for period nine. Whilst the overall general fund budget position for the current financial year is forecast to be achieved, the reports have highlighted some significant in-year variances within services, for example under achievement of income targets for demand led services including the crematorium and car parking, turnover and vacancies within commercial rented properties and spending in excess of agreed budget. Overall these have been mitigated by additional non-service income from retained business rates income and a reduction in the interest payable. The in-year variances have informed the 2017/18 budget to ensure that an accurate position is reflected in the budget and future projections informed by current spending plans and commitments.
- 3.6 The financial reporting throughout the year has improved on previous years with reports being presented to Policy and Resources Committee, however, processes still require further development to enable reports which accord with best practice and to ensure there is a consistent approach by managers with budget responsibility pro-actively using accurate and timely financial information to manage their services. This is an area which will continue to develop and improve during 2017/18 to satisfy senior management, Members and Auditors that internal financial control is embedded within the organization that supports strong governance and sound decision-making.
- 3.7 Budgets are prepared using the best information that is available to the Council from its own sources i.e. budget holders, service managers and members of Executive Management Team and from external advisors for example the Council's treasury advisors, Capita. However, many budgets are related to factors that fall outside the control of the Council, for example, demand led income levels, inflation and interest rates, and all can have a significant impact on the Council's overall budget and financial position both in the current and future years. Forecasting for these areas requires an examination of recent trends as well as assimilating future projections from known factors.
- 3.8 **Medium Term Financial Strategy** - The financial planning process for the Council has developed over the past year. The setting of the budget for the forth coming year should not be seen as a one-off project of the presentation of the budget report for approval, but part of the overall financial planning process which includes financial monitoring and the Medium term Financial Strategy. The updated Financial Strategy was presented to Members in November 2016. The strategy includes high level financial projections for the medium term updated for local and national factors that will have an impact on the overall financial position, for example indication of future levels of funding from New Homes Bonus, forecasts of retained business rates and local spending pressures and service income levels. The process of co-ordinating the MTFs and budget includes the critical examination and challenge of current

expenditure and income on existing services and seeks to identify changed priorities in service delivery and planned future developments, in line with the Councils Plan and in response to local and national factors, for example legislative changes, local economic factors and changes in demand.

- 3.9 **Finance Settlement** – The Council has accepted and received confirmation of the offer of the multi-year finance settlement until 2019/20, this essentially confirms the level of Revenue Support Grant that will be received until 2019/20. Other elements of the settlement, for example retained business rates and new homes bonus will still be subject to local factors annually, for example fluctuations in business rate income collectable and delivery of new homes.
- 3.10 **Risks** - There are a number of financial risks facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, a number of key areas within the budget need to be closely monitored in the coming financial year, these include:
- a) **Car Park Income** – This area generates income for the Council which in turn supports the delivery of other services across the Council. With being a demand led service which is influenced by external factors this service is regularly monitored. The 2017/18 budget assumes gross income of in the region of £1.703 million from all car parking related fees and charges.
 - b) **Planning and Building Control Fees** – The 2017/18 base budget includes income totalling approximately £678k from planning and building control fees, this too is subject to external demands and is monitored regularly to highlight any significant fluctuations against the budget.
 - c) **Waste and Recycling Credits** – This is a significant source of income to the Council and reflects the activity across the borough in recycling domestic refuse and providing a garden waste service. A total of £1.209 million is included in the 2017/18 base budget.
 - d) **Crematorium Income** – The 2017/18 budget assumes gross income from the crematorium of £1.290 million and is predicated based on the new fee structure.
 - e) **Planned Savings and Additional Income** – The Council is continuing to deliver against a number of work streams for which savings have been factored into the base budgets as part of previous budget approvals and include for example, digital by design, flexible working. New Savings and additional income of £432k have been factored into the budget for 2017/18, increasing to £852k from 2018/19. Where applicable the budgets have been profiled to allow implementation of the savings or where upfront one-off costs (to be funded from the invest to save reserves) are required to achieve future savings.
 - f) **Council Tax Support** – The Local Council Tax Support Scheme (LCTSS) was implemented from April 2013; whilst there have been no changes to the Council's scheme for 2017/18, there still remains a risk of increases in the number of those eligible for Council Tax Support and the ability to collect Council Tax and is an area that will continue to be monitored including the impact on collection rate.

- g) **Business Rates Retention** – The implications of this system of funding is that the income from the Council's share of the business rates will fluctuate in-year and between years. The budget has been informed by the shares of the income as specified in the National Non Domestic Rate 1 (NNDR) return submitted for 2017/18 and the outcome of the 2017 revaluation of rateable properties. The actuals for 2017/18 will not be confirmed until the annual NNDR3 return is completed in June 2018. Other factors that will have an impact on the level of rates retained are current and backdated appeals.
- 3.11 Looking beyond 2017/18, the financial projections included in the budget report indicate that further savings will have to be made; this is based on the assumptions about the future level of funding as included in the finance settlement. The financial projections show a forecast deficit of £693k in 2018/19 increasing to £1.508 million in 2019/20, with a significant increase in the funding gap of £3 million by 2020/21 after the removal of revenue support grant of £2 million funding from 2020/21. Although further work will need to be carried out on the funding forecasts for the Council from 2020/21 onwards from the introduction of 100% rates retention and how the system will operate to ensure that local needs are still a feature of the new funding system.
- 3.12 The capital programme continues to be funded from a number of external and internal resources, for example, capital receipts from the sale of assets, internal and external borrowing. In both cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme.
- 3.13 Budget monitoring throughout the financial year is critical to the robustness of the estimates and maintaining a sound financial position. It is through the ability to manage and control the spending within the approved budgets and, where appropriate, identify and recommend appropriate actions, which serves to mitigate the Council's level of financial risk.
- 3.14 The Council also takes advice from third party organisations concerning a number of more technical factors that impact on the budget process, for example external advice in relation to treasury management, VAT and Insurance. By doing so the Council is able to monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

Adequacy of the Reserves

- 3.15 An assessment of the adequacy of the reserves, estimated to be available to the Council throughout 2017/18 is based on the possible commitments falling to be discharged against the following categories of reserves:
- General Reserve
 - Earmarked Reserves.
- 3.16 Where there is budgeted expenditure to be funded from a reserve (earmarked or general) these will be allowed for within the reserves statement.
- 3.17 There are three main reasons for holding reserves:
- a) as a contingency to cushion the impact of unexpected events or emergencies;
 - b) to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
 - c) as a means of building up funds to meet known or predicted liabilities (earmarked reserves).

- 3.18 When assessing the level of reserves the Council should take account of strategic, operational and financial risks facing them.
- 3.19 In particular, the risks associated with the Local Government funding mechanism, for example the retention of business rates continues to be a risk for Local Authorities. The system now means there will be fluctuations of income in year and between years, an element of this risk can be mitigated by the level of the general reserve and the earmarked reserve.
- 3.20 Other income streams from demand led services remain vulnerable both from economic factors and seasonal factors including weather that can influence for example car parking income. Steps have been taken to set prudent estimates of income from these services as appropriate but the activity that drives the income remains very difficult to predict.
- 3.21 The programme of savings and efficiencies which the Council is continuing to deliver against remains critical in terms of delivering a balanced budget and therefore the monitoring and ownership at both officer and member level is essential.
- 3.22 The budget report has recommended the establishing of an Invest to Save earmarked reserve to be used to fund one-off costs on an invest to save basis to deliver future efficiencies and savings to the Council.
- 3.23 Earmarked reserves are estimated to total £7.16 million by the end of the 2017/18 financial year and include three significant earmarked reserves for which the timing of their use are not yet planned as will be subject to approval of project and business cases, namely the Invest to Save reserve at £1.67million, the Collection Fund at £1.67million and Special Projects at £895k.
- 3.24 The level of all reserves (general and earmarked) are reviewed annually as part of the budget process and alongside the policy framework for earmarked reserves and assessing the optimum level of general reserve (appendix G to the budget report to Policy and Resources Committee.
- 3.25 The recommended level of the general reserve is £2.5million and the current balance forecast by 31 March 2018 after allowing for budgeted movements in 2017/18 is £3.429 million.

Summary

- 3.26 In the opinion of the Chief Financial Officer the overall budgeted level of both the General Reserve and the Earmarked Reserves included in the budget report are considered adequate in the short term. The General Reserve balance is forecast to be above that of the recommended balance (£2.5 million), all reserves will be subject to further annual review in 2017/18 as part of the budget monitoring and financial strategy process.
- 3.27 When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and also the identified risks in relation to the revenue and capital budgets presented for approval.

4. Council Tax Setting Resolution – 2017/18

- 4.1 The following sections of the report and applicable appendices (appendices # and #) set out the information required for Members to set the Council Tax for the 2017/18 financial year commencing 1 April 2017.
- 4.2 Norfolk County will meet on 20 February 2017 to set its Council Tax, and the recommendation is to increase the Council Tax by 4.80% (including the additional 3% for adult social care precept). The Norfolk Police and Crime Panel met on 2 February 2017 to agree the Norfolk Police and Crime Commissioner's proposals for the Council Tax of an increase of 1.99%. The figures used in this report are based on the assumption that there will be an increase for Great Yarmouth Borough Council (excluding parish council precepts) of 3.41%, 4.80% for Norfolk County Council, and a confirmed 1.99% increase for the Norfolk Police & Crime Commissioner.
- 4.3 Under section 52ZB of the Local Government Finance Act 1992 ("the 1992 Act") each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year ("the year under consideration") is excessive. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount. The excessiveness principles are set out each year and for 2017/18 the draft principles outline that an increase above the amount for 2016/17 will be excessive, and a referendum must be held, in the following circumstances:
- for Norfolk County Council if the increase is 5% (comprising 3% for expenditure on adult social care and 2% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2016/17;
 - for the Norfolk Police and Crime Commissioner if the increase is 2% or more than 2%, greater than its relevant basic amount of council tax for 2016/17 and more than £5.00 greater than its relevant basic amount of council tax for 2016/17;
 - for Great Yarmouth Borough Council if the increases is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2016/17 and more than £5.00 greater than its relevant basic amount of council tax for 2016/17.

Local precepting authorities (parish and town councils) are not subject to Council Tax referendums in 2017/18.

Recommendations in relation to the setting of the Council Tax 2017/18:

- 4.4 That it **be noted** at its meeting on 22 December 2016, Full Council calculated the following Council Tax bases for the year 2017/18 in accordance with (Calculation of Council Tax Base) Regulations 1992 and Local Authority (Calculation of Council Tax Base) Regulations 2012 as amended: -
- (a) the **Council Tax Base 2017/18 for the whole Council area as 27,342** [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and,
- (b) for dwellings in those parts of its area to which a Parish precept relates as in the Revenue Budget and Council Tax 2017/18 Report the amounts in **Appendix D (column E)** being the amounts calculated by the Council, in accordance with

Regulation 6 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items (parish precepts)

4.5 That the following amounts **be calculated** for the Council for the year 2017/18 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 and the relevant regulations and directions as follows:

- | | | |
|-----|----------------------------------|---|
| (a) | £68,318,086 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. |
| (b) | £63,821,833 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. |
| (c) | £4,496,253 | Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act). |
| (d) | £164.44 | Being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). |
| (e) | £354,487 | Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act. |
| (f) | £151.48 | Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (4.4 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. |
| (g) | Appendix D
(Column I) | Being the amounts given by adding to the amount at (f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (4.4 b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. |
| (h) | Appendix E | Being the amounts given by multiplying (as appropriate) the amounts at (f) or (g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in 44 accordance with Section 36(1) of the Act, as the amounts to be |

taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 4.6 **That it be noted** that for the year 2017/18 Norfolk County Council and the Norfolk Police and Crime Commissioner have stated the following amounts in precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings shown below:

Council Tax Schedule 2017/18	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Norfolk County Council	831.96	970.62	1,109.28	1,247.94	1,525.26	1,802.58	2,079.90	2,495.88
Norfolk Police Authority	144.78	168.91	193.304	217.17	265.43	313.69	361.95	434.34

- 4.7 That, having calculated the aggregate in each case of the amounts at 4.5(h) and 4.6 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, **hereby sets** the amounts at **Appendix F** as the amounts of Council Tax for the year 2017/18 for each of the categories of dwellings shown.
- 4.8 **Excessiveness Determination** - The Council's basic amount of council tax as calculated above has increased by £5 of that calculated for 2016/17, and therefore within the 2.0% and £5 increase limit at which a referendum would be required.
- 4.9 The Council has determined that its relevant basic amount of Council Tax for 2017/18 is **not excessive** in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2017/18 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.
- 4.10 If the formal Council Tax Resolution is approved, the total Band D Council Tax for 2017/18 will be as follows:

	2016/17 £	2017/18 £	Increase/ (Decrease) %
Great Yarmouth Borough Council	146.48	151.48	3.41%
Norfolk County Council	1,190.79	1,247.94	4.80%
Norfolk Police Authority	212.94	217.17	1.99%
Sub-Total	1,500.35	1,616.59	
Parish Council (average)	13.25	12.96	(2.19%)
Total	1,563.46	1,629.55	4.23%

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	Author of Report
Existing Council Policies:	
Financial Implications:	Contained within the report
Legal Implications (including human rights):	None directly
Risk Implications:	Contained within the report
Equality Issues/EQIA assessment:	None directly
Crime & Disorder:	None directly
Every Child Matters:	None directly

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General Fund Summary	2016/17 Base Budget	2016/17 Forecast	2017/18 Base Budget	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast
	LOCAL GOVERNMENT FINANCE SETTLEMENT PERIOD					
	£		£	£	£	£
Services:						
Executive	489,562	865,815	542,195	557,324	563,385	569,522
Resources Growth and Governance	1,439,829	1,701,178	1,510,172	1,054,615	1,009,391	981,182
Customer Services	7,437,849	7,874,931	7,758,459	7,742,220	7,735,397	7,600,120
Housing and Neighbourhoods	2,711,094	2,932,487	2,948,325	2,744,506	2,694,170	2,698,167
Net Cost of Service	12,078,334	13,374,411	12,759,151	12,098,665	12,002,343	11,848,991
Non Service Exp/(Income) :						
Recharges to HRA	(1,215,998)	(1,215,998)	(1,486,260)	(1,486,260)	(1,486,260)	(1,486,260)
Parish Precepts	354,143	354,143	354,487	354,487	354,487	354,487
Parish CTSS Grant	41,289	47,100	46,070	46,070	46,070	46,070
Capital Charges	(1,564,720)	(1,564,720)	(1,861,586)	(1,861,586)	(1,861,586)	(1,861,586)
Interest Receivable	(25,000)	(25,000)	(72,000)	(119,000)	(288,000)	(288,000)
Interest Payable	703,998	538,306	610,795	739,252	1,328,604	1,328,604
Minimum Revenue Provision	1,649,720	1,572,580	1,802,342	1,972,262	2,036,598	1,936,598
IAS19 Pension Adjustment	1,092,000	1,340,578	1,306,407	1,400,692	1,498,173	1,498,173
Second Homes Council Tax Grant		(41,219)	(62,397)	0	0	0
Vacancy Management	(100,000)	0	(180,000)	(180,000)	(180,000)	(180,000)
Ward Budgets	39,000	0	0	0	0	0
Apprenticeship Levy	0	0	36,000	36,000	36,000	36,000
Sub total - Non Service Exp/Inc	1,074,432	1,005,770	493,859	901,917	1,484,086	1,384,086
Net Operating Expenditure	13,152,766	14,380,181	13,253,010	13,000,582	13,486,430	13,233,077
Contributions to/(from) Reserves:						
Planning Delivery Grant	(43,000)	(43,000)	0	0	0	0
Town Centre	0	(44,236)	(25,000)	0	0	0
Neighbourhood Management	0	(128,876)	0	0	0	0
Enforcement		50,000	0	0	0	0
Restricted Use Grant	(37,290)	(124,721)	0	0	0	0
Efficiency Support Grant	0	(241,135)	0	0	0	0
Specific Budget	0	(7,180)	0	0	0	0
LEGI	0	0	(57,000)	0	0	0
Repairs and Maintenance	0	(16,476)	0	0	0	0
Second Homes Council Tax	(76,676)	(77,000)	0	0	0	0
Waste Management	(110,000)	(110,000)	(25,170)	0	0	0
Invest To Save	1,000,000	838,089	(172,308)	(39,495)	0	0
General Reserve	(1,089,000)	(2,732,777)	0	0	0	0
Collection Fund Reserve		468,081	0	0	0	0
Special Project Reserve		1,000,000	(105,250)	(25,503)	(25,758)	0
Other Reserves	(4,000)	(120,200)	(19,130)	(4,000)	0	0
Sub Total Reserves	(359,966)	(1,289,432)	(403,858)	(68,998)	(25,758)	0
Amount to be met from Government Grant and Local Taxpayers	12,792,800	13,090,749	12,849,152	12,931,585	13,460,672	13,233,077
Collection Fund - Parishes	(354,143)	(354,143)	(354,487)	(354,487)	(354,487)	(354,487)
Collection Fund - Borough	(3,914,239)	(3,914,239)	(4,141,766)	(4,348,892)	(4,560,518)	(4,776,644)
Retained Business Rates (net)	(3,514,927)	(3,814,043)	(4,094,570)	(4,217,407)	(4,343,929)	(4,474,247)
Revenue Support Grant	(3,739,670)	(3,739,670)	(3,006,673)	(2,544,905)	(2,029,123)	0
New Homes Bonus	(1,377,044)	(1,377,044)	(1,063,416)	(772,660)	(664,601)	(544,204)
Income from Grant and Taxpayers	(12,900,023)	(13,199,139)	(12,660,912)	(12,238,351)	(11,952,658)	(10,149,582)
(Surplus)/Deficit (before general reserve transfer)	(107,223)	(108,390)	188,240	693,234	1,508,014	3,083,495
Transfer from the general reserve 2017/18			(188,240)			
Surplus/Deficit after use of reserves			(0)			

General Fund Reserves Schedule - 2017/18 Budget		Opening Balance 01/04/16	Movement 2016/17	Closing Balance 31/03/17	Budgeted Movement 2017/18	Closing Balance 31/03/18	Budgeted Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.	62,360	(43,000)	19,360	0	19,360	0	19,360	0	19,360
Insurance Fund	The Council budgets for a level of excess being charged to the Service Accounts annually. Any under provision is met from the Insurance Fund, and any surplus is transferred to the fund.	131,769	0	131,769	0	131,769	0	131,769	0	131,769
Town Centre Initiative	Earmarked for spend in relation to the town centre project.	594,262	(44,236)	550,026	(25,000)	525,026	0	525,026	0	525,026
SHARP Funding	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	493,039	0	493,039	0	493,039	0	493,039	0	493,039
Restricted use grant	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these reserves in future years.	906,756	(124,721)	782,035	0	782,035	0	782,035	0	782,035
Efficiency Support grant	Balance of funding from the ESG released for project spend as approved within the budget.	241,135	(241,135)	0	0	0	0	0	0	0
Invest to Save	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including costs associated with restructures. (updated for P&R decisions 7.02.17)	1,000,000	838,089	1,838,089	(172,308)	1,665,781	(39,495)	1,626,286	0	1,626,286
Specific budget	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	63,241	(7,180)	56,061	0	56,061	0	56,061	0	56,061
LEGI	As costs are incurred, these are offset by the Reserve.	523,671	0	523,671	(57,000)	466,671	0	466,671	0	466,671

General Fund Reserves Schedule - 2017/18 Budget		Opening Balance 01/04/16	Movement 2016/17	Closing Balance 31/03/17	Budgeted Movement 2017/18	Closing Balance 31/03/18	Budgeted Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
Repairs and Maintenance	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	343,827	(16,476)	327,351	0	327,351	0	327,351	0	327,351
Second Homes Council Tax	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	97,039	(77,000)	20,039	0	20,039	0	20,039	0	20,039
Waste Management	These Reserves are utilised as expenditure is incurred. No provision has been made to add to these Reserves in future years.	135,170	(110,000)	25,170	(25,170)	(0)	0	(0)	0	(0)
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years,	1,197,010	468,081	1,665,091	0	1,665,091	0	1,665,091	0	1,665,091
Neighbourhoods	Earmarked from previous grants for neighbourhood projects	128,876	(128,876)	0	0	0	0	0	0	0
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	0	50,000	50,000	0	50,000	0	50,000	0	50,000
Strategic Planning Training	Earmarking of underspends for training and development.	0	15,130	15,130	(15,130)	0	0	0	0	0
Special Project Reserve	Earmarked as per the 2017/18 budget report for project spend and also for matched funding as appropriate.	0	1,000,000	1,000,000	(105,250)	894,750	(25,503)	869,248	(25,758)	843,490
Other Reserves	These Reserves are utilised as expenditure is incurred.	205,676	(135,330)	70,346	(4,000)	66,346	(4,000)	62,346	0	62,346
Total GF Earmarked Reserves		6,123,831	1,443,345	7,567,176	(403,858)	7,163,318	(68,998)	7,094,320	(25,758)	7,068,563
General Fund Reserve	Current recommended balance of £2.5 million	6,350,408	(2,732,777)	3,617,631	(188,240)	3,429,391	0	3,429,391	0	3,429,391
Total GF Reserves		12,474,239	(1,289,432)	11,184,807	(592,098)	10,592,709	(68,998)	10,523,711	(25,758)	10,497,954
Note: 2017/18 transfers allows for the use of £188,240 from the general reserve.										

Council Tax Summary 2017/18

	2016/17 Actual	Actual 2017/18 £5 Council Tax Increase		
			Movement £	Movement %
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 3,914,239	£ 4,141,766	£227,527	5.81%
Borough Council Tax Level at Band D	£ 146.48	£ 151.48	£5.00	3.41%
Net Borough Council Tax at Band D	£ 146.48	£ 151.48	£ 5.00	3.41%
Value of Precepts	£ 354,143	£354,487	£344.00	0.10%
Effect of Parish/Town Precepts	£ 13.25	12.96	(£0.29)	-2.19%
Billed Borough Council Tax at Band D	£ 159.73	£ 164.44	£ 4.71	2.95%

Tax Base	26,722	27,342
Tax Base Movement (from 2016/17)		620

Note: The Tax Base for 2017/18 is 27,342 (2016/17 26,722) so each £27,342 change in net expenditure has £1.00 effect on Council Tax at Band D.

Appendix D

	A	B	C	D	E	F	G	H	I
	2016/17			2017/18					2017/18
Parish Precepts	Tax base	Precept	Council Tax Band D	Tax base	Precept	Council Tax Band D	Council Tax Increase		Band D Including Parish & Borough Charge
		£	£		£	£			£
Ashby with Oby	24	0	0.00	23	0	0.00	0.0%		151.48
Belton with Browston	1,087	37775	34.75	1,111	38960	35.07	0.9%		186.55
Bradwell	3,367	45428	13.49	3,470	45575	13.13	-2.7%		164.61
Burgh Castle	384	5361	13.96	406	5400	13.30	-4.7%		164.78
Caister on Sea	2,726	62074	22.77	2,744	71066	25.90	13.7%		177.38
Filby	302	3525	11.67	319	3538	11.09	-5.0%		162.57
Fleggburgh	377	3362	8.92	385	4758	12.36	38.6%		163.84
Fritton with St Olaves	274	6445	23.52	268	6567	24.50	4.2%		175.98
Hemsby	1,231	32205	26.16	1,352	14801	10.95	-58.1%		162.43
Hopton	1,011	28794	28.48	1,012	28820	28.48	0.0%		179.96
Martham	1,076	43292	40.23	1,081	43492	40.23	0.0%		191.71
Mautby	138	3004	21.77	143	2574	18.00	-17.3%		169.48
Ormesby St Margaret w Scratby	1,477	51412	34.81	1,586	51761	32.64	-6.2%		184.12
Ormesby St Michael	108	1020	9.44	114	1252	10.98	16.3%		162.46
Repps with Bastwick	146	3444	23.59	147	3252	22.12	-6.2%		173.60
Rollesby	330	6208	18.81	336	6343	18.88	0.4%		170.36
Somerton	108	1704	15.78	116	1707	14.72	-6.7%		166.20
Stokesby	115	2808	24.42	118	2816	23.86	-2.3%		175.34
Thurne	50	1122	22.44	49	1120	22.86	1.9%		174.34
West Caister	74	0	0.00	75	0	0.00	0.0%		151.48
Winterton	529	15160	28.66	568	20685	36.42	27.1%		187.90
Great Yarmouth & Gorleston	11,788	0	0.00	11,919	0	0.00	0.0%		151.48
TOTAL	26,722	354,143		27,342	354,487				

Appendix E
Borough & Parish Council Tax Amounts

Parish	----- Borough & parish council tax amounts -----							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Ashby with Oby	100.99	117.82	134.65	151.48	185.14	218.80	252.47	302.96
Belton with Browston	124.37	145.09	165.82	186.55	228.01	269.46	310.92	373.10
Bradwell	109.74	128.03	146.32	164.61	201.19	237.77	274.35	329.22
Burgh Castle	109.85	128.16	146.47	164.78	201.40	238.02	274.63	329.56
Caister on Sea	118.25	137.96	157.67	177.38	216.80	256.22	295.63	354.76
Filby	108.38	126.44	144.51	162.57	198.70	234.82	270.95	325.14
Fleggburgh	109.23	127.43	145.64	163.84	200.25	236.66	273.07	327.68
Fritton with St Olaves	117.32	136.87	156.43	175.98	215.09	254.19	293.30	351.96
Hemsby	108.29	126.33	144.38	162.43	198.53	234.62	270.72	324.86
Hopton	119.97	139.97	159.96	179.96	219.95	259.94	299.93	359.92
Martham	127.81	149.11	170.41	191.71	234.31	276.91	319.52	383.42
Mautby	112.99	131.82	150.65	169.48	207.14	244.80	282.47	338.96
Ormesby St Margaret w Scratby	122.75	143.20	163.66	184.12	225.04	265.95	306.87	368.24
Ormesby St Michael	108.31	126.36	144.41	162.46	198.56	234.66	270.77	324.92
Repps with Bastwick	115.73	135.02	154.31	173.60	212.18	250.76	289.33	347.20
Rollsby	113.57	132.50	151.43	170.36	208.22	246.08	283.93	340.72
Somerton	110.80	129.27	147.73	166.20	203.13	240.07	277.00	332.40
Stokesby	116.89	136.38	155.86	175.34	214.30	253.27	292.23	350.68
Thurne	116.23	135.60	154.97	174.34	213.08	251.82	290.57	348.68
West Caister	100.99	117.82	134.65	151.48	185.14	218.80	252.47	302.96
Winterton	125.27	146.14	167.02	187.90	229.66	271.41	313.17	375.80
Great Yarmouth & Gorleston	100.99	117.82	134.65	151.48	185.14	218.80	252.47	302.96

Appendix F

2017/18

Great Yarmouth Borough Council

Borough purposes	4,141,766	151.48
Parish purposes	354,487	12.96
	-----	-----
Total precept	4,496,253	164.44
Norfolk County Council	34,121,175	1,247.94
Norfolk Police Authority	5,937,862	217.17
	-----	-----
Average council tax (Band D)	44,555,291	1,629.55
	=====	=====
Overall Taxbase	27,342	

Council Tax Schedule 2017/18	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
PARISHES								
Ashby with Oby	1077.73	1257.35	1436.97	1616.59	1975.83	2335.07	2694.32	3233.18
Belton with Browston	1101.11	1284.62	1468.14	1651.66	2018.70	2385.73	2752.77	3303.32
Bradwell	1086.48	1267.56	1448.64	1629.72	1991.88	2354.04	2716.20	3259.44
Burgh Castle	1086.59	1267.69	1448.79	1629.89	1992.09	2354.29	2716.48	3259.78
Caister on Sea	1094.99	1277.49	1459.99	1642.49	2007.49	2372.49	2737.48	3284.98
Filby	1085.12	1265.97	1446.83	1627.68	1989.39	2351.09	2712.80	3255.36
Fleggburgh	1085.97	1266.96	1447.96	1628.95	1990.94	2352.93	2714.92	3257.90
Fritton with St Olaves	1094.06	1276.40	1458.75	1641.09	2005.78	2370.46	2735.15	3282.18
Hemsby	1085.03	1265.86	1446.70	1627.54	1989.22	2350.89	2712.57	3255.08
Hopton	1096.71	1279.50	1462.28	1645.07	2010.64	2376.21	2741.78	3290.14
Martham	1104.55	1288.64	1472.73	1656.82	2025.00	2393.18	2761.37	3313.64
Mautby	1089.73	1271.35	1452.97	1634.59	1997.83	2361.07	2724.32	3269.18
Ormesby St Margaret w Scratby	1099.49	1282.73	1465.98	1649.23	2015.73	2382.22	2748.72	3298.46
Ormesby St Michael	1085.05	1265.89	1446.73	1627.57	1989.25	2350.93	2712.62	3255.14
Repps with Bastwick	1092.47	1274.55	1456.63	1638.71	2002.87	2367.03	2731.18	3277.42
Rollesby	1090.31	1272.03	1453.75	1635.47	1998.91	2362.35	2725.78	3270.94
Somerton	1087.54	1268.80	1450.05	1631.31	1993.82	2356.34	2718.85	3262.62
Stokesby	1093.63	1275.91	1458.18	1640.45	2004.99	2369.54	2734.08	3280.90
Thurne	1092.97	1275.13	1457.29	1639.45	2003.77	2368.09	2732.42	3278.90
West Caister	1077.73	1257.35	1436.97	1616.59	1975.83	2335.07	2694.32	3233.18
Winterton	1102.01	1285.67	1469.34	1653.01	2020.35	2387.68	2755.02	3306.02
Great Yarmouth & Gorleston	1077.73	1257.35	1436.97	1616.59	1975.83	2335.07	2694.32	3233.18

**Great Yarmouth Borough Council
Management Structure
PROPOSED 27 January 2017**

**Chief Executive
Officer**
PA's

Strategic Director

Strategic Director

**Development
Director**
Temp 3 yrs

**Finance Director
(S151 Officer)**
Finance, Audit, Sundry Debtors, Procurement,
HRA Finance

**Project & Programme
Manager**

Executive Management Team

Head of Housing

Tenancy Services,
Estate Management,
Empty Homes, Housing
Options, Community
Outreach for Older
People, Sheltered
Housing, Community
Alarms, Safe at Homes,
Disabled Facilities
Grants, Housing
Adaptations

**Head of
Community
Development and
Regeneration**

Neighbourhood
Management,
Partnerships,
Conservation, Funding
Officer, Culture, Arts &
Leisure, Tourism,
Economic Development,
Conservation,
Employment & Skills,
Enterprise GY, Early
Help Hub, Prevention
Agenda

**Head of
Organisational
Development**

Human Resources,
Payroll, Elections,
Licensing, Democratic
Services

**Head of
Planning and
Growth**

Major Projects,
Development Control, Land
Building Control, Land
Charges, Community
Right to Bid, Strategic
Planning, Inward
Investment, Business
Engagement

**Head of
Customer
Services**

Customer Services,
Parking Services,
Bereavement
Services,
Crematorium,
Cashiers, Reception,
Post & Scanning,
Revenues & Benefits

**Head of
Property and
Asset
Management**

Property Services,
Construction
Services, Markets,
HRA Assets

**Head of IT,
Communications
and Marketing**

ICT, Communications,
Marketing, Web
Development, Print &
Design

**Head of
Environmental
Services**

Commercial ASB,
Environmental Services,
Civil Contingencies,
Environmental
Protection &
Enforcement, Port
Health, Coastal
Protection, Community
Safety, Waste &
Grounds Maintenance,
Footway Lighting and
Cleansing, Private
Sector Housing
Standards, Corporate
Health and Safety

To be determined

Assistant CEO

**Mayoralty & Events, Freedom of Information/Data Protection,
Performance Management**

Subject: Review of Committee Form of Governance and the Council's Constitution

Report to: Council - 21 February 2017

Report by: Robin Hodds, Corporate Governance Manager

RECOMMENDATIONS

On 23 January the constitutional working party met to review the Committee Form of Governance and the Council's Constitution and have subsequently made a number of recommendations for Council to approve :-

1) Size of Committees Recommendation

That no change be made to the numbers of Members on Committees as at present, with the exception that the Audit and Risk Committee should reduce from 9 Members to 5 Members.

2) Frequency of Meetings Recommendation

That the frequency of meetings remain on the present six weekly basis and that this issue be reviewed in six months time.

3) Number of Service Committees Recommendation

That the number of Service Committees remain at four, namely Policy and Resources, Economic Development, Environment and Housing and Neighbourhoods.

4) Timings of Meetings Recommendation

That the timings of meetings be amended so that all four Service Committees and regulatory Committees commence at 6pm with Full Council commencing at 7pm.

5) Venue of Meetings Recommendation

That the current arrangements for Committee meetings remain unchanged.

6) Terms of Reference of Service Committees Recommendation

That the current Terms of Reference for the Service Committees remain unchanged.

7) Pre Agenda Meetings (PAM's) Recommendation

That the relevant Chairman be asked to agree to fixed times for Pre Agenda Meetings.

8) Scheme of Delegation Recommendations

That the Scheme of Delegation for progressing Neighbourhood Plans be agreed

That the Scheme of Delegation be reviewed by the Constitutional Working

Party in a further six months time with support from the Council's legal Officer's.

9) Council Procedure Rules Recommendation

That a best practice protocol be included in the Constitution with regard to the issue of Members voting at Development Control and Licensing Committee meetings when they do not take part in a full discussion on any particular item, and that an appropriate paragraph be included on both Development Control and Licensing Committee agendas to advise Members on this issue.

That Key Decisions of Service Committees be considered at Council meetings rather than the full set of Service Committee minutes.

10) Training Requirements Recommendation

That approval be given to the establishment of a Member Development Group to consider an annual training programme for Members.

11) Outside Bodies Recommendation

That the Monitoring Officer undertake a programme of advising all Members of the responsibilities of being on an Outside Body.

That Group Leaders be requested to review Member allocations to Outside Bodies prior to consideration at the annual Council meeting.

12) Review of Constitution Recommendation

That approval be given to the amendments to the Council's Constitution as detailed in the attached Report.

13) Protocol for putting items on Committee agendas

That the Monitoring Officer prepare a protocol for inclusion in the Constitution.

1. BACKGROUND

- 1.1 On 23 January 2017 the Constitutional Working Party met to undertake a review of the recent governance changes, which moved Governance from a Cabinet form to a Committee form.
- 1.2 As part of this review Members of this party considered a detailed paper and on reviewing this paper made a number of recommendations for Council to consider. Appendix 1 shows a copy of the paper which was reviewed.

2. RECOMMENDATIONS

- 2.1 On reviewing this paper the Constitutional Working Party have made a number of recommendations. Detailed minutes of this meeting are attached.
- 2.2 The following is a summary of the recommendations that have been made;

1) Size of Committees Recommendation

That no change be made to the numbers of Members on Committees as at present, with the exception that the Audit and Risk Committee should reduce from 9 Members to 5 Members.

2) Frequency of Meetings Recommendation

That the frequency of meetings remain on the present six weekly basis and that this issue be reviewed in six months time.

3) Number of Service Committees Recommendation

That the number of Service Committees remain at four, namely Policy and Resources, Economic Development, Environment and Housing and Neighbourhoods.

4) Timings of Meetings Recommendation

That the timings of meetings be amended so that all four Service Committees and regulatory Committees commence at 6pm with Full Council commencing at 7pm.

5) Venue of Meetings Recommendation

That the current arrangements for Committee meetings remain unchanged.

6) Terms of Reference of Service Committees Recommendation

That the current Terms of Reference for the Service Committees remain unchanged.

7) Pre Agenda Meetings (PAM's) Recommendation

That the relevant Chairman be asked to agree to fixed times for Pre Agenda Meetings.

8) Scheme of Delegation Recommendations

That the Scheme of Delegation for progressing Neighbourhood Plans be agreed

That the Scheme of Delegation be reviewed by the Constitutional Working Party in a further six months time with support from the Council's legal Officer's.

9) Council Procedure Rules Recommendation

That a best practice protocol be included in the Constitution with regard to the issue of Members voting at Development Control and Licensing Committee meetings when they do not take part in a full discussion on any particular item,

and that an appropriate paragraph be included on both Development Control and Licensing Committee agendas to advise Members on this issue.

That Key Decisions of Service Committees be considered at Council meetings rather than the full set of Service Committee minutes.

10) Training Requirements Recommendation

That approval be given to the establishment of a Member Development Group to consider an annual training programme for Members.

11) Outside Bodies Recommendation

That the Monitoring Officer undertake a programme of advising all Members of the responsibilities of being on an Outside Body.

That Group Leaders be requested to review Member allocations to Outside Bodies prior to consideration at the annual Council meeting.

12) Review of Constitution Recommendation

That approval be given to the amendments to the Council's Constitution as detailed in the attached report.

13) Protocol for putting items on Committee agendas

That the Monitoring Officer prepare a protocol for inclusion in the Constitution.

3. CONCLUSIONS

3.1 That Council considers these recommendations.

Area for consideration	Comment
Monitoring Officer Consultation:	The monitoring officer has been fully consulted and attended the constitutional working party meeting
Section 151 Officer Consultation:	N/A
Existing Council Policies:	The Council's Constitution has been reviewed
Financial Implications:	Some minimal savings if it is agreed for Committee meetings to be held at 6.00pm
Legal Implications (including human rights):	N/A
Risk Implications:	N/A
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A

Every Child Matters:	N/A
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Subject: Review of Committee Form of Governance and Review of the Council's Constitution

Report to: Constitutional Working Party – 23 January 2017
Council – 21 February 2017

Report by: Corporate Governance Manager / Transformation Programme Manager / Deputy Monitoring Officer

SUBJECT MATTER/RECOMMENDATIONS

To review the Committee Form of Governance and Great Yarmouth Borough Council's Constitution.

1. INTRODUCTION

- 1.1 Council at its meeting on the 24 November 2015 agreed to change from a Cabinet Form of Governance to a Committee Form of Governance.
- 1.2 Council also agreed that a review of both the Committee Form of Governance and the Constitution should be the subject of review after six months. It was also agreed that the former Governance Committee should become the Constitutional Working Party and that this Working Party should consider the review of the Committee System and Constitution and make recommendations to the Policy and Resources Committee and to full Council. The new system commenced in mid May 2016 and the six months period ended in mid November.
- 1.3 This report examines and reviews the operation of the Committee system for the past six months and makes recommendations for Members consideration to improve the system's current operations.

2. REVIEW OF COMMITTEE SYSTEM

2.1 Current Arrangements

Details of the current Committee system are attached at Appendix A.

Members will note that Council agreed to establish four Service Committees

namely Policy and Resources, Economic Development, Environment and Housing and Neighbourhoods Committees, each having 13 Members meeting on a six weekly cycle.

Under the Committee system, the Regulatory Committees were also established and continue to operate as before.

Members will also note that the various Working Groups / Parties have continued under the Committee System.

2.2 Size of Committees

2.2.1. The four Service Committees currently have 13 Members, similarly, the Development Control and Licensing Committees each have 13 Members.

(1) Members are asked to consider whether having a third of all Council Members on a Committee is the right number, or whether the number of Members on these Committees could be reduced.

The table below provides an overview of the pro's and con's if Committee Membership was reduced:

Pro's	Con's
<ul style="list-style-type: none">• Length of debate on items could be reduced, resulting in shorter meetings• Reduced time spent at meetings will result in Members using their time for other commitments• Committee's will still be politically balanced	<ul style="list-style-type: none">• Less opinions from Members resulting in reduced debate.• Less knowledge available at meetings.• Minority parties would get less seats on Committees.• Reduced involvement in key issues possibly requiring more Working Groups

Recommendation – Members to consider the numbers of Members on Committee's and make recommendations as appropriate.

2.3 Frequency of Meetings

2.3.1. The Service Committee's currently meet on a six weekly basis. Council meetings are held on an eight week cycle. (The exception to this is that the

Development Control Committee meets every 4 weeks to meet the requirements of dealing with planning applications within a statutory deadline).

2.3.2. A review of the number of meetings and also the number of items dealt with by the 4 Service Committees is shown on Appendix B.

2.3.3 Members will note from those details that over the past six months the average number of items dealt with by the Committees was as follows :-

- Policy and Resources – 11.2 Items
- Economic Development – 11.2 Items
- Environment – 8.8 Items
- Housing and Neighborhoods – 11.7 Items

(2) Matters for decision

- Policy and Resources – 34 Items – average 5.6 per meeting
- Economic Development – 26 Items – average 5.2 per meeting
- Environment – 14 Items – average 2.8 per meetings
- Housing and Neighbourhoods – 15 Items - average 3 per meetings

2.3.4. Due to the number of items being dealt with by the Committee's, Members need to be advised that Officers are currently finding it resource intensive to meet the required timescales to produce reports. Members should bear in mind that agendas must under the law, be sent out at least 5 working days prior to the date of the Committee's meeting. This effectively reduces the time Officers have to prepare and finalize reports.

2.3.5. Members are therefore asked to consider changing the Service Committee cycle of meetings from 6 weeks to 8 weeks which would provide Officers more time to produce better quality and accurate reports, and an 8 week cycle would provide a clearer decision making process so that reports that need to go to Council can be considered by Council who currently meets every 8 weeks.

Pro's	Con's
<ul style="list-style-type: none">• More time for Officers to prepare reports• Savings in staff / portering costs• Members/Officers spending less time in meetings• Would fit in with the current 8 week cycle of Council meetings• Could reduce the need for substituting members	<ul style="list-style-type: none">• Could result in the establishment of more Sub-Committee's / Working Parties• Agendas will contain more items, resulting in longer meetings• Slightly slower decision making process

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Recommendation – Members are asked to consider the cycle of Committee meetings and make recommendations as appropriate.

3.NUMBER OF SERVICE COMMITTEES

3.1 We currently have 4 Service Committee's, namely Policy and Resources, Economic Development, Environment and Housing and Neighbourhoods.

3.2 Members are asked to consider whether there is potential for the amalgamation of the roles and responsibilities of the Service Committee's into say 3 Committee's rather than the 4 as at present.

3.3 Officers currently find it unclear with some items as to which Committee they fall under in particular the differences between Housing and Neighbourhoods and Environment where there can be overlap with agenda items.

The pro's and cons of reducing the number of Service Committees include:-

Pro's	Con's
<ul style="list-style-type: none">• One less Committee to service• More Members available to sit on the remaining Committee's• Additional capacity in Committee timetable• Cost savings in portering and opening of the building• Based upon experience so far agenda's would be manageable• Greater knowledge and understanding of a wider range of issues if Committee Membership remained at the larger number of 13.	<ul style="list-style-type: none">• Additional Sub-Committees / Working Parties could be created• Remaining Committees would become less focused, due to range of issues to be considered.• Not enough time in meetings to fully consider issues.

Recommendation – Members to consider the issue of the number of Service Committees and make recommendations as appropriate.

4.TIMINGS OF MEETINGS

4.1 At present all 4 Service Committees commence at 6:30pm, with full Council commencing at 7pm.

4.2 The issue of having evening meetings to allow better attendance by the public is not borne out by the evidence of people attending meetings. Other than meetings of

the Development Control and Licensing Committees it is quite rare for Members of the public to attend Service Committee meetings, unless there is a specific controversial item on the agenda.

4.3 The information obtained from other Local Authorities in Norfolk shows that in almost all cases Committee Meetings are held during the daytime the only exception being is that there Council meetings meet in the evenings.

4.4 It has also been found that over the first 6 months of operation of the Committee System there has been quite a number of times when dates for committee meetings have been changed contrary to the Committee Timetable of Meetings. Most of these changes have been made at the request of the relevant Chair of the Committee.

4.5 By changing the timings of meetings of the 4 Service Committee's to daytime (either morning or afternoon) would bring about savings by a reduction in the cost of opening and heating the Town Hall, and also staff costs both in Member Services and the Portering staff.

Recommendation – That Members consider holding daytime meetings for Service Committees but the Development Control and Licensing Committee's continue to be evening meetings, and the Council meetings remain at 7pm

5. VENUE OF MEETINGS

5.1 In most cases, all meetings of the Service Committee's are held in the Supper Room. Council and Development Control Committee meetings are held in the Council Chamber.

Recommendation – That Members are asked to consider that the current arrangements for Committee meetings remain unchanged.

6. TERMS OF REFERENCE OF SERVICE COMMITTEE'S

6.1 Following the first 6 months of operation, Members are asked to consider whether the Terms of Reference for Council and each of the 4 Service Committees are fit for purpose.

6.2 Members may feel that these have worked well and therefore no amendments are required. The Terms of Reference for Council and the four Service Committee's are attached at Appendix C.

6.3 Officers have been unclear in some instances of where matters sit for decisions,

consideration should therefore be given to areas such as budget sign off.

Recommendation – Members are asked to consider whether Terms of Reference's need amending.

7. PRE-AGENDA MEETINGS (PAM's)

7.1 Members are asked to consider whether the PAM's are working effectively and if these provide the Chairs and Vice Chairs with the level of advice / information required at the pre-agenda setting stage (i.e too much or too little information).

7.2 Currently PAM's are left to the Chairs to formalise the times of the PAM meetings. This has resulted in relevant Officers sometimes struggling to attend these meetings.

Recommendation – To consider the operations of the PAM's and make recommendations as appropriate.

8. SCHEME OF DELEGATION

8.1 The Council's Scheme of Delegation is defined in the Council's Constitution and is attached at Appendix D

8.2 Members are asked to consider if they feel that the Delegation Scheme is working, or whether it needs amending.

8.3 In general, it is the Officers views that the Scheme of Delegation is working well, although Members may feel that this needs a longer term to settle into the new system and would be best reviewed by this Committee with support from the Council's legal Officers in a further six months.

8.4 The Working Party is also asked to agree the Scheme of Delegation for progressing Neighbourhood Plans as detailed in Appendix F, the report of the Principal Strategic Planner that was agreed by the Economic Development Committee on the 19 December 2016.

Recommendations

1. That the Scheme of Delegation for progressing Neighbourhood Plans be

agreed.

2. That the Scheme of Delegation be reviewed by the Constitutional Working Party in a further six months time with support from the Council's legal Officers.

9. COUNCIL PROCEDURE RULES

9.1 This part of the Constitution deals with the procedure rules for council meetings. The key role is that of the Mayor who is the chairman of the meeting.

The Mayor's role is to efficiently and effectively manage the meetings in accordance with standing orders and policies and adherence to the principles of public life:-

The Mayor is responsible for ensuring that all councillors are involved in debates and discussions, and that, as advised by officers, lawful and rational decisions are made. In the event of a tied vote, he or she has a second or casting vote so as to avoid deadlock.

In order to support the Mayor in his / her role members will appreciate that observance of rules of debate and deference and respect for the Mayor's role is critical. The council meeting is the public's window upon the workings of the Council and the rules should be observed or amended if they do not fit the Council's requirement for effective debate and discussion.

10. TRAINING REQUIREMENTS

10.1 It is proposed that a programme of Member Training and Development is prepared on an annual basis and is developed after working with members to identify training requirements.

Recommendation – To establish a Member Development Group to establish an annual training programme for members.

11. OUTSIDE BODIES

11.1 Members will recall that as part of the work undertaken to introduce a Committee Form of Governance, the Governance Committee undertook a complete review of the Outside Bodies, which resulted in a number of those being deleted.

11.2 Members are asked whether they feel that the revised list has worked, or whether any Outside Bodies should be added or deleted from the current list (current list attached Appendix E).

11.3 Members are asked to advise on whether it would be good practice to annually write to each Outside Body to determine if Great Yarmouth Borough Council nominated members are involved / attend / contribute to the working of the Outside Body.

11.4 It is recommended that it would be good practice for the Monitoring Officer to advise all Members of what their likely responsibilities and requirements will be in being a representative on an Outside Body.

Recommendation – Monitoring Officer to undertake a programme of advising all Members of the responsibilities of being on an Outside Body.

12. CAPACITY / RESOURCING ISSUES

12.1 Whilst the introduction of the Committee System of Governance has caused considerable amount of work within the Member Services Team it is felt that the staff have coped extremely well with the changes and have ensured that there has been a smooth transition from the Cabinet System to the Committee System.

12.2 Members will be aware that there have been some sickness and absence issues within the Team, but these have been managed and the Committee System has operated effectively within the resources available.

12.3 Members should be aware of the costs associated with servicing all the Committee's, Working Parties and PAM meetings by the Member Services Team. Any changes to the operation of the Committee System would likely have a significant impact on the ability of the team to provide the service that Member would require.

13. LESSONS LEARNT

13.1 Members may wish to discuss any other lessons that have been learnt from the change to a Committee System of Governance, and what, if any, actions should be pursued other than those already identified in this report.

14. REVIEW OF CONSTITUTION

14.1 Members are advised that the current Constitution (256 pages) has been re-proof read and a number of typos and spelling errors have been identified which will be amended in a revised version of the Constitution.

14.2 As part of the review of the Constitution, a discussion was held with the Council's Auditor's in respect of the Terms of Reference of the Audit and Risk Committee and as a result these have been amended and are shown at Appendix F.

14.3 Following discussions with the Group Manager (Growth) it is recommended

that Local Plan matters are more properly the concern of the Policy and Resources Committee that, as at present, the Economic Committee. This is because the Local Plan is intended to improve and integrate economic, social and environmental matters. Relevant report attached at Appendix G

14.4 It is also proposed to amend the Terms of Reference of the Joint Consultative Committee and these are attached for the Working Parties approval at Appendix H.

14.5 A number of amendments have been identified and these are detailed in appendix I. The Deputy Monitoring Officer from nplaw will report further on those amendments at the meeting.

14.6 Members will recall that Council has already agreed to revisions to the following in the Constitution:-

- a) Delegation Scheme for Property Matters
- b) Contract Standing Orders

These amendments, already agreed, will be incorporated into the revised Constitution.

14.7 Members will recall that Council at its meeting on the 17 January 2017 agreed to the Terms of Reference for the Employment Committee. These details will be included in the revised Constitution. These are attached at Appendix J.

Recommendation :- To agree the amendments to the Council's Constitution and to make other recommendations as appropriate.

16 January 2017

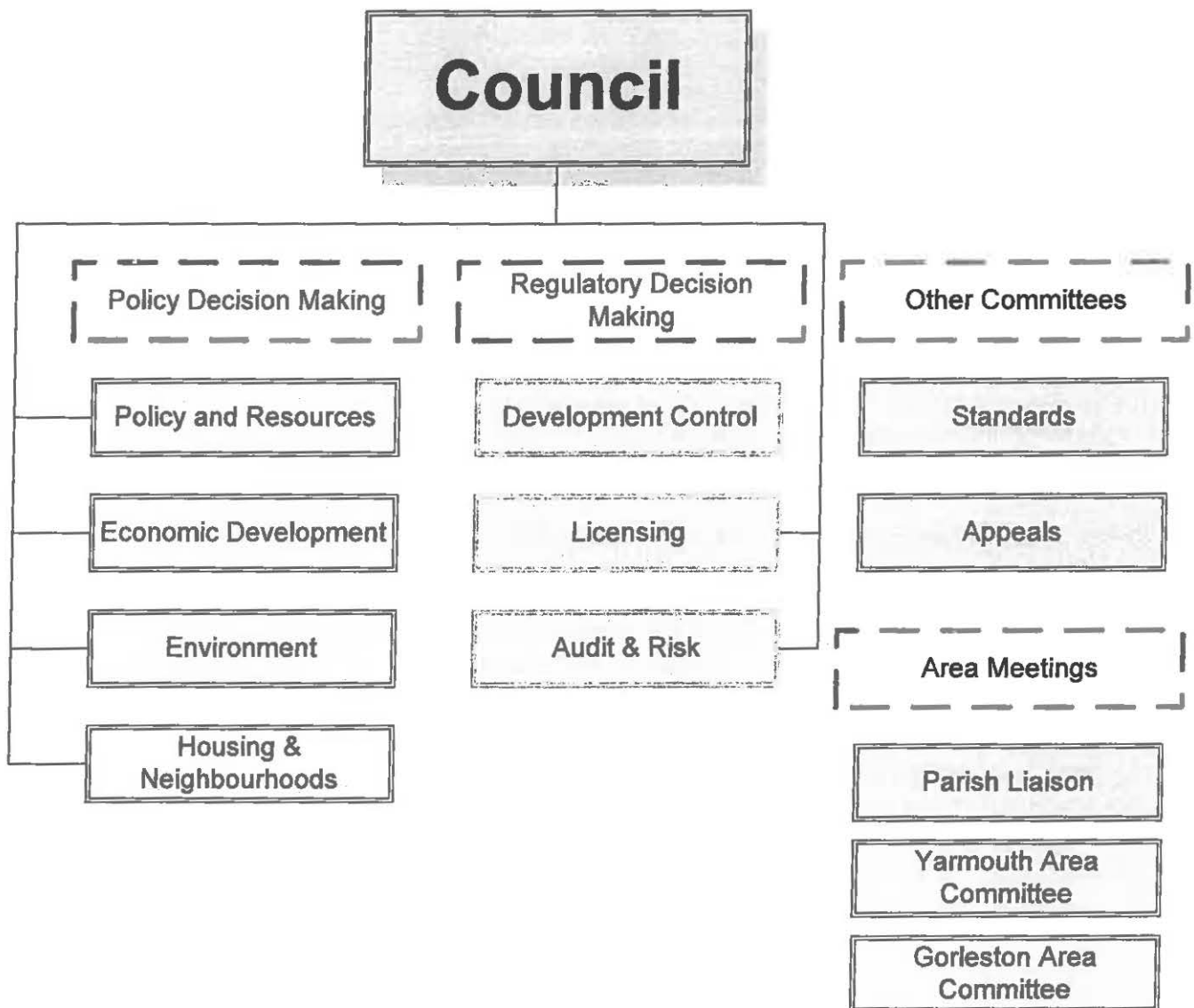
Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	The Constitution
Financial Implications:	Yes
Legal Implications (including human rights):	Yes
Risk Implications:	N/A

Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A

Great Yarmouth Borough Council

Committee Structure



Policy and Resources Committee	Number of Items
14 th June 2016	11
26 th July 2016	19
6 th September 2016	10
6 th October 2016	5
18 th October 2016	11

Economic Development Committee	Number of items
6 th June 2016	9
25 July 2016	9
7 September 2016	17
10 October 2016	7
21 November 2016	14

Environment	Number of Items
8 th June 2016	7
20 th July 2016	7
12 th September 2016	10
12 th October 2016	10
23 rd November 2016	10

Housing and Neighbourhoods	Number of Items
16 June 2016	11
28 July 2016	13
15 September 2016	14
27 October 2016	9

ARTICLE 4 - THE FULL COUNCIL

4.1 Policy Framework

- (a) The Policy Framework means the following Plans and Strategies:

Local Development Framework
 Council's Corporate Plan/Vision
 Housing Investment Programme Strategy and HRA Business Plan
 Financial Strategy and Policies
 Asset Management Strategy
 Economic Growth Strategy
 Housing Strategy
 Setting tax base and discounts

- (b) **Budget and Financial Policy Matters ("the Budget")**

This includes:

- the allocation of financial resources to different sources and projects
- proposed contingency funds
- setting the Council Tax
- control of the Council's borrowing requirements
- control of the Council's capital expenditure
- the setting of virement limits.

4.2 Functions of the Full Council

Only the full Council will exercise the following functions:

- (a) adopting and changing the Constitution
- (b) approving or adopting the Policy Framework, the Budget and any application to the Secretary of State in respect of any Housing Land Transfer
- (d) appointing the Mayor, Deputy Mayor and Leader
- (e) agreeing and/or amending the Terms of Reference for Committees, deciding on their composition and making appointments to them
- (f) appointing representatives to outside bodies
- (g) adopting a scheme of allowance for Councillors
- (h) changing the name of the area or granting the Freedom of the Borough

- (i) confirming the appointment of the Head of Paid Service
- (j) making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills
- (k) all other matters which, by law, must be reserved to Council.

4.3 Council Meetings

There are three types of Council meeting.

- (a) the Annual Meeting
- (b) Ordinary Meetings
- (c) Extraordinary meetings.

These will all be conducted in accordance with the Council Procedure Rules in Part 4 of this Constitution.

4.4 Responsibility for Functions

The Council will maintain the tables in this Constitution setting out the responsibilities for the Council's functions

4.5 Standing Orders

The provisions of Part II of Schedule 2 to the Local Authorities (Standing Orders) (England) Regulations 2001 shall apply.

4.6 All functions by or exercised by and or reserved to the Council: -

- Appointing the Mayor and Deputy Mayor of the Council.
- Appointing the Leader of the Council.
- Agreeing or amending the committee structure, the terms of reference of committees and their size.
- Confirming the appointment of or dismissal of the Head of Paid Service, Monitoring Officer and Chief Financial Officer (Section 151 Officer).
- Confirming the appointment of the Independent Person(s).
- Making of a Members Allowance Scheme and amending the same.
- Making a request for single member electoral wards to the Local Government Boundary Commission.
- Resolution to change a scheme for elections.
- Making an order giving effect to the recommendations made in a Community Governance Review.
- Making, revoking or amending the following policies, plans and strategies :-

- Licensing Authority Policy Statement.
- Local Development Framework - Development Plan Documents, Plans and alterations which together comprise the Development Plan.
- Policies made under the Gambling Act (including any resolution relating to casinos).
- Capital Programme.
- Medium Term Financial Plan.
- Treasury Management Strategy.
- Approval of the Council's corporate plan.
- Setting the Council's Budget and Council Tax
- Fees and Charges Policy
- Making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation including bylaws or personal bills.
- Appointment of the Returning Officer and Electoral Registration Officer.
- Adopting and amending standing orders, Rules of Procedure, Contract Procedure Rules and Financial Regulations.
- All Functions relating to Elections
- The Functions relating to pensions
- Approval of the authority's statement of accounts, income and expenditure and balance sheet or record of payments and receipts (as the case maybe)
- Power to make standing orders
- Power to make standing orders as to contracts
- All matters which by law are reserved to the Council including: -
- Ombudsman reports where there has been a finding of maladministration with injustice and the report has been rejected
- Statutory officer reports of the Monitoring Officer, Chief Financial Officer and Head of Paid Service and External Auditor's public interest reports.
- Conferring the title of Honorary Freeman and Honorary Alderman.
- Approving the Annual Pay Policy Statement.
- Changing the name of the Borough.
- Significant changes to the Council's Constitution (other than variations to the scheme of Delegation which may be approved by committees within their remits and minor and consequential changes to the constitution which are delegated to the Monitoring Officer (see Scheme of Officer Delegation Post).
- Appointment of representatives to outside bodies.
- Consideration of reports from committees, sub-committees, or any other body constituted by the Council.
- To receive the minutes of committees and sub-committees acting under delegated powers for question and comment after being signed off by the Committee.

- Making compulsory purchase orders (other than under planning grounds).
- Making recommendations to the Secretary of State on district boundaries, ward boundaries, electoral divisions, ward or polling districts.
- Any other function which must, by law, be exercised by and / or reserved to the full Council.

ARTICLE 5 – POLICY AND RESOURCES COMMITTEE

5.1 Key strategic decisions (other than those which must be determined by the Council) including all decisions which have a major impact on a number of Council services or on the Council as a whole and decisions which are significant in terms of impact on the Council's revenue or capital (to be determined by The Head of Paid Service and/or Section 151 Officer).

- All local authority licensing functions and ancillary matters other than those falling within the remit of the Licensing Committee
- Health and safety functions (otherwise than as employer)
- Making recommendations to the Council on the adoption of bylaws
- Functions relating to parishes, elections and electoral registration
- Functions relating to Polling Station reviews
- Functions relating to Community Governance Reviews
- Making recommendations to Council relating to the name and status of areas and individuals
- Making recommendations to Council on the promotion or approval of a local bill.
- Making recommendations to the Council as to recommendations to the Secretary of State on district boundaries, ward boundaries, electoral divisions, wards or polling districts
- To make recommendations to Council on the budget insofar as it impacts on the role and remit of the Committee.
- Making compulsory purchase orders under planning grounds and/or recommending to Council the making of compulsory purchase orders
- Appropriation of land for planning purposes
- Receiving reports from outside bodies
- External Relationships
- Public Relations

5.2 Formulation of key strategic policies to be adopted by the Council (except those which are reserved to Council for approval) including:-

- Commissioning Framework
- Annual Budget Strategy
- Budget and Council Tax Policy
- General Fund Balances and Reserves Policy
- Asset Management Strategy.
- Corporate Asset Utilisation and Disposal strategy.
- Consultation and Communication Strategy.
- Equalities and Diversity Policy.
- Strategy relating to HRA.
- Managing and monitoring the Council's Capital Programme.

- Approving resources for the appointment of a designated independent person.
- Approving human resources policies
- Treasury Management

5.3 Decision making where decisions fall outside the scheme of delegation in respect of the following:

- Procurement Policies
- Transformation Programmes.
- Member Development.
- Member and Civic Services.
- Strategic Risk Management.
- Audit Issues (other than matters falling within the remit of the Audit and Risk Committee).
- Major Projects.
- Strategic Commissioning including Decommissioning.
- Asset Management.
- Human Resources
- Democratic Services.
- Financial Services
- Revenues and Benefits.
- Performance Management.
- Administrative Services.
- Procurement Decisions over £100,000

5.4 Approval of payments or other benefits for maladministration under s92 of the Local Government Act 2000, except where it relates to a matter falling within the remit of the Planning Committee or is dealt with by Officers acting under delegated powers.

5.5 To approve the write-off of any individual outstanding debt above the delegated limit of £10,000.

5.6 Making recommendations to the Council on standing orders relating to contracts and financial regulations.

5.7 All cross cutting matters across the Council and any matter/issue not expressly delegated to another Committee.

5.8 Receiving reports from outside bodies.

5.9 Determining the Council's strategic approach to Strategic Partnerships.

5.10 Performance Management:-

- Overall responsibility for managing and monitoring council performance against approved estimates of revenue expenditure and income
- Overall responsibility for monitoring council performance against locally set performance indicators

5.11 Membership

- The Leader of the Council (Chair)
- Chair of Housing and Neighbourhoods Committee,
- Chair of Environment Committee
- Chair of Economic Development Committee
- 9 other members appointed by Council under the Political Balance Rules.

ARTICLE 6 – THE ECONOMIC DEVELOPMENT COMMITTEE

6.1 Developing and adopting policies in accordance with the Council's leisure and culture strategy including: -

- Arts and Cultural Strategy
- Concessionary Pricing Strategy
- Museums and Heritage Strategy
- Economic Growth Strategy

6.2 Policy development, implementation and review in respect of all areas falling within the remit of the committee including:-

- Developing and reviewing the Local Development Framework
- Development Plan Documents and Supplementary Planning Documents.
- Developing and adopting policies and procedures to underpin the Local Development Framework Core Strategy

6.3 Decision making where decisions fall outside the scheme of delegation in respect of the following: -

- Economic Development
- Land Charges
- Business Growth
- Town Centre Regeneration
- Tourism
- Transport
- Markets and Street Trading
- Car Parks
- Operation and Management of Industrial Units
- Civil Parking Enforcement
- Acquisition and Disposal of Industrial Units
- Formulation of the Culture strategy and to recommend to Council for adoption
- Museums and Collections

6.4 Policy Review and Development

The committee may hold enquiries and investigate the available options for future direction in policy development

6.5 Performance Management

Monitoring performance against approved estimates of revenue expenditure and income for services falling within its remit.

Monitoring Service Performance against agreed targets.

6.6 Membership

13 members appointed by Council under the Political Balance Rules

ARTICLE 7 – THE ENVIRONMENT COMMITTEE

- 7.1** Policy development, implementation and review in respect of all areas falling within the remit of the committee including making recommendations to Policy and Resources Committee or Council as appropriate in respect of key strategic policies impacting on the role and function of the committee.

The committee may hold enquiries and investigate the available options for future direction in policy development

The committee may scrutinize and review decisions made or actions taken by Committees in so far as they have a direct impact on the role or functions of the Committee.

- 7.2** Developing policies, procedures and protocols in relation to the Council's emergency plan and responses to flooding (other than planning issues).

- 7.3** Decision making where decisions fall outside the scheme of delegation in respect of the following: -

- Emergency Planning
- Shoreline Management Plan
- Refuse Collection
- Cleansing
- Recycling
- Litter Collection
- Street Cleaning
- Grounds Maintenance
- Public Toilets and Amenities
- Trade Waste
- Environmental Health including:-
 - Food Law Enforcement Service Plan
 - Food Hygiene
- Environmental Protection and Improvement
- Health and Safety
- Dog and Pest Control
- Cemeteries
- Commons regulation and town and village greens
- Contaminated land and statutory nuisances (excluding policy issues)
- The passing of a resolution that schedule 2 to The Noise and Statutory Nuisance Act 1993 should apply in the authority's area
- The power to apply for an enforcement order against unlawful works on registered common land under Section 41 of the Commons Act 2006.

- The power to protect unclaimed registered common land and unclaimed town or village greens against unlawful interference under Section 45(2)(a) of the 2006 Act (Section 45 re-enacted, with amendments, the more familiar Section 9 of the Commons Registration Act 1965 with effect from 1st October 2006).
- The power to institute proceedings for offences in respect of unclaimed land under Section 45(2)(b) of the 2006 Act.
- The power to make a closing order on a takeaway food shop
- Duties of the local authority under the Coastal Protection Act 1949 and other Coastal Protection Legislation.

7.4 Receiving reports from outside bodies

7.5 External Review

The committee may invite stakeholders to address the committee on issues of local concern and/or answer questions in so far as it impacts directly or indirectly on the role or functions of the committee:-

- Environment Agency and other statutory bodies (in relation to flooding and other emergencies)

7.6 Performance Management

Monitoring performance against approved estimates of revenue expenditure and income for services falling within its remit.

Monitoring service performance against agreed targets

7.7 Membership

13 members appointed by Council under the Political Balance Rules

ARTICLE 8 - HOUSING AND NEIGHBOURHOODS COMMITTEE

- 8.1** Policy development, implementation and review in respect of all areas falling within the remit of the committee including making recommendations to Policy and Resources Committee or Council as appropriate in respect of key strategic policies impacting on the role and function of the committee.

The committee may hold enquiries and investigate the available options for future direction in policy development

The committee may scrutinize and review decisions made or actions taken by Committees in so far as they have a direct impact on the role or functions of the Committee.

including:-

- Community safety strategy
- Health and Well Being strategies
- Sports/Physical Activity Development Plans

- 8.2** Decision making where decisions fall outside the scheme of delegation in respect of the following: -

- Formulating the Council's housing capital programme and recommending the same to Council for approval.
- Formulating, monitoring and reviewing the Council's Housing Revenue Account and recommending the same to Council for approval.
- HRA Business Plan (including the Asset Management Strategy and Delivery Plan);
- The level and use of surpluses and reserves within the HRA
- Enforcement Strategy
- Designation of conservation areas and areas of archaeological interest
- Assets of Community Value
- Anti-Social Behaviour Strategy
- Domestic Violence Strategy
- CCTV Strategy
- Housing Needs Assessment
- Anti-Social Behaviour Policy (housing)
- Community Safety
- Community Resilience
- Troubled Families
- Voluntary Sector

- Health and Wellbeing
- Social inclusion (young people, older people, debt and rural issues)
- Community Cohesion
- Police
- Voluntary Sector
- Community Safety and Crime Reduction Partnership
- Sports Development
- Parks and Open Spaces
- Formulation of the Sport, play and leisure strategy and to recommend to Council for adoption
- Indoor sports and fitness

8.3 Performance Management

Monitoring performance against approved estimates of revenue expenditure and income for services falling within its remit.

Monitoring service performance against agreed targets

8.4 Membership

13 members appointed by Council under the Political Balance Rules

ARTICLE 25 - SCHEME OF DELEGATIONS

25.0 SCHEME OF DELEGATIONS TO OFFICERS

25.1 The Council under Section 100 of the Local Government Act 1972 has resolved to delegate to the Chief Executive and the Directors (including any persons appointed on an interim basis to such posts), the following functions:

To manage the services for which they are responsible. This includes –

- 25.1.1 the appointment and dismissal of staff within these services, with the exclusion of the Statutory Officers
- 25.1.2 the procurement of works, supplies and services within the financial and contract framework of the council's constitution;
- 25.1.3 all decisions and the implementation of all steps necessary for those functions within the framework of plans and budgets approved by the council:
- 25.1.4 the exercise of all other functions incidental, ancillary or conducive to the carrying out of the main service functions for which they are responsible;
- 25.1.5 the authorisation of named officers under any statutory or regulatory provision to enable those officers to exercise specific functions (by way of example only, to enter onto and inspect land, to acquire information or to conduct covert surveillance, to issue fixed penalty notices);
- 25.1.6 the signing and service of any notices, counter notices, or the making of any formal notifications for the purposes of the functions for which they are responsible.
- 25.1.7 An officer shall not have the power to exercise any functions or take any decisions reserved under this Constitution to a Committee or the Council-
 - 25.1.7.1 where the council or any relevant committee or sub-committee has resolved to suspend that delegated power;
 - 25.1.7.2 Where expenditure over £100,000 is committed
 - 25.1.7.3 outside of or contrary to the council's policy and budgetary framework;
 - 25.1.7.4 where the council's Head of the Paid Service or Monitoring Officer has formally notified the officer concerned that the delegated function should not be exercised;

- 25.1.7.5 where there is a conflict of interest or where any code of conduct for council employees in force from time to time prevents the exercise of such a function.
- 25.2 The above delegations apply not only to functions delegated directly by the council but to functions delegated via committees, sub-committees or joint committees of the council and other local authorities or public bodies.
- 25.3 The scheme of delegations may be amended or varied in general or in particular in whole or in part by the delegating body.
- 25.4 There shall be delegated to the Chief Executive, or in his or her absence any other Chief Officer the exercise of any power or function of the Council, which in law is capable of delegation,
- in an emergency threatening life, limb or substantial damage to property within the district.
 - In a situation of urgency where a decision is required that was not foreseeable and which may enable the authority to avert or mitigate a financial or reputational loss or take advantage of a potential financial or reputational benefit

In each case The Chief Executive or Chief Officer shall consult with the Leader of the Council or their Deputy (unless they cannot be contacted after all reasonable efforts have been made).

The exercise of such delegated power shall be confined to the minimum necessary to deal with the emergency and shall be reported to the next meeting of the Council, or Policy and Resources Committee whichever shall be first.

25.5 OFFICERS

25.5.1 General

The Council may engage such staff (referred to as officers) as it considers necessary to carry out its functions.

25.5.2 Chief Officers.

The Full Council will engage persons for the following posts, who will be designated chief officers:

25.5.3 Post Functions and areas of Responsibility

25.5.3.1 Chief Executive (and Head of Paid Service)

- Overall corporate management and operational responsibility (including overall management responsibility for all officers)
- Together with the Monitoring Officer and Chief Financial Officer, provision of professional advice to all parties in the decision making process and responsibility for a system of record keeping for all the Council's decisions.
- Representing the Council on partnership and external bodies (as required by statute or the Council) with particular responsibility for Performance Management and Localism

25.5.3.2 Corporate Directors

- Accountancy & Exchequer
- Arts
- Audit & Risk
- Building Control
- Business Transformation
- Coast & Community Partnerships
- Conservation, design and landscape
- Countryside
- Customer Services
- Democratic Services
- Development Management
- Economic Development
- Electoral Services
- Emergency Planning
- Environmental Health
- Environmental Protection
- Environmental Services (waste & cleansing)
- Enforcement
- Housing, Health & Wellbeing
- Housing Options
- Housing Strategy
- Information Technology
- Legal services
- Leisure
- Media & Communications
- Planning Policy, Sustainability & Major Developments
- Property Information (Land charges, street naming & numbering)
- Property services
- Organisational Development
- Reprographics
- Tourist information

25.5.4 Head of Paid Service, Monitoring Officer and Chief Financial Officer

The Council will designate the following posts as shown:

Post Designation

Chief Executive - Head of Paid Service
Monitoring Officer - Monitoring Officer
Head of Finance - Chief Financial Officer

Such posts will have the functions described below.

25.5.5 Structure.

The Head of Paid Service will determine and publicise a description of the overall service management, which is appended to the Constitution, and subject to review on at least an annual basis.

25.5.6 Functions of the Head of Paid Service

25.5.6.1 Discharge of functions by the Council

The Head of Paid Service will report to Full Council on the manner in which the discharge of the Council's functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.

25.5.6.2 Restrictions on functions

The Head of Paid Service may not be the Monitoring Officer but may hold the post of Chief Financial Officer if a qualified accountant.

25.5.7 Functions of the Monitoring Officer

25.5.7.1 Maintaining the Constitution.

The Monitoring Officer will maintain and revise an up-to-date version of the Constitution and will ensure that it is widely available for consultation by Members, staff and the public.

25.5.7.2 Ensuring lawfulness and fairness of decision making

After consulting with the Head of Paid Service and Chief Financial Officer, the Monitoring Officer will report to the Full Council if he/she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered and appropriate advice taken.

25.5.7.3 Supporting the Standards Committee

The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct through provision of support to the Standards Committee.

25.5.7.4 Working with the Independent Person

The Monitoring Officer will work with the Council's appointed Independent Person to promote and maintain high standards of conduct and ethical behaviour.

25.6.7.5 Receiving reports

The Monitoring Officer will receive and act on decisions of the Standards Committee.

25.5.7.6 Conducting investigations

The Monitoring Officer will conduct investigations or arrange for investigations to be conducted where appropriate into ethics and standards matters and make reports or recommendations in respect of them to the Standards Committee.

25.5.7.7 Proper Officer for access to information

The Monitoring Officer will ensure that Council decisions and relevant officer reports and background papers are made publicly available as soon as possible.

25.5.7.8 Advising whether decisions are within the budget and policy framework.

The Monitoring Officer will advise whether decisions are in accordance with the budget and policy framework.

25.5.7.9 Providing advice

The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors.

25.5.7.10 Restrictions on posts

The Monitoring Officer cannot be the Chief Financial Officer or the Head of Paid Service.

The Monitoring Officer will discharge his/her functions in accordance with the Council's protocol.

25.5.8 Functions of the Chief Financial Officer

25.5.8.1 Ensuring lawfulness and financial prudence of decision making

After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Financial Officer will report to the Full Council and the Council's external auditor if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.

25.5.8.2 Administration of financial affairs.

The Chief Financial Officer will have responsibility for the administration of the financial affairs of the Council.

25.5.8.3 Contributing to corporate management

The Chief Financial Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.

APPOINTMENT TO OUTSIDE BODIES 2016/17

Appendix E

List of Outside Body	Number of Members	Nominees
A47 Alliance	1	Plant
Bowls Tournament Working Party	2	Cutting Fairhead
Broads Authority	1	Thirtle
Broads Internal Drainage Board	6	Andrews M Coleman Mr J Shrimplin Thirtle Walch Weymouth
Chamber of Commerce - Norfolk (Great Yarmouth Committee) Chamber Council	2	B Coleman K Grey
Coastal Partnership East	1	Smith
Community Association Management Committee - South Yarmouth	2	Jeal Stenhouse
Community Association Management Committees - Claydon Pavilion	2	Rodwell Williamson
Community Rail Partnership	1	Mr M Taylor
Community Safety (Great Yarmouth) Ltd (CCTV Co)	1	Hanton
East Anglia Port Welfare Committee	1	Borg
East of England LGA	1	Plant
Economic Reference Group	4*	Leaders
enterpriseGY Board	1	B Coleman
Gorleston Poor Land Trustees	3	Flaxman - Taylor Mr B Watts Wright
Great Yarmouth and Rambouillet Twinning Association	3	M Coleman

APPOINTMENT TO OUTSIDE BODIES 2016/17

Appendix E

List of Outside Body	Number of Members	Nominees
		B Coleman Hacon Plant
Great Yarmouth Development Company	1	
Great Yarmouth in Bloom	2	K Grey Stenhouse
Great Yarmouth Marketing Initiative	1	B Coleman
Great Yarmouth Municipal Charities	4	Jeal Robinson-Payne Stenhouse Walch
Great Yarmouth Preservation Trust	5	M Coleman B Coleman Cutting A Grey Williamson
Great Yarmouth Racecourse	2	Hammond Smith
Great Yarmouth Sports Council	3	Cutting Hanton Williamson
Great Yarmouth Sports Partnership	3	Cutting Hanton Williamson
Great Yarmouth Transport & Infrastructure Steering Group (formerly Car Parking Strategy Steering Group)	3	A Grey Jeal B Coleman
Greater Yarmouth Tourism & Business Improvement Area Ltd/Interim Board of Directors	4	B Coleman Hammond Jeal Mavroudis
GY & Waveney Systems Leadership Partnership	1	Carpenter

APPOINTMENT TO OUTSIDE BODIES 2016/17

Appendix E

List of Outside Body	Number of Members	Nominees
GY Norse Company Board	1	Carpenter
GY Norse Liaison Board	3**	Carpenter Grant Hacon
GYB Services Company Board	1	Smith
GYB Services Liaison Board	2**	K Grey Smith
High School Foundation	1	Williamson (4 Year Period 2014- 2018)
James Paget Healthcare NHS Trust (Governors' Council)	1	Flaxman – Taylor
Local Authority Trading Company Board (for development of Beacon Park housing)	1	Plant
Local Authority Trading Company (for development of Beacon Park housing)/Shareholder Committee	13	Annison Andrews Borg Carpenter Flaxman – Taylor Grant K Grey Hammond Lawn Thirtle Wainwright Walker Williamson
Local Government Association - Coastal Issues	1	Plant
Local Government Association - General Assembly	1	Plant
Neighbourhood Management Board - MESH (Gorleston)	2	Flaxman – Taylor K Grey

APPOINTMENT TO OUTSIDE BODIES 2016/17

Appendix E

List of Outside Body	Number of Members	Nominees
Neighbourhood Management Boards - Make It Happen (Southtown, Cobholm and Halfway House)	2	Connell Waters – Bunn
Neighbourhood Management Boards - Yarmouth	2	Stenhouse Walch
Nelson Museum Management Board	2	Cutting K Grey
New Anglia Local Enterprise Partnership	1	Plant
Norfolk Archaeological Unit Advisory Committee	1	Mavroudis
Norfolk Coast Partnership (Joint Advisory Panel)	1	Hanton
Norfolk County Joint Museums Committee	1	Lawn
Norfolk Health & Wellbeing Board	1	Carpenter
Norfolk Health Overview & Scrutiny Committee	1	Weymouth
Norfolk Parking Partnership Joint Committee	1	Plant
Norfolk Rail Group	1	Mr M Taylor
Norfolk Records Committee	1	M Coleman
Norfolk Strategic Planning Framework	1	Annison
Norfolk Waste Partnership	1	Grant
Older Peoples Partnership	1	Carpenter
Parking and Traffic Regulations Outside London Adjudication Joint Committee (PATROL AJC)	1	Plant
Police and Crime Panel	1	Hammond (Sub) Stenhouse
SeaChange Board	1	B Coleman
Sentinel Leisure Trust	2	Stenhouse Walch

APPOINTMENT TO OUTSIDE BODIES 2016/17

Appendix E

List of Outside Body	Number of Members	Nominees
Sentinel Leisure Trust Partnership Board	1	Wainwright
St George's Trust	3	Plant Wainwright Walch
Town Centre Company (Great Yarmouth) Ltd	1	B Coleman
Waveney, Lower Yare and Lothingland Internal Drainage Board	3	Andrews Annison Lawn
Youth Advisory Board	1	Mavroudis

* Leaders of political parties invited

** Includes Member on Company Board

ARTICLE 11 – THE AUDIT AND RISK COMMITTEE

- 11.1 The purpose of the Audit and Risk Committee is to monitor governance, risk management and internal control, to ensure these are efficient and effective. This is achieved through key items received by the Committee in relation to internal audit, external audit, key finance items, governance reviews and risk management reporting.
- 11.2 To consider and approve annually the Internal Audit Strategic and Annual Plans, and to monitor subsequent performance against these plans
- 11.3 To consider a report from internal audit on management progress made in the implementation of agreed recommendations
- 11.4 To consider and approve the Head of Internal Audit's annual report and opinion, and summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance, risk management and control arrangements.
- 11.5 To satisfy itself that the system of internal control has operated effectively throughout the year.
- 11.6 To consider and approve the appointment of the External Auditor.
- 11.7 To consider the audit plans of the External Audit Auditor and the subsequent reports and letters, including the Annual Letters and reports.
- 11.8 To comment on the scope and depth of Internal and External Audit work in addressing the authority's significant risks, and reviewing the authority's programme and processes for achieving value for money.
- 11.9 To review and approve the Annual Statement of Accounts and the Annual Governance Statement, specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 11.10 To monitor the effective development and operation of Risk Management in the Council, through considering the Risk Management Framework and the Corporate Risk Register.

- 11.11 Monitoring council policies on whistle-blowing and the antifraud and corruption strategy and the Council's complaints process.
- 11.12 To consider the extent of the Council's compliance with its own and other published financial standards and controls.
- 11.13 To commission ad-hoc work from Internal and External Audit.
- 11.14 To review any issue referred to it by the Chief Executive, a Director, or any council body.
- 11.15 To hold annual private discussions with the Head of Internal Audit and the External Audit to review working relationships with Auditees, etc.
- 11.16 To assess the Committee's own effectiveness on an annual basis.
- 11.17 To act as a point of strategic leadership and support regarding Business Continuity and receive recommendations and assessments from the Business Continuity Workgroup.
- 11.18 Jointly with Standards Committee, to maintain an overview of the Council's constitution in particular with respect to the risk management and financial control environment.
- 11.19 The promotion and maintenance of high standards of conduct within the Council.
- 11.20 Membership

9 Members appointed by Council under the Political Balance Rules.

Subject: Neighbourhood Plans Decision Making

Report to: Economic Development Committee, 19 December 2016

Report by: John Clements, Principal Strategic Planner (Growth Group)

SUBJECT MATTER

A proposed scheme of delegation for the Council's future decisions in relation to neighbourhood development plans.

RECOMMENDATIONS

That the Economic Development Committee agrees that the following scheme of delegation for progressing neighbourhood plans be recommended to the Constitution Working Party and Council, including any necessary changes to the Council Constitution required to implement it:

- 1) the detailed scheme of delegation for neighbourhood plans matters set out at Section 7, and**
- 2) that the relevant Council Committee for neighbourhood development plan matters be the same as that for local plans.**

1. INTRODUCTION

1.1 There has been a recent local surge in interest in preparing neighbourhood development plans (NPs) among parish councils in the Borough, though none have yet been formally commenced. NPs were introduced by the 2011 Localism Act, but have recently been given renewed attention by Government. This has included new legislation in train affecting local planning authorities' statutory obligations in relation to NPs, and some signs of a move towards giving NPs a more central role in development planning.

1.2 While the NPs themselves are formally prepared by the parish council (or a neighbourhood forum in unparished areas), the Borough Council has a range of statutory and other obligations in relation to them. Experience elsewhere shows this has the potential to be very demanding of officer time. It also requires a sequence of Borough Council decisions of various types at successive stages in the progress of each Draft NP, some against specific deadlines. In order that these decisions can be efficiently and effectively made by the Council within the required timescales and at the most appropriate level, a scheme of delegation is proposed.

1.3 If agreed, this would require amendments to the Council's Constitution (which currently makes no explicit mention of NPs). The current review of the Constitution offers an opportunity for this to be achieved in advance of too many of these decisions

needing to be made.

2 NEIGHBOURHOOD PLANS BACKGROUND

2.1 NPs are usually prepared by parish councils. If there is no parish council in an area, other community groups can apply to be designated a 'neighbourhood forum' and prepare a NP. NPs differ significantly from parish plans and other types of community plan, in that once successfully completed they become part of the development plan for their area (alongside the Local Plan). The development plan is, by law, the starting point for any decisions on planning applications. In order to achieve that elevated status, NPs are required to meet a range of requirements in relation to both their content and the process by which they are prepared (though these are significantly less onerous than those for local plans). NP policies may, within certain constraints, vary from and supersede those in the adopted Local Plan.

2.2 The Borough Council, as local planning authority, has several distinct obligations in relation to NP preparation:

- administration of the NP process, including making a number of important quasi-judicial decisions;
- advising and assisting the parish council (or neighbourhood forum) preparing the NP; and
- protecting and promoting the wider planning interests of the Borough.

2.3 It is important to appreciate that the first two of these roles are explicit legal obligations, and that the decisions and actions to be taken on these are, in principle, regardless of whether the Borough Council agrees with the content of the proposals. It is in the last role above that the Borough Council's own views and judgements come to the fore.

2.4 If a NP area includes part of the designated Broads area (where the Broads Authority is the local planning authority) decisions on the NP will need to be coordinated between the two authorities. This is not anticipated to be generally problematic. Indeed, early combined engagement with Stokesby has proved satisfactory.

3 BOROUGH COUNCIL DECISION MAKING ON NEIGHBOURHOOD PLANS

3.1 The Borough Council has to make a series of decisions through the progress of NP preparation. Some of these are highly technical, some merely administrative, but a few others have the potential to be highly controversial. All are to some degree time limited, and current draft legislation intends prescribed time limits for some stages. It is therefore desirable for the Council to determine in advance the levels and procedures for decision making, so this can be done at the most appropriate level and in a timely fashion.

3.2 At present there is no explicit provision in the Constitution for decisions on neighbourhood planning. This Report is being brought to the Economic Development Committee now because NPs are development plans, like the Local Plans which this

Committee already handles.

3.3 The Constitution Working Party and the Council will, however, shortly be considering a proposal that in future development plan matters should be dealt with by the Policy and Resources Committee. (This on the basis that, important though development plans are for economic development, they are also critical for housing and neighbourhoods, the environment etc. and form a major component of the Council's policies for the Borough's future.) Hence what follows below does not identify the specific Committee involved, and this would be decided as part of the wider deliberations of the Council in its review of the Constitution. However, the Economic Development Committee is recommended to advise the Constitution Working Party and Council that, whichever Committee it is, the same Committee should handle all development plan matters, both local plans and NPs.

3.4 The following identifies the sequence of decisions the Borough Council must make in its various roles through the process, and the recommended level within the Council for that particular decision to be taken. The rationale for each of the recommended levels is discussed below, but the principle informing each is:

- Where the decision is predominantly technical or routine, Growth Group Manager (responsible for Strategic Planning and Planning Policy)
- Where the decisions are predominantly routine, but with some potential for sensitivity, Growth Group Manager in consultation with the Committee Chair (facilitating the transfer, if time permits, or reporting of the decision to Committee where appropriate);
- Where the decision has significant potential for controversy, and for bringing the Plan into force, to the Committee.

It is intended that key decisions made under delegated powers would subsequently be reported to Committee, in order to ensure Members are informed of the progress of NPs.

3.5 In the following schedule,

- Committee Chair means the Chairperson of the relevant Committee;
- Growth Group Manager, also includes any person to whom he or she further delegates the decision (usually the Principal Strategic Planner); and
- references to parish councils should be taken to include neighbourhood forums.

3.6 **Recommended Schedule of Delegation (in chronological order):**

3.5.1 Designation of a Neighbourhood Forum: Growth Group Manager, in consultation with the Committee Chair

Determining whether a community group applying for designation as a neighbourhood forum meets the specified requirements. (n.b. This decision is only required if there is no parish council for the area.) Normally routine, but could potentially be controversial if there were competing community groups seeking designation for the same area.

3.5.2 Designation of a Neighbourhood (Plan) Area: Growth Group Manager, in consultation with the Committee Chair

Deciding the area which the NP will cover, following consultation. In parished areas this will usually be the whole parish and uncontroversial. (Draft legislation would not permit any decision but approval in cases where a parish council is seeking whole parish designation).

3.5.3 Informal comments on emerging NPs: Growth Group Manager

Provision of informal guidance and comment on emerging proposals. This is usually an iterative process, and largely indivisible from the general 'advise and assist' role.

3.5.4 Strategic Environmental Assessment Determination (and similar Habitats Regulations Assessment advice, etc.): Growth Group Manager

Highly technical judgement, relating to complex and evolving legislation, as to whether the plan is likely to have significant effects on a range of specified matters (e.g. nature conservation, population, existing infrastructure, etc.), and thus whether a full assessment is legally required.

3.5.5 Formal response to pre-submission consultation: Growth Group Manager

Deciding what comments should be made on the draft NP to ensure the Borough's planning strategy and any other interests are clearly and firmly put forward, and any outstanding issues are addressed, if the parish council is willing, in advance of the examination.

3.5.6 Publication of a submitted NP: Growth Group Manager

Decide whether plan is complete and meets the procedural requirements. If so, deciding extent and timing of consultation in the light of statutory requirements, the precise nature of the NP, and the resources available and any other consultations in progress at the time.

3.5.7 Formal representations on submitted neighbourhood plan: Growth Group Manager, in consultation with the Committee Chair

This is a key stage at which the any outstanding concerns about the NP can be put forward (during the consultation outline above) for consideration in the examination.

3.5.8 Appointment of Examiner: Growth Group Manager

Selecting a 'suitably qualified and experienced' independent person to conduct the examination, gaining parish council's agreement to final choice, and commissioning that person to undertake the examination and make recommendations to the Borough Council.

3.5.9. Whether plan should proceed to referendum: Relevant Committee

A crucial and potentially controversial decision as to whether (in the light of the examiner's recommendations) the plan meets the legal tests, and whether the Borough Council will make any changes to the plan to allow it to go forward.

3.5.10 Bringing the plan into force: Growth Group Manager, in consultation with the Committee Chair

If the plan passes the referendum, then the Borough Council has no choice but to 'adopt' the plan.

4 FINANCIAL IMPLICATIONS

The scheme of delegation proposed should save officer and member time.

5 RISK IMPLICATIONS

Reputational and cost risks are mitigated by the proposed scheme of delegation.

6 CONCLUSIONS

A scheme of delegation would help decisions required on NPs to be made in a timely and efficient fashion, and at the most appropriate level.

7 RECOMMENDATIONS

That the Economic Development Committee agrees that the following scheme of delegation for progressing neighbourhood plans be recommended to the Constitution Working Party and Council, including any necessary changes to the Council Constitution required to implement it:

1) (a) Relevant Committee:

- i. Whether, in light of the Examiner's recommendations, a Neighbourhood Plan should proceed to referendum, and if so whether any changes must first be made to it.

(b) Growth Group Manager (or such person s/he may delegate to), in consultation with the Chair of the relevant Committee:

- ii. Designation of a Neighbourhood Forum
- iii. Designation of a Neighbourhood Area
- iv. Formal response to submitted Neighbourhood Plan
- v. Bringing a neighbourhood plan into force following a successful referendum

(c) Growth Group Manager (or such person s/he may delegate to):

- vi. Informal comments on emerging neighbourhood plans
- vii. Strategic Environmental Assessment Screening (and similar) of Neighbourhood Plans
- viii. Formal Response to Pre-Submission Consultation on a Neighbourhood Plan
- ix. Publication of a submitted Neighbourhood Plan
- x. Appointment of independent examiner
- xi. Making such detailed changes to the Neighbourhood Plan as required by the Committee decision, together with any consequent adjustments and/or minor corrections or improvements required.

- 2) That the relevant Council Committee for neighbourhood development plan matters be the same as that for local plans.**

8 BACKGROUND PAPERS

- Localism Act 2011

- Neighbourhood Planning Bill 2016-17
- Planning Practice Guidance: Neighbourhood Planning

9 ATTACHMENTS

None.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated?

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	EMT 3 rd November.
Existing Council Policies:	Great Yarmouth Local Plan
Financial Implications:	A suitable scheme of delegation will reduce costs.
Legal Implications (including human rights):	N/A
Risk Implications:	Reputational and cost risks mitigated by the proposed scheme of delegation.
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A

TERMS OF REFERENCE OF JOINT CONSULTATIVE COMMITTEE:

1. To establish regular methods of communication and negotiation between the Council and its employees, to encourage positive working relationships and to resolve differences and to adjust them should they arise- always provided that no question of individual discipline, promotion or efficiency shall be within the Terms of Reference of the Committee.
2. To consider and advise on any relevant matter referred to it by any committee of the Council or by any of the employee groups represented on the Consultative Committee.
3. To make recommendations to the Policy and Resources Committee as to the adoption of policies affecting employee interests (except those relating to the terms and conditions on which they are employed) or on any other matter referred to it.
4. To discharge such other functions specifically assigned to the Joint Committee by the Council.
5. To undertake consultation to enable the Council to make and maintain arrangements so that the Council and its employees can co-operate effectively in promoting and developing measures to ensure the health and safety at work of the employees.
6. To keep under review the effectiveness of health and safety measures and to make any recommendations arising from such review.

NOVEMBER 2016
CONSTITUTION CHANGES

Page 7	Delete Paragraph 4
Pages 15/16	Paragraph 4.2 needs re-lettering
Page 17	Amend Local Development Framework to Local Plan Document
Page 20	Amend Treasury Management
Page 22	Amend Local Development Framework to Local Plan
Page 26	Amend 'Violence' to 'Abuse'
Page 27	Delete 'Community Safety and Crime Reduction Partnership'
Page 27	Add 'Child and Adult Safeguarding' in Policy and Resources
Pages 35/36/37/38	Article 11 Audit and Risk Committee – rewritten
Page 41	Add Vice Chair
Page 42	Add text
Page 43	Add Vice Chair
Page 44	Add Text
Page 49	Possible amendment to Development Control bring Vice Chair of Policy and Resources
Page 52	Paragraph 19.3 (a) – delete 'Governance Committee' with 'Constitutional Working Party'
Page 53	Paragraph 19.5 – add MO
Page 63	add 'Assets of Community Value'
Page 71	Paragraph 26.9.3 – add 'working' to the text.
Page 92	Amend 'TBC' with 'P&R'
Page 94	Delete 'Section 151 Officer' as a Heading
Page 95	Paragraph 27.3.2 – delete 'crime and disorder reduction strategy'
Page 96	Amend 'TBC' with 'Policy and Resources'
Page 100	Paragraph 27.5.8 – delete 'd,7' with '27.5.7'

Page 110	Paragraph 28.42.13 amend 'TBC' with 'Policy and resources
Page 112	Paragraph 28.42.24 amend 'TBC' with 'Policy and resources
Page 112	Paragraph 28.42.26 amend 'TBC' with 'Policy and resources
Page 113	Paragraph 28.42.27 amend 'TBC' with 'Policy and resources
Page 113	Paragraph 28.42.28 amend 'TBC' with 'Policy and resources
Page 114	Paragraph 28.42.35 amend 'TBC' with 'Policy and resources
Page 114	Paragraph 28.42.36 amend 'TBC' with 'Policy and resources
Page 114	Paragraph 28.42.37 amend 'TBC' with 'Policy and resources
Page 114	Paragraph 28.42.40 amend 'TBC' with 'Policy and resources
Page 114	Paragraph 28.42.41 amend 'TBC' with 'Policy and resources
Page 114	Paragraph 28.42.42 amend 'TBC' with 'Policy and resources
Page 127	Delete Paragraph 28.43.38 as it is duplication
Page 132	Paragraph 28.43.73 amend 'TBC' with 'Policy and resources
Page 133	Paragraph 28.43.81 amend 'TBC' with 'Policy and resources
Page 133	Paragraph 28.43.81 amend 'TBC' with 'Policy and resources
Page 145	Paragraph 28.44.39 – query the ?
Page 156	Paragraph 28.45.11 – delete 'TBC' with 'Policy and Resources'
Page 160	Query RE '?' - Delete and remove papers
Page 161	Query RE '?' - Delete and remove papers
Page 199	Why is Article 37 blank – Delete and renumber articles
Page 212	Add new scheme here
Page 213	Add revised Management Structure
Page 214	Paragraph 41.1.1 – 'Employment Committee'
Page 215	Paragraph 41.4.1 – delete 'Cabinet'
Page 216	Paragraph 41.7.1 – 'Employment Committee'
Page 219	Paragraph 41.10.3 – amend text to JCC
Page 226	Paragraph 42.8.8 – delete 'DORGG' with MO

Page 232	Delete reference to Cabinet
Page 232	Delete 'Interim'
Page 238	Delete reference to Scrutiny (paragraph 43.2.41)
Page 242	Delete 43.2.6.3 and renumber

TERMS OF REFERENCE OF EMPLOYMENT COMMITTEE:

1. Except to the extent delegated to Chief Officers in accordance with the Officer Employment Procedure Rules set out in Part 41 of the Constitution, to determine the terms and conditions on which staff hold office (including procedures for their dismissal).
2. To be responsible for the appointment of the Head of Paid Service, statutory and non-statutory Chief Officers and Deputy Chief Officers (all as defined in the Local Government and Housing Act 1989). This power includes the establishment of ad hoc Appointment Panels to carry out this function.
3. To be responsible for taking disciplinary action in respect of the Head of Paid Service, in accordance with the procedures required by the Officer Employment Procedure Rules.
4. To designate an officer as Head of Paid Service (subject to approval by the full Council) and to provide staff etc. for that officer.
5. To designate an officer as the Monitoring Officer and to provide staff etc. for that officer.
6. To make arrangements for the proper administration of the Council's financial affairs including the appointment of the Chief Finance Officer.
7. To designate the Council's "Proper Officers".
8. Consider appeals against disciplinary decisions, unresolved grievances and grading appeals from employees (where specified in the relevant policy).

Constitutional Working Party

Minutes

Monday, 23 January 2017 at 14:00

Present :

Councillors Annison, Carpenter, K Grey, Plant, Thirtle, Walker, Wainwright, Walch and Williamson.

Also in attendance :

Mrs S Oxtoby (Chief Executive Officer), Mrs K Watts (Transformation Programme Manager), Mr D Johnson (Deputy Monitoring Officer), Mr R Hodds (Corporate Governance Officer)

1 APPOINTMENT OF CHAIR

RESOLVED :

That Councillor Williamson be appointed as Chair of the Constitutional Working Party.

2 APOLOGIES FOR ABSENCE

There were no apologies for absence.

3 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

4 REVIEW OF COMMITTEE FORM OF GOVERNANCE AND REVIEW OF THE COUNCIL'S CONSTITUTION

The Working Party considered the joint report of the Corporate Governance Manager and Transformation Programme Manager and Deputy Monitoring Officer, on the review of the Committee Form of Governance and the Great Yarmouth Borough Council's Constitution.

Members were reminded that Council at its meeting on the 24 November 2015 had agreed to change from a Cabinet Form of Governance to a Committee Form of Governance. Council also agreed that a review of both the Committee Form of Governance and the Constitution should be the subject of review after six months. It was also agreed that the former Governance Committee should become the Constitutional Working Party and that this Working Party should consider the review of the Committee System and Constitution and make recommendations to Full Council. The new system commenced in mid May 2016 and the six month period ended in mid November.

The Working Party were advised that the report examined and reviewed the operation of the committee system for the past six months and made recommendations for Members consideration to improve the systems current operations.

a) Size of Committees

Recommendation :-

That no change be made to the numbers of Members on Committees as at present, with the exception that the Audit and Risk Committee should reduce from 9 Members to 5 Members.

b) Frequency of meetings

Members were advised that by changing the Service Committees cycle of meetings from six to eight weeks would provide Officers more time to produce better quality and accurate reports and an eight week cycle would provide a clearer decision making process so that reports that need to go to Council can be considered by Council who currently meet every eight weeks. The point was made that items for information could be dealt with a briefing sessions rather than by consideration at the relevant Service Committees.

The Chief Executive Officer reported that this issue could be the subject of a further review in six months time.

Recommendation :-

That the frequency of meetings remain on the present six weekly basis and that this issue be reviewed in six months time.

c) Number of Service Committees

The Working Party was asked to consider whether there was potential for the amalgamation of the roles and responsibilities of the Service Committees into three Committees rather than four as at present.

Recommendation :-

That the number of Service Committees remain at four, namely Policy and Resources, Economic Development, Environment and Housing and Neighbourhoods.

d) Timings of meetings

The Working Party was asked to consider the timing of meetings and whether there was a possibility that Service Committees could be held during normal office working hours. The point was made that it was felt that the Audit and Risk could become a daytime meeting rather than evening. The issue of potential savings that could be made by changing to daytime meetings were reported.

Recommendation :-

That the timings of meetings be amended so that all four Service Committees and regulatory Committees commence at 6pm with Full Council commencing at 7pm.

e) Venue of meetings

Recommendation :-

That the current arrangements for Committee meetings remain unchanged.

f) Terms of Reference of Service Committees

The Working Party considered the current Terms of reference of the Service Committees.

Recommendation :-

That the current Terms of Reference for the Service Committees remain unchanged.

g) Pre Agenda Meetings (PAM's)

The Working Party were asked to consider the arrangements for the Pre Agenda Meetings.

Recommendation :-

That the relevant Chairman be asked to agree to fixed times for Pre Agenda Meetings.

h) Scheme of Delegation

The Working Party considered the current Scheme of Delegation.

In general comments it was the Officers views that the Scheme of Delegation is working well and would be best reviewed by this Working Party with support from the Council's legal Officers in a further six months time. The Working Party were also asked to agree to the Scheme of Delegation for progressing Neighbourhood Plans as previously agreed by the Economic Development Committee on the 19 December 2016.

Recommendations :-

(1) That the Scheme of Delegation for progressing Neighbourhood Plans be agreed

(2) That the Scheme of Delegation be reviewed by the Constitutional Working Party in a further six months time with support from the Council's legal Officer's.

i) Council procedure rules

The Working Party considered the provisions within the Constitution that dealt with procedure rules for Council meetings.

In discussing this issue the following matters were raised :-

- The issue of Members who attend Development Control and Licensing Committee meetings when those Members who leave the debate during consideration of a specific item should not in fact take part in any voting on that specific item.
- The Working Party discussed the conduct of Members at Full Council meetings and the view was expressed that it would be helpful if Members were the subject of further training on Council procedure rules. The possibility of providing buttons in the Chamber to allow Members to record their wish to speak on certain items was discussed.
- The Working Party discussed the consideration of Service Committee minutes at Council meetings and the Deputy Monitoring Officer confirmed that these were a formal record of decisions already taken and that they were presented to Council for information purposes only.
- The meeting discussed whether it would be more appropriate for key decisions of Service Committees at Council meetings rather than the full Service Committee minutes.

Recommendations :-

(1) That a best practice protocol be included in the Constitution with regard to the issue of Members voting at Development Control and Licensing Committee meetings when they do not take part in a full discussion on any particular item, and that an appropriate paragraph be included on both Development Control and Licensing Committee agendas to advise Members on this issue.

(2) That Key Decisions of Service Committees be considered at Council meetings rather than the full set of Service Committee minutes.

j) Training requirements

Recommendation :-

That approval be given to the establishment of a Member Development Group to consider an annual training programme for Members.

k) Outside Bodies

Members were reminded that the former Governance Committee had undertaken a complete review of Outside Bodies which had resulted in a number of those being deleted. The Working Party discussed whether it would be good practice to for the Monitoring Officer to advise all Members of what their likely responsibilities and requirements will be in being a representative on an Outside Body.

The Working Party also discussed a proposal that Member allocation to Outside Bodies should be the subject of review by the Group Leaders prior to consideration at the annual Council meeting.

Recommendation :-

1) That the Monitoring Officer undertake a programme of advising all Members of the responsibilities of being on a Outside Body.

2) That Group Leaders be requested to review Member allocations to Outside Bodies prior to consideration at the annual Council meeting.

l) Capacity / resourcing issues

Members were reminded of the costs associated with servicing all the Committees, Working Parties and PAM meetings by the Member Services Team. The point was made that any changes to the operating of the Committee System would likely have a significant impact of the team to provide the service that Members would require.

m) Lessons learnt

The Corporate Governance Manager reported that in his view there had been

a good transition from the Cabinet system to the Committee Form of Governance in a relatively short period of time. The Working Party recorded their thanks and appreciation to the Member Services Team and to Executive Management Team for the work carried out in respect of the transition of the governance arrangements.

The Working Party discussed the proposal that the Vice Chairman of the Yarmouth and Gorleston Area Committees should be elected Members of the Council rather than independent Members. The issue of the Terms of Reference of the Grants Sub-Committee was also discussed.

n) Review of Constitution

The Working Party were advised the current Constitution had been re proof read and a number of typing and spelling errors had been identified which would be amended in a revised version of the Constitution. As part of the review of the Constitution a discussion was held with the Council's Auditors in respect of the Terms of Reference of the Audit and Risk Committee and as a result these had been amended.

Following discussions with the Group Manager Growth it was recommended that Local Plan matters are more properly the concern of the Policy and resources Committee than at present the Economic Development Committee. This is because the Local Plan is intended to improve and integrate Economic Social and Environment matters.

It was also proposed to amend the Terms of Reference of the Joint Consultative Committee.

The Deputy Monitoring Officer reported on a number of amendments that had been identified in the text of the Constitution and these were detailed for Members approval. The Working Party was also reminded that the Council had already agreed to revisions of the following in the Constitution :-

- Delegation Scheme for Property matters
- Contract Standing Orders

These amendments already agreed would be incorporated into the revised Constitution.

Members were also reminded that Council at its meeting on the 17 January 2017 had agreed to the Terms of reference for the Employment Committee and these details would be included in the revised Constitution.

Recommendation :-

That approval be given to the amendments to the Council's Constitution as detailed above.

5 OTHER ISSUES

The Working Party considered the following other issues :-

- Motions on Notice - authority to assess details by the Monitoring Officer - AGREED
- Responses to Consultation papers - AGREED, to delegate to Technical Officers on Technical Consultations
- Recommendation from Housing and Neighbourhoods Committee to Council to reinstate the Housing Appeals Committee - AGREED, any changes to the Constitution should be referred for initial consideration to the Constitutional Working Party
- Protocol for Members to include items on agendas for Committees - AGREED, to prepare a protocol for inclusion as an annex to the Constitution

6 COUNCILLORS ADVICE IN RELATION TO ISSUES OUTSIDE OF THEIR WARD AREAS

The Working Party discussed the issue of Councillors assisting to Members of the Public on issues that did not necessarily involve their ward areas.

Recommendation :-

That the Monitoring Officer be asked to include advice on this issue within the Constitution.

The meeting ended at: 16:20

Subject: Decisions to evict Council tenants where a possession order has been granted

Report to: Council - 21 February 2017

Report by: Monitoring Officer

SUBJECT MATTER/RECOMMENDATIONS

To consider a recommendation from the Housing and Neighbourhoods Committee to establish a Housing Appeals Committee.

1. INTRODUCTION/BACKGROUND

On the 8th December Housing and Neighbourhoods Committee Resolved to recommend to Council as follows:-

“That the Committee recommend to Council that the Housing Appeals Committee be re-instated and that decisions on evictions are referred to Members.”

The report on the matter to Housing and Neighbourhoods from the Monitoring Officer is attached to this report.

Members are asked to consider the recommendation. If the recommendation is approved in principle then members might resolve along the following lines:

“RESOLVED to approve in principle the creation of a Housing Appeals Committee and to refer the matter to Constitution Working Party to settle numbers, frequency of meetings and terms of reference. The Housing Appeals Committee will begin meeting after the Council’s Annual General Meeting in 2017.”

My advice to members endorses that of the Monitoring Officer in the report to Housing and Neighbourhoods, that is to say, that the creation of a committee to exercise one or more aspects of day to day housing management is somewhat anomalous and unnecessary.

Members’ role should be a strategic and policy role and the carrying out of operational functions is more appropriately done by officers.

2. BACKGROUND PAPERS

Monitoring Officer's report

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	No
Existing Council Policies:	Yes
Financial Implications:	No
Legal Implications (including human rights):	Yes
Risk Implications:	No
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

Subject: Decisions to evict council tenants where a possession order has been granted

Report to: Housing & Neighbourhoods Committee, 8th December 2016

Report by: Chris Skinner, Monitoring Officer

SUBJECT MATTER/RECOMMENDATIONS

This report details the decision making process when considering an eviction of a council tenant.

1. INTRODUCTION/BACKGROUND

1.1 This report follows on from a discussion at the previous committee when members queried the decision making process for evictions.

2. EVICTION PROCEDURE

2.1 The decision to apply to the court for a possession order for a council house or flat let on a secure tenancy is delegated to officers. Applications are made when there are rent arrears, breach of tenancy conditions or neighbour nuisance. It is quite usual for a court to grant a suspended possession order. In these cases the tenant can continue in occupation provided they comply with the terms of the court order. This might require the payment of the rent arrears in instalments or it might include the cessation of activities causing a nuisance. In some cases the possession order will not be suspended. Obtaining a possession order does not of itself result in the eviction of the tenant. To obtain possession of the property the Council must apply to the Court for a warrant of possession. This decision is delegated to officers. Even at this stage the tenant can apply to the Court for a suspension of the warrant.

2.2 Under the delegation scheme approved by the Council, and contained in the Constitution, possession and eviction decisions are delegated to officers. This has been the case for at least 14 years and is the position in nearly all housing authorities. Officers take into account the Council's general policies including the GYCH Rent Income & Arrears Policy, GYCH Introductory Tenancy Policy & the GYCH Anti-Social Behaviour Policy. The individual circumstances of tenants and their families, and the decisions made in other cases are also considered. This ensures consistency of decision making. The Court also has a wide discretion in whether to grant a suspended possession order and whether to suspend a warrant of possession. Clearly this provides an independent review of the decisions made by officers.

2.3 When considering the eviction of introductory tenants, there is scope for tenants to appeal to the Council (given their appeal to the courts is limited to procedural issues). Any appeal would need to be to person senior to the decision maker which would not be possible in a non-delegated model. Under the current policy, an appeal is usually heard by the Group Manager for Housing Services.

2.4 There was a time when eviction decisions were taken by a housing management committee. This led to inconsistent decisions, with special pleading by members on behalf of individual tenants influencing a decision. Furthermore decisions were slower, having to take into account meeting dates of the committee.

3. FINANCIAL IMPLICATIONS

None

4. RISK IMPLICATIONS

None

5. CONCLUSIONS

- 5.1 If the Committee considers that evictions should in fact be a member decision, the matter will have to be considered by the full Council

6. RECOMMENDATIONS

- 6.1 Your officers would not recommend a change in the Council's policy.

7. BACKGROUND PAPERS

GYCH Rent Income & Arrears Policy,
GYCH Introductory Tenancy Policy
GYCH Anti-Social Behaviour Policy

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	MO report
Section 151 Officer Consultation:	N/A
Existing Council Policies:	GYCH Rent Income & Arrears Policy, GYCH Introductory Tenancy Policy

	GYCH Anti-Social Behaviour Policy
Financial Implications:	N/A
Legal Implications (including human rights):	Amendment of constitution required
Risk Implications:	N/A
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A

Subject: Pay Policy Statement 2017/18

Report to: Full Council 21 February 2017

Report by: Head of HR / OD

SUBJECT MATTER – PAY POLICY STATEMENT 2017/18

RECOMMENDATION:

To adopt the attached Pay Policy Statement for 2017/18 and to publish on the Council's website.

1. BACKGROUND

Section 38 of the Localism Act 2011 (“the Act”) requires the Council to produce an annual pay policy statement (“the Statement”) for the start of each financial year. It is a legal requirement that Full Council formally sign off this statement and the responsibility cannot be devolved to any other person or committee.

The pay Policy Statement must set out the Council's policies relating to:-

- a) The remuneration of its chief officers,
- b) The remuneration of its lowest-paid employees, and
- c) The relationship between:
 - The remuneration of its Chief Officers, and
 - The remuneration of its employees who are not Chief Officers

With regard to the process for approving the statement, it must:

- Be approved formally by Full Council and cannot be delegated to any sub committee. This includes any amendments in each financial year
- Be approved by the end of March each year
- Be published on the Council's website and in any other manner that the Council thinks appropriate as soon as it is reasonably practicable after it is approved or amended
- Be complied with when the Council sets the terms and conditions for a Chief Officer

For the purpose of the Pay Policy Statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989 as:

- The Head of Paid Service (Chief Executive)
- The Monitoring Officer
- A statutory Chief Officer and non statutory Chief Officer (section 2 of that Act)
- A deputy Chief Officer (section 2 of that Act)

This Pay Policy Statement reflects both the current and proposed structure as per the recommendations of the Policy and Resources Committee in respect of the Organisational Development report presented on 7 February 2017.

CONCLUSION

The Pay Policy Statement meets the statutory requirements of the Localism Act and it is therefore recommended that the attached statement be approved.

FINANCIAL IMPLICATIONS:

There are no increased risks as a result of setting and publishing the Pay Policy Statement and the financial implications have been factored into the budget setting process.

The report and the statement outline arrangements for 2017/18. This statement builds on the publication of senior officer salary information which is already available on the website at <http://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

LEGAL IMPLICATIONS:

To comply with section 38 of the Localism Act 2011, Full Council must approve the Pay Policy Statement for 2017/18 by 31 March 2017. The Statement must be published as soon as is reasonably practicable after it has been approved, it will, therefore, be placed on the Council's website.

EXECUTIVE BOARD OR DIRECTOR CONSULTATION:**RECOMMENDATIONS**

That the Council's Pay Policy Statement for 2017/18 be approved.

Does this report raise any legal, financial, sustainability, equality, crime and disorder or human rights issues and, if so, have they been considered?	Issues	
	Legal	Yes and taken into account
	Financial	Yes and taken into account
	Risk	No
	Sustainability	No
	Equality	No new issues raised
	Crime and Disorder	No
	Human Rights	No
	Every Child Matters	No

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PAY POLICY STATEMENT 2017/18

This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011. It was approved by a meeting of Great Yarmouth Borough Council (GYBC) on 21 February 2017. It is made available on the Council's website. The Council's website also includes separately published data on salary information relating to Chief Officers and this can be accessed at <http://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

1. Remuneration of Employees

- 1.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine that commences at national Spinal Column Point (SCP) 6 and ends at local SCP 51. This pay spine is divided into 10 pay bands, which each contain five incremental points. Band 1 is the lowest and Band 10 is the highest of these pay grades. Posts are allocated to a pay band through a process of job evaluation. See Appendix A for pay bands.
- 1.2 For the purpose of this Policy Statement, employees on Band 1 are defined as our lowest-paid employees. These are the lowest paid employees other than apprentices who are paid in line with national standards to reflect the nature of the training and development role. The bottom of Band 1 is national SCP 6 and the top is national SCP 10. At 31 March 2017, the full-time equivalent (FTE) annual values of these two SCPs are £14,514 (SCP 6) and £15,238 (SCP 10).
- 1.3 The values of the SCPs in these pay grades are uprated by the pay awards notified from time to time by the National Joint Council for Local Government Services.

- 1.4 The minimum (pro rata) salary paid by the Council to employees in established posts should not be less than the Living Wage. Where an employee's contractual (pro-rata) pay is less than the Living Wage they receive a supplement to raise their pay to the Living Wage level (excluding apprentices).

2. **Remuneration of Senior Managers**

2.1 **Chief Executive**

- 2.1.1 The Council's Chief Executive is the Council's Head of Paid Service. As at 31 March 2017, the FTE salary range for this post is £107,657 - £122,114. There are five incremental points in the grade.

- 2.1.2 It is the Council's policy that the FTE salary range for the post of Chief Executive will normally be no greater than 8.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.

- 2.1.3 Notwithstanding 2.1.2, the value of the SCP's in the Chief Executive's grade will be uprated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.

- 2.1.4 The Chief Executive also receives a (Deputy) Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role in Norfolk is calculated in accordance with a formula approved annually by the Norfolk Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. Fees for conducting Parliamentary Elections are determined by way of a Statutory Instrument.

2.2 **Directors**

- 2.2.1 The Directors report to the Chief Executive. As at 31 March 2017, the annual FTE range for the grade of the Director posts is currently £66,964 - £72,111. The East of England Local Government Association (EELGA) have recommended a slightly increased salary level for the proposed Strategic Director posts at £73,000 – £81,000.

- 2.2.2 It is the Council's policy that the FTE salary range for the posts of Director will normally be no greater than 6x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.
- 2.2.3 Notwithstanding 2.2.2, the value of the SCPs in the Director grades will be uprated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.
- 2.2.4 The Council's Monitoring Officer is employed by Norfolk County Council (although is seconded to GYBC for this purpose). This Policy Statement does not, therefore, concern the remuneration of the post whose holder undertakes that role.
- 2.3 Group Managers
- 2.3.1 The Group Managers report to a Director. As at 31 March 2017, the annual FTE salary range for the Group Manager posts is £51,511 to £57,213. EELGA recommend a slightly increased salary level to reflect the additional responsibilities at Head of Service level taking the upper limit to £62,000.
- 2.3.2 It is the Council's policy that the FTE salary range for the Group Manager posts will normally be no greater than 4.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not currently being met.

3. **General Principles Applying to Remuneration of Chief Officers and Employees**

- 3.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.
- 3.2 Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. In exceptional circumstances (e.g. examination success), individuals will receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 3.3 The Council does not apply performance-related pay, with the exception of the Directors and Group Managers whose progression through the

increments of the pay grade is subject to performance management. The Council does not apply any bonuses.

- 3.4 The minimum point of a pay grade will not be lower than the maximum point of the preceding pay grade.
- 3.5 On ceasing to be employed by the Council, individuals will only receive compensation:
 - (a) in circumstances that are relevant (e.g. redundancy), and
 - (b) that is in accordance with our published Policy Statement on how the Council will exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
 - (c) that complies with the specific term(s) of a settlement agreement.
- 3.6 The Policy Statement on how the Council will exercise the various employer discretions provided by the LGPS also summarises how Flexible Retirement might be allowed. This is where an individual aged 55 or over who reduces their grade or hours of work (or both) may receive all or part of their LGPS benefits immediately, even though they haven't left the Council's employment. This will be allowed only in circumstances where it is demonstrated to be in the Council's long-term interests.
- 3.7 Any decision to re-employ an individual who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not, however, normally engage such an individual under a contract for services.
- 3.8 Any Market Supplement that is paid will be in accordance with our Protocol for Payment of Market Supplements.
- 3.9 If it is appropriate for an honorarium to be paid, this will be in accordance with our Principles for Payment of Honoraria.
- 3.10 The Council pays Essential and Casual Car User allowances in appropriate circumstances. These allowances are in accordance with 'Green Book' rates, although the Council does not recognise the 1200cc to 1450cc (i.e. the top) band and some mileage may only be claimed at a reduced local rate. There are also local rates in force for individuals who use their motorcycles or bicycles on official business.

- 3.11 Any excess travelling allowance that is paid will be in accordance with our Change in Place of Employment – Scheme for Payment of Allowance.
- 3.12 Any subsistence allowance that is paid will normally be no higher than the rates notified from time to time by the East of England Local Government Association.

4. Consultants and Agency Workers

- 4.1 Consultants and agency workers are not deemed to be employees and therefore their remuneration is not covered by this Pay Policy Statement. Contracts covering the engagement of consultants and agency workers will be agreed under the rules of Great Yarmouth Borough Council's Contract Standing Orders.

5. Tax Avoidance

- 5.1 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system. In a few circumstances where it is more appropriate to engage people on a self-employed basis, the Council will utilise the procurement policy and follow guidelines to ensure that the correct employment status is identified before being engaged.

6. Review

- 6.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2018/19 and will be submitted to Full Council for approval by 31 March 2018.
- 6.2 If it should be necessary to amend this 2017/18 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

GYBC PAY STRUCTURE - 2016/17

Spinal Column Point	Annual FT Rate April 2016	Pay Bands		Break Points	2016 Hourly Rate
4		not used			
5		not used			
6	£14,514	Band 1		Band 1	£7.5230
7	£14,615	Band 1		Up to 222 points	£7.5753
8	£14,771	Band 1			£7.6562
9	£14,975	Band 1			£7.7619
10	£15,238	Band 1	Band 2	Band 2	£7.8983
11	£15,507		Band 2	223 to 279 points	£8.0377
12	£15,823		Band 2		£8.2015
13	£16,191		Band 2		£8.3922
14	£16,481	Band 3	Band 2	Band 3	£8.5425
15	£16,772	Band 3		280 to 321 points	£8.6934
16	£17,169	Band 3			£8.8991
17	£17,547	Band 3			£9.0951
18	£17,891	Band 3	Band 4	Band 4	£9.2734
19	£18,560		Band 4	322 to 363 points	£9.6201
20	£19,238		Band 4		£9.9716
21	£19,939		Band 4		£10.3349
22	£20,456	Band 5	Band 4	Band 5	£10.6029
23	£21,057	Band 5		364 to 417 points	£10.9144
24	£21,745	Band 5			£11.2710
25	£22,434	Band 5			£11.6281
26	£23,166	Band 5			£12.0076
27	£23,935		Band 6	Band 6	£12.4061
28	£24,717		Band 6	418 to 471 points	£12.8115
29	£25,694		Band 6		£13.3179
30	£26,556		Band 6		£13.7647
31	£27,394		Band 6		£14.1990
32	£28,203	Band 7		Band 7	£14.6184
33	£29,033	Band 7		472 to 527 points	£15.0486
34	£29,854	Band 7			£15.4741
35	£30,480	Band 7			£15.7986
36	£31,288	Band 7			£16.2174
37	£32,164		Band 8	Band 8	£16.6715
38	£33,106		Band 8	528 to 577 points	£17.1597
39	£34,196		Band 8		£17.7247
40	£35,093		Band 8		£18.1896
41	£36,019		Band 8		£18.6696
42	£36,937	Band 9		Band 9	£19.1454
43	£37,858	Band 9		578 to 632 points	£19.6228
44	£38,789	Band 9			£20.1054
45	£39,660	Band 9			£20.5568
46	£40,619	Band 9			£21.0539
47	£41,551		Band 10	Band 10	£21.5370
48	£42,474		Band 10	633 points and above	£22.0154
49	£43,387		Band 10		£22.4886
50	£44,187		Band 10		£22.9033
51	£45,031		Band 10		£23.3408